

# ANNUAL REPORT 2021

Annual Registration Statement / Annual Report

Form 56-1 One Report



**บริษัท สหยูเนียน จำกัด (มหาชน)**  
**SAHA-UNION PUBLIC CO.,LTD.**

และบริษัทในกลุ่ม • And Group Companies



## VISION

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



## MISSIONS

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



## GOAL

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



## STRATEGY

To invest in the businesses with appropriate returns by taking into account the risks potential and the situation that may change in the future.



# Contents



<b>3</b>	<b>Major Financial Information and Ratio</b>	
<b>4</b>	<b>Message from the Board of Directors</b>	
<b>6</b>	<b>Board of Directors</b>	
<b>8</b>	<b>Part 1 Business Operations and Performance</b>	
<b>13</b>	<b>1. Structure and Operations of the Group</b>	
	1.1 Policy and Business Overview .....	13
	1.2 Nature of Business .....	14
	A. Manufacturing and Service Industry .....	16
	1. Plastics, Rubber, and Metal Businesses .....	16
	2. Trading Business .....	23
	3. Energy Business .....	28
	4. Chemical Business .....	31
	5. Hotel Business .....	33
	6. Hospital Business .....	37
	7. Textile Business .....	39
	B. Investment Group and Others .....	39
	1.3 Shareholding Structure of Group Companies .....	40
	1.4 Registered Capital and Paid-up Capital .....	40
<b>41</b>	<b>2. Risk Management</b>	
	2.1 Risk Management Policies and Measures .....	41
	2.2 Risk Factors for the Company's Business Engagement .....	41
	2.2.1 Current risk for business engagement of the Company's or Group Companies, including potentially emerging risk in 3 - 5 years' time .....	41
	2.2.2 Risk of shareholders' securities .....	44
	2.2.3 Risk of investing in foreign securities (in case the issuer is a foreign company) ..	44
<b>45</b>	<b>3. Driving Business for Sustainability</b>	
	3.1 Sustainability Policy and Management .....	45
	3.2 Managing Impact on Stakeholders in the Business Value Chain .....	47
	3.3 Sustainability Management in Environmental Dimensions .....	49
	3.4 Sustainability Management in Social Dimensions ..	51
<b>55</b>	<b>4. Management Discussion and Analysis</b>	
	4.1 Overview of Business Operations and Significant Changes .....	55
	4.2 Result of Operations and Profitability .....	56
	4.3 Financial Position and Asset Management Capability .....	60
	4.4 Liquidity and Adequacy of the Company's Capital ..	61
	4.5 Contractual Obligations and Off-Balance Sheet Arrangements .....	63
	4.6 Factors or Events Affecting the Financial Position or Operations in the Forward Looking .....	64
	4.7 More Information about Financial Statement Conversion .....	64
<b>65</b>	<b>5. General and Other Important Information</b>	
<b>66</b>	<b>Part 2 Corporate Governance</b>	
<b>67</b>	<b>6. Corporate Governance Policy</b>	
	6.1 Corporate Governance Policy .....	67
	6.2 Business Ethics or Code of Conduct .....	82
	6.3 Key Governance Policy Changes, Practice and System during the Past Year .....	82
	6.4 Other Practices according to the Good Corporate Governance Principles .....	82
<b>83</b>	<b>7. Corporate Governance Structure and Information about Board of Directors, Sub-Committee, Executives, Employees and Other Issues</b>	
<b>94</b>	<b>8. Major Development regarding Corporate Governance</b>	
<b>106</b>	<b>9. Internal Control and Related Parties</b>	
<b>111</b>	<b>Part 3 Board of Directors' Responsibility for the Financial Report, Independent Auditor's Report and Consolidated Financial Statements</b>	
<b>198</b>	<b>Part 4 Certify Correct Information</b>	
<b>201</b>	<b>Attachment</b>	
	Attachment 1 Details of Directors, Executives, the highest responsibility person in the line of Accounting and Finance .....	202
	Attachment 2 Subsidiaries' Directors .....	219
	Attachment 3 Internal Audit Officer .....	223
	Attachment 4 Assets used in Operation and details of property appraisal .....	224
	Attachment 5 CG Index .....	229
	Attachment 6 Audit Committee's Report .....	231
	Attachment 7 Report of Nomination and Remuneration Committee .....	232
	Attachment 8 Training Information of the Board of Directors .....	233
	Attachment 9 Other information .....	234
	9.1 Company's Direct Investment (in Group Companies) .....	234
	9.2 Revenue Structure of the Company and its Subsidiaries .....	236
	9.3 Investment Proportion .....	237
	9.4 Juristic person invested by SUC more than 10% ...	239
	9.5 Comparative of 3-year business results .....	243
	9.6 Financial Ratio .....	250
	9.7 Related Transactions with Related Parties in 2021 .....	251
	9.8 Independent Auditor's Report of the year 2020 and 2019 .....	253



# Major Financial Information and Ratio



(Unit : Million Baht)

## Saha-Union Public Company Limited and its subsidiaries

	2021	2020	2019
Total revenues	9,408	9,979	11,268
Sales and service income	8,357	8,728	10,151
Gross profit	787	992	1,370
Profit for equity holders of the Company	601	845	1,112
Total assets	26,478	25,717	25,204
Total liabilities	2,554	2,885	3,129
Total shareholders' equity	23,924	22,832	22,075
Earning ratio (%)	6.39%	8.47%	9.87%
Earnings per share (Baht)	2.07	2.91	3.83
Book value per share (Baht)	75.95	72.46	69.97
Net tangible assets per share (Baht)	73.72	70.32	67.88
Return on assets (%)	2.30%	3.32%	4.35%
Return on equity (%)	2.79%	4.09%	5.45%
Debt-to-equity ratio (Times)	0.11	0.13	0.14

## Saha-Union Public Company Limited

	2021	2020	2019
Total revenues	1,458	1,605	1,898
Sales and service income	647	576	929
Gross profit	28	10	10
Profit for equity holders of the Company	685	823	839
Earnings per share (Baht)	2.28	2.74	2.80
Dividend per share (Baht)	1.50	1.50	1.50
Book value per share (Baht)	53.64	53.27	51.66





# Message from the Board of Directors



Throughout 2021, the entire world continued to struggle against the epidemic of the Novel Coronavirus Disease 2019 (COVID-19). Even though governments are now more experienced in dealing with it and have vaccines readily available, the distribution of vaccines in several countries are still inadequate. With rapid mutation of the new variants that make the disease spread even faster, the risk of the periodical reoccurrence is constantly imminent. This inevitably posed a persisting threat to the Company's business engagement in 2022, especially for its hotel business, which is significantly dependent on tourism, thus greater damage when traveling is rendered impossible. In addition to the epidemic, there were other factors that adversely affected the Company's business during the past year and need to be monitored closely, including the increased prices of crude oil and natural gas that added to our production and logistic cost, narrowing our profit margins. Increasing product prices in response to the higher cost could also affect sale volume. Disruption in supply chains has slowed on the global production sector. Many automobile manufacturers have to temporarily halt their production due to semiconductor shortage. Container shortage affected the exports, causing more shipping cost and longer delivery time. The climate change situation requires governments to collaborate at the international level. Various tools and benchmarks have been quickly and extensively introduced to tackle this global problem. This may result in increased cost of operation as failure to comply with the new standard means inability to trade with foreign countries, especially members of the European Union.

An important event took place on October 21, 2021, when the Board of Directors of Saha-Union Public Company Limited (SUC) approved to make a tender offer for common and preferred shares of Union Textile Industry Public Company Limited (UT), in the part that is not held by the Company to voluntarily delist UT's common stock from the Stock Exchange of Thailand (SET) due to the fact that UT, a subsidiary of SUC, has ceased its operation in its main business of textiles and is currently in the process of seeking new businesses. Without the income from the textile business, and there is no core business to continue its operation, UT's common stock is subject to delisting in the event that there is a cessation of all or almost all of its businesses. Thus, on December 27, 2021, SUC submitted a tender offer for UT's securities so as to voluntarily delist UT's common stock from SET.

Throughout 2021, the Saha-Union Group has been cautious, closely monitoring the situation and market conditions, as well as assessing risks from various environmental factors potentially affecting its business operations. Action plans have been reviewed, strategies adjusted, proactive and passive measures are implemented accordingly to maintain sales, profits, and competitiveness. Improvement and development of the production process have been performed by focusing on 3 main components: employee skill development, efficient production process and use of manpower, and production cost control. The Company has invested in technical improvement and development regarding raw materials, production process, and products. New products have been constantly co-developed with partners and customers to create mutual business value and ensure optimal satisfaction for customers in all aspects of products and services.

Financial position and operating performance in 2021 of Saha-Union Public Company Limited, according to the separate financial statements, shows that the Company has assets worth THB 16,750.72 million, an increase of 98.22 million baht compared to the previous year, a liability of THB 658.04 million, a decrease of 12.31 million baht compared to the previous year, a net profit of THB 684.75 million, representing a net profit per share of 2.28 baht. In the consolidated financial statements, total assets of THB 26,478.33 million, an increase of THB 761.41 million compared to the previous year, total liabilities of THB 2,554.67 million, a decrease of THB 330.06 million compared to the previous year, with a net profit attributable to shareholders of the Company THB 601.25 million, representing a net profit per share of 2.07 baht.

Throughout years of experience, the Board of Directors have been aware of the importance in engaging the Company's businesses with the concept of sustainable development, directing a wide variety of businesses to thrive, delivering positive economic performance along with creating benefits and value for all groups of stakeholders, to mutually grow and gain. In other words, the Company manages its businesses in accordance with the principles of good corporate governance, under the Company's core values "INTEGRITY, QUALITY, SERVICE". The Company has concrete intentions, policies, and guidelines against corruption in all forms.

The Board of Directors is committed to successfully conducting business according to the strategic plan, strengthening and expanding the businesses according to the vision and mission with both short-term and long-term goals, bearing in mind the social and environmental responsibilities throughout the supply chain as follows:

- To maintain its leadership in investment sector.
- To encourage the growth of group businesses, increasing the overall capability to generate profits by constantly expanding the businesses and securely sustaining its cash flow.
- To optimize its business operations and manage costs for maximum benefits to achieve the goals.
- To operate its businesses with the aim of creating long-term sustainable growth along with creating benefits and engagement of all groups of stakeholders, including the country, the society, communities, customers, business partners, employees, and shareholders.

Saha-Union Group supports and promotes social and community assistance projects as appropriate every year and has been certified for various international standards such as Quality System Standards, the Environmental, Occupational Health and Safety Management System Standards. With the concept of sustainable development, the Company has been selected by Thaipat Institute to be among the top 100 listed companies with outstanding performance in environmental, social and governance aspects (ESG) in 2015, 2018, 2019, 2020 and 2021, as well as receiving the assessment result of corporate governance from the Thai Institute of Directors Association at the level of "Very good".

For 2022, the overall economy seems to remain fragile and highly uncertain. Saha-Union is ready to continue to develop its existing businesses and seek opportunities to expand investments in new businesses with a potential to generate income and provide appropriate return on investment.

On behalf of the Board of Directors, I would like to thank the shareholders, co-investors, business partners, customers, business alliances, and all related parties who have confidence and trust in the Company and have been supporting the operations of the Company and the group companies all along. At the same time, I would like to thank the Management and employees at all levels who work together as the driving force for all success. You can rest assured that Saha-Union will strive to manage its businesses with its fullest abilities and adhering to business operations in accordance with the concept of sustainable development under the principles of good corporate governance to create a perfect balance between its business growth, participation in social development, and environmental care.

On behalf of the Board of Directors



(Miss Dalad Sapthavichaikul)

Chairman

18 March 2022





# Board of Directors



**Miss Dalad Sapthavichaikul**  
Chairman /  
Chairman of Investment Committee



**Mr. Chutindhon Darakananda**  
Vice-Chairman /  
Nomination and Remuneration Director /  
Investment Director



**Assoc. Prof. Suttima Jamnarnwej**  
Independent Director /  
Chairman of the Audit Committee



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



**Mr. Pittawat Prertitumrong**  
Independent Director



**Mr. Anon Sirisaengtaksin**  
Independent Director / Audit Director /  
Nomination and Remuneration Director



**Mr. Chai Jangsirikul**  
Audit Director /  
Independent Director





**Mrs. Chantorntree Darakananda**  
President / Chairman of Risk Management Committee /  
Investment Director



**Mr. Preecha Shunhavanich**  
Vice President /  
Risk Management Director



**Mr. Supakit Paungbua**  
Director



**Mrs. Pinijporn Darakananda Kasemsap**  
Director /  
Investment Director



**Mr. Bovornrat Darakananda**  
Director /  
Investment Director



**Mr. Vacharaphong Darakananda**  
Director / Risk Management Director /  
Investment Director



**Mr. Nanthiya Darakananda**  
Director



**Mr. Nithiphan Darakananda**  
Director



# 1

Part

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## Business Operations and Performance

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## Plastic Rubber and Metal Business





## Trading Business



## Energy Business





## Hospital Business



Ruamjai Hospital



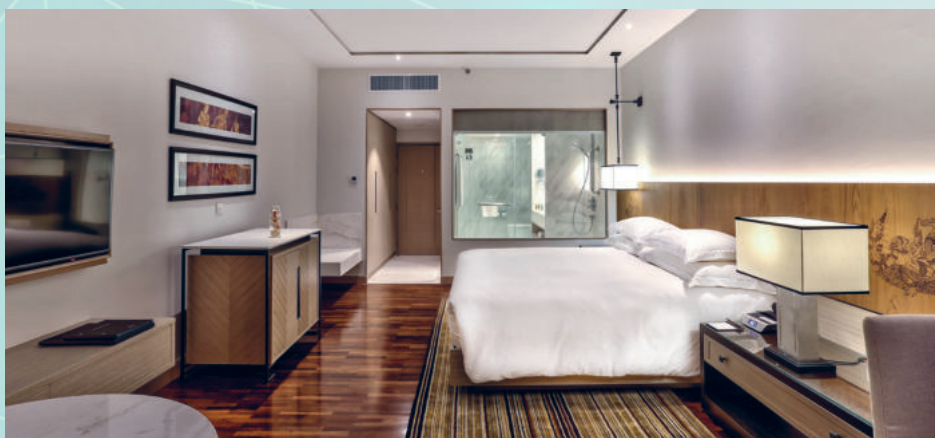
Navavej International Hospital

## Chemical Business





## Hotel Business



## Textiles Business





# 1. Structure and Operations of the Group



## 1.1 Policy and Business Overview

Saha-Union Public Company Limited is located at 1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok. It was established in 1972 with a registered capital of 30 million baht and later increased its registered capital to 90 million baht and has been listed on the Stock Exchange of Thailand since 1975. After that, there have been several capital increases. Currently, it has a registered and paid-up capital of 3,000 million baht, which is divided into 300 million ordinary shares with a par value of 10 baht per share. The Company invests in many businesses such as plastics, rubber, metals, energy, trading, hotel, hospitals, and textiles — also; other businesses in China include energy, chemical, etc. Over time, the changes in the economic situation and intensifying of trade competition causes the Company to have a policy of being an investment and trading company. It provides management advice and services, managing finances, and selling products of the group's companies. It is divided into 24 subsidiaries, 8 joint venture companies, 29 associated companies, and 3 related companies, as detailed below and in the notes to the financial statements No. 12, No. 13, and No. 14.

### Investment Policy in Subsidiaries, Joint Ventures, and Associated Companies

The Company's investment policy is divided into domestic investment and foreign investment. Most of the investments in the country are investments in businesses related to the Company's business, mainly in the manufacturing industry. There is also an investment in the energy business by generating independent power producer (IPP) for the Electricity Generating Authority of Thailand and expanding into the service sector, there are the hotel business and the hospital business. In terms of foreign investment, most of them focus on investments in the People's Republic of China in the power business and expanding to textile businesses and related manufacturing industries such as automobile carpet factories or other industrial groups, that's the chemical plant. The proportion of investments in subsidiaries, joint ventures, and associates is not defined as the standard number of investments per total asset. But the Company takes into account the capacity and looks mainly at liquidity. If the investment is expanded, the Company has the policy to invest in projects that are long-term investments taking into account the appropriate return by looking at the business benefits that will be derived from that investment. Principles for considering the suitability of the investment project, the Company pays attention to the project pros and cons and how it effects on the Company together with the Company's strength by considering various factors and limitations.

In terms of management policy, it is divided into subsidiaries, joint ventures, and associates. If it is a subsidiary, the Company monitors the operating results and meeting together to solve operational problems (if any) for appropriately efficient management. There is the Company's internal audit policy to perform an audit covering the supervision the use of the subsidiary's assets and look at related conflicts of interest that may arise (if any). As for the joint venture company and associated company, the Company has to monitor the operating results and be aware of the events. Also, participation in giving recommendations to the board of directors of the joint venture company as a collective management company and the associate as an investor to consider taking appropriate action. In addition, the Company has a policy for companies that the Company has invested in a significant proportion to submit a self-assessment. Regarding the internal control system and risk management of that company, the Company's Internal Audit Office shall examine, evaluate the information and continue to take relevant actions with due regard for the interests of shareholders and related parties.

### 1.1.1 The Board of Directors has set a vision, mission, goals, and strategy as follows:

#### VISION

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

#### MISSION

- To develop the growth and stability of existing business;



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

## GOAL

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

## STRATEGY

To invest in the businesses with appropriate returns by taking into account the risk potential in accordance with the strategies to meet the situation may change in the future.

### 1.1.2 Major changes and developments

In 2021 and during the past three years, the Company has not significantly changed the structure or nature of its business. Except for the cessation of Union Textile Industries Public Company Limited (subsidiary company) is the leading company in the textile business. It is due to the continuous operating losses from the intense competition of the textile business, the recession of Europe, the primary customer of this business, and the epidemic situation of the coronavirus 2019, affecting Thailand and various countries around the world with expecting to continue and not improve shortly. The management of Union Textile Industries Public Company Limited considers that if the Company continues to operate the textile business, it will be high risk and could damaging the shareholders. Currently, it is recruiting new businesses and delisting ordinary shares from being listed on the Stock Exchange of Thailand.

In addition, during the year, additional investments are disclosed through the channels of the Stock Exchange of Thailand.

Attachment 9.4 shows the juristic person in which the Company's shareholding exceed 10% of the total number of shares sold of that juristic person, with their name, location of the head office, type of business, telephone, fax, amount, and type of all outstanding shares of that entity.

### 1.1.3 Group shareholding structure

Attachment 9.3 shows the Company's shareholding structure, divided according to the types of business groups, with information on shareholding proportions, investments, and other related matters.

### 1.1.4 Relationship with the business group of the major shareholder

The companies in the group are divided into subsidiaries, joint venture companies, and associate companies. The business operations are divided according to product lines or business types. Some companies may have significant shareholders holding shares in the form of juristic persons. The related transactions are arm's length basis without competition and had no conflict of interest in every juristic person's business transactions to operate for the best interests of that organization mainly. The related transactions in 2021 are shown in Item 9 on Internal Control and Related Transactions and Attachment No. 9.7.

## 1.2 Nature of business

### 1.2.1 Revenue structure

The Company has a revenue structure by product line. More than one group shows the information on income from each business group, both domestically and internationally. The information on each segment's operating results was shown in Note 31 to the financial statements regarding operating sections.

# Revenue structure from sales and services of the Company and its subsidiaries

(Unit : Million Baht)

Section	Consolidated financial statements													
	Export						Local						Total	
	2021	%	2020	%	2019	%	2021	%	2020	%	2019	%	2021	%
Textile business	111	1.18	386	3.87	501	4.45	116	1.23	136	1.36	411	3.65	227	2.41
Plastics, rubber, and metal business	2,681	28.50	2,755	27.61	3,329	29.54	1,420	15.09	1,320	13.23	1,601	14.21	4,101	43.59
Trading business	21	0.22	30	0.30	23	0.20	2,379	25.29	3,014	30.20	2,836	25.17	2,400	25.51
Energy business	1,850	19.66	1,211	12.14	1,585	14.07	-	-	-	-	-	-	1,850	19.66
Hotel business	-	-	-	-	-	-	142	1.51	227	2.27	523	4.64	142	1.51
Investment businesses and others	3	0.03	3	0.03	5	0.04	35	0.37	36	0.36	43	0.38	38	0.40
Total	4,666	49.60	4,385	43.94	5,443	48.30	4,092	43.49	4,733	47.43	5,414	48.05	8,758	93.09
(Less) Related transaction	-	-	-	-	-	-	(401)	(4.26)	(390)	(3.91)	(706)	(6.27)	(401)	(4.26)
Sales and service income – net	4,666	49.60	4,385	43.94	5,443	48.30	3,691	39.23	4,343	43.52	4,708	41.78	8,357	88.83
Dividend income													271	2.88
Rental income													45	0.48
Interest income													17	0.18
Other income													243	2.58
Shares of profit from investments in joint ventures													442	4.70
Share of profit (loss) from investment in associated company													33	0.35
Total revenues													9,408	100.00





## 1.2.2 Product information

The Company is mainly engaged in the investment business and sells some company products in certain groups, such as adhesive tapes. The company in the group that operates the main business includes plastics, rubber, metal, computers, hotels, hospitals, and textiles. In addition, there are investments in energy businesses both domestically and internationally, investments in chemical businesses, automotive carpet factories, real estate, and others in the People's Republic of China. The Company has not significantly changed its shareholding structure, management, or business operations in the past year. The information appears as detailed in the section "Corporate Governance Structure".

In addition, information about the business operations of the Company, its subsidiaries, joint ventures, and associated companies that are currently operating and their shareholding ratios are shown in the notes to the 2021 financial statements, No. 2, No. 12, No. 13, and No. 14.

**Business operations** are divided by product lines or core business groups such as manufacturing and service industries, investment groups, etc.

## A. Manufacturing and Service Industry

### 1. Plastics, Rubber, and Metal Businesses

#### 1.1 Major companies in the plastics manufacturing industry

**1.1.1 Characteristics of products or services** classified by type of Original Equipment Manufacturer (OEM) are as follows:

1. **Plastic parts** consist of automotive parts, electrical appliances parts, household products parts, stainless steel bottle parts, etc.
2. **Plastic injection mold** to support the production of plastic parts. It consists of molds for automotive parts, molds for electrical appliances parts, and other molds by OEM.
3. **Plastic spraying work** for plastic parts. It is mainly automotive parts that require beauty, both quick-drying and slow drying.

#### 1.1.2 Marketing and Competition

##### 1.1.2.1 Policy and marketing nature of the product or essential services

###### **Competitive Strategy**

The Company focuses on creating customer satisfaction in terms of product and service quality, taking responsibility for stakeholders, and enhancing the organization's potential to meet market demands.

**Customer characteristics:** It includes companies or industrial factories that use parts to assemble cars, motorcycles, electrical appliances, and other industries such as household appliances, stainless steel bottle parts, furniture, and office equipment.

**Target customers:** It includes companies or factories that produce cars, motorcycles, electrical appliances, and other industries which are known internationally.

**Distribution and distribution channels:** The Company is an OEM and sells directly to customers. Most of these customers have production bases in the country. Only a small percentage are abroad. In 2021, foreign sales were 0.16%, while domestic sales were 99.84%.

The Company exports a small portion of its products to Asia and South America countries.

The Company does not rely on any one customer for more than 30% of total revenue.

##### 1.1.2.2 Competitive environment

###### **Competition Conditions within the Industry**

In 2021, the automobile and motorcycle industry's plastic parts manufacturing industry continued to compete fiercely and continuously both nationally and regionally. Because each manufacturer still has the remaining capacity. With the push for regional competition among automotive customers, the competition in price, quality, and delivery has intensified. As

a result, the Company has to invest more to improve the production process to better keep up with the needs and expectations of customers. While mold makers from foreign countries such as China, Indonesia, Vietnam, etc., have become more competitive, causing the mold price to drop considerably, which has a significant impact on the Company.

At present, the Company has main competitors categorized by business groups as follows:

- Automobile Industry: There are approximately 15 main competitors, the same as last year.
- Motorcycle Industry: There are 15 main competitors, the same as last year.
- Electrical Appliances Industry: There are 15 main competitors, the same as last year.
- Other Industry Sectors: There are 16 main competitors.

#### **Industry Trends and Future Competitive Conditions**

In 2022, sales in the automotive industry are expected to increase slightly as the country's economy has begun to recover from economic stimulus measures and assistance to those affected by the coronavirus disease 2019 (COVID-19) epidemic. In addition, it has released cars with new technology to attract buyers, including organizing sales promotions of car dealers, which is a factor that contributes to the increase in car sales.

For this reason, it is expected that the production of automobiles and motorcycles will increase slightly and affect the plastic injection molding industry as a whole. Competitive conditions remain competitive in price, product development, quality, and delivery. Due to the policy of the customer group, manufacturers want to reduce production costs but increase the quality of their products to satisfy consumers.

### **1.1.3 Providing products or services**

Providing products for sale, the Company has two plastic manufacturing factories located at:

1. No. 11/1 Soi Serithai 62, Minburi Subdistrict, Minburi District, Bangkok 10510
2. No. 99/8 Moo 5, Bangna-Trad Road (Km. 38), Bang Samak Subdistrict, Bang Pakong District, Chachoengsao Province 24180

#### **1.1.3.1 The volume of production by the number of machines:**

	<b>2021</b>	<b>2020*</b>	<b>2019</b>
Full production capacity (tons)	6,500	7,000	7,000
Actual production volume (tons)	3,450	2,870	3,930
Capacity utilization %	53.08	41	56.14
Rate of increase (decrease) of production volume %	13.08	(15.14)	(4.15)

Number of Shifts: The production capacity is three shifts, actual production is three shifts.

\* **Remark:** Adjust the production volume to suit the situation of COVID-19.

**Significant Production Policies:** The Company has a policy to meet customer requirements in terms of quality, price, delivery, and various technical requirements requested by the customer, such as the inspection of multiple contaminants present in raw materials to ensure that the parts produced will not have a negative effect on the consumer.

#### **Sourcing of raw materials and suppliers:**

The critical raw material is plastic pellets, which other materials cannot replace. The sources of raw materials are purchased locally. However, the change in technology does not affect raw materials.

#### **Problems with the use of raw materials:**

A significant problem that will affect raw materials is the oil price, which is a factor that may cause changes in the price of plastic pellets, which are the primary raw materials.

#### **Raw material suppliers and the proportion of domestic and international purchasing:**

The purchasing proportion of domestic raw materials is 100% by ordering from multiple suppliers. The Company **does not rely on purchasing raw materials from any supplier** for more than 30% of the total purchase value of raw materials.

#### **1.1.3.2 Impact on the environment**

The Company has applied for permission in the case of using waste or residual materials following the notification of the Ministry of Industry on the disposal of waste or unused materials and the notification of the Department of Industrial Works on rules and procedures for handling sewage or unused materials. It shall get permission before taking it outside the factory before disposing of it.



In conclusion, the environmental impact has been carried out in practice in the past three years, strictly by the law.

**Environmental Disputes or Litigation:** - None -

#### 1.1.4 Undelivered Work

At the end of 2021, the Company has no work that has not yet been delivered.

For other details, interested parties can learn more from Union Plastics Public Company Limited's website at [www.up.co.th](http://www.up.co.th)

## 1.2 Main Company: Rubber Industry Factory

### 1.2.1 Characteristics of rubber products

The Company's products include Rubber Thread and Rubber Tape, Elastic Braid, Elastic Webbing, Crochet, Covering Yarn, Stretch Fabric, Elastic Bandage, and Back support belt, Esmark Bandage, Blood Drawing Bandage, and Exercise/Therapy Band under the trademark "VENUS."

The Company's products are mainly used as raw materials for other products such as the baby and adult diaper industry, garment and textile industry, the medical device industry, or other applications according to the customer's business type.

**The Company's products are characterized as follows:**

1. **The elastic bands for the adjustable disposable diapers** in this group are rubber threads used in the manufacture of disposable diapers by transforming from block rubber which has both natural rubber and synthetic rubber. The Company can produce according to the size and produce rubber thread of various sizes according to customer requirements as a leg edge and waistband in both disposable diapers for children and adults.

2. **The elastic bands for clothing and elastic textiles** in this group are Rubber Tape, Elastic Braid, Elastic Webbing & Crochet, and Covering Yarn. Elastic band in this group is mainly used as a component of ready-made garments, such as the leg and waistband of the panties, the edge of the swimsuit, etc.

3. **The elastic band for medical devices** in this group is:

**Elastic Bandage** is used to prevent and treat sprains caused by everyday activities and other recreational activities. It is widely used in both medical and sports circles.

**A Back Support Belt** is used to prevent and treat back pain caused by work and activities in daily life. There are both heavy-duty industrial and general-purpose models.

**Esmarch Bandage** is used to stop bleeding in minor surgery on the hands and feet.

**Tourniquet band** is used to hold the arm to collect blood for laboratory testing or to donate blood and stop bleeding in the event of accidents in everyday life.

**Conforming Bandage** is used to bandage wounds in various parts of the body.

4. **Exercise Bands** are used to exercise and physical therapy for the sick and the elderly. There are different levels of resistance to allow for different exercise levels. Elastic workouts are convenient as they don't take up a lot of space and are portable. So users can exercise whenever and wherever they want.

5. **Elastic band for making cloth masks, and the hygienic mask** is used as a strap to attach to the ear or head. The Company can produce both Rubber Braid and Webbing according to customers' requirements.

The Company has been certified OEKO-TEX STANDARD 100, Quality Management System ISO 9001, Environmental Management System ISO 14001, Medical Device Industry Quality Management System ISO 13485, and the standards of the Food and Drug Administration (FDA) of Thailand and the United States (FDA).

The Company does not have any critical factors that affect the opportunity to do business.

## 1.2.2 Marketing and Competition

### 1.2.2.1 Marketing of important products or services in the past year

**Garment Industry Customers:** In 2021, the domestic and international epidemic situation will improve. The number of infected people has decreased significantly. Each country's government hastened to procure and encourage people to get vaccinated. As a result, the United States and many European countries can reopen the country. Shops, restaurants, and department stores are back to open as usual. People can go back to their daily lives again, causing the garment industry customers to start recovering by the end of 2020.

**Medical equipment, disposable diapers, and exercise equipment customers:** affected, but not as much as the ready-to-wear segment.

**Elastic band for making cloth masks and the hygienic mask:** Due to the shortage of masks in 2020, there will be a large increase in the production of masks from both existing and new entrepreneurs, both large and small causing the supply to be more than the market demand. It resulted in an oversupply of products, causing many entrepreneurs to stop production and terminate production, affecting sales of the elastic used for the production of masks. However, if the epidemic situation of COVID-19 continues, it is expected that the demand for masks will still be needed, especially for medical use, protection against PM2.5 dust, allergy sufferers, etc. But the overall market is expected to decline and return to normal levels before the epidemic situation.

### Competitive Strategy

The key competitive strategies in 2021 are a timely adaptation to immediate events with flexibility to increase/decrease production capacity to keep up with customer demand. It is due to the high volatility of the global market that the expansion of the customer base to different regions increases. However, the service, quality of products, and on-time delivery, prompt and accurate response to customer needs remains a critical factor of the Company. In addition, doing business concerning sustainability issues will be an essential competitive strategy for the organization in the future.

### Customer Characteristics

The Company's main customer groups: Most are manufacturers and brand owners, producing disposable diapers, underwear, and swimwear. Most of them are long-standing customers and have a good relationships.

### Target customers

- Group of manufacturers and brand owners in the segment of disposable diapers, underwear, and swimwear;
- Group of OEM: The Company produces products that are customers' brands;
- Group of small factories and consumers: The Company sells through domestic and international wholesalers;
- Group of tool and medical equipment companies;
- Group of manufacturers of cloth masks and the hygienic masks.

### Sales and distribution channels

The Company will produce and sell directly to factories that have sufficient potential to order by themselves and distribute through retail and wholesale distributors for customers who do not want to order in large quantities.

The Company exports products to the Americas, Europe, and Asian countries.

The Company does not rely on any customer for more than 30% of total revenue.

### 1.2.2.2 Competitive Environment

#### Industry trends and future competitive conditions

Due to the epidemic situation of coronavirus disease 2019 with the Omicron variant in late 2021, the number of infected people has increased rapidly in many countries in Europe, the United States, and Asia. As a result, many countries in Europe have announced lockdown again, resulting in high uncertainties in the global economy. Coupled with natural disasters in many countries, rising oil prices, and global inflation, these have led to higher commodity prices. As a result of the slowdown in consumption, operators still have to bear the cost increases while not being able to adjust the prices according to the total cost increase. Also, the purchasing power of consumers is still below normal conditions, and operators have to find the ways to reduce costs to maintain competitiveness to achieve as the target.





### 1.2.3 Supply of products or services

#### 1.2.3.1 Characteristics of the supply of products for sale in the past year

The Company has five factories located in Bang Chan Industrial Estate, two at Bang Pakong, and one warehouse in Trat.

**Production volume:** 3 years ago are as follows:

<u>Actual production volume</u>	<u>unit</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Rubber threads, Rubber tapes, Rubber bands	thousand kilograms	3,378	3,882	2,955

**A vital production policy** is to produce quality products for sale following the specified standards and production according to customer orders.

#### **Procurement of raw materials and suppliers**

**The primary raw material used in production** is natural rubber. The Company purchases raw materials from the group companies, with sources of raw materials in Chanthaburi and Trat provinces and some external sources. It is to control the quality of raw materials and avoid any impact on product quality. Synthetic rubber is imported from abroad.

The Company is strict on the quality of rubber, which is the primary raw material used in the production process. There are regular quality checks to ensure that the raw materials used in production are of good quality, cooperate with vendors to develop, and constantly improve the quality of raw materials to meet customers' needs.

**The shortage of raw materials** is not expected to rise quickly because the Company uses raw materials produced locally and in many provinces. Thailand has expanded rubber plantation areas in many regions to meet the increasing demand for rubber.

Although the price of rubber fluctuates according to market conditions, it does not affect the shortage of rubber in Thailand. However, to prevent the risk, the Company has sufficient reserves of para rubber according to the production plan.

**The effect of technology change on the use of raw materials** for the production technology using elastic as a raw material for clothing and textile production has not been a remarkable change as an innovation. The Company expects that there will be no changes in technology in the near future. Therefore, there is no problem with using raw materials.

The ratio of purchasing raw materials in the country 77.5%.

The ratio of purchasing foreign raw materials 22.5%.

The company does not rely on any raw material supplier outside the Group for more than 30% of the total raw material purchases.

#### 1.2.3.2 Impact on the environment

The Company has taken steps to reduce its impact on the environment by establishing an environmental management standard system ISO14001:2015 to control activities that may impact the environment. The Company has a system to control and operate wastewater treatment according to relevant standards and regulations using Activated Sludge Aerator and Dissolved Oxygen systems. Also, the management of production processes, air quality measurement, and environmental control are critical systems. In addition, there is a system for disposing of sewage and unused materials, sorting out hazardous and non-hazardous waste by a company authorized by the Ministry of Industry. Also, there was participation in the noise pollution control project with Nopparat Hospital. (Nopparat Model).

In the year 2021, there will be many activities on energy conservation by reducing the waste of natural resources and educating employees to create awareness of energy conservation.

The actual results of the past three years are in accordance with the law.

	2021	2020	2019	(Unit : Million Baht)
Cost of operations to reduce environmental impact	1.54	2.48	2.09	

The Company has no disputes or litigation regarding environmental matters.

#### 1.2.4 Undelivered work: - None -

Other details, interested parties can learn more information from Union Pioneer Public Company Limited's website

at [www.upf.co.th](http://www.upf.co.th)

## 1.3 Metal industrial plants

### 1.3.1 Overview of business operations

The Company has 2 subsidiaries that operates the manufacturing and sells stainless steel products as follows:

1. The leading company operating the manufacturing and selling of Tumbler and Stainless Steel Vacuum Bottle under “Zojirushi” brandname with vacuum production technology from Japan.

#### **Significant changes and developments**

The Company moved all offices and production bases to the Bangpakong factory, Chachoengsao Province, for ease of management of various resources, including expanding production capacity in the future.

#### **Business innovation development or research and development policy**

The Company develops products to meet the needs of the target group. It focuses on improving the performance of temperature storage to be equal to or greater than competitors. Also, it reduces the number of parts used in assembly for ease of use both before and after cleaning the product. In addition, it focuses on product design that enhances the image of users and meets the diverse needs of customers.

2. The leading company operating the manufacturing of stainless steel household products such as clothes drying racks and shelves under the “Gotetsu” brand and includes contract manufacturing of stainless steel products for various brands (OEMs).

### 1.3.2 Nature of business

The products of these two companies include a range of stainless steel bottles, tumblers, and food or lunch jars that can be used for hot or cold temperatures, and stainless steel household products such as drying racks shelves.

In addition, there is also a service to screen the customer's company logo on the product for use as a premium product for various festivals as a gift according to the customer's production order and after-sales spare parts service.

The product's highlight in the part of the stainless steel bottle, tumbler, and food and lunch jars shall focus on ensuring consumers' health safety by using raw materials in the food grade industry. The products are of excellent quality and are recognized worldwide. The parts of household appliances made of stainless steel have unique features: lightweight, easy to assemble, beautiful, strong, and mobility.

#### **Marketing and Competition**

##### **1.3.2.1 Marketing a key product or service in the past year**

The Company continues to strive to develop in terms of style (Design) and colors of products to meet the diverse needs of customers.

#### **Competitive Strategy**

The leading company's products are well recognized worldwide, especially for their quality. For the competition in 2021, the Company focuses on product design and employee care from the COVID-19 epidemic situation to maintain continuous production capacity and strive to reduce costs to create competitive advantages.

#### **Customer Characteristics**

*Stainless steel bottle, tumbler, and food and lunch jars:* There is only one foreign customer, Zojirushi Corporation, a shareholder of a subsidiary that has no relationship with the Company, and has only one domestic customer, Zojirushi SE Asia Corporation.

*Stainless steel household products:* The main customers are customers in the automotive industry, household products manufacturers and distributors, and general consumers under the Gotetsu brand.

#### **Sales and distribution channels**

*Stainless steel bottle, tumbler, and food and lunch jars:* Produce and sell products directly to the customers as mentioned above, which are dependent on such customers more than 30 percent of the total revenue.

*Stainless steel household products:* The Company manufactures and sells products to the customers mentioned above by selling mainly domestic sales and does not depend on one customer for more than 30% of total revenue.



### 1.3.2.2 Competitive Environment

#### Industry trends and future competitive conditions

Industry trends are expected to decline in overall market demand. It is due to the Company's products being popular for use outside the home and traveling and coupled with the epidemic situation of COVID-19 continuing to occur both in the country and abroad. It leads most people to reduce and refrain from traveling to reduce their chances of spreading and catching the disease. In addition, many countries in Asia and Europe still have travel bans.

However, it is predicted that in 2021 and 2022, the challenge will lie in adjusting production plans to keep up with market demand that is expected to rise again after the COVID-19 situation.

### 1.3.3 Supply of product or service

#### 1.3.3.1 Characteristics of the supply of the product for sale in the past year

*Stainless steel bottle, tumbler, and food and lunch jars:* The Company has one factory located at 99/9 Village No. 5, Bangna-Trad Road Km.38, Bang Samak Subdistrict, Bang Pakong District, Chachoengsao Province.

*Stainless steel household products:* The Company has one factory located at 11/2 Soi Serithai 62, Minburi Subdistrict, Minburi District, Bangkok.

#### Production Volume

	2021	2020*	2019
Stainless steel products:	7.58 million pieces	9.71 million pieces	12.01 million pieces

\* Remark: Adjust the production volume to suit the situation of COVID-19

#### Procurement of raw materials and suppliers

The primary raw material is stainless steel sheets, which can be procured domestically and imported from abroad. It does not rely on any raw material supplier for more than 30% of the total purchase amount.

### 1.3.4 Driving business for sustainability

#### Actions to mitigate the impact

The Company strictly complies with all applicable laws and government regulations regarding environmental and safety controls. It includes complying with customer requirements to focus on satisfaction. Also, it focuses on hazard prevention and pollution reduction through step-by-step reductions at the source. The Company has a conservation process of energy and related resources, reducing waste, controlling and disposing of hazardous materials from various production processes correctly. It uses the principle of 3Rs, including Reduce, Reuse and Recycle, resulting in the amount of industrial waste disposal continuing to decline.

In 2021, the stainless steel bottle products company received awards related to industrial waste management from the Department of Industrial Works, including the 3Rs Award, Zero Waste Achievement Award, and 3Rs Award (all three aspects) at the silver medal level.

In addition, environmental actions by providing continuous improvement, follow-up, and development of the system following the requirements of the ISO 14001 standard.

The Company does not have any disputes or lawsuits related to the environment.

### 1.3.5 Undelivered work

- None -

## 2. Trading Business

### 2.1 Overview of the Company's business operations

Computer Union Co., Ltd., has been a business in computer and information technology since 1982. It is one of the top companies in Thailand's Information Technology (IT) business. There are a wide variety of computer and information technology products and services for industries ranging from Small Office Home Office (SOHO) to large enterprises both in Bangkok, the metropolitan area, and the region. In addition, the products have been distributed to Laos and Myanmar as well.

The operating results in 2021 are good. However, sales were lower than projected at the beginning of the year due to the severe impact of the COVID-19 outbreak, slow investment from private sector, and the impact on the global economy from the COVID-19 outbreak. It also coupled with government investment during the epidemic situation, used to solve and deal with the problem. Government budgets in almost all departments have been retracted and redistributed, and disbursement is not in line with estimates. However, government budget expenditures resulting from economic stimulus policies after the COVID-19 outbreak may affect and stimulate spending in the public and consumer sectors. As for the private sector, there is a tendency for some spending to drive organizations in the Work From Home (WFH) manner.

System Integrator and Services business in 2021 performance is moderate. Overall sales and earnings will be below estimates due to the continuing impact of the COVID-19 pandemic. The Company has been allowed to help its customers in the banking group to procure and install PC and notebook type equipment for use in some offices and for personnel who have to change their work to WFH continuously. Therefore, it increases the income to compensate for the slowdown in some projects and services, but some obstacles still prevent the operations from achieving the goals. There are two main reasons. The first is the shortage of raw materials in the IT industry and the reduction of the overall production capacity. As a result, the delivery time is much longer than usual. Projects scheduled to be delivered by 2021 have to slow down later than expected. Secondly, customers are concerned about safety in the workplace, and many sectors use Work From Home. As a result, the work delivery processes are more complicated and time-consuming.

### 2.2 Nature of Business Operations

#### Characteristics of products or services

At present, the Company has been appointed as distributor/dealer of many products and services, such as:

- Appointed as an official distributor for products, Servers, and Storage products from IBM (Thailand) Co., Ltd., including IBM Power Systems (both AIX and iO5) and Storage. It completes the Products Line from Low End to High-End Storage, including equipment Switch/Network related to connecting to the server.
- Appointed as an official distributor for Software products from IBM (Thailand) Co., Ltd., which consists of all product groups, including:

- **System Software**

It includes the Operating System, both Power (AIX) and Power (i), and RedHat: Linux.

- **DATA and AI**

It contains software related to data analysis, creating a database such as Cloud Pak for DATA.

- **Hybrid Cloud:** Software used to manage *Cloud and IBM Private Cloud services*.

- **Automation:** Software developed for application modernization to improve Workflow to respond to business in the New Normal era, such as IBM Cloud Pak for Business Automation, IBM Cloud Pak for Watson Alops, Instana: application performance monitoring, Turbonomic: application resource monitoring.

- **Security:** Software related to managing all IT security matters, such as IBM Cloud Pak for Security.

- Appointed as an official distributor for products and services from IBM Global Technology Services (GTS) IBM (Thailand) Co., Ltd., including Maintenance Agreement (MA), system installation and Implementation Services (GTS Implementation Services).



- Appointed as an official distributor Product from Lenovo (Thailand) for Intel Server and Workstation, including OEM Storage Products.
- Appointed as an official distributor for CommVault product, a Data Backup and Data Management Software, and takes care of the storage and management of data usage.
- Appointed as an official distributor for TMAXSoft products, a leading software from South Korea consisting of various Database and System Software Tools.
- Appointed as an official distributor and sole official service center (ASP) in Thailand from Pure Storage Inc., to distribute Storage products using the latest Flash storage technology.
- Appointed as a sole official distributor in Thailand for Deep Instinct and Deep Secure security products, which are Security Software using AI technology from England.
- Appointed as an official distributor in Thailand from NCR in ATMs, ATM Security, Banking Software, Mobile Banking, Branch Transformation, and Payment and Imaging.
- Appointed as a distributor in the Wacom Business Solution group from Wacom Singapore Pte. Ltd.
- Appointed as a distributor of Huion, which is a Computer Input Device.
- Appointed as an official distributor Swisslog Products
- Appointed as an official distributor of GigaByte products including server, embedded PC, etc.
- Providing service, repair, maintenance, hardware and software, and network systems with peripheral devices, including designing and developing various systems.
- Providing service design, system development (Application Software development, including Mobile Application on IOS and Android), installation, and training.
- Providing design and development services in IoT solutions for industrial and manufacturing customers.
- Providing rental services for computer equipment, printers, including maintenance.

#### **Business innovation development or research and development policy**

◆ In terms of representing various products, the Company has continuously invested in training and developing skills, knowledge, and expertise for high-level technical personnel. It aims for excellence, knowledge, practicality, ability to help partners, and as a support unit for owners of the products the Company represents.

◆ In terms of innovation, the Company has continuously invested in the Business Partner Innovation Center every year. It enables partners to test, equipment, and develop solutions from Software where the Company is the representative. It also gives customers who want to test and learn new technologies have the chance to come and try them in practice. For example, last year, the Company worked with Bangkok University to deliver IBM Power AI for use in learning, teaching with AI technology.

◆ In the System Integrator and Services segment, the service business has been developed under Smart Solutions, currently focusing on the financial and banking market with high demand and growth rates. The team has selected various products to assemble and use under the software developed by the team to present as Solutions in 2021. The development brought to the market is the Smart-Q system, which has already been installed in one government banks.

◆ In addition to the Smart-Q system, the team has also developed signature solutions that have been successful in 2019 for banking and finance to other sectors such as insurance, healthcare, etc.

◆ Overview of development and research in other parts will focus on the preparation of the Platform for business or the use of the system. The Platform will help service, and business continuity, including business, results sustainably, stability, and extended.

## **2.3 Marketing and Competition**

### **2.3.1 Marketing a key product or service in the past year**

The Company does marketing by focusing on distributing products to meet customers' needs and delivering them exactly as specified with the quality agreed. It always adheres to the principles of doing business based on ethics.



#### **Characteristics of customers or target customers**

Financial institutions, government agencies, and juristic entities that use information technology products are increasing in Bangkok and surrounding provinces and upcountry.

#### **Sales and distribution channels**

It is an IBM distributor with distribution channels through Business Partners, where solutions are delivered to end-user customers, and the System Integrator (SI) line of business distributes products to other brands and provides services to customers directly.

#### **Proportion of domestic and international sales**

The Company mainly sells products and services in the country. It began distributing IBM's products to Laos in 2012.

#### **Reliance on a particular customer or supplier exceeds 30% of total revenue.**

The Company does not rely on any customer for more than 30% of total revenue.

### **2.3.2 Competitive Environment**

#### **Competition conditions in the industry**

There is a steady stream of new entrepreneurs entering the business and the entry of new players into the market, resulting in more and more competition, especially on price. It is due to new technology emerging such as providing Cloud services, using social media and Platform, and various software development tools and mobile apps. It creates competition from new players both at local and abroad.

In addition, technology in AI, Big Data, and IT security, including the application of Cloud computing and work systems that support external work such as Teleconference. In 2021, it will gain more attention, be accepted, and be used in the business industry that needs to be widely used as an IT-driven.

#### **Industry trends and future competitive conditions**

- Industry trends are still growing and expanding the use of IT more in both the government sector and private and benefited from the government's Thailand 4.0 policy.
- Computer business has many competitors in doing business similar to the Company, and the competition is high.
- The size of the company is mid-range compared to competitors.
- IT service model has shifted from asset purchase to leasing and pay as usage.
- The overview of products and services will be aligned to meet market demands in Mobile Technology, Digital Transformation, and Hybrid Cloud.

#### **Competitive Status and Potential**

The Company has a stable, disciplined financial system that has high competitiveness. It is Due to the continuous development of relevant knowledge for the Company's personnel. The Company maintains quality in selling products and providing services. It can meet customers' needs and has been trusted by customers for more than 30 years.

## **2.4 Supply of products or services**

The Company is a distributor of the world's leading IT companies such as IBM, Pure Storage, Lenovo, etc. It has distribution channels through Business Partners, which provide solutions to deliver to their end-users. In addition, the System Integrator business line will distribute products to other brands and provide services to customers directly.

#### **Characteristics of the supply of the product**

- The Company's business is trading goods and providing services.
- Procurement of products for sale from agents in Thailand; for example, the Company is a distributor for IBM (Thailand) Co., Ltd. Some products have to be ordered from IBM abroad as well.
- The number of distributors for the Company is more than 100.



- The Company relies heavily on one supplier for the Company, which is IBM (Thailand) Co., Ltd. The nature of the relationship is that the company is a partner at the Distributor level of the said Company. The types of products purchased are Hardware and Software products and services as mentioned above.

- The risk of relying on one distributor, as mentioned above, is that such a company may appoint more agents as its distributors than it currently does. It may cause the Company's sales volume to decrease. In this regard, the Company assesses that the likelihood of occurrence is low, but if it does, the impact on the Company may be high. The Company has measures to manage risks by increasing the distributorship of other products. It also maintains a good relationship with partners and has strict financial discipline for reputation and trade confidence.

- Risks arising from new technologies such as cloud services and new business models may affect the changing use of technology.

- It has an open policy to cooperate with the owners of new products to bring them to the market to increase the choice for customers either as a distributor or as a project.

### **Disposal of waste materials and environmental impact**

The Company's computer business is a trading business with no raw materials leftover and not a factory that may affect the environment. Therefore, there is no environmental impact and no environmental disputes or litigation at this stage.

### **Undelivered Work**

There is no work worth more than 10 percent of the total income owed on deliveries.

### **Legal Disputes**

- None -

## **2.5 Driving business for sustainability**

The Company's business drive for sustainability is based on the Saha-Union Group's ethics: **integrity, quality and service**, and keeping pace with innovations and new technologies while maintaining quality and continuous service efficiency. It is to meet all customers' needs in line with the Company's motto, "**Customer's First Choice.**"

### **Business Value Chain**

Based on the Company's business operations related to technology and services, the Company must constantly learn and introduce new products and services. The business value chain is therefore essential to deliver sustainable business success. The key elements in a business's value chain are the connecting among brand/vendors, business partners, customers, employees, and stakeholders.

- The Company focuses on working with product owners (brand/vendor) who have expertise in the product or product accepted in the market and can offer benefits and applications to satisfy customers' business.

- The Company attaches great importance to fair business practices, especially business partners, which are obliged to develop and enhance potential to be ready to grow together in the long term apart from business growth.

- The Company also considers working and providing quality services that meet the standards and diversity to meet customers' needs until it is generally accepted.

- Personnel development (employee) is the heart of the Company's business driving. It can be regarded as an asset with the highest priority as the Company operates in a service business.

## Sustainability Framework

Economic dimensions	Social dimensions	Environmental dimensions
<ul style="list-style-type: none"> <li>- Return on business</li> <li>- Risk Management</li> <li>- Quality work processes</li> <li>- Innovation and Technology Development</li> <li>- Corporate Governance and Business Conduct with Transparency and Ethics in Business Operations</li> </ul>	<ul style="list-style-type: none"> <li>- Safety at work</li> <li>- Personnel Development</li> <li>- Labor and human rights treatment</li> </ul>	<ul style="list-style-type: none"> <li>- Energy conservation</li> <li>- Preserving the environment, responsible for activities and services that may have an impact</li> </ul>

On the part of the Company, actions are taken to ensure business stability, progress, sustainable growth, taking into account the above economic, social, and environmental dimensions. It can be classified into various subjects as follows:

### ■ Consideration on selection of products for distribution

- The products that the Company represents have a policy of environmental friendliness in addition to being the leading products that are accepted in the world.
- Instill the values and approaches to project or service implementation by encouraging contributions to reduce energy consumption or natural resources and, for example, offering an e-signature solution, helping customers save more than 10 million sheets of paper per year in transactions resulting in reduced processes in energy and natural resources consumption.

### ■ Company operations

- The Company has applied suitable and appropriate information technology to provide services and respond to business with appropriately and adequately.
- There is a modern call center to support contact and service to customers.
- Digital workplace technology has been used to support to work at anytime and work from anywhere, with teleconferencing for many years before Work From Home (WFH) guidelines became popular.
- Training and education are provided to employees in various ways to develop skills and abilities and apply them in the job, including personal skills accumulation for professional development and growth of the workforce (skill profile and career path).

### ■ Marketing and Sale

- The prices of goods and services are set appropriately.
- Working closely with product owners to control and ensure fair, transparent, verifiable pricing at every offering stage
- Product information is reviewed to ensure communication is forwarded correctly and prevent exaggerated feature advertisements.
- Emphasizing policies on transparent business dealings with product owners, partners, and customers mainly prevents fraud and misconduct as serious offenses

### ■ After-sales service

- The Company has a standard after-sales service that has been recognized for 39 years in this line of business and has been certified according to ISO9000 criteria.





## 3. Energy Business

### 3.1 Overview of business operations

The Company has investments in the energy business both in the People's Republic of China and in Thailand as follows:

**1. Power Generating in the People's Republic of China:** At present, the Company has invested in 3 power plants, 2 in Zhejiang Province and 1 in Yunnan Province, producing and selling electricity and steam. It will be delivered to the local electricity authority through the designated transmission lines in terms of selling electricity. The steam is delivered through a pipeline network in industrial estates and nearby areas.

**2. Power Generating in Thailand:** The Company has invested in an Independent Power Producer (IPP) project, namely Ratchaburi Power Company Limited (RPCL). It is a natural gas-fired combined-cycle power plant and uses diesel as reserve fuel. It aims to generate electricity and sell it to the Electricity Generating Authority of Thailand (EGAT) under the Power Purchase Agreement ("PPA") for 25 years. The Company has a stake of 732.5 million baht or 10% of The registered capital of RPCL, of which RPCL has a capacity of 1,400 megawatts.

Although the amount invested in RPCL is high, the Company's investment shares are only 10%. Therefore, the following topics will address the power plant segment in China, which has a significant share of investment.

The leading company in the energy business group is Zhejiang Jiashan-Union Cogeneration Co., Ltd. (a subsidiary).

#### Operating results in 2021

The operating results last year were good.

#### Significant changes and developments in the past year

■ Measures to prevent the spread of COVID-19, the power plant has continually organized public relations activities on epidemic prevention for employees by emphasizing epidemic prevention measures for outside personnel and vehicles coming from upcountry. It includes complying strictly with government regulations such as green code checks and temperature measurements for epidemic prevention and registration. Since April, Company employees have been continuously vaccinated and reported to the relevant departments. By the end of September, employees had a high vaccination rate of 93%.

■ According to the government's standard procedure, the project must be inspected after the construction and installation of the machinery have been completed, as it has been approved for the construction of the capacity expansion project in the past. Therefore, it needs to seek approval for the purchasing of additional energy use rights to meet the project acceptance requirements.

■ Environmental action, the power plant has emissions following the standards. The sound quality and wastewater are checked according to the standard. The power plant has strictly complied with the environmental requirements regarding waste collection and waste management, including managing various aspects by the rules and laws. In addition, the power plant has completed the registration of the trading system of carbon emissions rights (Carbon Credit) under the requirements of the government.

### 3.2 Nature of business

#### 3.2.1 Characteristics of products and services

There are two types of products obtained from power plants: electricity and steam.

##### Important factors affecting business opportunities or limitations

Applying for a power plant expansion is time-consuming and highly uncertain. It is due to government concerns about energy consumption control and environmentally destructive emissions. Each locality has energy targets that are difficult to achieve. In addition, it is necessary to invest in high-tech and more efficient machines and equipment, resulting in higher investments.

### 3.2.2 Marketing and Competition

#### 3.2.2.1 Marketing Policy

##### Competitive Strategy

Electricity products in the People's Republic of China are all distributed according to the quantity produced by the local or regional electricity authority. In this regard, the government will set the price.

As for steam products, it is distributed according to the demand of users who are industrial plants in industrial estates and nearby districts. The price will be as agreed, which will differ according to the quantity and quality required, and the change in coal price will adjust the steam price. Currently, the local government is trying to push the policy to use steam from power plants and disable the Boiler of each plant to achieve a pollution reduction policy. It is good for the performance of the power plants by the Company investment.

##### Customer Characteristics

For electricity products, the customer is the local electricity authority as the buyer of all the electricity produced. As for steam products, they will be industrial plants in nearby areas.

##### Target Customers

Local electricity will be the only customer of electricity products. The steam product will be industrial plants that use steam continuously in large volumes, including the chemical industry, textile industry, garment industry, leather goods, dyeing, food industry, and other industries.

##### Sales and distribution channels

Electricity products are delivered and distributed through high voltage transmission lines connected to the electricity grid, whereas steam is distributed through steam pipes laid by the factory as a network around the industrial estate to allow industrial plants to connect.

The industry's dependence on customers is therefore unique, unlike any other business, because it is a type of utility that is essential to consumers.

#### 3.2.2.2 Competitive Environment

##### Competition conditions within the industry in the past year

The demand for electricity and steam has been hit during the COVID-19 pandemic, coupled with the slowdown in China's economy. The average coal price in 2021 is much higher than the previous year. However, due to the strictness of the government regarding environmental policies, the cost of managing power plants has increased.

##### Industry trends and future competitive conditions

It is due to the local government having the policy to improve the industry's structure, terminate, shut down, relocate consumed industrial energy plants, and use energy per unit of high growth. However, it influences factories with low energy per unit growth, improving the use of higher technology in production to establish locally. As a result, it impacts using steam from the company in the short term. The local government still continuously prioritizes and treats the Company as a mainstream steam producer and supplier.

**Number of Competitors:** There are two competitors in Jiashan District, each of which is practically responsible for the supply of thermal energy to deliver to the designated areas according to the Chinese government's thermal energy plan. Therefore, it can be said that there is no competition between each other within the industry.

### 3.2.3 Supply of products or services

#### 3.2.3.1 Characteristics of the supply of products for sale in the past year

The power plant in the People's Republic of China that the Company invested uses coal as the primary raw material for production. It is procured from 4 - 5 coal producers. Most of the coal from Mongolia and is therefore not affected by the price of imported coal. In 2021, the coal price is much higher than last year, resulting in higher production costs and lower revenues.

#### 3.2.3.2 Environmental impact from the production process or disposal of waste materials

The People's Republic of China has an increasingly stringent environmental control policy. As a result, investments in additional equipment, increasing disposal processes, and the capture of toxic and pollution have been raised to a greater extent. In this regard, the Company must perform to achieve results following the standard.



### 3.3 Risk Factors

**3.3.1 The impact of more stringent safety regulations and environmental policies** has forced power plants to upgrade or add equipment to reduce emissions. Otherwise, electricity prices may be reduced, or even the business is closed. It causes higher environmental operating costs and may affect the power plant's performance.

**3.3.2 Rising coal prices** are a negative factor on the Company's operating profit.

**3.3.3 The impact of the COVID-19 epidemic** has forced company to implement epidemic prevention and control policies. The company has strictly complied with the regulations of government agencies.

### 3.4 Driving business for sustainability

The Company improves its management system standards and improves the management basis, checks and controls during the operation, including the conclusion after the operation. It is to increase efficiency in a comprehensive manner and strive to create unity within the organization to be a good and quality team, achieve success, and develop the Company to grow and progress in the future.

#### Corporate Value Chain:

Industry	Business Value Chain				
	Inputs management	Operating	Distribution of products and services	Marketing and Sale	After-sales service
<b>Service Sector</b>					
<b>Energy and Utilities Business</b>	<ul style="list-style-type: none"> <li>- Providing sufficient resources and energy to meet the needs and complying with government regulations to reduce environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>- Production and processing of resources and energy</li> <li>- Consideration of safety and impact on the community</li> <li>- Maintenance and repair of equipment</li> </ul>	<ul style="list-style-type: none"> <li>- Power transmission and steam pipelines to make factories in industrial estates easily accessible</li> </ul>	<ul style="list-style-type: none"> <li>- Electricity and steam prices are set according to government regulations.</li> </ul>	<ul style="list-style-type: none"> <li>- The center or service unit receives opinions or suggestions on energy and steam power.</li> </ul>



## 4. Chemical Business

An associated company, Taixing-Union Zond Chemical Co., Ltd., located in Taixing City, Jiangsu Province, People's Republic of China, was established in 2007.

### 4.1 Characteristics of products and services

The Company produces Phthalic Anhydride (PA), an essential primary chemical used in plastic production (Plasticizer), polyester resin, alkyd resin. It is a crucial flocculant and auxiliary material used in coatings, fuels, pharmaceuticals and treatments, pesticides, saccharins, and other products. It also sells steam as a secondary product by sending it to the steam pipeline network in industrial estates.

#### Important factors affecting business opportunities or limitations

Chemical business is designated by the Chinese government to be established only in chemical industrial estates. The establishment and expansion of production capacity must undergo an environmental impact assessment. Last year, the economy was a slow down, so the selling price of the product could not rise while the cost of raw materials remained unstable.

### 4.2 Marketing and Competition

#### 4.2.1 Marketing an essential product or service in the past year

**Marketing Policy:** The Company produces and sells PA products to customers in the Jiangsu economic zone. The factory can open the southern market of the PRC, which is currently the primary market.

**Competitive Strategy:** The Company relies on the marketing expertise of its joint venture partners to be aware of market movements, resulting in an adjustment in time if changes occur.

**Characteristics of customers:** Both factory customers are direct users and customers who sell as distributors for other end customers.

#### 4.2.2 Competitive Environment

##### Competition conditions within the industry in the past year

This year, the overall PA selling price has continued to increase. It allows the Company to maintain profits. However, raw material prices have risen due to higher oil prices in the last quarter of the year, thus affecting margins slightly.

##### Industry trends and future competitive conditions

Due to the company changing raw materials in PA production, which has a lower production cost than the original raw material, which has a price that varies with the price of oil. It allows the Company to control production costs better, creating a competitive advantage against competitors. In addition, the current demand for PA in the market is greater than the Company's production capacity. However, the impact of energy and environmental policies and rules and regulations Environment will be the issue that must be the most important.

**Number of Competitors:** Seven competitors are located in East China by size. The Company is the 3<sup>rd</sup> largest among all competitors.

### 4.3 Supply of products and services

#### 4.3.1 Characteristics of the supply of products for sale in the past year

Products are manufactured from one factory in Taixing, China.

**Production capacity:** 100,000 tons/year

**Production volume:** 97,166.68 tons

**Purchasing raw materials:** Purchasing from local distributors only.

Currently, the Company does not rely on distribution from any supplier more than 30 percent.



#### 4.3.2 Environmental impact from the production process or disposal of waste materials

Taixing -Union Zond Chemical Co., Ltd., factory is located directly in the chemical industrial park. Usually, government agencies have strict requirements for factories established in the settlements. Therefore, it has been certified the environmental regulations enforced by the industrial estates and the government. The Company has complied with regulations and laws to reduce environmental impact during the past three years. More than 35 million yuan has been invested in constructing environmental protection facilities equipped with wastewater treatment equipment and emissions improvement. Also, it includes the disposal of solid waste and hazardous waste as required by law.

### 4.4 Risk Factors

**4.4.1 The volatility in raw material prices** and the declining demand for output directly affect operations and earnings. In addition, the competition in the market is increasing. The Company has hedged its risks by using lower fluctuation materials for the production.

**4.4.2 Compliance with government orders** due to government restrictions on electricity consumption has resulted in the Company suspending the production of some machines. As a result, the Company's production plan is uncertain, affecting PA production volume and the company's profitability.

**4.4.3 Compliance with more stringent safety and environmental policies.** Due to the fact that the government has enacted laws, regulations, and environmental regulations. It aims to control emissions, wastewater emissions, waste combustion, waste/solid disposal, soil, groundwater monitoring, and pollutants and hazardous substances emissions. As a result, the Company has to invest in the construction and installation, improvement of various equipment for inspection, and record-keeping to comply with the specified rules and regulations.

### 4.5 Corporate Value Chain:

Industry	Business Value Chain				
	Inputs management	Operating	Distribution of products and services	Marketing and Sale	After-sales service
<b>Service Sector</b>					
<b>Chemical Business</b>	<ul style="list-style-type: none"><li>- Use raw materials properly</li><li>- Optimize process parameters, reduce raw material consumption, and reduce environmental impact.</li></ul>	<ul style="list-style-type: none"><li>- production, processing of raw materials</li><li>- Considering safety and social impact</li><li>- Maintenance and repair of equipment to ensure efficient and stable production</li></ul>	<ul style="list-style-type: none"><li>- There is a standard of the warehouse.</li><li>- Fast and convenient delivery</li></ul>	<ul style="list-style-type: none"><li>- Reduce the cost of raw materials purchasing.</li><li>- reasonable pricing</li></ul>	<ul style="list-style-type: none"><li>- The Marketing Department accepts the opinions and suggestions of customers regarding the use of the Company's products.</li></ul>

## 5. Hotel Business

The Company invests in the hotel business under the trade name of Hilton Hua Hin Resort and Spa, located in the center of Hua Hin District, Prachuap Khiri Khan Province. This business's earnings fluctuate seasonally, which includes the following important information:

### 5.1 Overview of business operations

#### Operating results in 2021

In 2021, the second and the third wave of the COVID-19 outbreak resulted in lower occupancy rate. However, the situation has improved after the government announced easing measures under the COVID-19 situation.

The hotels, managed by the Hilton Group, have adopted a health and safety measure known as "Hilton Clean Stay" to create a new and safe experience for their customers, starting with receiving the Clean Stay recommendation before visiting by contactless check-in. It includes cleaning seats and public areas, elevators, fitness equipment, and signs and alcohol gel service at various points to customers. Room cleaning includes disinfection of touch surfaces and room seal for customers' confidence before their stay. Also, the food and beverage services that still focus on social distancing, To-Go Breakfast, or Room Service that will focus on reducing exposure, etc.

The ratio of hotel staff who received two doses of COVID-19 vaccination accounted for 100% at the end of 2021.

#### Significant changes and developments in the past year

The Company has taken various measures as follows:

- Reduce costs, reduce the number of employees according to the measures that are defined as levels;
- Negotiate to reduce the contract period for various service agreements to a short term of 6 months and increase the terms of payment period;
- Reduced inventory levels by weekly instead of monthly;
- Measures to control expenses such as electricity bills;
- Strict hotel hygiene safety measures are in place;
- Communicate/publicize on matters such as new promotions, hotel hygiene safety standards (SHA and SHA Plus) to build customer confidence.

### 5.2 Nature of Business

#### 5.2.1 Products and Services

It is a 5-star business hotel located in the heart of Hua Hin town with views of the Gulf of Thailand from every room available. Along with facilities to serve customers are a large swimming pool, tennis courts, squash courts, steam room, sauna, spa and fitness, meeting, and banquet halls throughout five restaurants and a rooftop bar. It also provides food delivery service via the GrabFood application.

This business is a business that requires a license to operate a hotel and restaurant business, which the Company has received a complete and valid license from the government and has a validity period.

#### 5.2.2 Marketing and Competition

##### Marketing Policy

In 2021, the Company mainly focused on generating sales from the domestic market. Due to the situation, the epidemic of COVID-19 continues to occur worldwide. As a result, restrictions on international travel will continue. As for hotel marketing policies, it focuses on public relations and marketing among younger travelers and families and ensures customers' hygiene and safety. The hotel has certified by the sanitary safety standards (Amazing Thailand Safety & Health Administration) and received the SHA logo.





### **Competitive Strategy**

The Company focuses on providing a variety of room promotion programs to meet customers' needs. It focuses on creating added value for each package, such as providing resort credit for food, beverages, spa treatments, including organizing promotions for restaurants at appropriate times within the resort. Also, it collaborates with business partners in Hua Hin.

### **Characteristics of Customer and Relationships**

The customer characteristics are tourists, business people, government organizations, embassies, meetings organizer, spouses, group tours, and hotel agency booking. Although these customers are not related to or related to the Company, the hotel must maintain a good relationship forever.

### **Target Customer Group**

There are both Free Independent Traveler-FIT and group customers that include business people, legal entities, meeting/training organizers, hotel booking agents, government organizations, and embassies.

### **Sales and Distribution Channels**

The hotel focuses on organizing promotional campaigns through online media such as Facebook, Line, and Instagram. Also, there are salespeople, and marketing staff for those who want to contact directly, including booking through the hotel's website and various booking websites (Online Travel Agent-OTA) or booking agencies both domestic and abroad.

### **Proportion of Domestic and International Sales**

Last year's revenue was equal to 82 to 18 percent of sales from domestic customers to foreign customers.

### **Product Sold Countries**

There are Thailand, the Scandinavian countries, Europe, Australia, America, and Asia.

### **Customers Dependence**

The Company does not rely on any customer or distributor that plays an important role in the survival of the Company and does not depend on any such dependency on more than 30% of its revenues.

### **Competitive Condition**

#### **Competition conditions within the industry**

In the past year, the competition in the hotel business in Hua Hin has increased. Due to the increasing number of new hotels, new condominium businesses, and more villas offer short-term rental services. Therefore, there is an increase in the price competition factor.

### **Industry trends and future competitive conditions**

**Trends in industrial conditions:** Countries worldwide are still facing a new wave of COVID-19 epidemic situation periodically. But because Hua Hin is a relatively quiet tourist destination and not far from Bangkok. Customers can come to relax more easily and are more popular with tourists. Future competitive conditions will intensify in price.

**Number of competitors:** There is approximately the same level, there are 8 locations in Hua Hin, and three more new competitors are expected by the end of the year.

**Company size:** The Company size compared to competitors slightly larger.

**Competitive Status and Potential:** It is considered that the Company has an excellent competitive position. Due to its physical location advantage, the hotel is located right on the beach and close to Hua Hin town. In addition, 296 rooms offer a sea view from every private balcony. There are many types of restaurants open with good quality food. The Company has a policy and plans to invest in renovating rooms to maintain a 5-star hotel to compete in the business continuously. Therefore, the Company still has the potential to compete and has growth in the future.

## **5.2.3 Supply of products or services**

### **Characteristics of the supply of the product**

The Company has one hotel under the trade name of Hilton Hua Hin Resort & Spa, located at 33 Naresdamri Road, Hua Hin District, Prachuap Khiri Khan Province, with a total of 296 rooms.

Number of restaurants: 4 restaurants and 1 bar

Number of meeting rooms and a multipurpose room with a total of 5 rooms

#### **Procurement of raw materials or products for sale**

Most of them are amenities, room amenities purchased from partners who have no relationship with the Company. The restaurant-related ingredients are purchased from several wholesale partners who have no connection with the Company either. It does not rely too much on any distributor for 30% of the total purchase.

**The proportion of purchasing raw materials:** It's all domestic purchases.

#### **Impact on the Environment**

There is no toxic pollution since the hotel business is primarily a service type and not a manufacturing plant. However, the Company has adhered to good hygiene practices and complies with relevant legal requirements. There is no environmental impact, no environmental disputes, or litigation. In addition, there is a shift to environmentally friendly materials.

## **5.3 Risk Management**

### **5.3.1 Risk of intense competition due to declining demand and rising supply**

The hotel business in Hua Hin has intense competition in room rates. It was due to a significant increase in supply but a decline in demand due to the epidemic of coronavirus disease (COVID-19), measures to limit travel both domestically and internationally, and the declining purchasing power of consumers affecting the Company's revenues and profits. However, the Company believes that with its marketing strategy and effective cost management, the hotel will be able to grow continuously.

### **5.3.2 Management risk in case of dependency on external management**

The Company operates only Hilton Hua Hin Resort and Spa. It has hired Hilton, an internationally renowned hotel management company in hospitality with credibility, experience, systems, expertise in each market, and financial stability as its business executive. However, because the long-term management contract, there is a risk that the competitiveness of the management company will decrease. In this regard, other well-known management companies can manage instead. Then, the Company sets the management contract 's condition could be terminated in order to be able to recruit other reputable management companies to manage instead.

### **5.3.3 Product Qualification Risk**

Product qualification risk if rooms are not modernized as many of the hotel's main competitors are newly built hotels and therefore have an advantage in this area. Thus, the Company considers such risk factors and plans to renovate rooms and other public spaces. It aims to raise service standards to compete in the market. In addition, hotels are businesses that have to adapt to the situation, including planning to use capital to develop and improve product features to make them look good all the time.

### **5.3.4 Risk from External Factors**

The risks from external factors that may affect the assets and operations of the Company are largely uncontrollable and unpredictable, such as natural disasters, domestic and international political unrest, epidemics, etc. However, the company provides insurance to cover all types of risks, protecting the lack of income from business interruption to mitigate damage that may occur directly to the assets and the company's operating results.

## **5.4 Value of the Undelivered Work**

Since the business is the type where the customer comes to the hotel with no offsite deliveries, there is no value for the undelivered work.

## **5.5 Driving business for sustainability**

Overall sustainability management of the organization: The Company has the policy to use resources and energy cost-effectively and maintain materials and equipment to prevent energy losses. It includes the management of various sewage dumps, standard wastewater treatment, promoting and raising awareness among employees and customers to protect the environment and the cleanliness of the beaches and seas.



### Corporate Value Chain:

Industry	Business Value Chain				
	Inputs management	Operating	Distribution of products and services	Marketing and Sale	After-sales service
<b>Service Sector</b>					
<b>Hotel Business</b>	<ul style="list-style-type: none"> <li>- Providing clean, safe, well-equipped accommodation</li> <li>- Providing quality, clean, safe food, and beverages</li> <li>- Training staff to have knowledge, skills, and service mind</li> </ul>	<ul style="list-style-type: none"> <li>- Serving customers with good manners and care</li> <li>- Cleaning the room, taking care of the public areas to be beautiful and safe</li> <li>- Maintaining equipment, appliances, and facilities to be in the good and safe use</li> </ul>	<ul style="list-style-type: none"> <li>- Hotel website</li> <li>- Online Store Website (Online Travel Agent-OTA)</li> <li>- Various online media</li> <li>- Hotel sales and reception</li> <li>- Tour company or travel agency</li> <li>- Participating in tourism-related events</li> <li>- Food delivery service via Grab Food</li> </ul>	<ul style="list-style-type: none"> <li>- Reasonable pricing of rooms and services</li> <li>- Providing complete and accurate information about rooms and services</li> <li>- Choosing to use online channels to communicate and publicize directly with customers</li> <li>- Inviting Key Opinion Leader-KOL to introduce and promote the hotel's services to be more well known</li> </ul>	<ul style="list-style-type: none"> <li>- Listening to opinions, suggestions, or feedback via online media and communicating directly with customers to improve and maintain better service standards</li> </ul>

**Sustainability Management:** In the environmental dimension, Hilton Hua Hin Resort & Spa has passed the Green Hotel project assessment from the Designated Areas for Sustainable Tourism Administration (Public Organization) or DASTA in 2021. The hotel is the only one hotel in Prachuap Khiri Khan Province was assessed as very good (Silver).

**Sustainability Management in Social Dimensions:** The hotel has jointly organized activities with SOS Thailand in donating cooked food and teaching materials to schools for the disabled and the blind in Cha-am District, Phetchaburi Province.



## 6. Hospital Business

### • Ruamjaiarak Hospital

Ruamjaiarak Hospital was established in 2015 as a joint venture company. It has a registered capital at the end of 2021 of 1,000 million baht, and the Company's investment proportion is 40.00%. Currently under construction, it is expected to be completed in 2022.

### • Navavej Hospital

#### 1. Overview of business operations

##### Operating results in 2021

Navavej Hospital opened for business on March 14, 2021, the start of the 4th wave of the COVID-19 outbreak. In the first phase of the hospital service, the COVID-free hospital policy was set without any open-to-patient care official COVID. It aims to make general patients feel safe in-hospital services. But general patients still have concerns about receiving services, causing the number of general patients to remain in very small amount. Subsequently, in June 2021, the hospital has changed its policy for taking care of COVID patients, opening 8, 9, 10 wards to care for COVID patients. In August, a dedicated ICU was opened to care for COVID patients, including taking care of COVID patients with the community in community isolation, Minburi. hospitel opened at Novotel Siam in September 2021. Due to the situation of COVID infection has reduced the severity, and the number of infected people has decreased considerably. Therefore, community isolation was closed at the end of September 2021, and hospitel, the service, was closed in late October 2021.

The outlook for 2021's revenue comes mainly from COVID-19 patients. In September, when the hospital opened for hospitel, it posted positive EBITDA for the first time.

#### 2. Nature of Business

##### 2.1 Products and Services

The Company's business operations are in the form of a hospital. There are medical products in the treatment, diagnosis, disease prevention, and rehabilitation. It is classified as a medical service that provides medical examination services in outpatient, inpatient, and medical examinations in hospitals and mobile health checks that provide services to general companies.

##### 2.2 Marketing and Competition

Because the Company is a new hospital opened in the Bueng Kum area, within a radius of 5 kilometers, around the hospital, there are 3 competing hospitals: Synphaet Ramintra Hospital, Phayathai Nawamin, and Intrarat Hospital. Therefore, the initial marketing policy is a marketing approach to introducing the hospital's medical products to the community.

**Target customers:** Since the hospital is located in a community with a growth rate of 1 in 5 of the highest growing districts in Bangkok, the target customers are community customers. It includes children, adults of working age, the elderly, and people working in factories or establishments. From the fact that the main competitor is Synphaet Ramintra Hospital, which has developed a lot of patient care and has been in service for over 30 years. Therefore, the leading target group of the hospital is the elderly and working people in various establishments. The distribution channel will be different marketing channels, both online and offline. But the emphasis is on online forms of digital marketing because the service recipients in the community are new generations, and marketing in the form of digital marketing has a lower cost than other formats.

Most of the hospital's recipients are patients in Thailand living in the community. There were some foreign patients, but it was a minimal number and was not the hospital's focus during these three years.

**Competition conditions in 2021:** It will be the main problem of the hospital because the income that should be the primary income in the next phase is the income from patients with general diseases. But in 2021, the outbreak of COVID-19 is very high, causing a small number of general patients to use the hospital's services. It makes the opportunity to create services and generate "Word of Mouth" impossible. In addition, it makes hospitals need to do a lot of marketing in 2022, where the situation of infection COVID seems to have significantly reduced the severity.



**Number of Competitors:** The number of competing hospitals in 5 kilometers is three hospitals: Sinphaet Ramintra Hospital, Phayathai Nawamin Hospital, and Intrarat Hospital.

**Company size compared to competitors:** Navavet Hospital has 150 beds, which is the same size as Intrarat Hospital and set up at the same time. While Sinphaet Ramintra Hospital has a size of 287 beds, it has been established for 30 years and has been separated into a hospital especially for pediatric patients. As for Phayathai Nawamin Hospital, it has a size of 200 beds and has been established for 30 years as well.

**Competitive Status and Strategy of the Company:** Navavej Hospital was established in less than a year. As the COVID-19 outbreak spreads, there are few patients in the general population, and no existing patient is the basis. Thus, it is at a disadvantage that two hospitals have been established for more than 30 years and have many existing patients. However, Navavej Hospital has developed potential at the tertiary level, which can provide treatment by specialized doctors with medical care at the same level as those of the two old hospitals.

**Industry Trends in 2022:** The number of general patients is increasing as the COVID infection situation eases. But the number of general patients will not be as many as before the outbreak of COVID. Because during the coronavirus outbreak, people will always use masks and wash their hands, which is a good habit that should persist even after the COVID situation has passed. Respiratory infections, the most common infections, are drastically reduced by wearing masks and washing hands, and people will pay more attention to disease prevention and preventive health checks.

**Future Competitive Conditions:** The future competition will intensify because the supply is greater than the demand condition. There will be more problems of scrambling for medical personnel, especially doctors/nurses/pharmacists/radiologists, which is the personnel in the group that is in shortage.

**Competitive Strategy:** Hospitals will use cost leadership and differentiation strategies to compete with the dominant competitors at lower prices than competitors. In addition, the Company will develop medical products, especially high-tech medical products, by a team of qualified and multidisciplinary doctors. It will focus mainly on products for the elderly to create a core competency of the hospital that is different from competitors whose core competencies are products related to child care providers.

### 2.3 Product or Service Management

In 2021, hospitals developed green, yellow, and red care for COVID patients. There were six beds of ICUs dedicated to treating COVID-19 patients with red levels. For general patients, it focused on general care for general surgery patients, obstetrics and gynecology, and pediatrics and began to develop specialized clinics such as cardiology clinics, neurology clinics, etc.

### 2.4 Assets used in business

Navavej Hospital is located on Ratchada-Ramintra Road. With a total area of 13.5 rai, 8.5 rai is used to build a 152-bed hospital and a 600-car parking facility in the first phase.

## 3. Risk Management

3.1 Risk Characteristics: General hospital risks consist of two major parts: Clinical risk and Non-Clinical Risk. Clinical risk is caused by the treatment outcome that did not meet the patient's expectations. For Non-clinical risks, it is the risk arising from the unsatisfactory service of the client. In addition, it will be a risk from computer system threats (Cyber Risk) and the risk of using social media systems that are misleading and invasive for service users.

3.2 The cause of the risk is the treatment that does not conform to the standard clinical practice guideline, the service that does not conform to the prescribed procedures, and the use of computer systems inconsistent with hospital regulations.

3.3 The effect will be compensation for the damage resulting from the treatment outcome in case of Clinical Risk. Cyber Risk will be compensated for the ransom demanded by the system hacker.

3.4 The risk tends to increase with each passing year is due to the recognition of treatment approaches from various IoT systems.

3.5 Risk mitigation measures include establishing a treatment policy that must comply with standardized treatment guidelines, setting service standards, regulating the use of hospital HIS systems, vocational insurance, and hospital insurance. Moreover, it should have the presence of a risk management committee, incidence management, and guidelines for compliance with the Personal Data Protection Act (PDPA) B.E. 2562 (2019).

#### 4. Legal Disputes

4.1 The hospital is the plaintiff suing an unrelated company for damages for the late construction of the hospital building. At the same time, this unrelated company is a plaintiff suing the hospital, claiming that it breached the contract. Both cases are currently being considered in the Court of First Instance.

4.2 An unrelated company, a plaintiff, filed a lawsuit against the hospital, claiming that the hospital's construction contractor was the Company's representative. When the said construction contractor owed construction materials and entered the process of requesting business rehabilitation, such an unrelated company sued the hospital to be jointly responsible as an employer. Currently, the case is being considered by the Court of First Instance.

#### 5. Driving Business for Sustainability

The hospital has set its vision to be the most trusted hospital by 2023. Strategies and action plans have been formulated to lead to the achievement of the vision. Hospital management standards have been established under the requirements of the Institute of Hospital Quality Improvement and Association (HA-Thailand) and the American Accreditation Commission International (AACI). These standards cover a wide range of hospital quality systems, including environmental, social, human rights, and good corporate governance.

In addition, the hospital has an environmental impact management system such as a wastewater and biomaterial disposal system required by the Ministry of Public Health's regulations. In the case of COVID infection and prevention of infection to the community, the hospital has a screening and infection prevention system as prescribed by the Department of Disease Control, Ministry of Public Health.

### 7. Textile Business

According to Union Textile Industries Public Company Limited, the Company's subsidiary has ceased its textile business since June 1, 2021, and is considering recruiting new businesses. The Company submitted the request to withdraw ordinary shares from the listed securities on December 7, 2021, and was approved by the Stock Exchange of Thailand on December 24, 2021. Under conditions, Saha-Union Public Company Limited shall make a tender offer for the securities of the Union Textile Industries Public Company Limited from the shareholders following the rules prescribed by the Office of the Securities and Exchange Commission. After the said subsidiary has revoked its securities, the Company will consider proceeding under the asset condition, readiness, and business ability in the future.

For the subsidiary in the textile business, producing ready-to-wear products is an industry that relies on specialized labor, highly competitive, with higher labor costs than neighboring countries. Therefore, the Company reducing the number of employee and restructured the subsidiary's organization by shifting from manufacturing by itself to ordering goods from an associate of Saha-Union to remain competitive.

## B. Investment Groups and Others

Nature of Investment and Others: The Company has invested in China's automobile carpet manufacturing business. There are also investments in other companies, taking into account the fundamentals of that business as a criterion and the return on investment.

It is an investment business that does not have a production line and does not require any marketing and competition or procurement of raw materials. There is no need to disclose information about the production, marketing, competition, as well as raw material procurement of this business group. In addition, the source of investment is only from the registered capital, retained earnings, and loans.





## 1.3 Shareholding Structure of Group Companies

### 1.3.1 Shareholding Structure of Group Companies

The Company had a shareholding of Group Companies which is divided according to type of business groups with shareholding information, investment and other related matters as Attachment 9.3

Name, location of head office, type of business, telephone, facsimile, number and type of total paid-up shares of juristic person in which the Company holds shares of 10 percent or more of the total number of paid-up shares of that juristic person. Details appeared in the Attachment 9.4.

### 1.3.2 Shareholders

#### (1) Major Shareholders

List of Top 10 major shareholders as of 1 April 2021.

No.	Shareholders	Beneficial Owner	Major Business	No. of Shares	Percentage of Shares
1.	Group of Companies				
1.1	Union Thread Industries Co., Ltd.	Darakananda Group	Investment	29,850,000	9.95
1.2	Union Business Management Co., Ltd.	Darakananda Group	Investment	29,174,000	9.72
1.3	Union Capital Co., Ltd.	Darakananda Group	Investment	27,011,240	9.00
1.4	Union Industries Corp., Ltd.	Darakananda Group	Investment	17,988,300	6.00
1.5	Damrongrak Co., Ltd.	Darakananda Group	Investment	6,288,500	2.10
1.6	Saha-Union Holding Co., Ltd.	Darakananda Group	Investment	6,133,794	2.04
1.7	Union Multi-Capital Co., Ltd.	Darakananda Group	Investment	6,082,000	2.03
1.8	Union Overseas Holdings Co., Ltd.	Darakananda Group	Investment	3,398,200	1.13
1.9	Union Unity Holdings Co., Ltd.	Darakananda Group	Investment	3,296,700	1.10
1.10	Darakananda Co., Ltd.	Darakananda Group	Investment	3,000,000	1.00
2.	Mr. Chalermchai Mahagitsiri			14,865,400	4.96
3.	Bangkok Bank Public Company Limited			12,325,000	4.11
4.	DBS BANK LTD.			12,141,900	4.05
5.	Mrs. Jarunee Chinnawongworakul			11,000,000	3.67
6.	Mr. Weerapat Poonsakudomsin			9,711,234	3.24
7.	The Southeast Life Insurance Public Company Limited			7,121,000	2.37
8.	Bank of Singapore Limited			3,428,400	1.14
9.	Mr. Chutindhon Darakananda			3,427,700	1.14
10.	SS Integration Co., Ltd.			2,924,700	0.97
	Total			209,168,068	69.72

## 1.4 Registered Capital and Paid-up Capital

- The Company's registered capital was Baht 3,000 million and had a fully paid-up of Baht 3,000 million, divided into 300,000,000 ordinary shares of Baht 10 each.
- The Company had no types of shares which differed in rights or conditions other than the ordinary shares.
- The Company had no plan to issue and convertible shares to the Thai Trust Fund or to issue non-voting depository receipts (NVDR) which was regarded as a listed security.
- The Company had no securities other than the ordinary shares.
- There was no Shareholders Agreement between groups of major shareholders on effect of the Company's securities issuance or its management.

### Policy of dividend payment

The Company's policy on dividend payment was a proper rate of return on investment to shareholders, dependent on the performance of the Company, at a rate not less than 1/3 of the annual net profit, after accumulated loss (if any), from the separate financial statement of the Company and depending on the need for investment of the business.

Concerning the subsidiaries' policy on dividend payment for the Company, it is determined by each subsidiary based on its performance.

## 2. Risk Management



### 2.1 Risk Management Policies and Measures

The Company is aware of the importance of implementing sustainable risk management, ensuring the ability to achieve the Company's goals while mitigating any potential risk to all the stakeholders. Therefore, the Risk Management Committee, appointed by the Board of directors, is responsible for risk evaluations, policy setting, risk management and risk evaluation reporting to the board members of the Company and its subsidiaries within a time frame. Due to economic and political situations and changes in society, reviews of risk factors, risk potentialities including their impact and management measures are needed for the purpose of reducing the risk in an acceptable range or eliminating them. Considering both internal and external factors, risk assessment is classified into several categories: strategic risk, business risk, operational risk, financial risk and external circumstances risk which may have a significant impact on the Company. In regard to the measures and policies on the risk management, they have been transmitted to the executives and operational teams of both the Company and the companies in the group's core business so that the latter would identify clear objectives and carry them out in the same direction to achieve goals.

### 2.2 Risk Factors for the Company's Business Engagement

#### 2.2.1 Current risk for business engagement of the Company's or Group Companies, including potentially emerging risk in 3 - 5 years' time

Risk factors that may significantly affect the Company include:

##### 1. Risk factors contributed by external situations beyond control of the Company. These factors include:

###### 1.1 Risk from COVID-19 situation

Due to the pandemic situation of COVID-19 which has taken the world by storm with newer variants, the whole world is facing severe economic slowdown. In particular, tourism industry has been significantly affected because of travel restriction policies imposed by governments. This factor is threatening the Company's business as well, especially the hotel business that primarily relies on revenues from foreign tourists. Several projects of our trading business have suffered from clients' suspension requests for delivery and installation of products. Investment business engaged by overseas subsidiaries has been greatly affected by the fluctuation of stock prices in the stock market. This will cause a drop in sales and services income and operating profit of the Group Companies. As a result, the dividends, which is the main return on investment that the Company receives, will be affected as well. The Company has assessed that the likelihood of occurrence and impacts in this case is medium as the number of vaccinated populations is increasing globally, making the pandemic situation less and less concerning overtime. The Group has implemented measures to prevent the potential impact on the performance of the businesses of the Group, improving operating procedures to reduce costs and expenses to a minimum, reducing production waste to a low level, seeking new business opportunities that are relevant to the current situation. Monitoring the liquidity and credit limit of the business to be at an appropriate level, as well as increasing measures in the workplace to keep employees safe and to prevent the spread of the disease.

###### 1.2 Increasing interest rate risk

The source of operating capital of some subsidiaries is partly from loan. Therefore, the increasing interest rate may result in higher financial costs for such companies. This factor is outside the control scope of the Company. In 2021, the interest rate was relatively stable in comparison to the previous year. However, the Company and its subsidiaries only have a small sum of capital that was from loans. Thus, the risk and its possible impacts are considered at a low level. However, to prevent damage from a turn of events, the Company has prepared a policy to mitigate the risk by maintaining a proper proportion of the structure between loan debts and funds accordingly in a bid to generate a higher return on investment than the financial cost of the Company.



### 1.3 Risk of increasing prices of oil and energy in Thailand

During 2021, the prices of oil and energy in Thailand constantly increased, significantly affecting Group Companies, especially those in the industrial and services sectors that suffered from the surge in cost. This risk factor is considered a high level and beyond control of the Company. Saha-Union Group has implemented measures to cut down on oil and energy usage, thus reduced cost of operations. The Company is also considering adopting alternate energy sources such as solar energy to maintain the control over cost of production and services.

### 1.4 Risk of global economic changes

Throughout 2021, the global economy decelerated as a result of the global pandemic, inflation, and downtime in supply chains, especially in logistics. All of these also affected Thai economy. Orders from other countries are decreasing as some of them turned to order from other developing countries with lower labor wage and different travel restriction policies. Several businesses in Thailand, including those Saha-Union have invested in, are affected by these changing trends, especially textile business, automobile business, and tourism business. The Company considers this risk as a high level and takes a precaution by focusing on sustain its market share and improve product quality to gain the upper hand in competition. However, the Company's investments are intended to be long-term. The Company is extremely cautious in handling this risk and is closely monitoring the economic situation in countries where its investments landed, thoroughly studying the fundamentals of new businesses to invest in to ensure successful returns.

### 1.5 Risk of changes in domestic economy

Thailand's economy has been shaped by changes in global economy, as well as in politics, society, and environment. In 2021, Thai economy was significantly affected by another wave of COVID-19 pandemic, resulting in stagnancy in domestic demands for consumable products. The Company has assessed that the level of impact this risk factor can possibly have on the Group Companies is high. Therefore, the Group has prepared a measure to pay more attention to management, expand its business channels, and closely observe the economic situations to handle the issue accordingly. In 2021, businesses that were adversely affected included the trading business, the plastic business, and the hotel business. Each affected business has commenced countermeasures to raise its incomes from sale and services, minimize the cost of production and services, and effectively maintain its liquidity.

### 1.6 Risk of changes in regulations, laws, and procedures

Governments are constantly making change in regulations, laws, and procedures in response to the changing economy, society, and environment. Group Companies may risk violating or failing to fully comply with newly imposed regulations, laws, and procedures, which would impact the Company's reputation as well as financial damage. The company has considered this risk impact to Group Companies' businesses a medium level and has issued policies to administer and communicate proper work practice for employees, as well as closely monitoring changes in regulations, laws, and procedures imposed by the government of countries where Saha-Union is engaging its businesses. We have also established a network with concerned organizations in both government and public sectors, domestic and abroad, to ensure the integrity of the Company's business operations with regulations that apply.

## 2. Strategic risk: Risk of selecting new businesses to invest, as well as forms of investment

The Company plans to constantly expand its investment both in existing businesses and new businesses under the ever-changing investment environment. With this risk considered a medium level, the Company, therefore, attaches great importance to risk management measures. The investment committee was specifically appointed to formulate a clear investment policy that covers analyzing, assessing the return, selecting investment, and tracking the performance of each business invested to ensure that the expanded investment in existing businesses or new businesses is worthwhile and yields an appropriate return based on the Company's policy.

## 3. Business risk: Risk that investment returns may be not according to the plan.

The Company's major business is investment, consisting of domestic and foreign investment capital on which the return is in the form of dividend. **There is the risk that investment returns may be not according to the plan** and would result in profit diminution. In 2021, the Company estimated that likelihood and impact on this case are at a high level. Despite the Company's diversification of investments, several businesses in the country have been affected by the stagnant economy caused by the new



wave of COVID-19 pandemic. The measure to manage this risk is to make adjustments among Group Companies in terms of reducing variable costs and expenses to a minimum level, lowering waste to a low level, and closely monitoring the performance and investment returns to assess the potential scenarios of invested businesses and devise precaution approaches and improvement plans, requiring invested businesses to make medium-term plans to propose to the Company's Board of Directors.

### **3.1 Decreasing income from investment**

The Company launched a new business acquisition plan to address this issue by venturing into a new type of business involving medical services since 2015. Navavej International Hospital, one of the hospitals, has been operational since 2021. Another hospital is now under construction which is expected to complete in 2022.

### **3.2 Risk of investment impairment**

The Company's main business is investment, in many kinds of investments. With the passing time, changes in economic and political situation, demand and supply, raw material price, energy price, and consumption trends, may influence some business types in which the Company is investing. If the performance of these companies is negative, the value of shareholders' equity will decrease. The Company also evaluated the opportunity for payback and the value of its investment. In case these values are inferior to the total of the Company's investment, it is necessary to record impairment of such investment. In this regard, the Company assessed that the potential risk and its impacts at a medium level. The Company has been carrying out annual assessments of invested business. In 2021, The Company assessed the impairment of each type of investment and concluded that there was no investment that required additional provision for impairment of investment.

## **4. Operational risk includes:**

### **4.1 Risk of damage and management errors of invested business**

As indicated earlier that the Company's main business is investment, logically, if any entities in which the Company invested failed to work, it may cause damage to the Company in terms of securities.

The Company estimates that potential risk and its impact are at a moderate level as the company has diversified their investments. The Company's measures for the entities in question are through risk assessment, internal control process, self-assessment, policy on providing relevant knowledge, performance follow-up, including regular meeting holdings for investors and executives. In addition, on the part of the Company, checking, monitoring and internal control processes provided for each operation business is a must.

### **4.2 Risk of reliance on orders from a few key customers**

Some of the Company's subsidiaries are joint ventures and the partners are foreigners who carry out the overseas marketing plans. The Company is strongly influenced by demand for product orders from a few of these key customers in case they change or reduce order volume or move their facilities to another country. However, the potential risk is quite low as these partners have about 50% of capital and they should cooperate to get returns on investment.

The Company has taken measures by maintaining good relationships with the partners and by offering its products of quality to the customers as required.

### **4.3 Risk of non-return on assets**

Some of the Company's assets which are not currently in use include a land and buildings in Sriracha District, Chon Buri Province, and lands in Baan Chang District, Rayong Province, in Sai Noi District, Nonthaburi Province, and in Mueang District, Samut Sakhon Province. Details can be found in Annex 4: "Assets used in business operations and details of asset appraisal list" sub-section (1) "Land and land improvements" The Company considered this risk low-medium and proceeded to investigate the assets to evaluate the fair value. The evaluation suggested that the assets were worth more than the accounting cost. The Management always seeks for a proper economic opportunity.

### **4.4 Risk of damage from corruption**

The Company's core values are integrity, quality and service, with a policy to operate a business morally, rightfully, and transparently. Corruption has been prevented since the beginning. However, this matter is a type of risk with medium estimated impact. Since it has a low chance to happen but can cause medium impact which may ruin the reputation of the Company and the Executives, contrasting with the Company's business policies. The approach to prevent corruption is done by building morality among the Executives and employees, enforced with a strict regulation and regular monitoring.



## **5. Financial risk includes:**

### **5.1 Risk of foreign currency exchange loss in the Group companies**

According to the Company's analysis, the potential risk and their impacts are relatively low. The Company takes precaution by assigning a personal to be responsible with the ongoing situation and the exchange rate. This person must report activity and consult with Managing Directors of each company in the group, in relation to prompt decision-making. Additionally, the group companies must report the impact of foreign currency exchange rate, including the number of debtors and creditors to the Company.

Normally, the Company has its policy to manage this risk by using Natural hedge and consider making Forward contracts with banks according to the situation. This is only to prevent the risk, but speculation about exchange rate is not permitted. Moreover, the Company has invited from time to time key speakers from financial institutions to bring about more knowledge and skills, at the same time to place emphasis on management vigilance, to executives and personnel concerned.

### **2.2.2 Risk of shareholders' securities**

#### **1) Risk from the uncertainty of return that investors will receive.**

The Company's stock price may increase or decrease with fluctuation depending on various factors many of which are beyond the Company's control:

- Economic conditions, crises, unusual situations, such as the new wave of COVID-19 or fluctuations in exchange rates and interest rates, etc.
- Changes in policies, rules, regulations, or conditions affecting the manufacturing and service industries.

#### **2) Risk from the ability to pay dividends that fails to meet the expectations of investors.**

The Company's ability to pay dividends depends on several factors, such as its investment budget and capital reserves for business expansion, cash inflows from operations, etc. Should these factors affect the ability to pay annual dividends, the Company may be at risk of paying dividends at a lower rate than what investors expect. However, the Company follows a policy of paying dividends based on the performance of the separate financial statements at the rate of no less than one-third of the annual net profit according to the separate financial statements of the business, calculated using the cost method, after deducting accumulated losses (if any), and including considering liquidity and the Company's investment plan.

### **2.2.3 Risk of investing in foreign securities (in case the issuer is a foreign company)**

- N/A -

### 3. Driving Business for Sustainability



#### 3.1 Sustainability Policy and Management

Saha-Union Public Company Limited has always realized that business cannot move forward and grow sustainably if it does not contribute to social care for the environment. It also includes creating shared values for all stakeholders to grow together with the intention and determination to operate in continuous sustainable development. As a result, Saha-Union Public Company Limited has been selected by Thaipat Institute as one of the 100 listed companies with outstanding performance in environment, society, and good governance (Environmental, Social and Governance: ESG) in 2015, 2018, 2019, 2020, and 2021. Also, it received the corporate governance assessment from the Thai Institute of Directors Association at the level of "Very good."

#### Vision



Conduct business based on good corporate governance with the ultimate goal of the organization's sustainability, which creates shared economic, social, and environmental values in the Company's business chain.

Core values for success and sustainable growth together in the business chain



Integrity - Ethics - Quality -  
Developing Innovation with Knowledge -  
Mutual Benefit



## Conceptual framework and strategy for sustainable development



The Company has policies and goals for sustainability management announced throughout the organization as follows:

- Operate business based on good corporate governance by the organization's core values, which are integrity, quality, and service. The ultimate goal is the organization's sustainability that creates shared economic, social, and environmental values in the Company's business chain.
- In sustainability management, the focus is on working and performing at all levels. It considers the impact on stakeholders in the business value chain by minimizing negative impacts. Also, it strives to create innovations in business operations through building partnerships with partners in all sectors.
- It shall provide comprehensive risk management according to global trends and trends by defining operational strategies to enable the organization to move through stably.
- Three sustainability management goals have been set: stakeholder impact management in the business value chain, sustainability management in the environmental dimension, and sustainability management in the social dimension.



## 3.2 Managing Impact on Stakeholders in the Business Value Chain

### 3.2.1 Business Value Chain

The Company shall consider the business chain of each core business as discussed in Section 1.2 Nature of Business.

### 3.2.2 Stakeholder analysis in the business value chain

Stakeholders of the Company are divided into

- 1) Stakeholders within the organization such as shareholders, employees;
- 2) External stakeholders such as investors, joint ventures, customers, partners, creditors, competitors, local communities, relevant government agencies, intellectual property owners.



## Responding to Stakeholder Expectations

Stakeholder	Expectations	Management Strategy	Participatory Communication Process
Creditor Investors/investment institutions Business partner Co-investor	<ul style="list-style-type: none"> <li>• Good return on operations and business growth</li> <li>• Return on investment, business security information</li> <li>• Receiving equal treatment</li> <li>• Comply with the terms and conditions of the contract</li> <li>• Conducting business with environmentally friendly</li> </ul>	<ul style="list-style-type: none"> <li>• Develop and expand the business to grow continuously and sustainably</li> <li>• Reduce and diversify the risk of getting a return on investment</li> <li>• Follow up and check the performance of the invested business</li> <li>• Operate business according to good governance principles</li> <li>• Liquidity management</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting of Shareholders</li> <li>• Company website</li> </ul>
Executive Employee Worker	<ul style="list-style-type: none"> <li>• Compensation, welfare</li> <li>• Career path</li> <li>• Work safety</li> <li>• Corporate pride</li> <li>• Participation</li> <li>• Self-development and learning</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation Management, Welfare</li> <li>• Improve the quality of life for stability</li> <li>• Develop a workplace environment</li> <li>• Promote and develop employees' potential</li> <li>• Build a relationship with the organization</li> </ul>	<ul style="list-style-type: none"> <li>• Publicity board</li> <li>• Organize training development plans for employees</li> <li>• Anti-Corruption</li> </ul>
Customer	<ul style="list-style-type: none"> <li>• Products, services are satisfactory and environmentally friendly</li> <li>• Good quality and service, on time</li> <li>• Comply with the terms and conditions of the contract</li> <li>• Customer engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of goods, services that meet the requirements</li> <li>• Fast, accurate, safe service</li> <li>• Fair contract</li> <li>• Fair price</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting and visiting customers</li> <li>• Signing and executing contracts</li> </ul>
Partners Debtors Contractors	<ul style="list-style-type: none"> <li>• Timely and complete payments</li> <li>• Doing business with transparency</li> <li>• Partner engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Credit and Confidence Management</li> <li>• Anti-Corruption</li> <li>• Good relationship management with customers</li> </ul>	<ul style="list-style-type: none"> <li>• Agreement/purchase contract</li> </ul>
Community/society Independent organization Non-profit organization Educational institutions	<ul style="list-style-type: none"> <li>• Eco-friendly business</li> <li>• Supporting and contributing to social development</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement of the organization/employees with government agencies</li> <li>• Supporting government agencies/institutions/organizations</li> </ul>	<ul style="list-style-type: none"> <li>• 56-1 one report</li> <li>• Company website</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>• Fair competition</li> </ul>	<ul style="list-style-type: none"> <li>• Not infringing on competitor's rights</li> </ul>	<ul style="list-style-type: none"> <li>• Company's Group Code of Conduct Guide</li> </ul>
Government agency Regulators	<ul style="list-style-type: none"> <li>• Compliance with the law</li> <li>• Payment of taxes and fees accurately and completely</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct business by good governance principles</li> <li>• Respect rules</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct business by good governance principles</li> <li>• Respect rules</li> </ul>

## 3.3 Sustainability Management in Environmental Dimensions

### 3.3.1 Environmental Policy and Practice

The Company has established policies and plans to conserve energy and the environment as part of its business operations. The "Energy Conservation Policy" has been set as follows:

1. The Company will operate and develop an appropriate energy management system by stipulating the energy conservation to be a part of the Company's operations to comply with the law and other related requirements.
2. The Company will continually improve the efficiency of energy resource usage to be appropriate for business, technology, and good practice.
3. The Company will set energy conservation plans and goals each year and communicate them to all employees to understand and act correctly.
4. The Company regards energy conservation as the responsibility of the owners, executives, and employees at all levels to cooperate in implementing the specified measures, monitoring, and reporting to the Energy Management Working Group.
5. The Company will provide the necessary support, including human resources, budget, working time, training, and participation in presenting ideas to improve energy work.
6. Energy management executives and working groups review and update energy policies, goals, and plans every year.

The main business of the Company is investment and product trading. The operations, therefore, do not use natural resources to have an impact on living things in their natural habitat. There are no things that cause pollution to wastewater to destroy the environment. As for the Company, there is a public relations campaign on energy and water efficiency.

The Company promotes environmental conservation awareness so that employees are aware of the value of various resources. Therefore, It encourages executives and employees to use electricity and water economically and be mindful of the value, such as turning it off when not in use and adjusting the air conditioner's temperature accordingly. There was also a paper reduction campaign by encouraging the use of one sheet of paper on both sides and changing the use of toilet paper of sufficient thickness to reduce the amount of use. In addition, there is a campaign to separate waste and waste materials for further recycling.

However, in terms of the invested companies, they are also aware of the use of resources and environmental protection, complying with relevant standards and laws. For example:

#### ■ Strategies for Sustainable Use of Resources

The Company has invested in the combined cycle power generation business in the People's Republic of China in Zhejiang Province, using coal as fuel. In this regard, strategies for reducing coal consumption using modern technology have been studied and planned for operations. As a result, coal consumption can be reduced by using coal ash, a waste residue, as a fuel, thereby reducing the use of natural resources. It also improves operating results due to cost reduction.

#### ■ Preventing and reducing the impact of pollution

Every company that invests in manufacturing factories has a protection system and has investment expenses to reduce the impact of pollution on the environment. The management is under the standards and laws. For example, the rubber factory has a 2-stage wastewater treatment system inside the factory until it is tested that the wastewater released outside the factory does not pollute the environment. After passing through a system to prevent and reduce the effects of pollution, wastewater can be discharged. Other investment firms also act similarly.

#### ■ Environmental Pollution Reduction

Since 2019, the Company and its group companies have campaigned for its personnel to stop using plastic drinking glasses by using stainless steel mugs instead produced by the group companies. It aims to reduce plastic waste, help reduce global warming, and can be reused forever. Since it is an excellent quality product, it can maintain hot and cold temperatures. If the employee wishes to have it personally, they will be entitled to purchase at the cost price for the first piece. But if it is used in the Company's canteen, there will be welfare support for this matter. When used, it must be returned to the place provided for the canteen to clean and use again. Incidentally, employees can cooperate very well.

In addition, the Group of Companies has seriously and continuously emphasized compliance with environmental standards. Some companies have been certified for various standards, such as two major companies in the plastics, rubber, and metal business sectors that have been certified for environmental management systems ISO14001:2005.



### 3.3.2 Environmental Performance

#### 3.3.2.1 Energy Management

The Company manages energy efficiency in lighting and air conditioning systems by installing and maintaining related electrical control equipment and changing the use of fluorescent lamps to energy-saving LED lights to save on electricity bills. The Company has set an energy conservation goal by reducing energy consumption by 0.30 percent. It can be seen that since the outbreak of COVID-19 in 2019, the Company has had measures to control the epidemic, such as asking for cooperation from employees and executives, reducing outings, reducing travel. By allowing employees to work from home (WFH), the amount of electricity from air conditioners in the Company's office buildings decreased from 53.82% in 2018 to 47.56% in 2019. Other electricity use also reduced in the same direction, decreasing from 29.21% in 2018 to 11.84% in 2019. In 2021, the Company used 928,000 kilowatt-hours of electricity; it can save electricity costs about 400,000 baht or about 10 percent compared to last year. (Details appear in the table below)

	2021	2020	2019	2018
Electricity consumption (kilowatt-hour)	928,000	1,032,000	1,015,000	991,000
Air conditioner	45.67%	49.76%	47.56%	53.82%
Light	19.51%	13.63%	40.60%	16.97%
Other	34.82%	36.61%	11.84%	29.21%
Electricity cost (million baht)	3.79	4.19	4.17	4.05

#### 3.3.2.2 Water Management

Since the Company is an office supporting the operations of its subsidiaries and group companies, water supply is used only in buildings and office spaces. The Company regularly maintains and inspects the condition of the water distribution system inside the building, along with effective wastewater management. In 2021, the Company's total water consumption was 9,336 cubic meters, increasing 3,355 cubic meters or 56% compared to the previous year. The increase in water usage is that the Company has renovated the front and back landscaping of the building, including cleaning and painting the whole building.

#### 3.3.2.3 Paper Usage

Year	Office paper consumption (sheets)
2019	287,000
2020	260,000
2021	203,000

The Company's paper consumption began to decline markedly in 2020, the year that started the corona-2019 or COVID-19 outbreak. The Company's executive, together with the management, has set "Measures to prevent infection and spread of the COVID-19 virus". It did by assigning department managers to consider working from home for employees and organizing and attending meetings via online systems to avoid Travel, reducing outings to help stop and prevent the spread of disease. As a result, the office paper usage of the Company in 2020 was 260,000 sheets, a decrease of 27,000 sheets from 2019, or a decrease of approximately 10%.

The spread of COVID-19 Continued to occur until 2021, causing the Company to continue to take various measures strictly and promote awareness of the use of paper, such as thinking before printing and the use of double-sided paper, etc. As a result, the Company's office paper use has continued to decline. In 2021, the Company's total use of office paper was 203,000 sheets, a decrease of 57,000 sheets, or approximately 22% from the previous year.



#### 3.3.2.4 Management to reduce greenhouse gas problems

The Company attaches great importance to management to reduce greenhouse gas problems. It was found that the activities of businesses with the highest amount of greenhouse gas emissions were the use of electricity from air conditioning in the office and the use of fuel from corporate vehicles. In addition, the Company has measures to maintain air conditioners in accordance with the energy conservation plan continuously.

By 2021, the cost of using fuel from corporate vehicles totaling 241,343.80 baht, with total oil consumption of 7,060.71 liters, an increase of 40,492 baht or 193 liters from last year, representing an increase of 2.79%. Due to the amount of usage related to activities to relieve the heat from the COVID-19 epidemic situation and the sending of employees to get vaccinated against COVID-19.

### 3.4 Sustainability Management in Social Dimensions

#### 3.4.1 Human Rights

The Company promotes respect for fundamental human rights, freedom, and liberty, equality of expression. Also, it included the economic, social, and cultural rights that stakeholders are entitled to the highest possible standards. It adheres to the six basic principles or Core Values in human rights, namely Non-Discrimination, Actions by adhering to the principles of Justice, Equity, Freedom, Human Dignity, and Non-Violence.

In 2021, the Company established a policy on human rights. There are three main principles which are respect and not violate human rights (Respect), protect others or third parties from human rights violations (Protect), and correction, rehabilitation, compensation for impacts or violations of human rights arising from business operations (Remedy). More details can be found on the Company's website [www.sahaunion.co.th](http://www.sahaunion.co.th) by upholding and complying with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights: "UNGPs." The Company gives importance to labor practices and respect for human rights with fairness, equality, and non-discrimination. It includes employment, compensation, promotion, employee training, and development without gender, age, educational institution, race, and religion. It also supports employment for underprivileged groups, including the elderly, to create opportunities, create jobs, secure incomes, and be part of the achievement of the Sustainable Development Goals (SDGs) of the country and the world. In the past year, the Board of Directors imposed a written policy on social responsibility for labor. The official announcement has been posted and compiled in the Company's Good Corporate Governance Manual..

#### 3.4.2 Fair treatment of workers

Treatment of employees and workers concerning human rights includes fair employment and compensation, employee training and development, improvement of employee engagement and satisfaction, safety management, occupational health, and working environment, etc. It includes efforts to reduce the risk of employee and labor disputes to maintain competitiveness, attract potential employees, and improve employee engagement with the organization. In 2021, the Company had the following essential employee operations:

##### Employment

Detail	Number of employees (person)		
	Male	Female	Total
Full-time employee	20	48	68

##### Employee Training

In 2021, the Company organized eight training courses for employees to increase their skills and potential to work for employees, with an average of 25.87 hours of training or knowledge development activities for employees per person per year.

##### Employee Engagement

The Company has plans to develop employee engagement as follows: In 2021, employees voluntarily resigned (Turnover rate) 6.45%, a decrease of 5.85% from the previous year.



### 3.4.3 Safety, Occupational Health, and Work Environment

In 2021, the Company continuously developed and improved operational efficiency in safety. It aims to reduce the risk of illness, injury, or death and to ensure the quality of life of employees or employees appropriately. The important operations are as follows:

#### ■ Adjusting the working environment to prevent the spread of COVID-19

Since the outbreak of COVID-19 began to occur at the end of 2019, starting from the Wuhan strain to the GH strain, Alpha strain, Dale strain Eye, and Delta Plus strains. Until the year 2022, with the outbreak of Omicron strains, the Company places great importance on the health and safety of employees, which is the foundation and key mechanism to drive the organization. Together with the management, the executives have set "Preventive measures for infection and the spread of the COVID-19 virus." It includes the rules for entering and exiting the office building, temperature measurement before entering the building, workplaces arrangement, routing inside the building, and passenger elevators. Also, it takes into account social distancing or social distancing and asks for cooperation from all employees to wear a mask or cloth mask at all times inside the building and wash their hands frequently with soap or alcohol gel which are located at various points within the building.

The Company gives employees the right to choose their working days and times as determined by the Company, especially employees traveling by bus and public trains to avoid congestion during rush hour. It allows managers of each department to consider employees' work from home, organizing and attending online meetings to avoid traveling, reducing outings helps deter and prevent the spread of germs. In 2021, the Company distributed surgical face masks to executives and employees to prevent contamination from secretions for safety and reduce the burden of expenses for employees.

In addition, the Company has also created a channel of communication within the organization between executives and employees. It creates a group in the LINE application for communication and public relations information within the organization, including messages of concern to build morale. It also shares useful information directly from management for everyone's safety and health.

#### ■ Encouraging employees to get vaccinated against COVID-19 and supporting Antigen Test Kit (ATK) testing kits for at-risk employees

The Company has encouraged employees to get vaccinated against COVID-19 to reduce the risk of contracting COVID-19 and create a group immunity in the country. Amid the epidemic of the disease, random testing for COVID-19 in high-risk groups, passing the ATK (Antigen Test Kit) test is another way to prevent the spread of virus. The Company and the Saha-Union group had to invest in Bubbles and Seals and in-plant management measures, resulting in cost increasing. All companies are ready to adjust to maintain their production capability and be prepared to deal with various risks that may occur.

#### ■ Landscaping improvements in front of the office building

In 2021, the Company undertook to improve the landscaping around the headquarters building to create a modern image and add green areas to enhance the atmosphere and enthusiasm for working and use it as a recreation area for employees, customers.

#### ■ Improvements to the parking area

Due to the landscape improvement in front of the headquarters building, the Company took the opportunity to improve its parking lot. That faces waterlogging at some points when heavy rains and having cracks in the cement deteriorate. It aims to solve such problems, reinforce the image, and increase the convenience and safety of using the parking lot for employees and visitors.

### 3.4.4 Responsible product and service to customers.

The Company adheres to the quality of the product or service to a standard, is safe for consumers' health, and has a reasonable price according to the agreed quality.

#### ■ Customer health and safety

The Company's products are raw materials related to textiles such as cotton and synthetic fibers, which produce finished fabrics and elastic bands. The Company chooses to supply quality products that are safe for people's health. The stainless-steel section used in vacuum flasks must be of excellent quality to ensure good product quality, and intact, durable use. Combined with the production process of the group companies, the vacuum flask product is highly safe for health for consumption. In this regard, the colors used in producing such products are food coloring levels, giving consumers confidence in the Company's products with high quality distributing and manufacturing by the Company group. It is similar to the Company selling adhesive tape products of good quality, standards under the trademarks UNI TAPE, PANFIX, FUJI, NICHIBAN to foreign countries. In addition, the Company will maintain the quality of the products and be responsible for the customers to receive the products according to the quality, price, and an agreed period, which is fair.

The Saha-Union Group has companies that manufacture elastic bands for fabric masks and face masks. It is accredited with the ISO 13485 Quality Management System. It is a comprehensive quality management system from designing, developing, manufacturing, and selling, medical devices. It applies to user safety, with the medical device service provider having a high level of confidence, trust, and safety. In addition, the Company mentioned above has been certified by both the Thai Food and Drug Administration (FDA) and the United States (FDA) and passed the OEKO-Tex Standard 100 audit and certification or passed the standard test of international products from the Swiss Textile Testing Institute. It is a global institution that internationally believes and trusts that certified products do not contain harmful residues and are not detrimental to consumer health.

In 2021, the Company and its core companies in each business group had no significant violations of laws and regulations relating to the provisions and use of products and services.

#### ■ Product and service labeling

The Company considers consumers to receive good quality products. It must-have information on how to use them correctly to achieve the objective that customers feel the product's value and benefit from using the product. The Company has a standard product label with the product name, brand, package size, product code number, component. It will specify the international standard code (some products have it), features, instructions for use, warnings, date of manufacture. It is following international standards and applicable laws that all information is truthful.

#### ■ Marketing Communications and Customer Business Secrets

Most of the Company's business is an investment and trading products with the partner who is not the last consumer. The Company, therefore, has no advertising marketing costs. Consumers do not have to bear the cost of this marketing expense. In addition, the Company is aware of the business ethics for sustainability. The Company does not disclose customer's confidential information, and does not misuse the customer's information for its benefit or related parties.

### 3.4.5 Participation in community and social development

The Company is aware of the stakeholders who are the local community and the outside society, to have a better quality of life. The Company has participated as follows:

#### ■ Role in the market and job creation

The Company and the invested companies in the community contributed mainly to the community development by employing people in the neighborhood to work with the Company. It aims to give the local people a stronger livelihood foundation in the areas where the Company invests, for example, Bang Pakong, Bang Chan, and Hua Hin. Most of the Group's employees are local residents. It is an important labor market and can create jobs for the local community to increase their income continuously. As a result, communities and societies are developed.

#### ■ Participation in the community

Due to compliance with government measures to prevent and control the epidemic of COVID-19, various activities that the Company has organized every year have to be canceled. However, the Company welcomes opinions, complaints from people in the area to consider revising and improving the society.

#### ■ Delivering Help and Concerns in the COVID-19 Pandemic Situation

In 2021, the third wave of the COVID-19 epidemic began in late June. According to the announcement of the Medical and Public Health Emergency Operations Center for COVID-19 aims to quarantine the infected area by prohibiting people in Bangkok and perimeter provinces from leaving their homes between 21.00 - 04.00 on the following day from 20 July 2021 for at least 14 days, including asking people to avoid or delay traveling across provinces except for goods delivery. These measures are necessary to contain the epidemic situation that is so severe to be at risk of a public health crisis. However, the number of infections continues to rise, affecting all sectors widely. The Company, therefore, operates various activities to alleviate the suffering for various people as follows:

- The Company has delivered 100 sets of food and drinking water to the team of doctors, nurses, and social security officers in Area 8, who work to serve people at the COVID-19 Vaccination Center at Paradise Park Shopping Center, Srinakarin Road. It aims to encourage those who work at the front lines to prevent the spread of COVID-19 jointly.
- The Company has donated 100 sets of dry food and necessities to the police officers at Phra Khanong Police Station to encourage the civil servants to perform their duties. In this regard, Pol. Col. Wachirakorn Wongboon, Superintendent of Phra Khanong Police Station, was the recipient's representative.
- The Company also has provided 100 sets of necessary supplies such as rice, dry food, and protective equipment such as masks and alcohol gels to the staff of the Solid Waste and Waste Management Department, Phra Khanong District Office. It aims to support the work and morale of the field staff working in the epidemic situation of COVID-19. In this regard, Mr. Ruangdej Pongchantara-om, Director of Phra Khanong District, and Mr. Charanyuk Kheawsod, Assistant District Director as the recipient's representatives.



- The governor of Bangkok has also issued a notice ordering the closure of construction sites, including temporary shelters for workers inside and outside the construction site, to control and slow down the spread of the COVID-19 virus, which found the epidemic in clusters spreading in many areas. Also, the movement of vulnerable groups was blocked to prevent the spread of pathogens widely. The Company participated in this situation as follows:

- The Company has arranged the survival bag, including consumer goods of 306 sets such as rice, canned fish, instant noodles, vegetable oil, Chinese sausage, detergent, dishwashing liquid, soap, face masks, and alcohol gels. The Company gave these survival bags to workers at the camp on Sukhumvit Soi 62 to help and alleviate the suffering from the epidemic situation.

For many boxes and cartons leftover from the packing of the survival bags, the Company has donated them for recycling into SCGP paper yard beds to donate to field hospitals across the country to continue supporting COVID-19 patients.

### 3.4.6 Anti-Corruption

#### Anti-Corruption Policy

Since 2016, the Company has established an “anti-corruption policy” and “Whistleblowing and malpractice complaints policy” in writing for all Saha Union Group companies. This policy has been communicated to serve as a guideline for our operations for the management to be effective, transparent, and verifiable. In addition, it can truly build trust and confidence among all stakeholders. (details can be downloaded from the Company’s website at [www.sahaunion.com](http://www.sahaunion.com)).

The Company has communicated anti-corruption policies and guidelines to the management and employees. It prints the summary document, including the example of the guidelines for implementing the said policy so that the management and employees understand and follow it properly. Also, it publicizes such information to executives and employees in clearly visible areas as well.

In addition, the Company confirms and declares its intent and disseminates the anti-corruption policy. It has sent the message regarding “anti-corruption policy” and “Whistleblowing and malpractice complaints policy” on the performance of the Company’s duties and companies in the group to the stakeholders for acknowledgment. Those stakeholders shall sign the acknowledgment of the policy in such matter by the responsible person concerned and send it back to the Company.

The Company has established a Code of Conduct manual through the resolution of the Board of Directors. It has a business policy following the Company’s values and good governance and management to operate with honesty and without corruption. It is not only the business of the Company and its group in Thailand but also its businesses that have invested in foreign countries. It includes complete, correct, and accurate accounting records, tax calculations, and correct tax payments so that bribes are not paid to those involved. Therefore, the relevant authorities will receive correct information and accurate tax payments, and the state does not lose benefits. The Company’s policy has always been adhered to as a practice which has made the Company reliable to the public and society.

#### Guidelines in agencies that comply with the policy

The Company has instilled values, integrity, quality, and service from executives to employees. It has a policy to comply with the law and related regulations by creating awareness among executives and employees. In addition, employees will receive a manual on work regulations. It is defined in Section as follows: Disciplinary and Disciplinary Penalties Articles 6.1 (f) and Article 6.2 (4) must act with integrity, and Article 6.3 on penalties for violations and termination of employment. For the operating system to follow the Company’s policy, there is an effective and efficient internal control system, with audits, follow-up to avoid corruption, and the internal audit process of the internal audit unit.

The Company has established guidelines for the management and employees to comply with the anti-corruption policy in 8 areas as follows:

- Guidelines on conflicts of interest;
- Guidelines on Securities Trading Practices and use of inside information;
- Guidelines on Sourcing/Procurement;
- Guidelines for receiving or giving assets or any other benefits that might motivate one to make any decision;
- Guidelines for charitable donations and grants;
- Guidelines on Political Practices;
- Guidelines for dealing with government agencies;
- Guidelines on Tax Practice

#### Disclosure of operating results and progress in practice

In 2021, the Company had no issues or material flaws related to litigation, investigation, alleged prosecution pertaining to unfair competition, corruption operations, discrimination, unfair employment, or non-compliance with the law.



## 4. Management Discussion and Analysis



### 4.1 Overview of Business Operations and Significant Changes

#### Factors Affecting Business Operations

In 2021, countries worldwide will still face a new wave of the COVID-19 epidemic, but at a milder level than in 2020 due to high vaccination rates in developed countries. Measures to contain the outbreak still need to be applied continually, keeping the global economy slow, coupled with the effects of inflation and rising interest rates, and remaining the bottlenecks in the supply chain. However, it is also supported by economic stimulus measures, both the monetary and fiscal policies of the world powers, resulting in the global economic growth rate throughout 2021 at 5.5%.

As for Thailand, in 2021, several new waves of the COVID-19 outbreak since the end of 2020 have delayed the recovery of the Thai economy. Many economic activities have been restricted under stringent epidemic control measures for months. It made the industrial and service sectors, including the halt in the construction sector, affecting the employment and income of workers. However, during the last quarter of 2021, Vaccination has made significant progress. As a result, the domestic epidemic has subsided, strict control measures have been gradually eased, and economic activities can resume. Overall, the Thai economy in 2021 is likely to grow slightly at 1.2% from a severe contraction in 2020 of -6.1%. Exports have returned to expand at a high rate of approximately 16.5% YoY contraction – 6.5% due to economic recovery and global trade. But it is still affected by exchange rate fluctuations throughout the year. As for domestic expenditure, it was supported by government measures. Private consumption tends to grow slightly at 1.1%. As a result, these factors affecting the Group's business are as follows:

- Trade businesses are affected by the new wave of the COVID-19 pandemic, causing deliveries of most project goods and services to be postponed.
- Energy business is affected by the increase in the price of coal, which is the primary raw material for production.
- Hotel business relies mainly on income from foreign tourists. Although Thailand has started accepting foreign tourists, due to restrictions from the country of origin, coupled with the new wave of COVID-19 outbreak around the world at the end of 2021, the number of foreign tourists is limited.
- Investment business of the subsidiary in the country is greatly affected by the fluctuation of the Thai baht exchange rate against the US dollar.

#### Summary of business results

The Company and its subsidiaries had net profit under the equity method in the consolidated financial statements for the year ended December 31, 2021, which amounted to 704 million baht, a decrease of 163 million baht compared to the year 2020, as summarized below:

(Unit : Million Baht)

Consolidated	2021	2020	increase (decrease)	%
Total revenue	8,932	9,368	(436)	(5%)
Cost of sales and expenses	8,581	8,944	(363)	(4%)
Share of profit from investments in joint ventures	442	495	(53)	(11%)
Share of profit from investments in associates	33	116	(83)	(72%)
Financial cost	29	43	(14)	(33%)
Income tax expenses	93	125	(32)	(26%)
<b>Profit for the year</b>	<b>704</b>	<b>867</b>	<b>(163)</b>	<b>(19%)</b>
<b>Profit attributable to shareholders of the Company</b>	<b>601</b>	<b>845</b>	<b>(244)</b>	<b>(29%)</b>



## 4.2 Result of Operations and Profitability

### Separate Financial Statements

In 2021, the operating results, according to the separate financial statements, which are calculated according to the cost method, have a net profit of 684.75 million baht, a decrease of 137.93 million baht, or a decrease in the percentage of 16.77 compared to the year 2020. The main reason is due to:

- Dividend income decreased by 218 million baht compared to 2020, mainly due to a decrease in dividends from the domestic energy business according to the plan and dividends from the energy business in the People's Republic of China. The COVID-19 outbreak has forced production halts at certain times to control the spread of the disease. In addition, the cost of coal, which is the primary raw material used in production, has increased, causing lower operating profits. In addition, the country's plastics, rubber, and metal businesses have paid lower dividends due to the performance impacted by the sluggish global economy and the strengthening of the baht in 2020.
- In 2020, the Company recorded impairment losses of investments totaling 78 million baht, which was impairment of investments in subsidiaries (Union Garment Co., Ltd.) due to the cessation of the textile business and the accumulated loss in the associated company (Jiangsu Zhonglian-Union Carpet Co., Ltd.), automotive carpets manufacturing. For such investments to reflect the expected return in the future appropriately, in 2021, there is no additional allowance for impairment of investments because the value of each type of investment reflects the expected return in the future appropriately.

### Consolidated financial statements

Overview of operating results according to the consolidated financial statements calculated by the equity method in 2021, the net profit attributable to shareholders of the Company amounted to 601.25 million baht, a decrease of 243.84 million baht or 28.85% compared to the year 2020, which had a net profit of 845.09 million baht. The changes in such operating results are as follows:

#### (1) Revenue from sales and services

In 2021, the Company had revenue from sales and services of 8,357 million baht, a decrease of 371 million baht or 4% from 2020. The significant changes can be summarized as follows.

- Textile business revenue decreased by 266 million baht due to the impact of the textile business's competitive environment, with an intense focus mainly on price, causing the Union Textile Industry Public Company Limited (subsidiary), the leading company in this business group, having cease production since Q2 2021. In addition, our main customers in Europe are affected by the economic downturn. Orders are, therefore, constantly declining, and the volatility of the Thai baht caused the revenue from selling products to decrease.
- Sales of the trading business decreased by 652 million baht due to the impact of the new wave of the COVID-19 epidemic affect the delay ordering by customers, causing the delivery of goods and services of most projects to be postponed and therefore unable to recognize revenue from sales and service
- The hotel business is a business that continues to be affected by the new wave of the COVID-19 epidemic. Hotels are heavily dependent on income from domestic tourists. The number of foreign tourists who are the hotel's primary income is still limited. As a result, sales and services decreased by 85 million baht compared to 2020.
- The energy business operates in the People's Republic of China, with sales in 2021, an increase of 638 million baht from 2020 due to the expansion of production capacity by applying more modern technology. In addition, in early 2020, during the epidemic, the factory had to stop producing electricity and steam to control the epidemic situation. As a result, sales in 2020 decreased.

#### (2) Other Income

In 2021, the Company and its subsidiaries had other income types different from revenue from sales and services, totaling 575 million baht, a decrease of 65 million baht or 10% from 2020, as summarized below.

(Unit : Million Baht)

Other Income	2021	2020	increase (decrease)	%
Dividend income	271	376	(105)	(28%)
Rental income	45	36	9	25%
Financial income	17	29	(12)	(41%)
Gain on investments designed at fair value through profit or loss.	38	-	38	-
Gain on derivatives designed at fair value through profit or loss.	-	7	(7)	(100%)
Other income	204	192	12	6%
<b>Total</b>	<b>575</b>	<b>640</b>	<b>(65)</b>	<b>(10%)</b>

- Dividend income decreased by 105 million baht, mainly due to decreased investment in the domestic energy business, which decreased according to the action plan.
- Gains on investments must be measured at fair value through profit or loss. Mainly, it is a transaction of adjusting the value of investments in the stock exchange of foreign subsidiaries to the market price at the end of the period under financial reporting standards. As of December 31, 2021, there were unrealized gains from the revaluation of such investment amounted to 38 million baht. Meanwhile, last year there was an unrealized loss from the adjustment of the value of such investment amounting to 196 million baht. As a result, an unrealized profit increased from this item by 234 million baht compared to the previous year.

### (3) Cost of sales and services, selling and distribution expenses, and administrative expenses

#### Cost of sales and services

In 2021, the cost of sales and services amounted to 7,570.47 million baht, a decrease of 165.75 million baht compared to 2020, which amounted to 7,736.22 million baht. It was in the same direction as the decrease in sales and services. However, the total cost of sales decreased at a slower rate than the decrease in sales and services because each business had some fixed costs, such as labor costs and depreciation. As a result, the cost of sales in 2021 accounted for 90.59%, while in 2020, it accounted for 88.64% of sales. The ratio of cost of sales to sales and services increased by 1.95%.

The businesses with the significantly lower cost of sales and gross profit were the trading business, the hotel business, and the energy business, as follows:

- Trading business is a business that has been significantly affected by the new wave of COVID-19 epidemic situation, causing delivery of most of the project products and services to be postponed. Revenue from sales and services cannot be recognized. In contrast, part of the business costs is fixed costs, such as labor costs, which do not decrease with the decrease in sales. As a result, gross margins have dropped significantly.
- The hotel business continues to suffer from the impact of the COVID-19 epidemic. Although government travel restrictions have been eased to some extent, the number of foreign tourists which is a significant source of income, is still limited. The hotel is dependent on income from tourists in the country, which is small. Therefore, revenue from sales and services of the hotel decreased. In contrast, most hotel service costs are fixed costs such as employee wages and depreciation, which did not decrease with the decrease in sales. As a result, the gross profit margin has decreased.
- The energy business was another segment with lower gross margins as the cost of energy production increased in proportion to the significant increase in the price of coal, the primary raw material for production.



### **Selling and distribution expenses**

In 2021, the majority of expenses consisted of export expenses, commission fees, transportation costs, etc., which amounted to 247.73 million baht, a decrease of 20.67 million baht compared to 2020, depending on sales. The proportion of sales and distribution expenses compared to sales in 2021 was 2.96%, close to 2020, which was 3.08%, according to the Company's regular business and subsidiary.

### **Administrative Expenses**

In 2021, administrative expenses amounted to 693.64 million baht, an increase of 34.35 million baht or 5.21% of the proportion of total revenue, compared to the year 2020, which had total administrative expenses of 659.29 million baht. The reasons for the significant change consisted of:

- In 2021, there was a loss in foreign exchange of 72 million baht, while the previous year was a gain due to the volatility of the baht's exchange rate against the US dollar.
- Employee expenses decreased by 31 million baht because, in 2021, the subsidiaries in the group have more control over labor costs than 2020, including reducing the number of employees to increase work efficiency. As a result, the expenses in this segment are reduced compared to the year 2020.

### **(4) Share of profit from investments in joint ventures**

The list of profit-sharing from investments in joint ventures decreased by 52.98 million baht compared to 2020. Mainly because the Company recognized the profit share in proportion to its investment from a foreign joint venture, operating the energy business. It was due to the cost of production of the said joint venture increased in proportion to the increasing price of coal, which is the primary raw material for production.

### **(5) Share of profit from investments in associates**

The share of profit from investments in associated companies decreased by 82.83 million baht compared to the year 2020 mainly due to:

- An associate company in the People's Republic of China, which operates a chemical manufacturing business, controls production costs more efficiently. It results in increased operating profit and profit-sharing.
- Three domestic associated companies which is operates investment business experienced a lower share of profits as operating performance declined.
- The Company recognizes its share of loss in proportion to its investment in an associated company in the country that operates hospital business since it was just starting to operate.

### **(6) Profitability Ratio**

Profit Type	Unit	For the year ended December 31	
		2021	2020
Gross profit margin per sales	%	9.41	11.36
Operating profit margin	%	4.37	7.41
Net profit margin to total revenue	%	6.39	8.47
Return on Equity	%	2.79	4.09

### **Gross Profit Margin**

In 2021, the Company and its subsidiaries had a gross profit of 786.32 million baht, a gross profit margin of 9.41 percent of sales, and a gross profit margin decreased by 205.58 million baht decrease of 1.95% of sales. Compared to 2020, it has a gross profit of 991.90 million baht or a gross profit margin of 11.36 percent of sales. It was mainly due to the decline of the three main businesses as follows:

- The trading business group had gross profit decreased by 259 million baht, and gross profit margin decreased by 8.32% from 2020 due to the new wave of the COVID-19 epidemic situation. As a result, the delivery of goods and services for most projects has to be postponed, sales and service revenue cannot be recognized. In contrast, part of



the business costs is fixed costs, such as labor costs, which are not reduced by lower sales, resulting in a significant decrease in gross profit margins.

- Energy business group gross profit decreased by 27 million baht. Gross margins declined 12.20 percent from 2020 as the cost of energy generation increased in line with significant increases in the price of coal, the primary raw material for production.
- Hotel business, gross profit decreased by 74 million baht, gross profit margin decreased from 2020 by 61.34% due to a decrease in sales and services. But the reduction in costs was a lower ratio than the decrease in sales and services. As mentioned above, each business has certain fixed costs, such as labor costs and depreciation.

#### **Operating Profit and Operating Cash Flow**

According to the consolidated financial statements for the year 2021, the Company and its subsidiaries have operating profits of 390.16 million baht, a decrease of 303.73 million baht. Compared with 2020, it had an operating profit of 693.89 million baht. However, due to operations in 2021, sales and services decreased, but the decrease in costs does not equal the proportion of the decline in sales and services and other reasons mentioned above.

#### **Operating Profit Margin**

The operating profit margin to total revenue in 2021 was 4.37 percent, a decrease of 3.04 percent due to the reasons mentioned in the previous paragraph. It is still a level of return suitable for the current situation.

#### **Net profit margin to total revenue**

According to the consolidated financial statements for the year 2021, the net profit attributable to shareholders of the Company amounted to 601.25 million baht, a decrease of 243.84 million baht compared to the year 2020, which amounted to 845.09 million baht. The net profit margin to total revenue in 2021 was 6.39, a decrease of 2.08 percent compared to 2020, which was 8.47 percent, decreasing in line with the operating results mentioned at the beginning. However, under the economic slowdown, the said net profit to total revenue ratio is still appropriate for the current situation.

#### **Return on Equity (ROE)**

The year 2021, according to the consolidated financial statements of the Company and its subsidiaries, calculated using the equity method, has a net profit attributable to shareholders of the Company of 601.25 million baht, equivalent to basic earnings of 2.07 baht per share. The average return on equity is equal to 2.79 percent, a decrease of 1.30 percent compared to 2020, which had an average return on equity of 4.09 percent. The decline was caused by several factors, as mentioned above. In the separate financial statements, calculated using the cost method in 2021, net profit was 684.75 million baht or earnings per share of 2.28 baht per share. Net profit decreased by 137.93 million baht or 0.46 baht per share compared to 2020. The main reason is a decrease in dividend income of 218.47 million baht.

In addition, the Company's dividend payment policy is based on the operating results of the Separate Financial Statements, at the rate of not less than one-third of the annual net profit according to Separate Financial Statements. It is calculated using the cost method after the deduction of accumulated losses (if any). It includes taking into account the liquidity and the Company's investment plan. However, the Company will consider paying dividends to shareholders at an appropriate rate regularly. During this year, the Board of Directors considered on March 17, 2022, to propose to the Annual General Meeting of Shareholders to consider and approve the dividend payment to shareholders at the rate of 1.50 baht per share or equivalent percentage 65.79 of net profit under the cost method.

**The history of the Company's dividend payment** compared to the net profit per share using the cost method is as follows:

Year	Dividend payout rate (per share)	Earnings per share (cost method)	Dividend payout ratio To earnings (%)
2020	1.50	2.74	54.74
2019	1.50	2.80	53.57
2018	2.00	2.73	73.26
2017	2.00	3.01	66.45
2016	2.00	3.94	50.76



## 4.3 Financial Position and Asset Management Capability

### Composition and asset quality

As of December 31, 2021, the Company and its subsidiaries had total assets of 26,478.33 million baht, an increase of 761.41 million baht or 2.96% from the end of 2020 which amounted to 25,716.92 million baht. Asset quality and significant changes are as follows:

(Unit : Million Baht)

Assets as of December 31	2021	%	2020	%	Increase (decrease)	%
Cash and cash equivalents	3,087	12%	2,877	11%	210	7%
Trade and other receivables	1,515	6%	1,490	6%	25	2%
Inventories	980	4%	940	4%	40	4%
Other current financial assets	2,123	8%	1,460	6%	663	45%
Investments in joint ventures and associates	5,980	22%	5,683	22%	297	5%
Other non-current financial assets	3,155	12%	3,288	13%	(133)	(4%)
Property, plant and equipment	5,971	22%	6,154	24%	(183)	(3%)
Investment Properties	2,465	9%	2,402	9%	63	3%
Right-of-use assets	221	1%	246	1%	(25)	(10%)
Goodwill	522	2%	522	2%	-	-
Others	459	2%	655	2%	(196)	(30%)
Total assets	26,478	100%	25,717	100%	761	3%

**Cash and cash equivalents** increased by 210 million baht. It was due to net cash flow from operating activities of 722 million baht, from using in investing activities of 86 million baht, from using in financing activities of 706 million baht, and translation adjustments amounting to 280 million baht.

**Trade and other receivables** slightly increased by 25 million baht. Most of the trade accounts receivable were not due. The Group's average collection period is approximately 60 days, close to the credit term. Also, the management has considered the allowance for expected credit losses that are sufficient and appropriate to the current situation.

**Inventories** increased by 40 million baht, mainly due to the increase of goods in transit ordered to support the sale of goods and services to customers. However, the Group has the policy to manage inventory at a low level to enhance liquidity for the business. The Group's inventory turnover ratio is 15.50 times, and the management considers the cost reduction of inventories to be recorded as the net realizable value for each category of inventories.

**Other current financial assets** increased by Baht 663 million due to the subsidiary's increased investment in short-term investments and investments in the stock market of foreign subsidiaries. Including as of December 31, 2021, there was an unrealized from the adjustment of the value of such investment to the market price at the end of the period according to financial reporting standards of 38 million baht. While last year there was an unrealized loss from the adjustment of the value of such investment amounting to 196 million baht.

**Investments in joint ventures and associated companies** increased by 297 million baht because during the year 2021, the Company invested more in Navavej International Public Company Limited by 75 million baht. In addition, it is partly from the change in book value under the equity method in joint ventures and associates.

**Other non-current financial assets** decreased by Baht 133 million, mainly due to the adjustment of investment in non-listed equity securities that was determined to be measured at FVOCI.

**Land, buildings, and equipment** decreased by 183 million baht, mainly due to:

- Depreciation incurred during the year amounted to 734 million baht;
- Purchasing of property, plant and equipment increased during the year, amounting to 364 million baht;
- Disposal of property, plant and equipment during the year with a net book value of 85 million baht;
- Reclassification by transferring to investment property amounting to 56 million baht;
- Translation adjustment amounted to 279 million baht;
- The subsidiary has reversed the allowance for impairment of the property, plant, and equipment account totaling Baht 52 million. Therefore, book value reflects the net realizable value from the proper use of the assets.

**Right-to-use assets**, comprising rights to use land, buildings, equipment, and vehicles, decreased by Baht 25 million following amortization incurred during the year.

**Goodwill** arises from the acquisition of the Hilton Hua Hin Resort & Spa business, which comprises the business opportunity of operating a hotel immediately upon the acquisition date. The Company has tested the impairment of goodwill every year following accounting standards. In 2021, such goodwill was not impaired.

**The other main assets** consisted of prepaid expenses, deferred tax assets, and withholding tax. The amount decreased by 196 million baht. It was mainly due to decreased prepaid expenses that were gradually recognized as expenses during the year.

The assets other than those mentioned above have not changed significantly.

#### Efficiency Ratio

Efficiency Ratio Type	Unit	For the year ended December 31	
		2021	2020
Rate of Return on Assets	%	2.30	3.32
Rate of Return on fixed assets	%	16.98	19.30

#### Rate of return on assets

The year 2021 was at 2.30%, down 1.02% from 2020, due to lower consolidated net profit as the impact of the economic slowdown from the COVID-19 epidemic.

#### Rate of return on fixed assets

In 2021 was at 16.98%, a decrease of 2.32% compared to 2020, due to lower net profit for reasons stated in the Operating and Profitability section.

## 4.4 Liquidity and Adequacy of the Company's Capital

#### Sources and uses of funds

As of December 31, 2021, the Company and its subsidiaries have sources and uses of funds as follows:

(Unit : Million Baht)

Cash Flow	For the year ended December 31, 2021
Net cash from operating activities	722
Net cash used in investing activities	(86)
Net cash used in financing activities	(706)
Translation adjustment	280
Net increased in cash and cash equivalents	210
Cash and cash equivalents at the beginning of the year	2,877
Cash and cash equivalents at the end of the year	3,087



**Cash flows from operating activities:** The Company and its subsidiaries had a pre-tax profit of 798 million baht, adjusted by reconciliation to cash received (paid) from operating activities. The main items are depreciation and amortization of 848 million baht, the share of profit from investments in joint ventures of 442 million baht, the share of profit from investments in associates of 33 million baht, dividends from investments of 271 million baht, other current assets of 239 million baht, trade and other payables of 209 million baht, and income tax payments of 200 million baht. It resulted in cash inflows from operating activities of 722 million baht.

**Cash flows used in investing activities** amounted to 86 million baht, with the following essential items:

- Cash paid for purchasing investment in an associate company (Navavej International Public Company Limited) amounting to 75 million baht;
- Cash paid for purchases of other current financial assets of 495 million baht, mainly for investments in marketable equity securities and short-term fixed deposits;
- Dividend received from investment of 833 million baht;

**Capital expenditure** in acquiring property, plant, and equipment is 347 million baht. The main items are investments in the following: machinery and equipment of a subsidiary which operating power plants abroad of 144 million baht, investments in machinery and equipment in Plastic, rubber, and metal business in-country of 172 million baht, and to increase production efficiency and others of 31 million baht.

**Cash flows used in financing activities** amounted to 706 million baht, with the following important items:

- Cash received from short-term loans from financial institutions of 207 million baht;
- Dividend payment of 510 million baht;
- Cash repayment of long-term loans of 361 million baht;
- Repayment of liabilities under the lease agreement of 73 million baht.

In general, the Company and its subsidiaries have adequate financial liquidity, cash for operations, and the ability to repay the debt on time.

### Appropriateness of Capital Structure

As of December 31, 2021, the Company has a capital structure of total shareholders' equity of 23,923.66 million baht and total liabilities of 2,554.67 million baht, representing a debt-to-equity ratio of 0.11 times. Sources of capital is mainly from equity. In addition, except for the external loan sources, according to the short-term and long-term creditor information shown in the statement of financial position, the Company also has off-balance-sheet funding sources. It is an unused credit line from financial institutions of approximately 787 million baht.

The Company has not changed its capital structure during the period and has not increased or reduced its capital. Subsidiaries have used additional funding sources from creditors as detailed in Notes 20 and 22 to the financial statements.

### The composition of the shareholders' equity

As of December 31, 2021, the Company's shareholders' equity, according to the consolidated financial statements, amounted to 22,085.25 million baht, an increase of 1,012.85 million baht when compared to the end of 2020, which was 21,072.40 million baht. The main reason for the change was:

- Profit for the year attributable to the Company of 601 million baht;
- During the year 2021, there was a dividend payment; according to the resolution of the Annual General Meeting of Shareholders amounting to 450 million baht;
- Translation adjustment of foreign currency financial statements due to the difference in exchange rates between the years 2021 and 2020, used to convert foreign currency financial statements into baht. It causes the shareholders' equity to increase by 642 million baht;
- Loss on fair valuation of investments in equity securities increased by a total of 106 million baht;
- Share of other comprehensive income from joint ventures and associates increased by 305 million baht.

## Adequacy of liquidity

### Liquidity Ratio

Liquidity Ratio Type	Unit	For the year ended December 31	
		2021	2020
Current Ratio	times	3.96	3.43
Quick Ratio	times	3.46	2.98
Interest Coverage Ratio	times	57.51	43.90

#### Current Ratio and Quick Ratio

In 2021, it was 3.96 times and 3.46 times, respectively, indicating that the Company and its subsidiaries had adequate financial liquidity.

#### Interest Coverage Ratio

In 2021, it was at 57.51 times, indicating that the Company and its subsidiaries have sufficient cash flows to pay interest to loan creditors fully.

### The ability to provide additional funding sources

The Company has additional sources of funds from the credit line of financial institutions. It is a short-term loan that can still be used for approximately 787 million baht. This amount consists of the loan amount in promissory notes with a term of not more than three months and on call type. In addition, they can contact financial institutions to obtain additional project loans, which are classified as medium-term and long-term loans in the future.

### Factors Affecting Credit Rating

The Company's source of funds is from the shareholders' equity in ordinary shares only. There is no issuance of any debt instruments. Therefore, there is no credit rating.

### Ability to pay off debt and comply with the terms of the covenant

Debt Service Coverage Ratio (DSCR) in 2021, both short-term debt, long-term debt, and interest expenses are 3.03 times. It indicated that the company and the subsidiary have sufficient liquidity to pay all debts. Also, it includes no factors expected to prevent the loan conditions from being complied with and no effect on dividend payment in any way.

## 4.5 Contractual Obligations and Off-Balance Sheet Arrangements

As for Contractual Obligations and Off-Balance Sheet Arrangements, they are categorized into different types based on the information disclosed in the notes to the financial statements as follows:

Type of obligation	Details in the notes to financial statements, amount, and payment period appear according to various topics
Long-term debt obligations	Note 17 Leases Note 22 Long-term loans Note 23 Provision for long-term employee benefits
Income tax liability obligations	Note 28 Income Tax (Last Paragraph) Subject deferred tax liabilities
Capital Expenditure Obligations	Note 34.1 Capital commitments
Lease and Service Obligations	Note 34.2 Operating lease commitments
Long-term service contract obligations	Note 34.3 Long-term service agreements
Obligations under operating agreements	Note 34.4 Commitment to purchase raw materials
Guarantee Obligations	Note 34.5 Guarantees





In this regard, the Company and its subsidiaries can manage the matters mentioned above with the expectation that they will not affect the business operations.

## 4.6 Factors or Events Affecting the Financial Position or Operations in the Forward Looking

In 2022, the global economy forecast that it will expand more than in the previous year, 2021. The supporting factors are (1) the recovery of domestic demand and the manufacturing sector according to the situation of the COVID-19 epidemic tending to be declining respectively, (2) the slow recovery of the international tourism sector under the policy of Open the country by the government sector, (3) favorable expansion of goods exports, (4) driven by government budget disbursement. But it is expected that intense competition from international markets will continue and include fluctuations in the baht and interest rates. The Group, therefore, has measures to prevent damage and reduce the impact that may occur on the performance of the businesses in the Group. It improves the work system to reduce variable costs and expenses to a minimum level, reduce production waste to a low level, look for new business opportunities that fit the current situation. It also supervises the liquidity and credit limit of the business to be at an appropriate level. In addition, it increases various workplace measures for employees to be safe and prevent the spread of disease. At the same time, there is preparation in terms of production and service if consumer demand is restored.

## 4.7 More Information about Financial Statement Conversion

The Company's consolidated financial statements consist of foreign-currency-denominated financial statements of subsidiaries, joint ventures, and associates. It must be converted to Thai baht with the exchange rate information used to convert the financial statements for the past three years is shown below:

Currency	Exchange rate used					
	Statement of Financial Position			Profit and Loss Statement		
	2021	2020	2019	2021	2020	2019
RMB	5.234050	4.601400	4.29930	5.230050	4.621200	4.281650
HKD	4.281100	3.866450	3.86475	4.300513	3.965263	3.864325
TWD	1.208650	1.068950	1.00190	1.208188	1.078213	0.992938

The auditor has reviewed and expressed an unconditional opinion on the separate financial statements and the Company's consolidated financial statements. According to the auditing standards, it has summarized information on key audit matters on the Certified Public Accountant's report page.

## 5. General and Other Important Information



### 5.1 General Information

Saha-Union Public Co., Ltd., is principally engaged in investment and trading, recommend and provide the management and financial services to the group companies, distribution of raw materials and product manufactured by the group companies. The Company's head office located at 1828 Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260, Thailand. The Company registration no. 0107537000971 (formerly Public Limited Company No. 344) Tel: (66) 2311 5111 Fax : (66) 2331 5668 or [www.sahaunion.com](http://www.sahaunion.com).

The Company had a fully paid-up registered capital of Baht 3,000 million, divided into 300 million ordinary shares of Baht 10 each.

Juristic Persons of which the Company's Shareholding exceed 10% had the name, office location, head office, type of business, telephone number, fax number and each juristic person's quantity and type of issued shares, please see attachment no. 9.4.

Other References:

1. Securities Registrar is Thailand Securities Depository Co., Ltd., is located at No. 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400, Thailand, Tel: (66) 2009 9000 Fax: (66) 2009 9991
2. Company's auditor is Mr. Khitsada Lertwana, who was a Certified Public Accountant from EY Office Limited, is located at the 33<sup>rd</sup> Floor, Lake Rajada Office Complex, No. 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110, Tel : (66) 2264 0777, Fax : (66) 2264 0789

### 5.2 Other Important Information

The Company's operating results and financial position has been disclosed in details in this report. For any shareholders wants a hard copy could contact Mrs. Chadaporn Jiemsakultip, by telephone no. 0 2311 5111-9.

Shareholders can apply to use the e-dividend via the Thailand Securities Depository System by transferring the dividend direct to the bank account.

As for the information disclosure throughout the year 2021, the Company has already disclosed the relevant information through an electronic channel of the Stock Exchange of Thailand.

Other significant information that will happen later, the Company will disclose information through the system of the Stock Exchange of Thailand.



# Part 2

## Corporate Governance

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## 6. Corporate Governance Policy



### 6.1 Corporate Governance Policy

The Board of Directors encourage the good corporate governance policy to support sustainable growth with sharing value among the society and environment, operations and the expectation of stakeholders including customers, partners, employees, shareholders and government agencies. The Company has operated an optimal and sustainable business structure that build confidence among shareholders, government and private agencies, as well as the capital market and the general public. The Board of Directors has always been committed to corporate governance around principles of virtue, ethics, honesty, prudence and responsibility that cascades down through all employees, resulting in a strong corporate culture. Over the past 30 years, all employees have adhered to the corporate core value; "Integrity, Quality and Service" as an operational guidepost.

The Company regularly reviews its Corporate Governance Policy with the latest edition approved by the Board of Directors on 22 November 2018. The edition was revised to cover the Corporate Governance Code for listed companies 2017 issued by the Securities and Exchange Commission. The policy also includes topics on business ethics, anti-corruption and whistle-blowing policy, of which can be viewed on the corporate website at [CGManual\\_updated22Nov2018.pdf](#) ([sahaunion.com](#))

**The Board of Directors has established 8 principles of a good corporate governance policy as follows:**

**1. Awareness of the Board's leadership role and responsibilities for sustainable value creation**

As the organization's leader to achieve sustainable value creation

- The Board demonstrates a thorough understanding of its leadership role whose responsibilities are to ensure the Company operating with good governance. The objectives, goals, strategy and operating policies are defined under the strong ethical practice, with concerning over the potential impact on society and environment. As well, the Board monitors, evaluates and assesses the performance reports.

- The Board has ethically governed the Company to formulate and drive corporate culture under the core value "Integrity, Quality and Service."

- In supervising the financial performance, the Board takes into account the changing environment to ensure the Company remains competitive. The Board targets the strong operating results with taking long-term effects into account and being adjustable amid the variable factors.

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

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

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

- The Board will ensure that all directors and executives perform duties responsibly, prudently and honestly as well as prudently comply with entire related laws under the Company's regulation, the Board's resolution, as well as the shareholders' resolution. All actions must be carried out for the best interest of the Company, based on adequate information and without any conflict of interest. All related transactions, asset acquisition or disposal, and dividend payment decisions must be carried out in accordance with the relevant laws.

- The Company prepared Director Manual for every director. The manual ensures a better understanding of roles and responsibilities of the Board of Directors and sub-committees, roles and responsibilities of Chairman, with clearly distinguishing the roles between the Board of Directors, Chairman of the Board, President and management. Director Manual has been reviewed yearly to align with the Company's objectives and directions.

- Governance policy indicated the characteristics, scope of duties and responsibilities of Directors in the Board of Directors such as determining the corporate mission, key business objectives, nomination and remuneration, evaluating directors, create the corporate culture to prudently operate ethically or any other critical issues on the policy planning level. Besides, the governance policy is assigned to be duties and responsibilities of the President or the management to operate business and propose key issue to the Board, such as annual budget approval, ensure adequate risk management and internal audit, provide credible, accurate,



complete and timely information disclosure, both financial and non-financial, follow up on operation progress, or other issues that significantly affect operation.

- The Board shall not intervene or take ownership of the responsibility of management, shall not interfere management decision unless deem necessary, nor violate any relevant law and regulation, such as approving the transaction with conflict of interest.

## **2. Define Objectives and Goals that Promote Sustainable Value Creation**

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

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

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

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

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

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

## **3. Strengthen Board Effectiveness**

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

- The Board of Directors comprises of executives and experts with diversified skills, experience and various abilities suitable for the Company's core businesses.

- There are ten non-executive directors out of a total of 15 directors, or 66.67 percent, more than half of the Board members. The remainder are five executive directors to oversee and represent business investments. The balanced proportion between executive directors and non-executive directors provide support for proper checks and balances.

- The portion of the non-executive directors more than a half of the total executive directors enables the former to exercise objective and independent judgement on the executive actions.

- There are five independent directors out of a total of 15 directors, or no less than one-third of the Board members. All of which are qualified with all applicable legal requirements stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. The independent directors and the entire board can collaborate and fulfil their role and responsibilities efficiently and in the best interest of the company while exercising objective and independent judgement.

- The Company determined that the Board of Directors must be comprised of persons with knowledge, skills and experience applicable to the Company's core businesses and investments with no gender discrimination. Every director must be



qualified with all applicable legal requirements stipulated by relevant regulators. Details of the Board, such as directors' age, gender, education, experience, shareholding percentage, years of service as a director, and director position in other listed company, are disclosed as attachment 1.

### 3.2 Chairman of the Board, the Board's composition and independent judgement

- Chairman is independent and non-executive director.
- Chairman is a different individual from President and has different roles and responsibilities. There are clearly defined roles and responsibilities of both positions.
- The Chairman is responsible for leading the Board with duties as follows:
  1. Oversee, monitor, and ensure that the Board efficiently carries out its responsibilities to achieve the Company's objectives and goals.
  2. Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
  3. Call for the Board meeting by sending the invitation and related documents to all directors at least 7 days before the meeting.
  4. Set the Board meeting agenda by discussing with the President which essential matters should be included.
  5. Preside over the Board meeting and allocate sufficient time for management to propose topics and for directors to debate essential issues thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company. Conclude the Board meeting's resolution.
  6. Promote a good and constructive relationship between the executive and non-executive directors, and between the Board and management.
  7. Preside over the shareholders' meeting to ensure that it is conducted according to the Company and relevant laws and regulations. Allocate sufficient time for shareholders to make the inquiry or provide feedback fairly. Ensure that shareholder's inquiry is appropriately and transparently responded.
- The Company does not establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service since the Company deems independent directors are sufficiently independent and exercise objective and independent judgement that benefit the Company's operation.
- The Company set up sub-committees to prescreen the issues before bringing such matter to the consideration of the Board, such as related transactions, assessment of internal audit and risk management, and to recommend action for Board's approval.
- The Board oversees the information disclosure about the roles and responsibilities of the Board and the sub-committees, the number of meetings and the number of meetings attendants in meetings throughout the previous year, and other relevant information as disclosed under the Board's administration in section 8.1 and and the Board of Directors and the sub-committee performance item 8.1.1 Director Selection, Development and Performance Evaluation. The Board must approve this information before being disclosed in the Annual Report or Form 56-1 One Report.

### 3.3 The selection and nomination of directors and directors' remuneration

The Company has a clear and transparent policy and procedures for the selection and nomination of directors resulting in the desired composition of the Board. The Company proposes the directors' remuneration for shareholders' approval. The Company forms the sub-committee with a task of Nomination Committee and the Remuneration Committee as one committee. Most members of the committee accounting 66.67 percent, are independent directors, including the Chairman. The Committee has highly experienced and well-qualified directors. They are:

Name	Position
1. Mr. Yanyong Tangchitkul	Chairman of Nomination and Remuneration Committee/Independent Director
2. Mr. Anon Sirisaengtaksin	Nomination and Remuneration Director/ Independent Director
3. Mr. Chutindhon Darakananda	Nomination and Remuneration Director

- Each director's remuneration from the Company and/or subsidiary (if any) has been disclosed in the table under the meeting attendance and payment of remuneration for individual directors' section 8.1.2.



### **3.4 Nomination of Audit Committee and related responsibilities**

The Board appoints Audit Committee which comprised exclusively of independent directors who are qualified following the requirements of relevant regulators. The Audit Committee has a scope of responsibilities and other details as mentioned in section 7.3 Information about sub-committees.

### **3.5 Director's responsibility in allocating sufficient time to perform their duties effectively**

- Every director understands his or her duties very well. The Board sets the dates of the meetings in advance for the whole year to ensure that directors can attend all sessions. Every director usually attends every meeting unless in the event of unforeseen, such as crucial overseas engagement, accident or sickness. The attendance record of every director is listed individually under the section major development regarding corporate governance.

- The Company does not set any criteria limiting the number of director positions directors can hold simultaneously in other companies because there are many subsidiaries and affiliates that the Company is investing in across many industries. The directors are representing those companies to monitor and ensure operations are consistent with the Company's objectives. Therefore, multiple director positions in these affiliated companies are benefiting the Company. In the meantime, the number of listed companies each director holds directorship position does not exceed five companies.

- The Company secretary collected information about directors holding positions at other companies every year. Such information is publicly disclosed as part of Directors profile in the Annual Registration Statement or Form 56-1 One Report.

- The Company establishes an information security measures and procedures with the information retention system. For the information that should be publicly disclosed, such as market-sensitive information, related transaction, asset acquisition or divestment, dividend payment, and so forth, the Board will discuss the matters in the Board meeting and disclose through the Electronic Company Information Disclosure system of the Stock Exchange of Thailand to all shareholders and investors within the same day.

### **3.6 The investment in subsidiaries and other businesses supervision framework**

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

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

- The Company's Board of Directors appoint subsidiary directors, executives, or others with governing power to the business in which the Company has a significant investment.

- Defines duties and responsibilities of the Company's representatives, subsidiary's senior executives, finance and accounting manager, and so forth to perform following the prescribed authority with emphasizing in the subsidiary's best interest and consistent with the governance framework and policies of the Company in the same time.

- Ensures subsidiary's internal control systems are effective and that all transactions comply with relevant law and regulations. Subsidiary must complete self-evaluation regarding its internal control for the parent Company every year and will be subjected to periodically audited by the Company's internal audit.

- Requires subsidiary and business in which the Company has a significant investment in to disclose financial information, related-party transactions, acquisition and disposition of assets and other important transactions to the Company at least every quarter and financial information every month.

- For the business in which the Company has a significant investment in, the Company ensures that written shareholder agreements are in place to enable the Company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is also used as the information for the Board meeting discussion and shareholders' resolution, of which the information and financial statements have complied with relevant rules and regulations.

### **3.7 Annual performance evaluation of the Board**

The Board of Directors has regularly evaluated their operational performance once a year both individually and the entire Board. Besides, the sub-committee's performance (the Nomination and Remuneration and the Audit Committee) is also evaluated once a year by assessing the Committee as the whole. The results are collected by the secretary of the sub-committee and the Company's secretary. The results are reported to the Board to review the performance, issues and obstacles during the past year enhancing the Board's effectiveness following the Corporate Governance Principles. The matters are disclosed on the 56-1 One Report under section major development regarding corporate governance.

### 3.8 Training and development of Board of Directors' roles and responsibilities

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

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

### 3.9 Duties of the Board and the Company Secretary

- The Company set up the Board's meeting schedule in advance for the whole year. The Company Secretary proposes the schedule to the Board's meeting; hence, each director should receive sufficient notice to ensure attendance.
- The Board's meeting invitation letter, agenda and relevant documents are sent to every director at least five working days prior to the Board's meeting.
- The Company holds Board's meeting monthly, in which executive or management reporting operation and relevant information for the Board's acknowledgement, consideration and/or approval. The Board has monitored the operations to ensure the Company's strategies be applied. If the result of activities were found that it failed to achieve the Company's target, the Company would consider adjusting the strategic plan in line with the situation at that time.
- Before issuing the Board's meeting invitation, every director and executive can propose the inclusion of relevant items on the meeting agenda.
- The Board encourages the President to invite key executives to attend board meetings to provide further details of the meeting agenda that they are directly responsible for.
- The Board can access further accurate, relevant, timely and clear information required for their respective roles from the President, other executives or the Company Secretary within the scope of policies. If necessary, the Board may seek independent professional advice at the Company's expense.
- Non-executive directors can hold the meeting, as necessary, among themselves without the management team. In this case, they will report the outcome of their meeting to the Company's President.
- The Board appoints Company Secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements for the Board, preparing board meetings and other relevant documents, record the meeting minutes, and coordinating the implementation of board resolutions. The Company Secretary is responsible for duties prescribed in the Securities and Exchange Act, 4<sup>th</sup> edition (B.E. 2551), Section 89/15, Section 89/16, Section 89/17 and Section 89/23.
- The Company Secretary has been received ongoing training and education relevant to his/her duties, including Company Secretary Program (CSP) 27/2008, Effective Minute Taking Program (EMT) 11/2008 from the Thai Institute of Directors (IOD) Fundamental Practice for Corporate Secretary Program (FPCS 28) from Thai Listed Companies Association, and Smart Disclosure Program (SDP) from the Stock Exchange of Thailand.
- The qualifications and experience of the Company Secretary are disclosed following to the director's background as Attachment 1.

## 4. Ensure Effective Executive and People Management

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



- The Board assigns the Nomination and Remuneration Committee to establish, the criteria and procedures for nomination and appointment of the President. The current President of the Company was nominated through such selection process and was approved by the Board of the Directors.

- The Board ensures that the President appoints knowledgeable, skilled, and experienced key executives and approved the appointment of the key executives nominated by the Board and the Company's President.

- To ensure business continuity, the Board develops and succession plan for the President and key executive positions. The succession plan is presented to the Board every year, particularly about the executives of the Company, subsidiaries and significant joint-ventures.

- The Board promotes continuous development and education of the President and key executives that is relevant and beneficial to their roles and responsibilities.

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

#### **4.2 Compensation structure and performance evaluation**

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

- The appropriate combination of salary and other short-term compensation such as bonus, and long-term benefit such as provident fund contribution which it only paid to the employee upon departure under the labour law, plus the retirement pay (in the case of retirement).

- Ensures individual total compensation takes into account industry standards and company performance, and

- Ensures the employees at all level acknowledge the Company's performance evaluation criteria.

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

- Approve the performance evaluation criteria of the President. The appropriate standards could incentivize the President to perform his/her duties under the Company's objectives and for the long-term benefits. The President already acknowledged the evaluation criteria.

- The Company conducted a performance evaluation of the President every year. A senior director will communicate the evaluation result as well as suggesting a key area of improvement to the President. The performance evaluation takes financial performance and other relevant factors into consideration.

- Approve total annual compensation of the President, taking into account the evaluation above.

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

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

#### **4.3 The Company's shareholder structure and relationships, which may affect the management**

- The Board acknowledges and understands the Company's shareholder structure and relationships that the major shareholders are the Company's business partners. Such structure provides it with strategic bargaining power and mutually benefits all parties over the past 40 years in which each major shareholder focus on his/her own business.

- Over time, the shareholder structure does not affect the performance and execution of the Board of Directors.

- The Company has no agreement nor conditions among shareholders that might have any impact on the management control over the Company.

#### **4.4 Human resources management and development**

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

- The Company ensures that the human resources management is aligning with the Company's objectives and strategies with an appropriate number of employees. Also, the Company ensures employees have possessed adequate knowledge and competencies to perform assigned task, fairly-compensated and treatment, as well as the well-being in the workplace to retain capable employees to remain with the Company.

- The Company provides two long-term saving plans for the employee in the event of departure or retirement, including; 1. monthly saving to the Employee Savings and Credit Cooperatives of Saha-Union Group of which the withdrawal is only allowed upon departure, and 2. Provident fund contribution, of which the Company also co-contributes to the employee's fund. Both saving is deducted from employees' monthly salary. For the provident fund, there are employee representatives to participate in the fund committee and choose relatively low-risk investment which is suitable for the majority of employees for the sake of their long-term financial security.

## **5. Nurture Innovation and Responsible Business**

5.1 Since the Company's core business is the investment in various industries including industrial or service sectors. The economic benefit usually comes from the dividend income from the invested companies, which translates into the return to shareholders. The key contributors to enable the Company to achieve its key objectives are subsidiaries, joint-venture and associates who operate the core businesses. Most of the Company's business activities are of those subsidiaries. Therefore, any critical innovation that would transform the business will also be engaged by those subsidiaries, which will indirectly create value for the Company's stakeholders and related parties. Innovation could be implemented throughout the supply chain and working processes of the businesses that the Company has invested in; from product design, product development, research and development, efficiency enhancement and the reduction of negative impact on society and environment.

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

5.2 The Board ensures management to adopt responsible operations to society and environment, and incorporate them into the Company's operational plan. The Company applies ethical operating guidelines to grow the organization sustainably, which covers various aspects including employee, customer, supplier, community, environment, fair competition and anti-corruption, as disclosed under the section Driving Business for Sustainability.

5.3 The Board has a thorough understanding of the Company's resource needs

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

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

- The Company has operated the IT risks with a clear policy announcing to comply with cyber law strictly. The Company prohibits any software piracy, intellectual property violation, and any violations of relevant Information Technology laws and regulations.

- The Company establishes a cyber security policy and measures, with the monitoring system, put in place by the internal audit department. As well, the accounting auditor also audits the IT matter, for instance, the IT working system, the risk management, the information security, right of information usage, information access, the contingency plan and so forth.

## **6. The Board of Directors effectively strengthens the risk management and internal control.**

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

- The Board assigns Risk Management Committee to consider and review risk management policy, risk factor, possibility, potential impact and mitigation measures. The Company also identifies the internal and external risks, prioritizes them and the solutions that are suitable for business operation.
- Various risk factors are listed in the section 2 "**Risk Management**". The Risk Management Committee has reviewed the risk management policy annually and regularly informed any findings and recommendations to the Audit Committee and the Board of Directors.





- The Board aware and understand the significant risk and approves the risk appetite of the Company. The Company sets risk management policies for everyone across the organization to abide.

- The Board ensures that all business operations and activities comply with applicable laws and regulation as well as relevant national and international standards.

- The Company summarizes the result of self-assessment, internal control, and risk management of the Company's subsidiaries and affiliates that the Company has a significant investment in (the shareholding between 20 percent to 50 percent of total). The summary report is presented to the Audit Committee for further consideration.

- The Company already disclosed details about risk management practices under the section "Risk Management" and "Internal Control and Related Parties".

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

- The Audit Committee comprises of three members who are all independent directors. They possess all necessary qualifications and duties under the rules set forth by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). At the latest meeting held on 21 October 2021, the Board of Directors passed a resolution to appoint the Audit Committee to hold office for the term of three years. List of the Audit Committee is as follows.

Name	Position
1. Mrs. Suttima Jamnarnwej	Chairman of the Audit Committee / Independent Director
2. Mr. Anon Sirisaengtaksin	Director / Independent Director
3. Mr. Chai Jangsirikul	Director / Independent Director

All three Audit Committee Directors have continued to perform duties independently. During 2021, there were four Audit Committee meetings. The Audit Committee reported its operations and findings to the Board quarterly.

6.3 Monitoring and managing potential conflicts of interest

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

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

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

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

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

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

## **7. Ensure Information Disclosure and Financial Integrity**

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

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

### **7.2 The Company's sufficient financial liquidity and debt service capability**

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

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

### **7.4 Investor Relations**

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

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

### **7.5 Effective use of information technology in disseminating information**

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



## 8. Ensure Engagement and Communication with Shareholders

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

- In the shareholders' meeting agenda, there are agendas according to the regulatory requirement and agendas that could affect business operation (if any) for shareholders' consideration and approval.
- The Board supports the participation of shareholders and allows minority shareholders to propose agenda items for shareholders' meetings prior to the meeting. The Board considers shareholders' proposals to be included in the agenda. Besides, the Board arranges the submission notifications and criteria through Electronic Company Information Disclosure system of the Stock Exchange of Thailand prior to the shareholders' meeting during October 1<sup>st</sup> to December 31<sup>st</sup> of each year.
- The notice of the shareholders' meeting is accurate, complete, and sufficient for the shareholders to exercise their rights.
- The notice of the shareholders' meeting and related documents must be sent to shareholders at least 14 days prior to the shareholders' meeting and posted on the company's website at least 30 days prior to the meeting.
- The notice of the shareholders' meeting and related papers must be fully prepared in both Thai and English languages, both of which are distributed at the same time.

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

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

- The Board sets the date and time for shareholders' meeting on working day. The Board sets and allocates sufficient meeting time for debate. The venue is at the Company's meeting room, which is located by the main road and is accessible by car and sky train.
- The Board does not limit attendance by or place an undue burden on shareholders. For shareholder or proxy identification, the Company only requires minimal identification requirements applicable to legal and regulatory requirements.
- The Company promotes the use of information technology to facilitate the shareholders' meetings, from the registration and vote counting on each agenda that yields fast, accurate and complete results.
- The Chairman of the Board acts as the Chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the Company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the company.
- Directors, as the shareholders' meeting participant and as a shareholder, should NOT add items to the meeting agenda that have not been duly notified in advance nor support such action, especially that agenda that requires extensive information for decision making to allow shareholders to participate in decision making.
- All directors and relevant executives should attend the meeting to answer questions from shareholders on company-related matters, unless in the event of unforeseen, such as sudden sickness.
- Prior to the start of the shareholders' meeting, the Chairman would inform the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods.
- If there are any agendas that require multiple voting, the Chairman will unbundle the agenda for shareholders to vote separately on each item, such as the election of the Company's directors or Director's remuneration.
- The Board supports the use of ballots for voting on all resolutions proposed at the shareholders' meeting and designates an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "agree", "against" and "abstain" votes. The voting results for each proposed resolution are included in the minutes of the meeting.

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

- The Board ensures that the company discloses the results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and the company's website by the next business day.
- The Board ensures that minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.
- The Board ensures that the Company promptly prepares the minutes of the shareholders' meeting, including the following information;

- (1) Date, time and venue of the shareholders' meeting,
- (2) The list of attending directors, executives, and the proportion of participating directors and the non-attendance.
- (3) Voting and vote counting methods, a summary of the resolutions the Chairman or director proposed to the shareholders, and the meeting resolutions.
- (4) Voting results ("agree", "against", and "abstain") for each proposed agenda.
- (5) Questions asked and answered during the meeting, including the identity of the persons asking and answering the questions.

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

#### **Supervision of subsidiaries, joint ventures and associated companies**

The Company's subsidiaries, joint ventures and associated companies engage in many fields of businesses. The Company has supervised the subsidiaries, joint ventures and monitored the associated companies through the following methods;

(1) Company's Board of Directors supervises the management and operation of subsidiaries following its objective. Regarding representatives in subsidiaries, the Company assigns the representatives to act as directors or executives to control management and be responsible for the subsidiaries' operation. Such representatives must be appointed by the Company's Board of Directors. Representatives are sent to the joint ventures and associates to perform their duties as directors of those entities, to provide helpful comments, to acknowledge business trends and operation results of joint ventures and associates in line with the proportion of its shareholding. There will be regular Board of Directors meeting for subsidiaries, joint ventures and associates.

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

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

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

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

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

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

#### **Policies and practices regarding shareholders and stakeholders**

##### **1) The Rights of Shareholders**

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

- The Company has allowed shareholders to propose a meeting agenda or submit any questions related to the Company during October 1<sup>st</sup> to December 31<sup>st</sup> of each year. The Company provides the opportunity for shareholders to propose the meeting agenda with informing the criteria of this procedure in advance. The criteria comprised of qualification of the person who proposes the agenda, procedures to propose the agenda, details of the information and including criteria and process to consider the proposal via the Company's website: [www.sahaunion.com](http://www.sahaunion.com) or by mail.

##### **(2) Shareholders' Meeting Invitation**

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

- Date, time and venue of the shareholders' meeting
- The previous minutes of the shareholders' meeting as supporting documents for endorsing the minutes' agenda.
- Financial statements information, operational performance and the most recent annual report for review to acknowledge the performance report and to present questions or doubts (if any).
- The objectives, rationales and Board of Directors' opinions for each agenda.



- The agenda of the Director, the director's election and remuneration agendas were separated.
- Information of the director nomination in the Director Election agenda including name, last name, age, their educational backgrounds, working experiences and director categories, all of which have been selected and nominated by the Nomination Committee based on the standard criteria and methods. In case, any returning Director is nominated, the information of his previous year's meeting attendance and the number of years of service the person has been serving in the Board of Directors will be provided.

- The information of the auditors including name, last name, the audit firm he/she represents, work experience and the service fee including verification of the auditor's declaration of independence, number of years for service, all of which have been reviewed by Audit Committee as part of the appointment of the Company's independent auditors' agenda.

- The dividend payment policy, its rate and the rationale for the dividend payment agenda is included.
- The Company prepares invitation in both Thai and English version to cater to foreign shareholders, which is to be distributed at the same time with the Thai version. The invitation was also published on the Company's website.

### (3) Shareholders Meeting

- The Company shall encourage shareholders to exercise their rights by attending the meetings and voting. Any shareholder who cannot attend the meeting may present Proxy Letter to assign his/her representative. Therefore, the company must send out the Proxy Letter along with the meeting invitation in advance.

- The Company shall never limit or violate the right of shareholders in any case.

- The Company shall provide any necessary services for shareholders' conveniences on the meeting day. Staff will be available to help with the registration procedure and preparation of any documents requested least one hour prior to the scheduled meeting.

- The meeting shall be located at a convenient location, close to a main street or sky train station. Snacks and beverages shall be served for shareholders.

- Before the meeting starts, the Chairman shall introduce the Directors and Executives individually to shareholders. There should be present the Chairman of the Board, President, the Chairman of the Audit Committee, the Chairman of Nomination and Remuneration Committee, the Chairman of Risk Management Committee, Independent Directors, Directors, the Company Secretary, Finance and Accounting Manager and Auditors.

- Chairman of the meeting shall explain voting procedures, the use of the voting card and how to count the votes to the shareholders prior to the start of the meeting.

- The shareholders have the right to consider the Company Directors' remuneration as its agenda will be held annually.

- As for the Directors' remuneration agenda, the Company shall explain fixing the remuneration's policy and principles, that's the Director received only meeting allowance. Proposing all type of payments in each position of Company's Directors would be approved by the Remuneration Committee, then presented to the shareholders' Meeting's consideration as well.

- As for Director appointment, the Company shall allow shareholders to vote either for an individual or a group based on the meeting's resolution. The vote can be done by either nominating the new member into the committee or the current one to be re-elected. All candidates must be approved by the Nomination Committee. Each candidate has to provide personal history and experience.

- Dividend Payment Agenda. The Chairman shall explain the Company's policy of dividend payment and its offering rate. Also, the current year's dividend payment shall be submitted to shareholders for approval along with its rate and calculation. Therefore, shareholders can consider and vote accordingly.

- Appointment of the auditors' agenda. The Chairman shall nominate more than one person from the same auditing office. The auditors' history of auditing and the number of years working as the Company's auditors including qualifications in compliance with those of the Office of Securities and Exchange Commission. The auditors shall work independently without any personal binding with the Company, the Board of Directors or the executives. Also, the auditing fee shall be proposed for shareholders' approval.

- The Chairman of the meeting shall allow any questions from the shareholders including suggestions regarding any agendas. The Board of Directors or related Directors shall answer every question from shareholders until satisfied. All other opinions or suggestions shall be taken into further consideration. All shall be completely and accurately recorded in the minutes of the meeting.

- Every agenda resolution, names of attended directors and management, shall be recorded clearly in the Minutes of the Shareholders Meeting and showing number of votes on each agenda. In each agenda, the minutes have to show the number of shareholders that vote for, against and abstain. The computer processing system shall be used for vote counting in



each agenda and will be announced by the Chairman. Furthermore, the full report which contains the matters in each agenda shall be sent to the SEC within 14 days after the meeting. The minutes of the meeting shall be carefully filed and available for reference by the shareholders at all time by going to the Company's website; [www.sahaunion.com](http://www.sahaunion.com).

(4) The Company shall not add any item to the agenda that is not previously stated in the shareholders' meeting invitation letter.

(5) The Company's shareholding structure had been carrying on approximately for the past 40 years which has no objective to set up the prevention of business takeovers but on cross-holding. The structure is to give shareholders the most benefit of managing, manufacturing and selling without any conflicts of interest.

- The Company's structure is not a pyramid scheme. In the past, there were some corrections on the crossholding structure to avoid the connected transactions.

- The Company's Board of Directors shall not be allowed to hold more than 25 per cent of the Company's issued and paid-up shares.

- The Company reported over 40 per cent of issued stocks as free float. This will give shareholders trading liquidity in both the secondary market or the Stock Exchange of Thailand.

## **2) Equality among Shareholders**

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

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

- The Board of Directors shall answer every question raised by minority shareholders and foreign shareholders in the meeting.

- Prior to the meeting date, the Company shall provide the opportunity for shareholders to submit any agenda, inquiry or information to be included in the meeting agenda and discussed in shareholders' meeting. The submission can be made through the Company's website during October 1<sup>st</sup> to December 31<sup>st</sup> of each year.

- The Company shall provide any conveniences to the shareholders who cannot attend the meeting in person by attaching the Proxy Letter form that contains the information has appeared on Form Kor along with the shareholders meeting invitation letter. The Company shall propose the independent director as a proxy alternative for shareholders.

- The shareholders' meeting invitation letter shall indicate the type of documents and proof needed to attach the Proxy Letter including to provide step-by-step instructions to issue Proxy Letter to the shareholders in advance without any further regulations or conditions that will complicate the procedure.

- The Company shall send out the shareholders' meeting invitation letter and related documents such as Proxy Letter, meeting minutes, annual report, and financial statements to the shareholders at least 14 days before the meeting date. All shareholders will have sufficient time to study the information and agendas to make informed decisions during the meeting.

- The Company shall use its website to communicate on the meeting plans and agendas to all shareholders before sending out the official invitation letter. All details regarding the meeting shall be included and should be posted on the website for viewing at least 30 days prior to the meeting date.

### **(2) The Policy of Insider Trading Prevention.**

The Company has a policy of insider trading prevention according to its written rules and regulations. Disciplinary violation will call upon different measures of punishments stated in the Company's internal rule where the employees, executives, and Directors will acknowledge and proceed accordingly.

- The Company has a policy of insider trading prevention by announcing an annual Silent Period for Directors and the executives to avoid trading the company's stocks. It will be 14 days before and 24 hours after the Company's fiscal or quarterly report disclosure. All Directors and executives must acknowledge and comply with this policy.

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

(4) For any connected transaction that required disclosure or shareholders' approval, the Company will execute the transaction thoroughly in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, propose for the Board's approval and accurately and completely disclose it through Stock Exchange of Thailand's Electronic Company Information Disclosure system. The transaction disclosure will include its category, the relating individuals' names and relationship/characteristic of relations, the value of the transaction, the criteria or policy of setting the price, the reasons that necessitate the making of the transaction and the Audit Committee and Board of Directors' opinions over the transaction. In case shareholders' approval is required, the Company will fully comply with all relevant regulations.



(5) Holding company and cross-holding share structure. Due to the status of being a holding company, the Company invests in different kinds of businesses and producing various products, and are independent of each other for operational flexibility. However, for the business benefit and collective negotiation power, the Company sometimes requires connected transactions. All connected transactions during the year 2021 were regular commercial transactions which were conducted on arm's length basis.

- **Total related transactions during the year 2021** were valued at Baht 274.32 million, accounting 1.04 percent of total assets and 3.07 percent of total revenues.

- The Company did not provide any financial support for a non-subsidiary company.

- For the year 2021, the Company did not violate or fail to follow the policy of connected transactions according to regulations of the Stock Exchange of Thailand and the SEC.

- For the year 2021, the Company did not violate or fail to abide by the rules about asset acquisition or disposal according to regulations of the Stock Exchange of Thailand and the SEC.

### 3) Roles and Treatment of Stakeholders

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

(1) The Company shall conduct the business with a sense of responsibility towards society. It is one of the Company's mission as disclosed in the section Driving Business for Sustainability.

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

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

(2.2) The Company and its subsidiaries set up a provident fund for Saha-Union Group's employees by appointing a committee to oversee, administer and collaborate with the provident fund manager. This policy will assist in creating an employee's long-term savings. Hence, the Company will contribute up to 3 per cent of the employee's salary to this fund.

(2.3) The Company and its subsidiaries have established Employee's Savings and Credit Cooperatives of Saha-Union Group to collect the employees' deposits which are deducted from their salary monthly. The employee shall be eligible to withdraw the whole balance upon resignation. However, while working, each year the employee shall receive their dividend and is eligible to apply for a loan in compliance with the rules issued by the Cooperatives Promotion Department.

(2.4) The Company sets a clear training and development policy for its employees using a Competency System to select a strong candidate with the good potential to get promoted.

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

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

(5) On account of the business rival, the Company shall maintain its business conduct professionally.

(6) The Company will treat its business partners fairly and responsibly as stated in the contract agreement even if the unforeseen situations may result in the unfavorable result for the Company.

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

(8) On intellectual property, the Company sets a policy against copyright violation, such as software piracy, and the Company's penalty measures are strongly enforced. The Company also establishes its IT policies that will benefit the Company's business efficiency, optimally utilizing IT systems. IT resources shall not be used for personal benefits or used against good moral conducts. The information published through IT systems shall be securely stored with high standards, in compliance with any relevant laws or regulations and not offensive to any third parties.

(9) The Company has clearly set an anti-corruption policy and anti-bribery which has been vigorously practiced for over the past 30 years.

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

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

(12) The Company's subsidiaries support, educate and train their employees to understand the importance of environmental protection and set the policy to do so as continuing practice to improve work practices.

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

(14) The Company provides channels for any Stakeholders to contact or report any concerns that may cause damages via a mail addressing Chairman of the Audit Committee or President or the corporate website at [www.sahaunion.com](http://www.sahaunion.com). All matters shall be taken into consideration and under investigation procedure, and the conclusion shall be made to present to the Company's Board of Directors and the whistleblower.

Furthermore, investor and shareholder can contact the **Investor Relations** Miss Ruangdao Supachorncharan Tel. No. 0 2311 5111 Ext. 7675 or Mrs. Chadaporn Jiemsakultrip, Tel. No. 0 2311 5111 ext. 7688 or Fax. 0 2311 6867 for any further proceedings in relating issues.

#### **4) Use of Inside Information**

The Company imposes good practices about the handling and usage of inside information in the employee's handbook for all Company's employees to practice. The Company's employees must keep the undisclosed inside information confidential and must not disclose or use the obtained inside information for personal gains or to adversely affect the Company's interest.

The Company has a policy to prohibit the Company's directors, executives, and persons who have access to inside information from insider trading. They must avoid trading the Company's securities before submitting of financial statement. In 2021, there were four trading restriction periods;

- 15 February 2021 to 2 March 2021 for the 2020 full-year financial statement release
- 3 May 2021 to 18 May 2021 for the first quarter of 2021 financial statement release
- 2 August 2021 to 17 August 2021 for the second quarter of 2021 financial statement release
- 1 November 2021 to 16 November 2021 for the third quarter of 2021 financial statement release

The Company also imposes policies in preparing Securities Holding Report to regulate the use of inside information. The Company required the directors and executives, including spouses and underage children, to report any change in the holding of the Company's securities to the Company and report such changes to the Office of the Securities and Exchange Commission according to Section 59 of the Securities and Exchange Act (Revised) within 3 days after the date of acquisition, disposal, transfer or receipt of such securities.

#### **5) Conflicts of Interest**

The Company required the information disclosure to prevent any conflict of interest that may lead to illegal and inappropriate activities. Actions taken include:

**1. Preparation of the conflict of interest report for a director, executive, and related person:** During the first quarter of 2021, the Company's director and executive, following the Stock Exchange's definition had, prepared the Conflict of Interest Report for the Company's Corporate Secretary for filing.

**2. Connected party transaction consideration and audit.** The Audit Committee has a duty to evaluate and audit-related party transactions or any transaction that may have a conflict of interest that may affect the Company's operation. The practices followed the relevant law and regulations of the Stock Exchange of Thailand.

#### **6) Shareholders' Interest**

The Company imposes the practice to look after every shareholder equally and fairly. The Company stipulates policy and practice regarding shareholders' rights and equitable treatment in writing in Business Ethics Handbook, which all directors, executives, and employees must abide by.

#### **7) Anti-corruption Policy**

Since 2016, The Company has formulated written policies for all companies of Saha-Union Group: "Anti-corruption Policy" and "Policy of corruption leads-reporting and complaint-filing" (See [www.sahaunion.com](http://www.sahaunion.com)). The policies have been provided to be executed as guidelines to the Company Group's work in order that its management would be efficient, transparent and verifiable, enabling every group of stakeholders to be assured and confident of the Company Group's performance.

The Company's executives and employees were informed of the policy statement through training by way of printed documents containing summary with compliance illustrations to ensure that they understand and abide by the policies. Besides, the policy statement was publicly accessible and visible to the executives and employees as well.



Moreover, to affirm and demonstrate the Company's commitment and to disseminate the anti-corruption policy, the Company sent the above-mentioned policies to all stakeholders. Then, they were required to acknowledge and sign them back to the Company.

The Company set the code of conduct as prescribed by the Board of Director. It holds a policy of doing business based on the Company's ethical values and good corporate governance and honestly working without corruption. This policy was enforced not only among the Company and the Company group in Thailand but also the overseas Company. All the accounting reports must be done with transparency and accuracy including correct tax calculation and payments. There were not any bribes paid to any persons involved. As a result, the related authorities always received the correct information. The Company would pay taxes correctly. The government would not lose its benefit. This is the policy that the Company has followed consistently. In this way, the Company has earned trust from both the government sector and the society.

#### **8) Measures for those that do not comply with policies and practices**

The Company is determined to combat fraud and corruption. The Company's personnel will not neglect or ignore any incident or action that may lead to fraud and corruption. The Company shall provide personnel with a channel to report any wrongdoing or evidence. The Company will educate and advise personnel about anti-fraud and anti-corruption practices if required. It will impose appropriate and fair disciplinary action against any personnel that does not conform to such practices. Any action committed that does not conform to the guideline, whether directly or indirectly, will be investigated by the Company. The details can be viewed at the Company's website: [https://www.sahaunion.com/anti-corruption\\_efforts/](https://www.sahaunion.com/anti-corruption_efforts/).

## **6.2 Business Ethics or Code of Conduct**

During the course of Saha Union's business operation, the Board of Directors has high regard for business responsibility and good corporate governance. The Company applies internationally-accepted business practices and principles to operate a business efficiently, ethically, and responsibly to best benefit all stakeholders. This is in line with Saha-Union's core value of "Integrity, Quality and Service" that the Company has practiced since its inception of the corporation. The Company has promoted every employee the sense of responsibility, prudence, honesty, and social responsibility and will not seek to take advantage for one's benefit, which are the ethics and principles that Saha-Union has always been built the foundation upon.

The Company prepared a Business Code of Conduct to collect business ethics guidelines. The Business Code of Conduct practices will be part of the "Employee's Handbook" for directors, executives, and employees to strictly abide by. The Company's Business Code of Conduct reflects fair, just, and transparent operation. The Company treats all stakeholders equally, fairly, and respectfully. The Code has been developed and regularly updated to be consistent with prevailing economic and social context to create trust and be a basis for sustainable growth. Stakeholders can check out the Company's complete Business Code of Conduct at <https://www.sahaunion.com/wp-content/uploads/2015/05/CodeofConduct-20161020.pdf>.

## **6.3 Key Governance Policy Changes, Practice and System During the Past Year**

The Board of Directors reviews the Business Code of Conduct every year. The Board also reviews governance development and observes good practices from leading organizations, locally and internationally, to appropriately apply to the Company. For any practices that had not been mandated or practiced, the executives will report to the Board for review every year. The key changes during the past year are as follows:

- Prepare online meeting guidelines to ensure that the Board Meeting carried out during COVID-19 will follow the relevant regulations.
- 2021 Shareholders' Annual General Meeting amid the COVID-19 pandemic had been conducted following the measures stipulated by the public health requirements, such as social distancing, avoiding food catering, and prohibition of eating in the meeting hall.

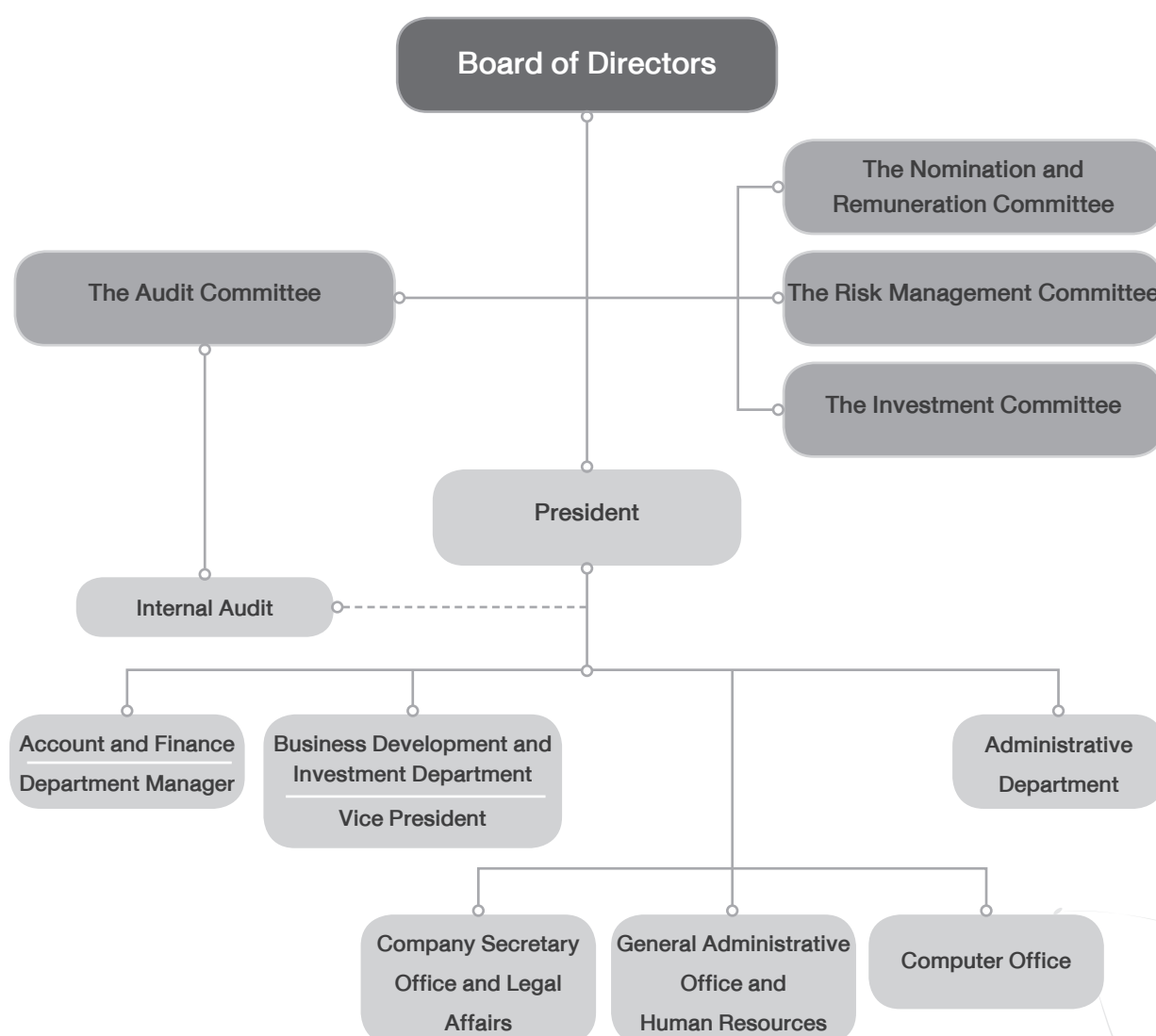
## **6.4 Other Practices according to the Good Corporate Governance Principles**

With an intention and vision to conduct business on the basis of good corporate governance, the Company has been consistently ranked very good on the Corporate Governance Ranking with a rating of Excellent or 4 badges during the 2020 Corporate Governance Report (CGR) rated by Thai Institute of Directors (IOD) and the Stock Exchange of Thailand (SET).

## 7. Corporate Governance Structure and Information about Board of Directors, Sub-Committee, Executives, Employees, and other issues

### 7.1 Corporate Governance Structure

From 1 January to 31 December 2021, Saha-Union Public Company Limited governance structure comprised of the Board of Directors and 4 sub-committees, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Investment Committee as follows:





## 7.2 Director information

### 7.2.1 The Board of Directors composition:

The Company's Board of Directors is comprised of:

- No less than 5 directors but not more than 15 directors.
- The independent directors must comprise no less than one-third of the Board, but not less than 3 directors.
- At least one of the directors must be knowledgeable in accounting.
- No less than half of all directors must reside within the Kingdom of Thailand.
- No less than three-quarters of all directors must be of Thai Nationality.

The Saha-Union Public Company Limited's Board of Directors, according to the company certificate issued by the Ministry of Commerce, as of 31 December 2021, is comprised of 15 directors, which are:

- 10 Non-executive directors, representing 66.67% of the Board of Directors
- 5 Independent directors, which is no less than one-third of the Board composition, representing 33.33% of the Board of Directors
- 5 Executive directors
- 4 woman executives, representing 26.67% of the Board of Directors
- Independent directors comprised no less than one-third of the Board, but not less than 3 directors.
- At least one of the directors is knowledgeable in accounting.

### 7.2.2 List of Directors and Authorized Directors

List of the Board of Directors as of 31 December 2021 is as follows.

No.	Name – Surname	Position
1	Miss Dalad Saphavichaikul	Chairman / Chairman of Investment Committee
2	Mr. Chutindhon Darakananda	Vice-Chairman / Nomination and Remuneration Director / Investment Committee
3	Assoc. Prof. Suttima Jamnarnwej	Independent Director / Chairman of the Audit Committee
4	Mr. Yanyong Tangchitkul	Independent Director / Chairman of the Nomination and Remuneration Committee
5	Mr. Pittawat Prertitumrong	Independent Director
6	Mr. Anon Sirisaengtaksin	Independent Director / Audit Committee / Nomination and Remuneration Director
7	Mr. Chai Jangsirikul	Audit Committee / Independent Director
8	Mrs. Chantorntree Darakananda	President / Chairman of Risk Management Committee / Investment Committee
9	Mr. Preecha Shunhavanich	Vice President / Risk Management Committee
10	Mr. Supakit Puangbua	Director
11	Mrs. Pinijporn Darakananda Kasemsap	Director / Investment Committee
12	Mr. Bovornrat Darakananda	Director / Investment Committee
13	Mr. Vacharaphong Darakananda	Director / Risk Management Committee / Investment Committee
14	Mr. Nanthiya Darakananda	Director
15	Mr. Nithiphan Darakananda	Director

### 7.2.3 Information about roles and responsibilities of the Board of Directors

**The Board of Directors has authorities in line with the business administration structure as below**

1. Plan directions, set goals and business operating policies of the Company.
2. Supervise and oversee business administration, monitor appropriate risk management and make profits so as to make appropriate return on investment to the Shareholders.
3. Supervise and oversee the Company's accounting system in compliance with accounting standard and provide financial reports with complete and accurate records.
4. Ensure a good reputation and image of the Company.
5. Appoint and remove the President of the Company as well as the Managing Director of the subsidiaries of which the Company is a major Shareholder.
6. Stipulate a purview of the Company's President and the subsidiaries' Managing Directors.
7. Make decisions on work plans and annual budgets proposed by the Company's Managing Director.
8. Abide by the laws, objectives, regulations and resolution of the Shareholders' Meeting.
9. Evaluate performance of the President.

Under their power, the Board of Directors may assign one or several member(s) of the Board or other person(s) to perform task(s) on its behalf.

The Board of Directors shall appoint a member of the Board to perform a function of Managing Director who shall have authorities as it is deemed appropriated.

#### **Nomination of Directors and Executives**

The Company has criteria for selecting persons to be appointed as directors and top management through the Nomination Committee and had the resolution by the Annual General Meeting of the Shareholders under the agenda of selection of directors. The criteria for the Shareholders Meeting has shown in the Policies and Practices regarding Shareholders and Stakeholders, sub-section 1) Rights of Shareholders and 2) Equality among Shareholders.

Regarding the election of the Company's directors, the Nomination Committee shall recruit persons who are highly qualified or competent and experienced in business administration. In addition, they shall be ready to perform their duties for the Company. Such qualifications shall not be contrary to the regulations of government agencies concerned. Having assessed suitability of interested persons, the Committee suggests them to the Board of Directors who presents to the Shareholders' Annual General Meeting, in accordance with the Company's regulations stipulated below;

1. A Shareholder shall have one vote per one share.
2. Candidates may be elected, at one time, individually or in group, according to the required number of directors at the moment as it is deemed appropriated by the Shareholders' Meeting. The election procedures shall be in line with the public law.
3. Directors shall be elected by majority votes. In case of equal votes, the chairman of meeting shall have a casting vote. Concerning the minor Shareholders, they shall comply with the Company's regulations as mentioned above as their voting rights are not stipulated as a special case. It means that they have equal voting rights.

At the Annual General Meeting, one-third of the directors shall vacate office. In case that the number of directors could not be divided into three parts, the most approximate number to one-third of the directors shall vacate office.

After the Company's registration, directors vacating office in the first year and the second year shall be selected by drawing lots while, in the following years, directors who have held office for the longest time shall vacate office.

Directors vacating office may be re-elected.

In addition to vacating office on the exemption of term, directors vacate office upon:

1. Death
2. Resignation
3. Disqualification
4. Being removed by a resolution of at least three-fourth of the Shareholders attending the meeting and having the voting rights, whose shares, when calculated, are not less than a half of shares held by Shareholders attending the meeting and having the voting rights.
5. The court judgment



All of the Directors were nominated by the Nomination and Remuneration Committee and a resolution on its nomination was adopted by the 2021 Annual General Meeting of Shareholders in the electing directors' agenda.

#### Qualification of Directors

1. Do not possess any prohibited characteristic according to the Public Company Act B.E. 2535, Securities and Exchange Act B.E. 2535, which has been amended by the Securities and Exchange Act (No. 4) B.E. 2551, Notification of the Securities and Exchange Commission No. Kor Chor 8/2553 and the good corporate governance policy of listed Company.

2. Knowledgeable, capable, and able to perform the director's responsibilities with the duty of care and duty of loyalty. The director must dedicate time to the Company's affairs. The director must be of suitable age, competency, good health and mental condition, creative during the meeting, straight-forward, have the courage to share opinions during the meeting, and/or is a good reputation in regards to their work experience and ethical stance, as well as widely accepted by the general public.

3. Must be knowledgeable in at least one of the following aspects: the Company's business, accounting and finance, strategic management, corporate governance, and relevant law and regulation.

#### Authorized Directors

Authorized directors who can bind the Company's obligation are two directors who co-sign the obligation with the Company's seal, excluding Ms. Suttima Jamnarnwej, Mr. Anon Sirisaengtaksin, and Mr. Chai Jangsirikul, Mr. Yanyong Tangchitkul and Mr. Pittawat Prertitumrong who are audit committee and/or independent directors.

## 7.3 Information about Sub-Committees

#### The Sub-Committees comprised of:

##### 1. The Audit Committee

Audit Committee reviewed financial statements by consulting with the executives and accounting auditor (EY Company Limited) every quarter. The Audit Committee will be responsible for the financial report of the Company and subsidiaries and any information shown in the annual report, which is prepared according to the generally accepted accounting principle and has been reviewed and certified by Mr. Khitsada Lerdwana, Certified Public Accountant No. 4958 of EY Company Limited. The disclosure of key information, both financial and non-financial information, will be based on factual information by consistency and completeness.

The Audit Committee comprises of three members who have all necessary qualifications in accordance with the rules set forth by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). At the meeting held on 21 October 2021, the Board of Directors passed a resolution to appoint the Audit Committee to hold office for the term of three years. In this regard, all members of the Audit Committee are independent directors.

List of the Audit Committee is as follows;

No.	Name - Surname	Position
1	Assoc. Prof. Suttima Jamnarnwej	Chairman of the Audit Committee
2	Mr. Anon Sirisaengtaksin	Audit Director
3	Mr. Chai Jangsirikul	Audit Director

The Audit Committee who has knowledgeable about finance and experienced in auditing company financial statements was Associate Professor Suttima Jamnarnwej and Mr. Chai Jangsirikul.

#### Scope, Authorities and Responsibilities of the Audit Committee

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

- (1) Ensure the accuracy of Company's financial statement according to certified accounting standards.
- (2) Ensure the effectiveness of Company's internal control, risk management, and internal audit. Assess the independence of internal audit division and propose suggestions for appointment, transfer, or dismiss the internal audit manager.
- (3) Ensure that the Company complies with the laws related to Securities and Exchange, SET regulations, and other laws related to the Company's businesses.

(4) Consider, select, nominate or terminate an independent person(s) to be the Company's auditor, and their remunerations. Attend the meeting with auditors by without the Management at least once a year.

(5) Consider any related transactions or possible conflict of interest to comply with the law and SET regulations to make sure such transactions are reasonable and optimally beneficial to the Company.

(6) Review the accuracy of references and self-assessment form regarding the Company's anti-corruption measures according to the Collective Action Coalition Against Corruption (CAC).

(7) Prepare the Audit Committee's Report, signed by Chairman of the Audit Committee, to be disclosed in the Company's Annual Report. Such report involves opinions on the internal control and risk management, as well as other opinions about the performance of the Audit Committee.

(8) Inform the Management of flaws discovered and urge for solution.

(9) Monitor and assess the performance deemed necessary by the Audit Committee.

(10) Perform other tasks assigned by the Board of Directors.

- The Audit Committee has full access to any information necessary to perform its duties, including summoning related person for inquiry, discussing with external auditor without the presence of the management, or seeking independent advice from external professional advisers.

- The Board establishes an independent internal audit with the responsible task in reviewing and improving the efficiency of the risk management and internal control systems, and reporting the review results to the Audit Committee. The report of the Audit Committee is disclosed in the Annual Report.

- The Audit Committee provides its opinion on the adequacy of the Company's internal control and risk management systems which is disclosed in the Annual Report.

In 2021, the Audit Committee has four meetings. Associate Professor Suttima Jamnarnwej and Mr. Anon Sirisaengtaksin attended all 4 meetings and Mr. Chai Jangsirikul attended 3 meetings due to just nominated on 1 April 2021. Moreover, the Audit Committee was organized a meeting with the Auditor for independently discussion regarding the Auditor's observations and opinions, by without the Company's management and with the Risk Management Committee one time.

## 2. The Nomination and Remuneration Committee

The Company appointed the experienced and qualified Board of Directors to be the Remuneration Committee. The Nomination and Remuneration Committee comprises of 3 members; most are Independent Directors, including the Chairman of the Nomination and Remuneration Committee as follows.

No.	Name – Surname	Position
1	Mr. Yanyong Tangchitkul	Chairman of the Nomination and Remuneration Committee
2	Mr. Chutindhon Darakananda	Nomination and Remuneration Director
3	Mr. Anon Sirisaengtaksin	Nomination and Remuneration Director

### **The Nomination and Remuneration Committee shall have duties and responsibilities as follows:**

1. Establish procedures and selection method for director nomination.
2. Select the persons whose qualifications are in compliance with the government agencies to be nominated as new directors. Such qualifications are based on the principles of good corporate governance in terms of Board of Directors structure.
3. Consider procedures of remuneration for directors, based on their responsibilities, frame of work, performance of the Directors, the Company's performance and financial status, the overall economic situation, compared to other registered companies with similar size of business and/or in a similar industry.
4. Determine the amount and model of Director's remuneration by submitting proposals to the Board of Directors for further propose to the Shareholder meeting's approval

### **The director selection process is as follows:**

1. The Nomination and Remuneration Committee determines the qualification of the vacant director have qualifications and legal requirements following the relevant law and regulation, as well as in line with the Company's business and strategy. The Nomination and Remuneration Committee Handbook will stipulate that the directors must be comprised of experts from many



fields necessary to operate the Company's business operations, which should be knowledgeable in one of the following fields; the Company's business, accounting and finance, strategic management, corporate governance, and relevant law and regulation.

2. The Nomination and Remuneration Committee concludes the candidate selection process and proposes the name of the directorship candidate and the selection rationale to the Board of Directors.

3. The Board of Directors will select the suitable candidates as proposed by the Nomination and Remuneration Committee and propose to the shareholders' meeting for further directorship appointment.

In 2021, four meetings were organized and attended by Mr. Yanyong Tangchitkul and Mr. Chutindhon Darakananda and Mr. Anon Sirisaengtaksin. The Chairman of the Nomination and Remuneration Committee was not Chairman of the Company's Board of Directors.

### 3. Risk Management Committee

The Company's Risk Management Committee is responsible for evaluating risk, formulating policy for the Company and subsidiaries to manage risks, and periodically summarizing risk assessment reports for the Company's directors. As of 31 December 2021, the Risk Management Committee comprised of:

No.	Name - Surname	Position
1	Mrs. Chantornree Darakananda	Chairman of the Risk Management Committee
2	Mr. Vacharaphong Darakananda	Director of Risk Management Committee
3	Mr. Preecha Shunhavanich	Director of Risk Management Committee
4	Mrs. Srinual Sombatpraiwan	Director of Risk Management Committee and Secretary
5	Ms. Ruangdao Supachorncharan	Director of Risk Management Committee

#### Roles and Responsibilities of Risk Management Committee

The Risk Management Committee has responsibilities to stipulate policy and follow up on the Company's risk management, review risk categories, consider the probability of risk and potential impact, and execute risk management measures and follow-up. The Risk Management Committee has the authority to appoint Risk Management Sub-Committee to operate on specific operations or risks as appropriate.

The responsibility to review internal audit and risk management processes remains the responsibility of the Audit Committee and Internal Audit.

In 2021, the Risk Management Committee met once to perform their duty according to the Company's policies and objectives and met with Audit Committee one time.

### 4. Investment Committee

As of 31 December 2021, the Investment Committee comprised of:

No.	Name - Surname	Position
1	Miss Dalad Saphavichaikul	Chairman of the Investment Committee
2	Mr. Chutindhon Darakananda	Director of Investment Committee
3	Mrs. Chantornree Darakananda	Director of Investment Committee
4	Mrs. Pinjiporn Darakananda Kasemsap	Director of Investment Committee
5	Mr. Bovornrat Darakananda	Director of Investment Committee
6	Mr. Vacharaphong Darakananda	Director of Investment Committee

#### The Investment Committee shall have duties and responsibilities as follows:

1. Seek the opportunity and feasibility study of new projects investment that will bring benefits and progress to Saha-Union Group and propose to the Board of Directors.



2. Have a structure and duties according to what stipulated in the business administration policy and structure guideline approved by the Board of Directors.
3. Perform other tasks assigned by the Board of Directors.

## 7.4 Executives

### 7.4.1 As of 31 December 2021, the Company's Executives were as follows:

(Management Structure of Saha-Union Public Company Limited has already been reported in Section 7.1 Corporate Governance Structure)

No.	Name - Surname	Position
1	Mrs. Chantomtree Darakananda	President
2	Mr. Preecha Shunhavanich	Vice President
3	Ms. Ruangdao Supachorncharan	Account and Finance Department Manager

#### Roles and responsibilities of the President

1. Prepare work plan, capital expenditure plan, annual budget, financial projection, and operation strategy for the Board of Directors to consider.
2. Responsible for the Board of Directors by performing duties and executing policies as stipulated by the Board of Directors. Responsible for operation results, control expenses, and budget to ensure consistency with the annual budget approved by the Board of Directors and other tasks according to the Board of Directors' resolutions.
3. Prepare and propose the Company's operating performance and investment performance to the Board of Directors during the Board of Directors' meeting and prepare information or report as assigned by the Board.
4. Represent the Company when interacting with the outsider. Take charge of management, communicate, operate and authorize any transaction, announcement, or notice made to governmental agencies and other parties.
5. Authorize and approve expenditure and credit limit in line with the framework about document signage or approval of expenditure and existing credit limit.
6. Operate and execute any activities as determined in the Company's Policy and Management Structure Handbook.

The President will not be able to execute any of the above duties provided that the President has a conflict of interest concerning the application of those authorities. In 2021, there is no incident that the President operates outside of the above scope of responsibilities.

### 7.4.2 Executive's Remuneration Policy

The executive's remuneration will follow the criteria and policy determined by the Board of Directors to motivate the executive to work toward the Company's goal, which will tie mainly to the operation performance. The remuneration will include salary, bonus, and other benefits such as social security contribution.

### 7.4.3 Executives' Remuneration

- 1) Total remunerations was paid to the 4 Company's Executive and Non-Executive Directors in 2021 amounted to Baht 11,677,138.- comprising of salaries and bonuses. Apart from the aforementioned, other Executive Directors holding equivalent position to the 4<sup>th</sup> Executive succeeding the President were not entitled to remuneration of this kind, because they had been the Executives in other Group Companies and accordingly received remunerations from those companies in term of salaries and bonuses.
- 2) In 2021, the Company paid an aggregate of Baht 102.19 million as remunerations (salaries and bonuses) to totally 51 Executives in 10 Subsidiaries undertaking.
- 3) Others Remuneration except salaries and bonuses, the Company paid other remunerations to an Executive in the form of contributions to Provident Fund, managed by the BBL Asset Management Co., Ltd. as a Fund Manager, at a rate of 3% of individual salary. The other remunerations in 2021 were Baht 122,400.-



## 7.5 Employee Information

The Company firmly believes that the Company's growth will be subjected to employees' quality. Every employee is considered the Company's most valuable resource in operating business. Therefore, the Company has the policy to develop and improve human resource management to be on par with international standards and utilize changing technology to support and develop employees to be ethical and competent to grow the Company and help improve and assist society at large.

The Company focuses on its employees as the key mechanism that will drive the Company to be a Sustainability Organization.

### Employee Statistics

The number of employees in Saha-Union Group of Companies as of 31 December 2021 was 5,582 Employees. The Company continues to manage the workforce to be appropriate for the business operation amid the fluctuated economic environment.

The number of employees in Saha-Union Group of Companies, classified by business group, during 2018-2021 are as follows:

(Unit : Person)

Business Group	2018	2019	2020	2021
Saha-Union Pcl	71	73	75	68
Textile Business	1,967	1,889	1,540	1,072
Plastic, Rubber and Metal Businesses	5,187	4,427	3,435	3,331
Trading Business	422	426	424	391
Energy Business	353	353	347	342
Hotel Business	376	364	305	234
Investment and others	122	124	120	144
Total	8,498	7,656	6,246	5,582

In 2021, Union Textile Industry Public Company Limited, the core textile subsidiary, ceased operation from mid-2021. Thus, the number of employees significantly changed from the past.

### Employee's Remuneration Policy

The Company has a policy to pay remuneration to employees in the form of salaries, annual subsidy, gratuity, resignation allowance, provident fund contribution, workmen's compensation fund and social security fund contribution.

The Company adjusts annual wages/salaries to employees considering the performance of each employee and the performance of the Company.

Annual subsidy is the compensation that the Company allocates to build employee's morale and motivation for their diligence and performance.

Provident Fund contribution is a benefit that is provided to motivate the employees to work for the Company for a long time. The Company will pay contributions according to the working period of the employees at the rate of 3% of their salaries.

Social Security Fund Contribution is a benefit that the company provides according to the labor protection law.

**Employee's remuneration (Excluding executives) during 2018 - 2021 are as follows.**

(Unit : Baht)

Remuneration	2018	2019	2020	2011
Salary, wage and bonus	30,985,582	32,469,929	32,916,869	31,503,209
Social security contribution	518,217	520,458	426,477	343,102
Provident fund contribution	753,604	742,625	808,864	817,143
Total	32,257,403	33,733,012	34,152,210	32,663,454

### **Social Security Fund**

As of 31 December 2021, a total of 59 employees were part of Saha-Union Group registered Provident Fund ("Fund"), from the Company's total number of eligible employees of 59, representing 100 percent of total eligible employees. Bualuang Asset Management Company Limited manages the Fund. According to the Investment Governance Code (I Code), the fund manager has disclosed information.

The Fund promotes ESG (environmental, social, and governance) investment policy and works with the Company to manage the Fund, set policy, and assign the fund manager to invest in organizations that care for their stakeholders, including shareholders, employees, customers, partners, society and the world. The Company also stipulates the governance criteria for screening investible stocks to ensure that the Fund invests in good corporate governance organizations.

### **Human Resource Development**

Progressing to be the Sustainability Organization, the Company is determined to continue developing and improving human resources to be more efficient to maximize every employee's potential to the fullest, which will lead the organization to achieve its goal. The goal will also benefit the employee for their career growth and the organization's success.

The Company focuses on executives and employees at all levels to jointly formulate the operational plans following the direction and goals of the Company. The shared objective will allow everyone within the organization to effectively work towards the common goal. The Company's executives would set up a venue to co-formulate the Company's visions and directions together. The Company's executives will later share the plan with every business unit, where the strategic plan will be converted to the business plan and the budget plan, all of which are aligned in the same direction.

The Company's human resource development has set a policy projecting employee self-evaluating, creative thinking and job improvement. The employee should have knowledge, ability and skills in accordance with the applicable job description including a potential ability to take on a higher level position. Thus, the Company has been training employees using both inside and outside seminars, depending on appropriate occasions. The Company sometimes arranged seminars designed for mid-level executives as part of the Company's continuing executive development plan. In addition, there is constant training in preparation for working in various fields and in accounting to support new accounting standards that have already been in effect, etc.

### **Employee Development Summary**

In 2021, the Company provided the following training for its employees:

- Summary and key points of TFRS for PAEs that will be applied during 2021 by the Stock Exchange of Thailand (Online Training): 10 trainees, free of charge
- Financial instruments, key points of accounting standard No. 32 and Thai Financial Reporting standards No. 7 and 9, by the Stock Exchange of Thailand (Online Training): 10 trainees, free of charge
- Changing interest rate reference by the Stock Exchange of Thailand (Online Training): 10 trainees, free of charge
- Financial reporting standard for Non-Publicly Accountable Entities by Department of Business Development, Ministry of Commerce (E-Learning): 6 trainees, free of charge
- Financial statement analysis by Department of Business Development, Ministry of Commerce (E-Learning): 7 trainees, free of charge
- Cashflow statement by Department of Business Development, Ministry of Commerce (E-Learning): 1 trainee, free of charge
- CFO Refresher by the Stock Exchange of Thailand: 1 trainee, fee: Baht 2,700
- Server Expert Online: 1 trainee, fee: Baht 25,000 Moreover, there was development training for 2 directors as follows:
  - A director for DAP179/2021 Course for one day, fee: Baht 12,000
  - An Audit Committee for AACP40/2021 Course for 4 days, fee: Baht 63,000 Both of which are on-site training at the Thai Institute of Directors.

Total employee training fees during 2021 amounted to Baht 102,700, translating into average training per duration of 25.87 hours/person/year.



### **Policies about Safety, Occupational Health, and Work Environment**

Regarding policies that include Safety, Occupational Health, and Work Environment, the Company emphasizes providing work safety and hygiene in the workplace. The Company made an official announcement for every employee to acknowledge and practice those measures to promote a safe workplace. In 2021, there were no accident counts.

### **Labor Dispute**

The Company does not have any labor dispute issues over the past 3 years.

### **Saha-Union's Shared Core Values**

The Company has provided a guideline for the Directors, Executives, and Employees of all levels, including additional guidelines for the Directors in the Corporate Governance Manual and Business Ethics for Executives. Such guidelines in Business Ethics are part of "Employee's Regulations" for all Directors, Executives, and Employees to abide by, contributing to effective corporate administration under the Company's main goals to maintain its core values "INTEGRITY, QUALITY, SERVICE."

## **7.6 Other important information**

### **7.6.1 The Corporate Secretary, the person who is directly responsible for overseeing accounting preparation and internal audit functions**

#### **Corporate Secretary**

To comply with the good corporate governance principle of the listed Company under the Board of Director's responsibility and regulation of the Securities and Exchange Act, the Board of Directors appointed a Corporate Secretary with the responsibility to advise about laws and regulations that the Board of Directors must be aware of and complied with, meeting arrangement and other conducts by the directors, to ensure that the Board can efficiently perform their functions to best benefit the Company. The Corporate Secretary will prepare and file documents, such as director registration, the Board's meeting invitation, meeting minutes, the Company's annual report, shareholders' meeting invitation, shareholders' meeting minutes, and Conflict of Interests report flagged by directors or executives.

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

The Company has presented the information about educational background, work experience, and training for the role of the Board of Directors and the Corporate Secretary, as shown in Appendix 1.

#### **Accounting Controller**

The person who has been appointed to oversee the accounting preparation of Saha-Union Public Company Limited is the Account and Finance Department Manager, Ms. Ruangdao Supachorncharan. She was appointed to the post on 18 November 2020. Ms. Ruangdao Supachorncharan is a competent and qualified accountant following the requirements set by the Department of Business Development; additional details are shown in Attachment 1.

#### **Chief of the internal Audit**

Mrs. Chanpen Nopsuri, the Company's Chief Audit Executive in 2021, takes responsibility for operational monitoring of internal audit process. Being experienced in internal audit system and having an understanding of the Company's business activities, she is suitably qualified for this task.

Approval, appointment and removal of the Chief of the internal Audit shall be made, at the high-ranking executives' suggestion, by the Chairman of the Audit Committee. The qualification of the Chief Audit Executive as attachment 3.

## 7.6.2 Investor Relations

### Investor Relations

The Investors and shareholders can contact the Company's investors relations, Ms. Ruangdao Supachorncharan: 0 2311 5111 ext. 7675 or Mrs. Chadaporn Jiamsakulthip: 0 2311 5111 ext. 7688 or fax: 0 2311 6867 to proceed the matter to the next process.

## 7.6.3 Auditor's Remuneration

### Audit fee

The auditor of the Company and its subsidiaries for the year 2021 was Mr. Khitsada Lerdwana, Certified Public Accountant No. 4958 (the 6<sup>th</sup> year auditor) or Mrs. Ponnard Paocharoen, Certified Public Accountant No. 5238 or Ms. Vilailak Laohasrisakul, Certified Public Accountant No. 6140 of EY Office Ltd.

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

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

In the fiscal year 2021, the Company and its subsidiaries paid the audit fee to EY Office Ltd., which is the audit firm the auditor working for totally Baht 11,340,000. The Company and its subsidiaries did not pay audit fee to the auditor directly, any person or business related to the auditor, or other audit firms where the auditor was working for. The Company also did not pay audit fee to the company that owns the audit firm or one owned by the audit firm, or the related company under the common control as the audit firm, whether directly or indirectly.

### Non-audit Fee

In the fiscal year 2021, the Company did not pay any non-audit fee to EY Office Ltd., or related companies under common control and there were no other remaining services to be paid in the following year to the auditor or to EY Office Ltd., or to any person/business in connection with the auditor and the audit office where the auditor was working for.





## 8. Major Development regarding Corporate Governance



### 8.1 Summary of the Board of Directors' Duties during the past year

#### 8.1.1 Director Selection, Development and Performance Evaluation

##### (1) Independent Directors

Below is a list of five Independent Directors, in other words, not less than one-third of the Board of Directors, which comprised of 1 female Independent Directors and 4 male Independent Directors.

1. Mrs. Suttima Jamnarnwej
2. Mr. Anon Sirisaengtaksin
3. Mr. Pittawat Prertitumrong
4. Mr. Yanyong Tangchitkul
5. Mr. Chai Jangsirikul

##### Criteria for Independent Directors Selection

Independent Directors are selected on the basis of competency, experience and knowledge of business operations relating to those of the subsidiaries. They shall be non-executive directors of the Company, with vision, have time to perform duties and be fully qualified in conformity with the rules and official regulations. They are invited by the Nomination Committee to be Independent Directors whom the Company considers to be capable and helpful to manage the Company and the corporate business as well.

##### Qualification of Independent Director

(a) Do not hold the Company's share more than 1% (one percent) of the Company's voting share, subsidiaries, joint venture, major shareholder, or controlling person. The share count shall include all persons connected to the independent director.

(b) Is not or never was the executive, employee, staff, a consultant with a regular contract, or authorized person of the Company, subsidiary, joint venture, or associate. Must not be a major shareholder or authorized person within the past two years. Such prohibition does not include the circumstance where an independent director has been a civil servant or consultant of the public enterprise's major shareholders or the Company's controlling person.

(c) Is not related by blood relation or by marriage, such as parents, spouse, sibling, and children, including children's spouses, of executive, major shareholder, controlling person, or person whom will be appointed to be an executive or controlling person of the Company or subsidiaries.

(d) Do not have a business relationship with the Company, subsidiaries, associate, major shareholders, or controlling person of the Company in a manner that will obstruct own judgment. The independent director must not have significant shareholding or controlling stake of those who have a business relationship with the Company, subsidiaries, joint venture, major shareholders, or controlling person within the past two years.

(e) Never been accounting auditor of the Company, subsidiaries, associate, major shareholders, controlling person, major shareholders with significant shareholding or partner of the Company's auditing firm, subsidiaries, joint venture, major shareholder, controlling person within the past two years.

(f) Never provide professional service, including providing legal consultation or financial advisory and receiver more than Baht 2 million of professional fee service from the Company, subsidiaries, associate, major shareholders, or controlling person, and must not be a shareholder with significant shareholding, controlling person or partner of such professional service provider within the past two years.

(g) Is not a director that has been appointed to represent the Company's director, major shareholder, or shareholder related to the major shareholder.

(h) Do not operate a business in a similar industry or are competitors with the Company or subsidiary. The independent director must not be a significant shareholder or have an executive, employee, staff role, consultant with a regular contract, or has shared more than 1% (one percent) of the total voting share in the Company in a similar industry or is the competitor of the Company or subsidiaries.

(i) Do not possess any characteristics that hinder the objectivity of the independent director's roles in the Company after being appointed to the independent director position that possesses the characteristics according to (a) to (h). The Board of Directors may appoint an independent director to decide on the Company, subsidiaries, associate, major shareholder, or a controlling person through the collective decision-making process. The Independent director will work following the Notification of the Thai Capital Market Supervisory Board.

#### **Roles and Responsibilities of the Independent Director**

1. Propose key issues that would benefit the Company, shareholders, and minority shareholders to the Board of Directors or Presidents as appropriate.
  2. Provide opinion about the roles and responsibilities of the Board of Directors and the roles and responsibilities of the independent directors regarding the Company, shareholders, and minority shareholders.
  3. Audit the Company to ensure legal compliance within the scope of an independent director and review the definition of an independent director to be appropriate and comply with a legal requirement.
  4. Other tasks as assigned by the Board of Directors, but that tasks will not affect the judgment and action of the independent director.
  5. Responsibilities of an independent director start when the independent director is fully qualified, following the definition of an independent director in managing corporate governance, and end with the lack of such qualification or resignation from the directorship position.
  6. Independent directors will meet at least once a year.
- Independent directors do not have any business relationship or a provision of professional service to the Company.

#### **(2) Selection process of director and top executive**

In 2021, the Company selected and appointed two new directors to replace the previous directors who resigned or fully served their terms, which are:

- Mr. Chai Jangsirikul, Audit Committee / Independent Director
- Mr. Nithiphan Darakananda, Director

and the Board of Directors proposed that 5 existing directors who retired by rotation during the 2021 General Shareholders' Meeting be re-elected back to the directorship position, including:

- Mr. Yanyong Tangchitkul, Independent Director / Chairman of the Nomination and Remuneration Committee
- Mr. Supakit Paungbua, Director
- Mrs. Pinijporn Darakananda Kasemsap, Director
- Mr. Vacharaphong Darakananda, Director
- Mr. Nanthiya Darakananda, Director

The Company has criteria to select a director and top executive through Selection Committee, as described above. The proposal will be on the agenda during the General Shareholders' Meeting, Director Selection, with the conditions indicated in the Section, Policies and Practices regarding shareholders and stakeholders, sub-topic: 1) Shareholders' Rights and 2) Equitable Treatment of Shareholders.

#### **(3) Director Development**

##### **(3.1) Training, Seminar, and Activities of the Company**

The Company's Board of Directors and top executives have paid attention significantly and regularly to the director's development, particularly courses that can enhance directors' knowledge and work capability (training details can be found in the director's bio in Appendix 1). All the Company's Directors have been trained with the Thai Institute of Directors (IOD) and other leading organizations and institutes and participate in relevant seminars. The Company promoted such development and signed up for IOD membership for all directors to be an avenue to progress knowledge that the Company can apply to the directorship role. The Company also invited experts in various fields to provide a lecture to enlighten new ideas and share perspectives that could be applied to the Company's operation to grow in the future sustainably.



In 2021, directors who participated in training and seminar were as follows:

Directors	Courses
Mr. Chai Jangsirikul	Advance Audit Committee Program (AACP)
Mr. Nithiphan Darakananda	Director Accreditation Program (DAP 179/2021)

The Company also allowed the Company's subsidiaries, joint ventures, or associates to present the business plan to the Board of Directors to share experience and allow the Board of Directors to exchange business know-how as well as any practical strategy that can be used to steer the business through the current challenging business environment so that the Saha-Union Group can sustainably grow in the future.

#### (4) Self evaluation of the Company's Board of Directors

The Board of Directors has regularly evaluated their operational performance once a year both individually and the entire Board. Besides, the sub-committee's performance (the Nomination and Remuneration and the Audit Committee) is also evaluated once a year by assessing the Committee as the whole. The results are collected by the secretary of the sub-committee and the Company's secretary. The results are reported to the Board to review the performance, issues and obstacles during the past year enhancing the Board's effectiveness following the Corporate Governance Principles.

*The criteria and process of performance evaluation of the Board of Directors on a group basis* are as follows.

Key Performance Evaluation Criteria	Performance Evaluation Process
The evaluation is divided into 6 topics following the guidelines of the Stock Exchange of Thailand	1. The Board of Directors conducts the entire Board's performance evaluation at least once a year
1) Structure and qualifications of the Board of Directors	2. The Company Secretary summarizes and submits the Board of Directors' evaluation results to the Nomination and Remuneration Committee to review the evaluation results and the guidelines to develop and improve their efficiency
2) Roles, duties and responsibilities of the Board of Directors	3. The Nomination and Remuneration Committee presents the evaluation results and the efficiency improvement guidelines to the Board of Directors
3) The meetings of the Board of Directors	
4) The performance of the Board of Directors	
5) Relationship with the management	
6) Self-development of Directors and the development of the management	

In 2021, the average score of the Board of Directors' self-evaluation on a group basis was 96.73.

*The criteria and process of the performance evaluation of the Board of Directors on an individual basis* are as follows.

Key Performance Evaluation Criteria	Performance Evaluation Process
The evaluation is divided into 3 main topics according to the guidelines of the Stock Exchange of Thailand including;	1. The Company's Directors conduct self-evaluation individually at least once a year
1) Structure and qualifications of the Board of Directors	2. The Company Secretary summarizes and submits the Board of Directors' individual evaluation results to the Nomination and Remuneration Committee to review the evaluation results and the guidelines to develop and improve the efficiency.
2) Roles, duties and responsibilities of the Board of Directors	3. The Nomination and Remuneration Committee presents the evaluation results and the efficiency improvement guidelines to the Board of Directors
3) The meetings of the Board of Directors	

In 2021, the average score of the Board of Directors' self-evaluation individually was 97.58.

*The criteria and process of the performance evaluation of the sub-committee – the Nomination and Remuneration Committee on an individual basis* are as follows.

Key Performance Evaluation Criteria	Performance Evaluation Process
The evaluation is divided into three main topics following the guidelines of the Stock Exchange of Thailand.	1. The Company Secretary submits a self-evaluation form to each member of the Nomination and Remuneration Committee to evaluate their performance individually at least once a year
1) Structure and qualifications of the Nomination and Remuneration Committee	2. The Company Secretary collects and summarizes the evaluation results to propose the Nomination and Remuneration Committee and the Board of Directors for their acknowledgement.
2) Roles, duties and responsibilities of the Nomination and Remuneration Committee	3. The Nomination and Remuneration Committee and the Board of Directors will review the evaluation results together and provide suggestions on areas that should be improved to further enhance the efficiency.
3) Meetings of the Nomination and Remuneration Committee	

In 2021, the average score of the Nomination and Remuneration Committee's self-evaluation individually was 97.55.

*The criteria and process of the performance evaluation of the Audit Committee on an individual basis* are as follows.

Key Performance Evaluation Criteria	Performance Evaluation Process
The evaluation is divided into four main topics. Three out of four topics are following the guidelines of the Stock Exchange of Thailand, and another one topic is noted on the Audit Committee's report to the Board of Directors.	1. The Audit Committee's individual evaluation is conducted once a year. The Company Secretary will propose to the Audit Committee to conduct the evaluation at their meeting in the third quarter every year.
1) Structure and qualifications of the Audit Committee	2. The Secretary of the Audit Committee summarizes and proposes the evaluation results to the Audit Committee meeting in the fourth quarter of every year.
2) Roles, duties and responsibilities of the Audit Committee	
3) Meetings of the Audit Committee	
4) Reports of the Audit Committee	

In 2021, the average score of the Audit Committee's self-evaluation individually was 99.11.

#### **(5) Directors Orientation**

The newly appointed director will receive a formal and proper introduction and all information relevant to their responsibilities and performing their duties, including details about the Company's objectives, vision, missions, core value, the nature of the business, and other relevant company's operations from the Company's management (New director's orientation). Besides, the new director will be provided training about director's duties from the Thai Institute of Directors (IOD), for instance, DAP and DCP programs or DAP and ACP programs for Audit Committee.

### **8.1.2 Attendance at meetings and payment of remuneration for individual directors**

#### **(1) The Board of Directors' Meeting**

- **Board of Directors' Meeting.** Generally, the Company arranges a meeting at least once a month to consider the proposals made by executives, make decisions on issues for further action as it is deemed appropriate, and follow up on performance, aiming to verify if the business runs as planned or their objectives are attained. In some cases, corrections might be considered and carried out the solutions, and personnel may be assigned for further follow-up. In 2021, all Directors held and attended twelve meetings, except those on duty abroad or absented by force majeure. Since the Company has had a



lot of overseas investments and some members of the Board had to take care of and follow up on the operation of the business invested by the Company, they could not be present at the monthly meetings of the year 2021. However, those who have worked for associated companies in Shanghai, Hong Kong, or the USA attended the meetings via VDO conferences on the same day. In addition, the Secretary regularly submitted the minutes to all of the members, no matter whether they were present or absent, to keep them informed and to ask for their suggestions (if any).

- The Company set up the Board's meeting schedule in advance for the whole year. The Company Secretary proposes the schedule to the Board's meeting; hence, each director should receive sufficient notice to ensure attendance.
- The Board's meeting invitation letter, agenda and relevant documents are sent to every director at least five working days prior to the Board's meeting.
- The Company holds Board's meeting monthly, in which executive or management reporting operation and relevant information for the Board's acknowledgement, consideration and/or approval. The Board has monitored the operations to ensure the Company's strategies be applied. If the result of activities were found that it failed to achieve the Company's target, the Company would consider adjusting the strategic plan in line with the situation at that time.
- Before issuing the Board's meeting invitation, every director and executive can propose the inclusion of relevant items on the meeting agenda.
- The Board encourages the President to invite key executives to attend board meetings to provide further details of the meeting agenda that they are directly responsible for.
- The Board can access further accurate, relevant, timely and clear information required for their respective roles from the President, other executives or the Company Secretary within the scope of policies. If necessary, the Board may seek independent professional advice at the Company's expense.
- The Board of Directors set forth the policy that for any agenda that a certain director is deemed to have a conflict of interest with the Company, such director will not participate nor vote on that specific agenda.
- To vote on the Board of Directors' agenda, a minimum of two-thirds of all the Board must be present in the meeting to form a quorum. However, suppose such quorum criteria cannot be met according to the guideline mentioned earlier. In that case, it will be according to the judgment of the Chairman as policy prescribed in the Code of Conduct.
- Non-executive directors can hold the meeting, as necessary, among themselves without the management team. In this case, they will report the outcome of their meeting to the Company's President.
- The Board appoints Company Secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on corporate governance, legal, regulatory and administrative requirements for the Board, preparing board meetings and other relevant documents, record the meeting minutes, and coordinating the implementation of board resolutions. The Company Secretary is responsible for duties prescribed in the Securities and Exchange Act, 4<sup>th</sup> edition (B.E. 2551), Section 89/15, Section 89/16, Section 89/17 and Section 89/23.
- The Company Secretary has been received ongoing training and education relevant to his/her duties, including Company Secretary Program (CSP) 27/2008, Effective Minute Taking Program (EMT) 11/2008 from the Thai Institute of Directors (IOD) Fundamental Practice for Corporate Secretary Program (FPCS 28) from Thai Listed Companies Association, and Smart Disclosure Program (SDP) from the Stock Exchange of Thailand.
- In 2021, there was a resurgence of COVID-19 in Thailand, where the pandemic was more spreadable and severe. Therefore, to be consistent with the COVID-19 prevention measure, the Company's Board of Directors, by the authorization of the Chairman, permitted the electronic meeting instead of an on-site meeting. In 2021, there were 12 Board meetings hosted.



**Record of 2021 Meeting Attendances of Directors is as follows.**

No.	Name – Surname	2021 Annual Shareholders Meeting	Board Meeting	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Investment Committee
1	Miss Dalad Saphavichaikul	Attended	12/12	-	-	-	1/1
2	Mr. Chutindhon Darakananda	Attended	12/12	-	4/4	-	1/1
3	Assoc. Prof. Suttima Jamnarnwej	Attended	12/12	4/4	-	-	-
4	Mr. Yanyong Tangchitkul	Attended	12/12	-	4/4	-	-
5	Mr. Pittawat Prertitumrong	Attended	12/12	-	-	-	-
6	Mr. Anon Sirisaengtaksin	Attended	10/12	4/4	4/4	-	-
7	Mr. Chai Jangsirikul*	Attended	9/9	3/3	-	-	-
8	Mrs. Chantornree Darakananda	Attended	12/12	-	-	1/1	1/1
9	Mr. Preecha Shunhavanich	Attended	12/12	-	-	1/1	-
10	Mr. Supakit Paungbua	Attended	12/12	-	-	-	-
11	Mr. Nithiphan Darakananda	Attended	12/12	-	-	-	-
12	Mrs. Piniyorn Darakananda Kasemsap	Attended	12/12	-	-	-	1/1
13	Mr. Bovornrat Darakananda	-	11/12	-	-	-	1/1
14	Mr. Vacharaphong Darakananda	Attended	12/12	-	-	1/1	1/1
15	Mr. Nanthiya Darakananda	-	9/12	-	-	-	-
Director who resigned during the year							
16	Mr. Pasu Loharjun	-	1/1	1/1	-	-	-

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

\* Mr. Chai Jangsirikul has been appointed as the Company's Director as of 1 April 2021.



**The Board of Directors' key meeting agendas are as follows.**

Month	Agendas
January	<ol style="list-style-type: none"> <li>1. Acknowledgement of the 2020 Group's business operation performance</li> <li>2. Acknowledgement of the opportunity for shareholders to propose agenda during the 28<sup>th</sup> General Shareholders' Meeting</li> <li>3. Acknowledgment of the Board's self-evaluation result (group evaluation), Director's self-evaluation result (individual evaluation), and Nomination and Remuneration Committee's self-evaluation during 2020</li> <li>4. Acknowledgement of the shareholdings of SUC's directors and executives</li> <li>5. Acknowledgement the subsidiaries' business direction</li> <li>6. Consideration and approval the 2021 budget</li> <li>7. Consideration on the agendas related to the Company's operation</li> </ol>
February	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Acknowledgement the 4/2020 Audit Committee Report</li> <li>3. Acknowledgement the Company's joint ventures' business direction</li> <li>4. Acknowledgement and approval 2020 balance sheet, income statement, and financial statements for year ended 31 December 2020</li> <li>5. Acknowledgement the director's resignation</li> <li>6. Consideration on the agendas related to the Company's operation</li> </ol>
March	<ol style="list-style-type: none"> <li>1. Acknowledgement Group's business operation performance</li> <li>2. Consideration on profit distribution and dividend payment</li> <li>3. Consideration on directors, director's responsibilities and director's remuneration</li> <li>4. Consideration on the 2021 auditor appointment and audit fee</li> <li>5. Consideration on the shareholders' registration book closing date</li> <li>6. Consideration on the date, time, and venue for the 28<sup>th</sup> Annual General Shareholders' Meeting</li> <li>7. Consideration on the proxy form for the 28<sup>th</sup> Annual General Shareholders' Meeting</li> <li>8. Consideration on the 2020 Information Disclosure form (Form 56-1)</li> <li>9. Consideration on the agendas related to the Company's operation</li> </ol>
April	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Consideration on the agendas related to the Company's operation</li> </ol>
May	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Acknowledgement the quarter 1/2021 Audit Committee Report</li> <li>3. Acknowledgement the 28<sup>th</sup> Annual General Shareholders Meeting's minutes</li> <li>4. Acknowledgement and approval balance sheet, income statement, and financial statements for the 1<sup>st</sup> quarter ended 31 March 2021</li> <li>5. Consideration on the agendas related to the Company's operation</li> </ol>
June	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Acknowledgement the subsidiaries' business direction</li> <li>3. Consideration on the agendas related to the Company's operation</li> </ol>
July	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Acknowledgement the subsidiaries' business direction</li> <li>3. Acknowledgement that the Company has been included into the group of listed company with outstanding performance for environmental, social and governance (ESG 100)</li> <li>4. Consideration on the agendas related to the Company's operation</li> </ol>
August	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Acknowledgement the quarter 2/2021 Audit Committee Report</li> <li>3. Acknowledgement the subsidiaries' business direction</li> <li>4. Acknowledgement and approval the balance sheet, income statement, and financial statements for the 2<sup>nd</sup> quarter ended 30 June 2021</li> <li>5. Consideration and approval the related party transactions</li> <li>6. Consideration on the agendas related to the Company's operation</li> </ol>

Month	Agendas
September	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Acknowledgement the subsidiaries' business direction</li> <li>3. Consideration on allowing shareholders to propose agenda for the 29<sup>th</sup> Annual General Shareholders' Meeting</li> <li>4. Consideration on the agendas related to the Company's operation</li> </ol>
October	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Consideration and approval the Company to make a general tender offer of all common and preferred shares of Union Textile Industries Public Company Limited (UT) that was not held by the Company to delist common shares of UT from the Stock Exchange of Thailand</li> <li>3. Consideration on the appointment of the existing audit committee maintain their position for another term during 22 November 2021 to 21 November 2024</li> <li>4. Consideration on the 2022 National Holiday</li> <li>5. Consideration on the date and time of Board Meetings during 2022</li> <li>6. Consideration on the periods that the directors and executives avoid acquiring or disposing the Company shares during 2022</li> <li>7. Consideration on the agendas related to the Company's operation</li> </ol>
November	<ol style="list-style-type: none"> <li>1. Acknowledgement of the Group's business operation performance</li> <li>2. Acknowledgement the quarter 3/2021 Audit Committee Report</li> <li>3. Acknowledgement the evaluation form for the adequacy of internal audit and risk management systems during 2021</li> <li>4. Acknowledgement the 2021 Thai Corporate Governance evaluation result</li> <li>5. Acknowledgement the joint venture's business direction</li> <li>6. Acknowledgement and approval the balance sheet, income statement, and financial statements for the 3<sup>rd</sup> quarter ended 30 September 2021</li> <li>7. Acknowledgement the 2021 Risk Management Committee Report</li> <li>8. Consideration on the agendas related to the Company's operation</li> </ol>
December	<ol style="list-style-type: none"> <li>1. Acknowledgement the Group's business operation performance</li> <li>2. Acknowledgement the subsidiaries' business direction</li> <li>3. Consideration on the evaluation form for the adequacy of internal audit and risk management systems during 2021</li> <li>4. Consideration on the agendas related to the Company's operation</li> </ol>

## (2) Directors' Remuneration

Remunerations for the Company's Directors comprising of Meeting allowance and/or Directors' remuneration, which are fixed based on individual position and previously approved by the 2021 Shareholders' Meeting.

Monetary Remuneration	Baht per month
Board of Directors : Monthly payment	
- Chairman	340,000
- Vice Chairman	320,000
(Remark : excluded bonus)	
Board of Directors : Meeting allowance monthly payment	
- Chairman/Vice Chairman	12,000
- Executive Director	12,000
- Non-Executive Director	12,000
- Independent Director	12,000
Audit Committee : Monthly payment	
- Chairman of the Audit Committee	11,000
- Audit Committee	10,000
Nomination and Remuneration Committee : Meeting allowance per attending	
- Chairman of the Nomination and Remuneration Committee	10,000
- Nomination and Remuneration Director	10,000

Directors' remuneration during 2021 is as follows.



Saha-Union Public Co., Ltd.'s Director Remuneration for the year 2021

Unit : Baht

No.	Name	Position	Remuneration					Total Remuneration from Subsidiaries
			Remuneration by the position	Board of Directors' Meeting Allowance	Audit Committee' Meeting Allowance	Nomination and Remuneration Committee' Meeting Allowance	Total Remuneration	
1	Miss Dalad Saphavichaikul	Chairman	4,590,000	144,000	-	-	4,734,000	192,000
2	Mr. Chutindhon Darakananda	Vice Chairman / Member of the Nomination and Remuneration Committee	4,320,000	144,000	-	40,000	4,504,000	192,000
3	Mrs. Suttima Jamnarnwej	Chairman of Audit Committee / Independent Director	-	144,000	132,000	-	276,000	-
4	Mr. Anon Sirisaengtaksin	Member of Audit Committee / Independent Director / Member of the Nomination and Remuneration Committee	-	144,000	120,000	40,000	304,000	-
5	Mr. Yanyong Tangchaikul	Chairman of the Nomination and Remuneration Committee / Independent Director	-	144,000	-	40,000	184,000	-
	*Mr. Pasu Loharjun	Member of Audit Committee / Independent Director	-	12,000	20,000	-	32,000	-
6	Mr. Chai Jangsirikul	Member of Audit Committee / Independent Director	-	108,000	90,000	-	198,000	-
7	Mrs. Chantornree Darakananda	President	-	144,000	-	-	144,000	300,000
8	Mr. Preecha Shunhavanich	Vie President	-	144,000	-	-	144,000	96,000
9	Mr. Supakit Paungbua	Director	-	144,000	-	-	144,000	96,000
10	Mrs. Pinijpom Darakananda Kasemsap	Director	-	144,000	-	-	144,000	-
11	Mr. Bovornrat Darakananda	Director	-	144,000	-	-	144,000	-
12	Mr. Vachaphong Darakananda	Director	-	144,000	-	-	144,000	204,000
13	Mr. Pittawat Prentitumrong	Independent Director	-	144,000	-	-	144,000	-
14	Mr. Nanthiya Darakananda	Director	-	144,000	-	-	144,000	192,000
15	Mr. Nithiphan Darakananda	Director	-	144,000	-	-	144,000	-
			8,910,000	2,136,000	362,000	120,000	11,528,000	1,272,000

Remark : Mr. Pasu Loharjun being in the director position until 31 March 2021

### 8.1.3 Governing Subsidiary, Joint Venture and Affiliated Company

The Company operates business through subsidiaries, joint ventures, and associates as detailed mentioned in Section 1.3 "Shareholding Structure of Group Companies". The Board of Directors has measures to manage the operation of subsidiaries, joint ventures, and affiliates to optimize investments of the Company.

- Appoint the Company's representative to hold directorship and executive position according to the shareholding proportion. The Board of Directors is responsible for appointing a representative director.
- Determine the governance measures for the representative director to apply to the subsidiaries, joint ventures, and associates to perform accordingly to the Company's policies and relevant regulations. Depending on the case, any voting or key decision must be approved by the Chairman of the Board and the President, the Board of Directors, or shareholders.
- Provide good corporate governance and an adequate internal audit system appropriate for the Company's subsidiary.
- Supervise financial and operation information disclosure and record the key transaction in line with the Company's practices and criteria.
- Supervise related transactions, including acquisition or disposal of assets and other transactions with subsidiaries, joint ventures, and associates, must be approved by the audit committee and the Board of Directors, and disclose such transactions to the public according to the regulation of the Stock Exchange of Thailand.

Additional details have been disclosed in Section 6. Corporate governance, under the topic "Governance of Subsidiaries, Joint Ventures, and Associates."

### 8.1.4 Follow up to ensure the corporate governance policies and practices have been practiced.

The Company emphasizes Corporate Governance and has stipulated the relevant practices and policies in the Corporate Governance Policy and Business Code of Conduct. The Company actively supports the execution of these practices to promote confidence from all stakeholders.

#### (1) Preventive measures for conflicts of interest

The Company requires information disclosure to prevent Conflicts of Interest and any transaction that may cause any conflicts of interest or illegal and inappropriate activities. Such disclosure will be made through the Related Transaction Report of Directors, Executives, and Related Person.

#### (2) Insider Information Control

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

Besides, there are other related rules as follows:

- **Prohibit the use of either self-authority** or other's authority for personal benefit or illegally assisting others.
- Dedicate time and attention to the work for the Company's benefit
- Perform duty with best knowledge and effort
- Perform duty honestly and loyally

The Company exercises **disciplinary actions** against wrongdoers. If there is any violation of the above mentioned, penalty measures clearly stated in the Company's rules.

Moreover, the Company prohibits and prevents the use of insider information and insider trading practice to avoid an unequal investment opportunity to the public. The Company's Board of Directors has resolved every year that the executives and Board of Directors must avoid trading the Company's shares 14 days prior to the disclosure date of the Company's annual or quarterly financial statements report and within 24 hours thereafter. The Company's Secretary shall be in charge of making announcements of the Silent Period schedule throughout the year for all directors during the Board of Directors' meeting.

#### (3) Anti-Fraud and Corruption

The Company has developed an Anti-corruption Policy and Guideline Handbook separately from the Corporate Governance Handbook, Code of Business Conduct and Rules and Regulations for Employees in accordance with core values of the Saha-Union, that is-integrity, quality and service. These values have been observed by the Company's directors, executives and all employees and regarded as ethical corporate culture which has been promoted and cultivated. It is their duty and responsibility to acknowledge, understand and ensure its rigorous compliance.





The organizational structure is established through a sufficient and appropriate system to prevent business conduct of the Company from any actions related to corruptions, no matter what form of bribery and corruption: seeking, accepting or paying.

The Company provides a system of internal audit to oversee and monitor its compliance with the Corporate Governance Handbook, Code of Business Conduct and rules and regulations for Employees by requiring regular audits. Then, the audit reports will be submitted to the Audit Committee and/or the President. This system includes integrating audits relevant to corruptions into internal audit plans.

The Company will examine and improve standards of anti-corruption measures proposed in the Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and review the Corporate Governance Handbook, Code of Business Conduct and Rules and Regulations for Employees with the aim of adopting clearer and more inclusive guidelines through HR Management, ensuring clear communication to Employees of all levels so that they can practically follow the guidelines.

For more information, please check out the Company's "Anti-Corruption Policies and Practices" on our website: [http://www.sahaunion.com/anti-corruption\\_efforts/](http://www.sahaunion.com/anti-corruption_efforts/)

### **(3.2) Guidelines according to the Policy**

The Company has instilled high a value of integrity, quality and services all the way from management to employees. Laws and regulations will be observed and followed strictly by raising awareness of both executives and employees. Moreover, employees will receive a Guide to Rules and Regulations for Employees, as stated in chapter 6, "The discipline and disciplinary sanctions article 6.1 (f)", article 6.2 (4) "Work with honesty" and article 6.3, "Violation Penalty Policy" and "The Termination of Employment". In order to comply with the Company's policy in business operations, an internal control system was established to efficiently and productively monitor and track any corruption, all of which would go under an inspection procedure conducted by the internal auditing department.

The Company has established Guidelines for Directors and Employees according to the 8 anti-corruption policies:

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

### **(3.3) The Disclosure of Performance and Progress in Practice**

- In 2021, there were not any issues or substantial faults involving the prosecutions, investigation, allegations or any lawsuit regarding unfair competition operation, corruption, discrimination or unequal employment, non-compliance with laws, including getting fined or non-fine penalty in any violations caused by non-transparent or incorrect operation of previously mentioned matters.

- The Company prepared vigilant disbursement practices, approval forms, objectives, and receiving parties that a clear document trail will accompany to prevent any fraudulent transaction. The processes have been done to ensure that charitable contributions would not turn into corruption, and guest treatment and other expenses must be under the policy, with a thorough audit process from the internal audit.

- The Company provided an audit process to prevent corruption risks in the sales and procurement process and any transaction contract and review them regularly to ensure compliance with the disbursement and procurement measures stipulated by the internal audit. The internal audit provided comments and made any appropriate corrective actions if required.

- The Company provided Human Resource Management process that reflects the Company's determination to counter corruption, from selection, training, evaluation, and reward to promotion processes.

- The Company internally audited all key aspects of business, including accounting, finance, data collection, and other relevant processes to the anti-corruption efforts.

- The Company provided the internal audit process to ensure that the internal control and risk management processes can help the Company attain its goal. These processes helped verify the operation of every department to achieve the corporate goal. They also evaluated the work processes of every department to comply with rules, and regulations, identify weaknesses and give advice to improve the work process to become more efficient and effective according to the Good Corporate Governance principles.

#### **(4) Whistle-blowing and complaints**

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

(1) Mail to Chairman of the Audit Committee and/or President. Saha-Union Public Co., Ltd., 1828 Sukhumvit Road, Phra Khanong Tai, Phra Khanong, Bangkok 10260

(2) Suggestion box in the Company's head office, or

(3) The corporate website at [www.sahaunion.com](http://www.sahaunion.com).

- The Company has an investigation process, action taking and a report to the Board.

- The Company ensures that whistleblower and informant's identity remain confidential and be protected, as well as the matter consideration process and the result of the investigation informing practice in accordance with the policy. For more information, visit the Company's website section Suggestions/Complaints.

#### **(5) Securities Holding Positions Report**

In 2021, the Company notified Directors and executives of 4 silent periods where they cannot acquire, dispose or transfer the Company's share, which are:

1) From 15 February 2021 to 2 March 2021 for the 2020 Annual Financial Statement release

2) From 3 May 2021 to 18 May 2021 for the 1/2021 Financial Statement release

3) From 2 August 2021 to 17 August 2021 for the 2/2021 Financial Statement release

4) From 1 November 2021 to 16 November 2021 for the 3/2021 Financial Statement release

All directors and executives have strictly obliged to the above silent period prohibition.

#### **(6) Report of the Conflict of Interest**

The details of this topic have been disclosed in Section 6. Corporate governance, under the topic "5) Conflict of Interest."

#### **(7) Consideration and evaluation of the connected transaction**

The details of this topic have been disclosed in Section 6. Corporate governance, under the topic "5) Conflict of Interest."

## **8.2 Report of the Audit Committee during the past year**

The details of this topic have been disclosed on the Audit Committee Report as Attachment 6.

## **8.3 Report of other Sub-Committees**

### **8.3.1 Report of the Nomination and Remuneration Committee**

The details of this topic have been disclosed on the Nomination and Remuneration Committee Report as Attachment 7.



## 9. Internal Control and Related Parties



### 9.1 Internal Control

Saha-Union Public Company Limited's main business is investment and products selling such as textile materials, stainless steel and adhesive tape products. Its policies are based on ethical values, namely-Integrity, Quality and Service, in accordance with its vision and missions in pursuit of achievement of the organization's objectives and value addition to all stakeholders, under the above-mentioned operation. The Company attaches much importance to overseeing progress and procedures on internal control process which involves 5 issues: control environment, risk assessment, control activity, information and communication and monitoring activity. The adequacy assessment of internal control and risk management in 2021 was performed by the Audit Committee and the Board of Directors on December 23, 2021. The result can be summarized as follows:

#### 1. Control Environment

1.1 The Company is committed to the values of honesty and morality. Based on these values, the Board of Directors and the Executives have provided practical guidance on daily duties performing, decision-making and the way of treating its business partners, customers and outsiders. Written regulations stipulate that the executives and personnel staff must perform their duties with loyalty and keep to the Code of conduct Handbook regarding a prohibition of action that may provoke conflicts of the interest and bribery that may cause damage to the organization. Disciplinary actions shall call upon different measures of punishments stated in the Company's rules where, the executives and other employees acknowledge and sign each year. In addition, the Code of conduct is communicated to them and outsiders via the Company's website.

A monitoring process and aforementioned performance evaluation has been carried out by the internal audit team. The executives and other employees have conducted a self-assessment, and they have been assessed by independent experts from the outside and external auditor as well.

By means of detective controls, the Company has managed to act in time upon noncompliance of the above-mentioned rules. Penalties are imposed or corrective actions are taken within a reasonable time period against violation of principles of loyalty and the Code of conduct.

1.2 The Board of Directors is independent from the Company's executives; their duties are to supervise, oversee and improve the operation of internal control process.

The Company has determined to the Board of Directors specific roles and duties explicitly segregated from the management, clear goals of business operation and measurable plans as guidelines for both the executives and employees' performance. It has also established roles and duties of the Board of Directors and executives in conformity to the laws and rules, together with those of the Audit Committee, auditor, internal audit team as well as a person in charge of financial reporting.

The Board of Directors has an understanding of the Company's activities and helpful expertise and they can have consultations with specialists over this matter.

The Board of Directors comprised of Independent Directors who are skilled, competent, reliable and fully independent of work - that is one third of the Board of Directors,

The Board of Directors has undertaken an appropriate evaluation of adequacy of the internal control system in all aspects.

1.3 While taking business operation and the laws into account, the management has properly set the organizational structure and a hierarchical authority of command and responsibilities among the Board of Directors, Executives and personnel staff, including a design of an efficient internal control process with the aim of achieving the organization's objectives.

1.4 The Company has had its intention of motivating, improving and keeping skilled, competent and suitable personnel staff. Performance evaluations have been conducted in a bid to give incentives and rewards to employees for their good work, if not, to take actions to the personnel of whom their performance objectives were not met. This practice is made explicitly known to the executives as well as other staff members. Besides, problems solutions and preparatory measures are provided. The Company has succession plan for important ranks. The Company provides training support to employees so as to improve their relevant skills, hires expert consultants, and establishes a mentoring system.

1.5 The Company has ensured that each staff has a duty and is held responsible for internal control within his or her span of authority. The executives have provided corrective actions in operational process if needed through indicators of performance, assessment with the aim of incentives and rewards offering while taking account of the Code of conduct linking to achievement of the organization's internal control objectives in a short term and long term. There has not been too much pressure on the individual performance under the condition.

## **2. Risk Assessment**

The Company has set its clear goals in identifying and assessing risks related to the achievement of the organization's objectives.

2.1 In respect to compliance of relevant regulations and rules, the Company has conformed to the accounting standard which is approved and suitable for the business in each period of time; all transactions shown in the financial statements have really existed and are complete, demonstrating correctly the rights and obligations of the Company and proper values. The report is correctly and completely disclosed, reflecting its real operational activities. The criteria for financial reporting are based on significant factors such as regulations of the government agencies involved, financial statement user, the extent of transactions and business trend.

The Risk Management committee approves, communicates and acknowledges risk management policy to the executives and the personnel staff who are required to follow so much that this practice is forming part of the organization culture.

2.2 To meet the organization's objectives, all types of risks threatening business operations have been identified and analyzed at all levels within the organization from business units to administration section. Such risks analysis is based on various internal and external factors in relation to the Company. Furthermore, likelihood of the risk occurring and its impact, provision of measures and operational plans to mitigate risks to some degrees have been analyzed as well. Moreover, the participation in the risk management by the Board of Directors at all levels is embedded in the organization culture.

2.3 The likelihood of frauds has been taken into consideration; any false entry in the Company's financial records, loss of assets, corruption, the executives' performance against the internal control system, information modification on important reports, abused acquisition and exploitation of assets, etc. As a result, the control process is designed and the objectives of operation are carefully reviewed by considering a possibility of the set forth objectives, including logic of incentives and rewards offerings to employees for the purpose of discouraging them from behaving in a dysfunctional manner. However, during the meeting with the executives meeting, the Audit Committee has verified and inquired each year about potentialities of corruption and it's preventive or corrective actions, including the risk management. Moreover, the Company has ensured that its policies and internal control strategic plans are understood and also applied by the personnel staff in order to prevent or reduce the risks.

2.4 The Company is able to identify and assess any changes that may have an impact on the internal control process, arising from external factors such as incidence of world economic change, including influence of foreign exchange and interest rates. The responsive measures to such changes have been sufficiently provided.

Furthermore, the responsive measures have been sufficiently provided for the assessment of change in the types of business that may affect business performance, the internal control process and the financial reports related to the Company such as addition of new type of business.

Also, the responsive measures have been sufficiently provided for the assessment of change in the organization's leader that may have an impact on the internal control process, that is to say; when the leader reaches his or her term.

## **3. Control Activities**

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

3.1 The internal control system of the Company is suitable for its risks and its characteristic in terms of the complexity and nature of tasks, investment specification such as follow-up control system of information and financial reporting of all invested companies, usage of cross check data system for the consolidated financial statements presentation, including management of risk arising from the foreign exchange that may affect the operations, etc.

3.2 The Company has provided an appropriate internal control process covering various measures in the form of written instructions by setting policies, regulations and procedures in regard to financial operations, purchasing and general management. There is also a handbook stating explicitly and concisely scopes of powers and duties including hierarchical command



of approval of the executives at each level, aiming at preventing fraud, by limiting a ceiling and approval authorization span, providing approval procedures of investment projects, purchasing procedures, supplier selection criteria and procedures of tools requisition. There are also other operational processes as follows;

3.2.1 Collect as well as update records of related transactions or transactions with potential conflict of interest by major Shareholders, Directors, Executives, or any other related persons to these people for the purpose of follow-up and checking.

3.2.2 Monitor the follow-up through agreed conditions throughout commitment period, for example, repayment at the due date and review of contracts appropriateness in case of authorization of transactions with the related parties in the manner of committing the Company in long term such as borrowings, loans, guarantees and securities loans.

3.3 The Company has determined various types of internal controls, for example, manual and automated controls, including preventive and detective controls.

3.4 The internal control process takes place at all constituencies of the organization; Group companies, business units, party hierarchy, departments, sections including overall processes.

3.5 The roles are strictly divided into three groups for the purpose of cross checking. That is role of approval, role of accounting and information transaction recording and role of asset management and storage.

3.6 The Company has selected and has improved the control activities by means of technologies in a bid to support the achievement of its objectives, adopting information technology of relevance to operational process and having general control over the information and communication system through scope of duties concerned. The Company has also provided proper activities controls of structure, security, acquisition, improvement and maintenance of information and communication technology.

3.7 The Company has established the monitoring activities towards its policies stating what is expected and how to proceed in order to render these policies applicable. The procedures are specified in the Code of conduct. To give an example, concerning business transactions by major Shareholders, Directors, Executives, or any other related persons to these people, there must be approval procedures in conformity with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. This is to prevent the related parties from exploiting the opportunities or interests of the Company for their personal benefit. Moreover, determination of transaction approval shall be done by people who do not have the common interest, on the basis of the Company's optimal interest or at arms' length basis.

As an investment company, the Company shall need to take measures and policies on following up activities of its subsidiaries or associated companies and shall also provide guidelines to the Directors or to the Executives of those companies. The Company has determined roles and responsibilities for implementing policies and internal control plans in a timely manner to both the competent executives and staff members and has taken measures to rectify performance failings (if any).

The Company has regularly conducted a review of its policies as well as operational process to render them appropriate.

#### **4. Information System and Communication**

The Company puts emphasis on pertinent and quality information processing to support the internal control process as intended, by defining categories of information related to the Company's performance from within and outside the organization and bearing cost/benefit as well as correctness considerations in mind in regard to quantity of information.

4.1 Decision-making by the Board of Directors is based on the important information that the Company has sufficiently provided. This is to say, the Board of Directors shall be summoned to a meeting or receive supporting documents which are necessary and sufficient for considerations at least seven days in advance, as stipulated by the law. In addition to the minutes containing enough details on appropriate performance of the Board of Directors, that could be retro-checked, the Company has properly classified filing related to important documentation into categories. In case of deficiencies in the operation of internal control found by the auditor or the internal audit team, the Company has made corrections of the control already.

4.2 The Company has designed a flow of information and established the objectives as well as the responsibilities for the internal controls to support efficiently and effectively the internal control process plans. Moreover, important issues are regularly reported once a month to the Board of Directors whom access to the information and communication technology is possible for the purpose of their activities or listing check as needed. To give an example, the Board of Directors can get more information from the auditor and the internal control team besides that of the executives. Normally, meetings are held especially for only the Audit



Committee and auditor, excluding the executives. Also, there were discussions between the Board of Directors and Executives besides meeting of the Board of Directors.

A channel of communication has been established for individuals so that they could inform in a safe manner the Company on suspected fraudulent activities incurring within the Company.

4.3 The Company has a proper means of communication with the external stakeholders regarding the matters that may affect the internal controls. For example, some staffs are assigned the duty of looking after activities in relation to investors or the task of receiving complaints. The external stakeholders can safely give information on suspected fraud to the Company as well.

## 5. Monitoring activities

The Company has provided monitoring activities and evaluation of effectiveness of the internal control process to ensure that the internal control strategic plan is completely working.

5.1 The Company forms an internal control team to be in charge of monitoring compliance of business ethics and the Company's regulations stating a prohibition of the management and personnel staffs' behavior that may provoke a conflict of interest. The internal control team shall submit the report to the Audit Committee.

The task of monitoring activities and evaluation of effectiveness of the internal control process has been assigned to the skilled and competent internal control team working independently. Their task is to verify if the internal control strategy is applied as planned. The Company has determined a frequency of the monitoring and the evaluation according to the situation that might change. The guidelines on audit reporting issued by the Company demand that it should be directly reported to the Audit Committee. In this regard, the internal control team is encouraged to conform to the international standard on professional internal audit performance and also provided with relevant training programs.

5.2 The Company has created a channel of communication of audit report and deficiencies of internal controls on a timely basis to the persons responsible for this matter involving high-ranked executives and the Audit Committee. This allows necessary corrective actions to be taken promptly in case of the findings with a significant difference from the set forth goal.

The Company has a policy on reporting in a cascading way; In case of an incident, suspected serious fraudulent acts, violation of laws or any queer activities that may have a significant impact on the Company's reputation and financial position, the executives shall notify them immediately to the Board of Directors.

For any detected significant failings together with actions to be taken to rectify them, the internal control team is required to communicate them to the Audit Committee for its consideration within a reasonable time period and the latter, in turn, must present them to the Board of Directors.

Concerning progress of significant failing correction, it shall be reported to the Audit Committee who shall make a judgment on forwarding the matter to the Board of Directors.

Normally, the Audit Committee shall monitor the audit outcome at quarterly intervals and submit subsequently the report to the Board of Directors within the same time period.

**The Board of Directors and the Audit Committee have evaluated the Company's Internal Audit Process and Risk Management of the Company and have concluded** as follows:

All five independent directors participated during the Board of Directors meeting No. 12 on 23 December 2021. The Board of Directors reviewed the Company and subsidiary's Internal Audit Process by considering the internal audit adequacy evaluation form. The Risk Management Report is prepared by the executive and audit committee report. The Board has concluded that the internal audit system of the Company and subsidiary was comprised of 5 factors: internal audit, risk evaluation, operational control, information technology, and follow-up system. The Board of Directors and Audit Committee concluded that the internal control process and the Company's risk management are adequate and proper. There was sufficient personnel staff to execute the work efficiently.

Regarding the internal control process, control activities have been sufficiently carried out to prevent the Company and subsidiaries' Directors and Executives from abusing or using the assets of both the Company and the subsidiaries without authorization. It also involves the related transactions between parties who may have conflicts of interest and the related parties.

The Company's Auditor is Mr. Khitsada Lerdwana, from EY Office Limited had performed an audit of quarterly financial statements of the year 2021 and expressed suitability and adequacy of the internal control process.

The Company gives much importance to the internal control system as well as the risk management aforementioned, which are the core elements inspiring confidence in the quality of the organization to those involved.



In the past year, there was no any defect on the internal control system.

The Audit Committee expressed no difference in opinions from those of the Board of Directors, as shown in the annual report of the year 2021 made by the Audit Committee's Report.

## 9.2 Related Transactions

### (1) Characteristics of Related Transactions

Related transactions are regarded as a normal business practice of companies, with general trading conditions, and no unusual transactions or improper pricing. Most of the transactions are conducted in the form of trading of goods, related creditors and debtors, loans and borrowings among groups of companies for the purpose of maximum benefits in terms of financial management, by charging interests at the referenced rates of a large domestic commercial bank, based on business type.

The companies' policy on related transactions between parties, who may have conflicts of interests, focuses on necessity and reasonably of such transactions. These transactions usually take form of normal trading related to business operation, including related trading of goods or borrowings among companies. Sales price and benefit are calculated according to the market rate. To give an example, in case of interest charge, the companies adopt the market rate by the time such transactions are conducted. Thus, the return shall be the same as the rate charged in the market.

Since related transactions are commercially customary or unexceptional, it is not necessary to get opinions from directors who have no interests or independent experts on the related transaction and including, in the past year, the Company did not have any securities offerings. In case that the Company has the related party transactions, these transactions were disclosed through an electronic channel of the Stock Exchange of Thailand.

### (2) Necessity and logic of Related Transactions

The Company is principally engaged in investment, distribution of raw materials and products manufactured by group companies, then there was allowing transactions of goods purchase/sale, related creditors/debtors, and related interest received/paid. The Company also support the group companies in terms of financial management, enabling effectiveness and maximum benefits. In conclusion, related transactions conduction has been a necessary and logical thing.

### (3) Approval procedures of Related Transactions

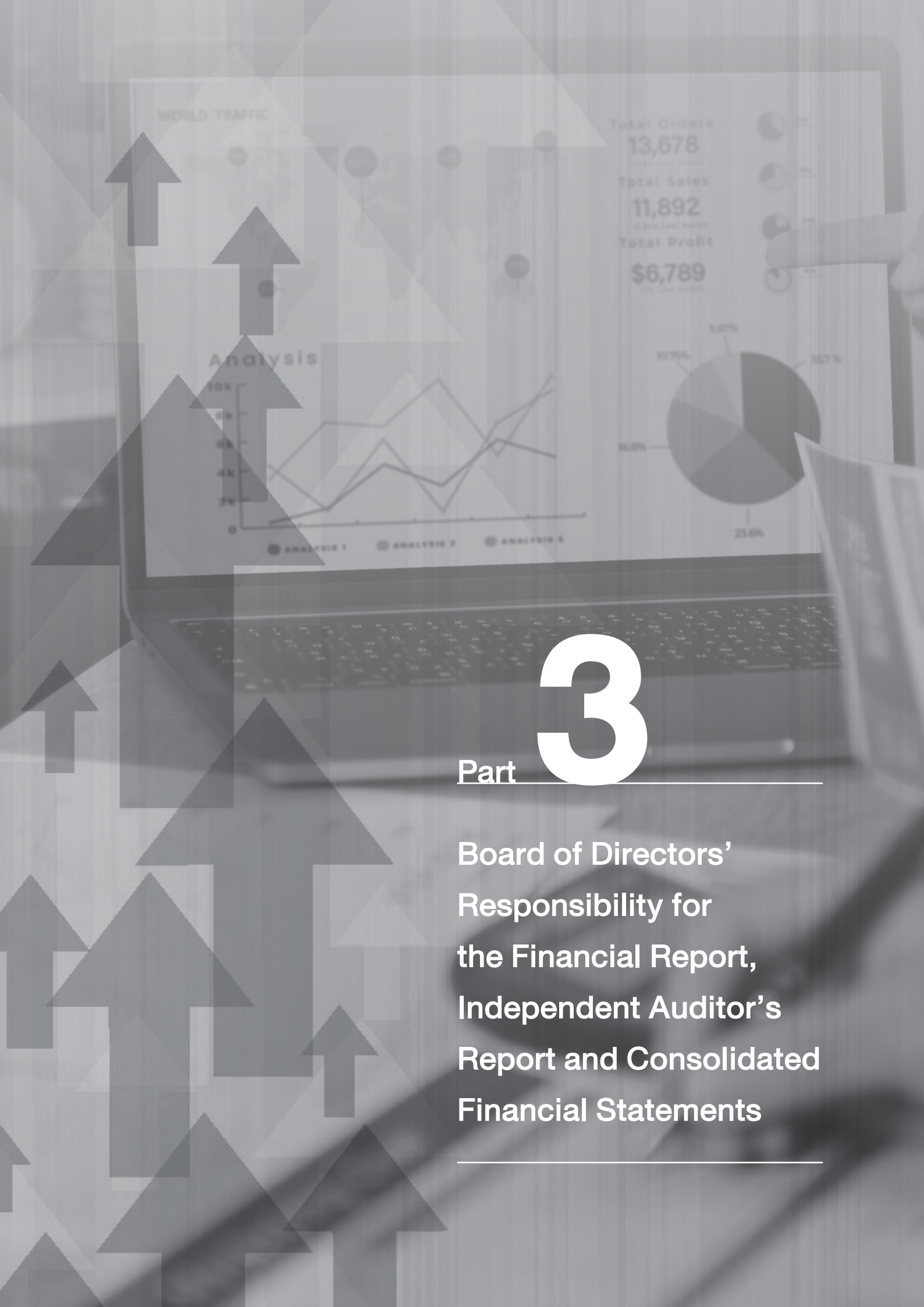
The approval procedures of related transactions are followed in the same way as with external customers practicing a normal business. The Board of Directors used to approve, in principle, the related transactions as a normal business. Regarding the follow-up of payments, the due date of each transaction was specified and controlled; however, the approval of each transaction was in conformity with rules and regulations of the Stock Exchange of Thailand (SET) and with the Office of the Securities and Exchange Commission (SEC).

### (4) Policy and future trends in Related Transactions

With regard to policies on related transactions, the Company seeks to treat fairly all related parties, with the aim of maximizing benefits, to comply with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC), and to disclose sufficiently essential information.

In the future, the trends of business transactions between the group companies would decline due to the cessation of textiles business in raw materials procurement in the year 2021. Meanwhile, transactions of deposit and borrowing between the group companies remain unchanged because they have insisted on their effective financial management.

Related transactions in 2021 are shown on Attachment 9.7.



# Part 3

Board of Directors'  
Responsibility for  
the Financial Report,  
Independent Auditor's  
Report and Consolidated  
Financial Statements

# Board of Directors' Responsibility for the Financial Report

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The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and other financial information as appeared in the Annual Report. Such financial statements are prepared in accordance and consistency with the Accounting Standards for Publicly Accountable Entities. Careful consideration and best estimation are applied in the preparation. Important information is fully disclosed in the notes to such financial statements which have adopted the revision of the new accounting standards that are effective. As investment is the Company's major business, therefore, the consolidated financial statements are comprised of its subsidiaries, joint venture and associates' information. In the separated financial statements, investment accounts are recorded on cost method. In the consolidated financial statements, gains and losses from investments are recognized on equity method. In addition, the Company has accommodated new accounting standards that became effective periodically until presence, which including the TFRS 10 Consolidated Financial Statements which has significant implication to the Company. In the year 2021, the Company and its subsidiaries had adopted the Accounting Standards and the revision of interpretation of financial reports standards which are effective since 1 January 2021 onwards. The adoption of these financial reporting standard does not have any significant impact on the Company and its subsidiaries' financial statements.

The financial statements of the Company are audited and given an unqualified audit opinion by the Auditors.

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

Hence, the Board of Directors has appointed the Audit Committee comprising Independent Directors who are Non-Executive Directors to be responsible for the quality of the financial reports and the internal control system. Opinions of the Audit Committee on these matters are disclosed in the Report from the Audit Committee as appeared in the attachment 6.

The Board of Directors is confident that the Company's overall internal control system is satisfactory and can reasonably ensure the credibility of the financial statements of the Company and its subsidiaries as of 31 December 2021.



# Independent Auditor's Report and Consolidated financial statements

31 December 2021

## Independent Auditor's Report

To the Shareholders of Saha-Union Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries and of Saha-Union Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

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

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





Key audit matters and how audit procedures respond for each matter are described below.

### **Revenue recognition**

The Group has sales and service income for the year ended 31 December 2021 amounting to Baht 8,357 million, which is significant to the income statement. The Group has a large number of customers and there are a variety of conditions of sale in the agreements made with these customers. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Group, I assessed and tested the IT system and the internal controls of the Group with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year, near the end of the accounting period, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Goodwill**

As discussed in Note 18 to the financial statements, as at 31 December 2021, the Group has goodwill amounting to Baht 522 million, which is significant to the statement of financial position. Thus, the assessment of impairment of goodwill is a significant accounting estimate requiring the subsidiary's management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the subsidiary's management by gaining an understanding of decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the subsidiary's management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of the subsidiary's management judgement in preparing the cash flow projections. I also evaluated the discount rate applied by the subsidiary's management through an analysis of the weighted average finance costs of the subsidiary and of the industry, and I tested the calculation of the realisable value of the goodwill using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

## **Other Information**

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

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

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

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

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

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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

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

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

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

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



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 24 February 2022

**Saha-Union Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2021**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6	3,087,114,711	2,877,160,999	656,657,237	489,225,894
Trade and other receivables	8	1,514,661,330	1,490,376,819	96,468,208	80,773,280
Inventories	9	979,691,857	940,546,509	-	-
Short-term loans to related parties	7	-	-	677,234,000	568,327,000
Other current financial assets	11	2,122,942,236	1,459,712,565	-	1,545,154
Other current assets		121,672,312	360,551,172	1,371,090	1,207,062
Total current assets		7,826,082,446	7,128,348,064	1,431,730,535	1,141,078,390
Non-current assets					
Restricted investments	10	27,755,496	31,849,126	1,000,000	1,000,000
Investments in subsidiaries	12	-	-	9,885,623,394	10,010,623,269
Investments in joint ventures	13	2,080,151,626	1,931,585,688	815,187,209	806,918,210
Investments in associates	14	3,899,562,203	3,751,181,527	1,096,901,375	1,022,733,216
Other non-current financial assets	11	3,154,840,703	3,287,506,985	1,988,939,992	2,135,151,001
Investment properties	15	2,464,656,871	2,401,996,260	1,481,274,633	1,487,748,413
Property, plant and equipment	16	5,971,630,220	6,154,082,889	36,796,907	33,011,252
Right-of-use assets	17	220,671,369	245,787,459	-	-
Goodwill	18	521,724,374	521,724,374	-	-
Intangible assets		48,280,915	8,784,076	3,898,529	4,983,515
Deferred tax assets	28	76,635,082	91,459,114	4,248,193	3,988,012
Other non-current assets	19	186,334,631	162,613,655	5,118,943	5,261,702
Total non-current assets		18,652,243,490	18,588,571,153	15,318,989,175	15,511,418,590
Total assets		26,478,325,936	25,716,919,217	16,750,719,710	16,652,496,980

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



**Saha-Union Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	20	291,492,426	84,471,639	113,000,000	-
Short-term loan from related party	7	10,000,000	10,000,000	-	-
Trade and other payables	21	1,284,446,434	1,478,995,011	50,853,187	50,875,987
Current portion of long-term loans	22	184,132,051	314,867,200	-	-
Current portion of lease liabilities	17	66,317,536	57,892,263	-	-
Deposits from related parties	7	-	-	326,400,000	422,207,316
Income tax payable		31,425,322	41,908,058	-	-
Other current financial liabilities	36.1	8,119,988	-	1,183,374	-
Other current liabilities		101,622,301	87,632,520	8,709,642	9,809,642
<b>Total current liabilities</b>		<b>1,977,556,058</b>	<b>2,075,766,691</b>	<b>500,146,203</b>	<b>482,892,945</b>
<b>Non-current liabilities</b>					
Long-term loans, net of current portion	22	4,400,000	162,577,476	-	-
Lease liabilities, net of current portion	17	110,226,701	148,099,233	-	-
Provision for long-term employee benefits	23	289,076,534	301,730,636	25,122,709	23,821,804
Deferred tax liabilities	28	137,802,397	158,595,616	132,766,284	163,626,723
Other non-current liabilities		35,607,716	37,960,942	-	-
<b>Total non-current liabilities</b>		<b>577,113,348</b>	<b>808,963,903</b>	<b>157,888,993</b>	<b>187,448,527</b>
<b>Total liabilities</b>		<b>2,554,669,406</b>	<b>2,884,730,594</b>	<b>658,035,196</b>	<b>670,341,472</b>

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



**Saha-Union Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Shareholders' equity</b>					
Share capital					
Registered					
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Issued and fully paid					
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Share premium		2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Retained earnings					
Appropriated					
Statutory reserve	25	980,627,257	980,518,350	750,000,000	750,000,000
Other reserve		388,309,937	349,704,147	-	-
Unappropriated		14,344,633,968	14,212,327,892	9,214,662,101	8,978,304,409
Other components of shareholders' equity		772,681,360	(69,147,127)	529,022,413	654,851,099
Equity attributable to owners of the Company		22,085,252,522	21,072,403,262	16,092,684,514	15,982,155,508
Non-controlling interests of the subsidiaries		1,838,404,008	1,759,785,361	-	-
<b>Total shareholders' equity</b>		<b>23,923,656,530</b>	<b>22,832,188,623</b>	<b>16,092,684,514</b>	<b>15,982,155,508</b>
<b>Total liabilities and shareholders' equity</b>		<b>26,478,325,936</b>	<b>25,716,919,217</b>	<b>16,750,719,710</b>	<b>16,652,496,980</b>

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

**Saha-Union Public Company Limited and its subsidiaries**

**Income statement**

**For the year ended 31 December 2021**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Revenues					
Sales and service income	31	8,356,789,028	8,728,119,662	646,808,735	575,755,600
Dividend income	11, 12, 13, 14	270,891,669	375,932,978	704,136,455	922,601,664
Rental income		44,720,505	36,196,619	49,328,440	48,389,775
Finance income		16,824,428	28,976,496	31,461,592	34,107,677
Gain on investments designated at fair value through profit or loss		37,975,081	-	2,983,662	-
Gain on derivatives designated at fair value through profit or loss		-	6,844,740	-	791,898
Gain on dissolution of subsidiary		-	-	5,508,734	-
Other income		204,927,911	191,870,848	17,413,112	22,448,445
Total revenues		8,932,128,622	9,367,941,343	1,457,640,730	1,604,095,059
Expenses					
Cost of sales and services		7,570,465,078	7,736,218,494	618,872,879	566,215,486
Selling and distribution expenses		247,728,211	268,401,723	13,648,746	6,071,764
Administrative expenses		693,635,697	659,290,317	104,245,464	103,341,410
Loss on investments designated at fair value through profit or loss		-	195,900,062	-	430,257
Loss on derivatives designated at fair value through profit or loss		17,603,235	-	2,728,528	-
Loss on impairment of property, plant and equipment	16	1,112,775	45,291,559	-	-
Loss on impairment of investments		-	-	-	78,000,000
Expenses of withholding tax write-off		50,111,972	38,530,973	32,133,312	25,137,907
Total expenses		8,580,656,968	8,943,633,128	771,628,929	779,196,824
Operating profit		351,471,654	424,308,215	686,011,801	824,898,235
Share of profit from investments in joint ventures	13	442,300,659	495,280,579	-	-
Share of profit from investments in associates	14	33,206,217	116,036,945	-	-
Finance cost	26	(29,120,117)	(43,160,838)	(925,377)	(2,538,966)
Profit before income tax income (expenses)		797,858,413	992,464,901	685,086,424	822,359,269
Income tax income (expenses)	28	(93,407,828)	(125,174,273)	(336,551)	322,715
Profit for the year		704,450,585	867,290,628	684,749,873	822,681,984
Profit attributable to					
Equity holders of the Company		601,249,078	845,089,726	684,749,873	822,681,984
Non-controlling interests of the subsidiaries		103,201,507	22,200,902		
		704,450,585	867,290,628		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	29	2.07	2.91	2.28	2.74

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



Saha-Union Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Profit for the year</b>	704,450,585	867,290,628	684,749,873	822,681,984
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	692,281,036	210,084,868	-	-
Share of other comprehensive income from investments in joint ventures and associates - net of income tax	304,947,252	139,468,309	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	997,228,288	349,553,177	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial loss - net of income tax	(2,229,155)	(24,870,858)	-	(3,303,818)
Loss on change in value of equity investments designated at fair value through other comprehensive income - net of income tax	(103,613,767)	(146,987,163)	(124,220,867)	(103,081,799)
Share of other comprehensive income from investments in joint ventures and associates - net of income tax	5,659,863	(12,448,214)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(100,183,059)	(184,306,235)	(124,220,867)	(106,385,617)
<b>Other comprehensive income for the year</b>	897,045,229	165,246,942	(124,220,867)	(106,385,617)
<b>Total comprehensive income for the year</b>	1,601,495,814	1,032,537,570	560,529,006	716,296,367
<b>Total comprehensive income attributable to</b>				
Equity holders of the Company	1,449,028,269	994,012,694	560,529,006	716,296,367
Non-controlling interests of the subsidiaries	152,467,545	38,524,876	-	-
	1,601,495,814	1,032,537,570	-	-

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

Saha-Union Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2021

Consolidated financial statements													(Unit: Baht)
	Equity attributable to owners of the Company												
	Other components of equity												
	Other comprehensive income						Other change by the owners						
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Appropriated - other reserve	Retained earnings	Exchange differences on translation of financial statements in foreign currency	Gain (loss) on change in value of equity investments designated at fair value	Share of other comprehensive income from joint ventures and associates	The Company's shares held by the subsidiaries (Note 24)	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
3,000,000,000	2,599,000,000	979,095,287	303,242,076	-	(736,929,548)	780,615,616	(90,740,598)	(202,002,410)	(249,059,850)	20,512,181,802	1,778,008,563	22,290,190,365	
Profit for the year	-	-	-	-	13,879,903,289	-	-	-	-	845,089,726	22,200,902	867,290,628	
Other comprehensive income for the year	-	-	-	-	845,089,726	(146,681,081)	138,606,108	-	179,197,212	148,922,988	16,323,974	165,246,942	
Total comprehensive income for the year	-	-	-	-	845,089,726	(146,681,081)	138,606,108	-	179,197,212	148,922,988	16,323,974	165,246,942	
Decreased in the Company's shares held by the subsidiaries	-	-	-	-	814,816,482	187,272,185	138,606,108	-	179,197,212	994,012,694	38,524,876	1,032,537,570	
Increase in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	2,387,775	2,387,775	2,387,775	-	2,387,775	
Dividend paid (Note 33)	-	-	-	-	(450,000,000)	-	-	-	-	(450,000,000)	(110,672,252)	(560,672,252)	
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	13,820,991	-	-	-	-	13,820,991	-	13,820,991	
Dividend paid - net	-	-	-	-	(436,179,009)	-	-	-	-	(436,179,009)	(110,672,252)	(546,851,261)	
Gain on disposals of equity investments	-	-	-	-	1,673,284	(481,093)	(1,192,171)	-	(1,673,284)	-	-	-	
Unappropriated retained earnings transferred to statutory reserve	-	-	1,423,063	-	(1,423,063)	-	-	-	-	-	-	-	
Unappropriated retained earnings transferred to other reserve	-	-	-	46,462,071	(46,462,071)	-	-	-	-	-	-	-	
Balance as at 31 December 2020	3,000,000,000	2,599,000,000	980,518,350	349,704,147	-	(549,657,363)	633,451,442	46,673,429	(69,147,127)	21,072,403,262	1,759,785,361	22,832,188,623	
Balance as at 1 January 2021	3,000,000,000	2,599,000,000	980,518,350	349,704,147	-	(549,657,363)	633,451,442	46,673,429	(69,147,127)	21,072,403,262	1,759,785,361	22,832,188,623	
Profit for the year	-	-	-	-	14,212,327,892	-	-	-	-	601,249,078	103,201,507	704,450,585	
Other comprehensive income for the year	-	-	-	-	641,996,583	(103,716,721)	310,832,508	-	849,112,370	847,779,191	49,266,038	897,045,229	
Total comprehensive income for the year	-	-	-	-	13,333,179	(103,716,721)	310,832,508	-	849,112,370	1,449,028,269	152,467,545	1,601,495,814	
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	599,915,899	-	-	-	-	-	(130)	(130)	
Dividend paid (Note 33)	-	-	-	-	(450,000,000)	-	-	-	-	(450,000,000)	(73,848,768)	(523,848,768)	
Less: Dividend paid in respect of the Company's shares held by subsidiaries	-	-	-	-	13,820,991	-	-	-	-	13,820,991	-	13,820,991	
Dividend paid - net	-	-	-	-	(436,179,009)	-	-	-	-	(436,179,009)	(73,848,768)	(510,027,777)	
Gain on disposals of equity investments	-	-	-	-	5,406,075	-	(5,406,075)	-	(5,406,075)	-	-	-	
Gain on returns of capital of equity investment	-	-	-	-	1,877,808	-	(1,877,808)	-	(1,877,808)	-	-	-	
Unappropriated retained earnings transferred to statutory reserve	-	-	108,907	-	(108,907)	-	-	-	-	-	-	-	
Unappropriated retained earnings transferred to other reserve	-	-	-	38,605,790	(38,605,790)	-	-	-	-	-	-	-	
Balance as at 31 December 2021	3,000,000,000	2,599,000,000	980,627,257	368,309,937	-	92,339,220	527,856,913	352,099,862	772,681,360	22,085,252,522	1,838,404,008	23,923,656,530	

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



Saha-Union Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
					Gain (loss) on changes in value of equity investments designated at fair value	Total shareholders' equity
<b>Balance as at 1 January 2020</b>	3,000,000,000	2,599,000,000	750,000,000	8,608,926,243	757,932,898	15,715,859,141
Profit for the year	-	-	-	822,681,984	-	822,681,984
Other comprehensive income for the year	-	-	-	(3,303,818)	(103,081,799)	(106,385,617)
Total comprehensive income for the year	-	-	-	819,378,166	(103,081,799)	716,296,367
Dividend paid (Note 33)	-	-	-	(450,000,000)	-	(450,000,000)
<b>Balance as at 31 December 2020</b>	3,000,000,000	2,599,000,000	750,000,000	8,978,304,409	654,851,099	15,982,155,508
<b>Balance as at 1 January 2021</b>	3,000,000,000	2,599,000,000	750,000,000	8,978,304,409	654,851,099	15,982,155,508
Profit for the year	-	-	-	684,749,873	-	684,749,873
Other comprehensive income for the year	-	-	-	-	(124,220,867)	(124,220,867)
Total comprehensive income for the year	-	-	-	684,749,873	(124,220,867)	560,529,006
Dividend paid (Note 33)	-	-	-	(450,000,000)	-	(450,000,000)
Gain on returns of capital of equity investment	-	-	-	1,607,819	(1,607,819)	-
<b>Balance as at 31 December 2021</b>	3,000,000,000	2,599,000,000	750,000,000	9,214,662,101	529,022,413	16,092,684,514

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



**Saha-Union Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>				
Profit before tax	797,858,413	992,464,901	685,086,424	822,359,269
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	847,783,019	858,989,683	12,666,294	15,433,678
Allowance for expected credit losses (reversal)	7,835,358	(1,789,694)	-	-
Reversal of allowance for loss on impairment of other non-current assets	-	(7,000)	-	(7,000)
Reduction of cost of inventories to net realisable value (reversal)	5,494,707	(14,385,361)	-	-
Loss (gain) on disposals/write-off of property, plant and equipment	1,252,758	13,078,239	(69,597)	(229,879)
Gain on disposals/write-off of investment properties	-	(591,356)	-	(591,418)
Loss on impairment of property, plant and equipment	1,112,775	45,291,559	-	-
Reversal of losses on impairment of investment properties	-	(1,500,000)	-	-
Loss on impairment of investments	-	-	-	78,000,000
Gain on lease modification	(55,985)	-	-	-
Expenses of withholding tax write-off	50,111,972	38,530,973	32,133,312	25,137,907
Loss (gain) on investments designated at fair value through profit or loss	(37,975,081)	195,900,062	(2,983,662)	430,257
Loss (gain) on derivatives designated at fair value through profit or loss	17,603,235	(6,844,740)	2,728,528	(791,898)
Share of profit from investments in joint ventures	(442,300,659)	(495,280,579)	-	-
Share of profit from investments in associates	(33,206,217)	(116,036,945)	-	-
Gain on disposals of investments	(623,869)	(662,125)	-	-
Gain on dissolution of subsidiary	-	-	(5,508,734)	-
Unrealised loss (gain) on exchange	(8,072,473)	4,623,854	6,820	370,169
Dividend received from investments	(270,891,669)	(375,932,978)	(704,136,455)	(922,601,664)
Provision for long-term employee benefits	18,865,282	14,013,318	1,070,385	1,887,808
Finance income	(16,824,428)	(28,976,496)	(31,461,592)	(34,107,677)
Finance cost	29,120,117	43,160,838	925,377	2,538,966
Profit (loss) from operating activities before changes in operating assets and liabilities	967,087,255	1,164,046,153	(9,542,900)	(12,171,482)
Operating assets (increase) decrease				
Trade and other receivables	9,956,857	197,433,218	(16,346,181)	18,335,148
Inventories	(44,640,055)	91,910,541	-	-
Other current assets	238,878,860	(83,783,701)	(164,028)	70,258
Other non-current assets	(40,437,779)	(23,777,386)	(23,617)	36,980
Operating liabilities increase (decrease)				
Trade and other payables	(209,205,257)	2,262,998	(1,484,963)	(13,287,213)
Other current liabilities	13,989,781	(3,925,664)	(1,100,000)	(1,082,185)
Provision for long-term employee benefits	(33,748,539)	(40,817,307)	230,520	(704,491)
Other non-current liabilities	(609,126)	2,166,757	-	-
Cash from (used in) operating activities	901,271,997	1,305,515,609	(28,431,169)	(8,802,985)
Cash paid for interest	(20,787,021)	(40,341,465)	(979,963)	(4,664,971)
Cash paid for income tax	(199,828,765)	(197,218,706)	(35,226,955)	(28,119,895)
Cash refund from income tax	41,238,020	15,551,586	3,148,364	4,861,496
<b>Net cash from (used in) operating activities</b>	<b>721,894,231</b>	<b>1,083,507,024</b>	<b>(61,489,723)</b>	<b>(36,726,355)</b>

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



**Saha-Union Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in short-term loans to related parties	-	500,000	(108,907,000)	(105,326,000)
Increase in other current financial assets	(495,228,904)	(27,466,094)	-	-
Decrease in restricted investments	4,093,630	2,736,433	-	-
Decrease in long-term loans to related party	-	185,434,000	-	-
Acquisition of investments in subsidiaries	-	-	-	(128,137,624)
Acquisition of investment in joint venture	-	(199,500,000)	(7,018,594)	(199,500,000)
Acquisition of investments in associates	(75,418,564)	-	(75,418,564)	-
Acquisition of other non-current financial assets	(10,433,943)	(522,707,913)	(8,790,727)	(2,134,718)
Proceeds from returns of capital of equity investment	4,527,962	-	2,307,360	-
Proceeds from disposals of property, plant and equipment	31,964,754	12,536,802	73,725	229,886
Proceeds from disposals of investment properties	-	594,425	-	594,425
Proceeds from liquidation/capital returns of investments in subsidiaries	-	-	130,508,609	24,996,800
Proceeds from capital return of investments in joint venture	-	2,804,925	-	2,804,925
Proceeds from disposals of other non-current financial assets	11,589,982	15,536,173	-	-
Dividend received from investments	833,141,371	931,769,912	704,136,455	979,648,078
Interest income	16,433,728	29,276,357	32,217,680	33,233,140
Acquisition of investment properties	(15,788,728)	(28,962,608)	-	(110,001)
Acquisition of property, plant and equipment	(347,273,087)	(396,144,926)	(7,230,062)	(1,906,248)
Acquisition of intangible assets	(43,933,118)	(3,123,106)	(150,500)	(103,499)
<b>Net cash from (used in) investing activities</b>	<b>(86,324,917)</b>	<b>3,284,380</b>	<b>661,728,382</b>	<b>604,289,164</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	207,020,787	(147,456,937)	113,000,000	-
Increase in short-term loan from related party	-	10,000,000	-	-
Increase (decrease) in deposits from related parties	-	(4,000,000)	(95,807,316)	65,492,992
Cash receipt from disposals of the Company's shares held by subsidiaries	-	2,387,775	-	-
Cash receipt (paid) for share capital receipt from non-controlling interests of the subsidiaries	(130)	53,924,174	-	-
Dividend paid	(510,027,777)	(546,851,261)	(450,000,000)	(450,000,000)
Cash receipt from long-term loans	31,674,057	17,215,259	-	-
Repayment of long-term loans	(361,280,452)	(278,204,799)	-	-
Payment of principal portion of lease liabilities	(64,901,652)	(54,612,347)	-	-
Interest paid of lease liabilities	(8,596,824)	(7,864,474)	-	-
<b>Net cash used in financing activities</b>	<b>(706,111,991)</b>	<b>(955,462,610)</b>	<b>(432,807,316)</b>	<b>(384,507,008)</b>
<b>Increase in translation adjustments</b>	<b>280,496,389</b>	<b>45,797,528</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>209,953,712</b>	<b>177,126,322</b>	<b>167,431,343</b>	<b>183,055,801</b>
Cash and cash equivalents at beginning of year	2,877,160,999	2,700,034,677	489,225,894	306,170,093
<b>Cash and cash equivalents at end of year</b>	<b>3,087,114,711</b>	<b>2,877,160,999</b>	<b>656,657,237</b>	<b>489,225,894</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transaction				
Purchases of property, plant and equipment for which no cash has been paid	16,516,831	1,520,453	1,516,749	-
Right-of-use assets acquired under lease agreement	37,448,799	117,007,699	-	-
Decrease in right-of-use assets due to lease modification	1,938,421	-	-	-
Decrease in lease liabilities due to lease modification	1,994,406	-	-	-

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

## **Saha-Union Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2021**

#### **1. General information**

##### **1.1 Corporate information**

Saha-Union Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment, distribution of raw materials and products manufactured by group companies. The registered address of the Company is at 1828 Sukhumvit Road, Phrakanong Tai, Phrakanong, Bangkok.

##### **1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

##### **1.3 Corporate information and fundamental accounting assumptions of a subsidiary - Union Textile Industries Public Company Limited**

On 22 December 2020, Union Textile Industries Public Company Limited (“Union Textile”) submitted the notification on the Resolutions of the Board of Directors' Meeting No. 12/2020 to The Stock Exchange of Thailand related to the cessation of textile operations (spinning and weaving) and the seeking of a new business. Union Textile's core business is textile business which has incurred loss due to the intense competition in the textile business, the economic downturns in Europe which is the Company main customer and the COVID-19 pandemic that has affected Thailand and other countries worldwide and it is expected that the situation will not improve in near future. Union Textile's management has considered that if the Company continues to operate in the textile business in the future, this will pose a major risk to the shareholders. In this regard, Union Textile has a plan to cease the textile operations (spinning and weaving) within year 2021 and to consider and study the feasibility of investing in new businesses in the future. However, Union Textile still has other income from the lease of land and partial of factory buildings. Union Textile is currently considering and studying the feasibility of investing in new business in the future. The operating result of textile business is described in Note 30 to the consolidated financial statements.



#### **1.4 The delisting of the Company's securities from The Stock Exchange of Thailand - Union Textile Industries Public Company Limited**

On 21 October 2021, Union Textile Industries Public Company Limited ("Union Textile") submitted the notification on the Resolution of the Board of Directors' Meeting No.10/2021 to The Stock Exchange of Thailand related to delisting of Union Textile's securities from The Stock Exchange of Thailand, whereby the Board of Directors had approved proposing this matter to an extraordinary general meeting of the shareholders. This is in accordance with the expressed intention of Saha-Union Public Company Limited ("offeror"), the major shareholder of Union Textile, to give the opportunity for Union Textile's other shareholders to consider a tender offer for the securities, mitigating the risk of share illiquidity if the securities be delisted from The Stock Exchange of Thailand. Union Textile has notified The Stock Exchange of Thailand of the delisting of the securities with details provided in Delisting of Shares Report (F10-6) date 21 October 2021.

The Board of Directors passed a resolution stipulating dates for share registration book closure and share transfer suspension of 4 November 2021 until the completion of an Extraordinary General Meeting of Shareholders No.1/2021 on 25 November 2021. The Company will make a general tender offer for all of Union Textile's securities in which not holding by the Company to other shareholders, at offer prices of Baht 38.35 per share for ordinary shares and Baht 48.15 per share for preferred shares. The tender offer prices were determined by a financial advisor approved by the Office of the Securities and Exchange Commission. The Company is currently processing.

## **2. Basis of preparation**

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

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Saha-Union Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company	Nature of business	Country of incorporation	Percentage of Shareholding	
			<u>2021</u> (percent)	<u>2020</u> (percent)
<b>Textile business</b>				
Union Textile Industries Plc.	Manufacture and distribution of textiles	Thailand	51.42	51.42
Union Garment Co., Ltd.	Manufacture and distribution of garments	Thailand	99.99	99.99
<b>Plastic, rubber and metal business</b>				
Union Pioneer Plc.	Manufacture and distribution of elastic products	Thailand	52.73	52.73
Union Plastic Plc.	Contract manufacture of plastic products, manufacture and repair of molds	Thailand	49.69	49.69
Union Zojirushi Co., Ltd.	Manufacture and distribution of vacuum stainless bottles	Thailand	51.00	51.00
Union Stainless Steel Products Co., Ltd.	Manufacture and distribution of stainless steel kitchenware	Thailand	98.00	98.00
Union Rubber Products Corp., Ltd.	Manufacture and distribution of rubber products	Thailand	99.99	99.99
Thai Rubber Enterprise Co., Ltd.	Rubber estates	Thailand	50.85	50.85
<b>Trading business</b>				
Computer Union Co., Ltd.	Computer and accessories dealer	Thailand	98.49	98.49
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer and accessories dealer	Thailand	99.99	99.99
<b>Energy business</b>				
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	Power generation	China	75.96	75.96
<b>Hotel business</b>				
The Royal Hotel Co., Ltd.	Hotel	Thailand	96.38	96.38



Company	Nature of business	Country of incorporation	Percentage of Shareholding	
			<u>2021</u> (percent)	<u>2020</u> (percent)
<b>Investment and others business</b>				
Saha-Union International Ltd.	Investment	Hong Kong	99.99	99.99
Saha-Union Investment (China) Co., Ltd.	Investment	China	100.00	100.00
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd.)	Investment	Hong Kong	100.00	100.00
Shanghai Dacity Co., Ltd. (100.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	Sales and services	China	100.00	100.00
Saha-Union Holding Co., Ltd.	Investment	Thailand	99.54	99.54
Venus Shoes Co., Ltd.	Dormitory rental and services	Thailand	99.99	99.99
Union Printing Corp., Ltd.	Rental services	Thailand	94.74	94.74
Union Equity Co., Ltd.	Investment	Thailand	99.79	99.79
Union Shoes Co., Ltd.	Rental services	Thailand	98.23	98.23
Union Construction Corp., Ltd.	Real estate development	Thailand	99.99	99.99
Saha-Union Property Co., Ltd.	Investment	Thailand	-	99.99
Saha-Union Wealth Plus Co., Ltd.	Investment	Thailand	99.99	99.99
Union Nakhon Co., Ltd.	Real estate development	Thailand	77.49	77.49

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



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

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the the Company and its subsidiaries believes that adoption of these amendments will not have any significant impact on the Company and its subsidiaries' financial statements.

### **4. Significant accounting policies**

#### **4.1 Revenue and expense recognition**

##### *Sales of goods*

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

##### *Rendering of services*

Service revenue is recognised at a point in time upon completion of the service.

##### *Revenues from hotel operations*

Revenues from hotel operations, which are a part of service revenues, consisted of room rental revenues, food and beverage sales and other related services which represented with invoiced value (excluding value added tax) for delivered products and services revenues after deducting discounts and adding service charges.



#### *Dividends*

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

#### *Finance income*

Finance income is calculated using the effective interest method and recognised on an accrual basis.

#### *Rental income*

Rental income is recognised on an accrual basis based on the contract period.

#### *Finance cost*

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

### **4.2 Cash and cash equivalents**

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

### **4.3 Inventories**

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

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

### **4.4 Investments in subsidiaries, joint ventures and associates**

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method less allowance for impairment.

#### 4.5 Investment properties

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

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

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

Depreciation of investment properties is included in determining income.

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

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

#### 4.6 Property, plant and equipment/Depreciation

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

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

Buildings	-	20	years
Land improvement	-	5, 10, 20	years
Machinery and equipment	-	3, 5, 10, 20	years
Molds	-	5	years
Building improvements and facilities	-	5	years
Furniture and fixtures	-	3, 5, 10	years
Motor vehicles	-	5, 10	years
Computers	-	3, 5	years
Power plants	-	5, 10, 25	years

Depreciation of machinery and equipment of a subsidiary acquired in the year 2015, is calculated by reference to its net book value on a double-declining basis, over the useful lives of 10 years.

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.



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

#### **4.7 Intangible assets**

Intangible assets of the Company and its subsidiaries is recognised at cost. Following the initial recognition, intangible assets is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

No amortisation is provided on computer software in progress.

#### **4.8 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units that are expected to benefit from the synergies of the combination. The subsidiary estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.9 Leases**

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

### **The subsidiaries as a lessee**

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

#### ***Right-of-use assets***

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

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

Land	-	10, 14 years
Buildings	-	5, 10 years
Equipment	-	1, 6 years
Vehicles	-	4, 5 years

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

#### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term.

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

#### ***Short-term leases and leases of low-value assets***

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

### **4.10 Related party transactions**

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



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

#### **4.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.



#### **4.13 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Post-employment benefits***

###### ***Defined contribution plans***

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

###### ***Defined benefit plans***

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plan. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

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

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

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

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

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

#### **4.14 Provisions**

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

#### 4.15 Income tax

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

##### **Current tax**

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

Overseas subsidiaries calculate corporate income tax in accordance with tax rates mandated under the tax law of those countries.

##### **Deferred tax**

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.16 Financial instruments

The Company and its subsidiaries initially measure financial assets at their fair value. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

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

##### ***Financial assets at amortised cost***

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

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

#### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Company and its subsidiaries can elect to irrevocably classify their equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

#### ***Financial assets at FVTPL***

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

These financial assets include derivatives, security investments held for trading, equity investments which the Company and its subsidiaries have not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

#### **Classification and measurement of financial liabilities**

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

#### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company and its subsidiaries have transferred substantially all the risks and rewards of the asset, or the Company and its subsidiaries have transferred control of the asset.

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

#### **Impairment of financial assets**

For trade receivables, the Company and its subsidiaries apply a simplified approach in calculating ECLs. Therefore, the Company and its subsidiaries do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

#### **4.17 Derivatives**

The Company and its subsidiaries use derivatives, such as forward currency contracts, to hedge its foreign currency risks.

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

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **4.18 Fair value measurement**

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

## **5. Significant accounting judgements and estimates**

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

### **Allowance for expected credit losses of trade receivables**

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

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Property, plant and equipment, and investment properties/Depreciation**

In determining depreciation of plant and equipment, and investment properties, the management is required to make estimates of the useful lives and residual values of those assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment, and investment properties for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.



### Goodwill and intangible assets with indefinite useful lives

The initial recognition and measurement of goodwill and intangible assets with indefinite useful lives, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### Litigation

The subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 6. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	1,376	1,265	118	110
Bank deposits	3,061,761	2,795,965	656,539	489,116
Bonds	23,978	79,931	-	-
Total cash and cash equivalents	<u>3,087,115</u>	<u>2,877,161</u>	<u>656,657</u>	<u>489,226</u>

As at 31 December 2021, bank deposits in saving accounts, fixed deposits and bonds carried interests between 0.01 and 0.42 percent per annum (2020: between 0.01 and 0.45 percent per annum).



## 7. Related party transactions

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

### Consolidated financial statements

(Unit: Million Baht)

	For the years ended		Pricing policy
	31 December		
	<u>2021</u>	<u>2020</u>	
<b><u>Transactions with joint ventures</u></b>			
Sales of merchandise	60	46	Cost plus margin
Service income	2	1	Contract price
Rental income	5	3	Contract price
Purchases of merchandise	12	14	Resale price reduced by a margin
<b><u>Transactions with associates</u></b>			
Sales of merchandise	115	107	Cost plus margin
Service income	2	3	Contract price
Rental income	5	5	Contract price
Short-term loans (weighted average from outstanding balances at month end)	10	4	Interest rate with reference to the loan interest rate of local commercial bank
Purchases of merchandise	405	392	Resale price reduced by a margin
Long-term lendings (weighted average from outstanding balances at month end)	-	127	Interest rate with reference to the loan interest rate of commercial bank in China
Finance income	-	9	Interest rate with reference to the loan interest rate of commercial bank in China
Deposits (weighted average from outstanding balances at month end)	-	2	Interest rate with reference to the deposit interest rate of local commercial bank



**Separate financial statements**

(Unit: Million Baht)

	For the years ended		Pricing policy
	31 December		
	<u>2021</u>	<u>2020</u>	
<b><u>Transactions with subsidiaries</u></b>			
Sales of merchandise	210	182	Cost plus margin
Service income	5	5	Contract price
Rental income	36	37	Contract price
Short-term lendings (weighted average from outstanding balances at month end)	576	591	Interest rate with reference to the loan interest rate of local commercial bank
Finance income	31	34	Interest rate with reference to the loan interest rate of local commercial bank
Deposits (weighted average from outstanding balances at month end)	362	394	Interest rate with reference to the deposit interest rate of local commercial bank
Finance cost	1	3	Interest rate with reference to the deposit interest rate of local commercial bank
<b><u>Transactions with joint ventures</u></b>			
Rental income	4	3	Contract price
<b><u>Transactions with associates</u></b>			
Sales of merchandise	16	14	Cost plus margin
Purchases of merchandise	396	373	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	-	2	Interest rate with reference to the deposit interest rate of local commercial bank

The balances of the accounts as at 31 December 2021 and 2020 between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade receivables - related parties (Note 8)</u></b>				
Subsidiaries	-	-	57,205	41,806
Joint ventures	9,947	8,887	-	-
Associates	4,619	9,722	-	1,418
Related companies (related by shareholding)	36	-	-	-
Total trade receivables - related parties	<u>14,602</u>	<u>18,609</u>	<u>57,205</u>	<u>43,224</u>

**Trade payables - related parties (Note 21)**

Joint venture	1,949	2,847	-	-
Associates	29,467	29,706	28,843	27,955
Related companies (related by shareholding)	111	56	-	-
Total trade payables - related parties	<u>31,527</u>	<u>32,609</u>	<u>28,843</u>	<u>27,955</u>

**Deposits from related parties**

Subsidiaries	-	-	326,400	422,207
Total deposits from related parties	<u>-</u>	<u>-</u>	<u>326,400</u>	<u>422,207</u>

**Short-term loans to related parties**

As at 31 December 2021 and 2020, the balances of short-term loans between the Company, its subsidiaries and those related parties and the movement are as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Balance		Balance
	as at	Translation	as at
	31 December		31 December
	<u>2020</u>	<u>adjustments</u>	<u>2021</u>
<b><u>Short-term loans to related party</u></b>			
<b><u>Joint venture</u></b>			
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	5,752	791	6,543
Total	5,752	791	6,543
Less: Allowance for expected credit losses	(5,752)	(791)	(6,543)
<b>Total short-term loans to related party - net</b>	<u>-</u>	<u>-</u>	<u>-</u>



(Unit: Thousand Baht)

	Separate financial statements			
	Balance			Balance
	as at	Increase	Decrease	as at
	31 December			31 December
	2020	during the year	during the year	2021
<b>Short-term loans to related party</b>				
<b><i>Subsidiary</i></b>				
Computer Union Co., Ltd.	568,327	2,027,000	(1,918,093)	677,234
<b>Total short-term loans to related party</b>	<b>568,327</b>	<b>2,027,000</b>	<b>(1,918,093)</b>	<b>677,234</b>

Set out below is the movement in the allowance for expected credit losses of loans to related parties.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Beginning balance	5,752	5,374
Translation adjustments	791	378
Ending balance	6,543	5,752

**Short-term loan from related party**

As at 31 December 2021 and 2020, the balances of short-term loan between a subsidiary and a related party and the movements are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
		Increase	
	Balance as at	(decrease)	Balance as at
	31 December 2020	during the year	31 December 2021
<b>Short-term loan from related party</b>			
<b><i>Associate</i></b>			
Union Thread Industries Co., Ltd.	10,000	-	10,000
<b>Total short-term loan from related party</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

**Directors and management's benefits**

During the year ended 31 December 2021 and 2020, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	129	127	23	23
Post-employment benefits (reversal)	(1)	5	-	-
<b>Total</b>	<b>128</b>	<b>132</b>	<b>23</b>	<b>23</b>

## 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	13,753	17,451	57,205	43,224
Past due				
Up to 3 months	849	616	-	-
3 - 6 months	-	107	-	-
6 - 12 months	-	435	-	-
Total trade receivables - related parties	14,602	18,609	57,205	43,224
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,088,477	978,037	25,271	19,141
Past due				
Up to 3 months	172,628	325,880	-	-
3 - 6 months	30,702	31,701	-	-
6 - 12 months	25,413	14,775	-	-
Over 12 months	19,016	23,300	-	-
Total	1,336,236	1,373,693	25,271	19,141
Less: Allowance for expected credit losses	(21,446)	(15,046)	-	-
Total trade receivables - unrelated parties, net	1,314,790	1,358,647	25,271	19,141
Total trade receivables - net	1,329,392	1,377,256	82,476	62,365
<u>Other receivables</u>				
Input tax refundable	70,513	44,694	4,290	7,608
Import duty refundable	744	403	-	-
Accrued income	19,053	14,741	6,390	7,612
Prepaid corporate income tax	64,418	29,209	3,094	2,982
Others	30,541	24,074	218	206
Total other receivables	185,269	113,121	13,992	18,408
Total trade and other receivables - net	1,514,661	1,490,377	96,468	80,773

The normal credit term is 30 to 180 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Beginning balance	15,046	12,301
Provision for expected credit losses	6,400	2,745
Ending balance	21,446	15,046



## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	492,826	505,489	(23,811)	(21,569)	469,015	483,920
Semi products	10,697	12,516	(419)	(483)	10,278	12,033
Work in process	52,623	57,984	(2,193)	(1,533)	50,430	56,451
Raw materials	269,616	252,052	(5,476)	(4,216)	264,140	247,836
Packing materials	23,505	17,075	(1,379)	(1,368)	22,126	15,707
Spare parts and factory supplies	92,177	100,715	(53,988)	(52,602)	38,189	48,113
Goods in transit	125,514	76,487	-	-	125,514	76,487
Total	<u>1,066,958</u>	<u>1,022,318</u>	<u>(87,266)</u>	<u>(81,771)</u>	<u>979,692</u>	<u>940,547</u>

During the current year, the subsidiaries reduced cost of inventories by Baht 66 million (2020: Baht 22 million) to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiaries reversed the write-down of cost of inventories by Baht 61 million (2020: Baht 36 million) and reduced the amount of inventories recognised as expenses during the year.

## 10. Restricted investments

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

## 11. Other financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Debt instruments at amortised cost</u>				
Fixed deposits	875,791	335,776	-	-
Bonds	31,962	70,896	-	-
Total debt instruments at amortised cost	<u>907,753</u>	<u>406,672</u>	<u>-</u>	<u>-</u>



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Equity instruments designated at FVOCI</u>				
Quoted equity investments				
Saha Pathana Inter-Holding Plc.	585,130	616,396	585,130	616,396
Bangkok Bank Plc.	1,198,376	1,172,905	332,560	325,689
Electricity Generating Plc.	58,100	54,285	8,750	-
Ratch Group Plc.	35,800	42,400	895	1,060
Banyan Tree Indochina Hospitality Fund, L.P.	97,170	119,857	97,170	119,857
Bangchak Corporation Plc.	40,875	32,902	3,750	3,075
Others	195,169	182,207	16,806	16,479
Non-listed equity instruments				
Ratchaburi Power Co., Ltd.	597,500	702,500	597,500	702,500
Value Creation Inc.	-	-	-	-
Processing Center Co., Ltd.	284,000	290,000	284,000	290,000
Union Button Corp., Ltd.	38,714	38,714	38,714	38,714
Others	1,453	4,182	1,111	1,811
Total equity instruments designated at FVOCI	<u>3,132,287</u>	<u>3,256,348</u>	<u>1,966,386</u>	<u>2,115,581</u>
<u>Financial assets at FVTPL</u>				
Overseas listed equity investments	1,215,189	1,043,558	-	-
Open-end Fund	22,554	31,159	22,554	19,570
Derivative assets (Note 36.1)	-	9,483	-	1,545
Total financial assets at FVTPL	<u>1,237,743</u>	<u>1,084,200</u>	<u>22,554</u>	<u>21,115</u>
Total other financial assets	<u>5,277,783</u>	<u>4,747,220</u>	<u>1,988,940</u>	<u>2,136,696</u>
Current	2,122,942	1,459,713	-	1,545
Non-current	<u>3,154,841</u>	<u>3,287,507</u>	<u>1,988,940</u>	<u>2,135,151</u>
	<u>5,277,783</u>	<u>4,747,220</u>	<u>1,988,940</u>	<u>2,136,696</u>

As at 31 December 2021, bonds and the fixed bank deposits with an original maturity within one year carried interests between 0.18 and 0.50 percent per annum (2020: between 0.33 and 0.63 percent per annum).

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Company and its subsidiaries considers these investments to be strategic in nature.

In addition, in 2021, the Company and its subsidiaries received dividends from other financial assets in the amount of Baht 271 million (2020: Baht 376 million) and the Company only of Baht 189 million (2020: Baht 294 million).



## 12. Investments in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2021 (Million Baht) (Except for other specified currencies)	2020 (Million Baht)	2021 (%)	2020 (%)	2021	2020	2021	2020
<b>Textile business</b>								
Union Textile Industries Plc.	600	600	49.88	49.88	321,181	321,181	-	-
Union Garment Co., Ltd.	25	25	99.99	99.99	45,348	45,348	-	-
					366,529	366,529	-	-
<b>Plastic, rubber and metal business</b>								
Union Pioneer Plc.	75	75	48.96	48.96	53,084	53,084	32,679	477
Union Plastic Plc.	250	250	49.52	49.52	235,433	235,433	-	-
Union Zojirushi Co., Ltd.	600	600	51.00	51.00	306,659	306,659	-	38,556
Union Stainless Steel Products Co., Ltd.	40	40	98.00	98.00	52,411	52,411	-	8,820
Union Rubber Products Corp., Ltd.	20	20	99.99	99.99	16,111	16,111	-	-
Thai Rubber Enterprise Co., Ltd.	32	32	50.85	50.85	17,307	17,307	488	486
					681,005	681,005	33,167	48,339
<b>Trading business</b>								
Computer Union Co., Ltd.	100	100	98.49	98.49	103,571	103,571	73,864	98,486
					103,571	103,571	73,864	98,486

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	<u>2021</u> (Million Baht)	<u>2020</u> (Million Baht)	<u>2021</u> (%)	<u>2020</u> (%)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Energy business</b>								
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	37	37	56.93	56.93	726,355	726,355	95,542	167,909
	(Million USD)				726,355	726,355	95,542	167,909
<b>Hotel business</b>								
The Royal Hotel Co., Ltd.	3,000	3,000	96.00	96.00	2,880,000	2,880,000	-	-
					2,880,000	2,880,000	-	-
<b>Investment and others business</b>								
Saha-Union International Ltd.	405	405	99.99	99.99	1,907,801	1,907,801	-	-
	(Million HKD)							
Saha-Union Investment (China) Co., Ltd.	45	45	100.00	100.00	1,572,809	1,572,809	-	-
	(Million USD)							
Saha-Union Holding Co., Ltd.	1,300	1,300	99.54	99.54	1,294,019	1,294,019	-	-
Venus Shoes Co., Ltd.	72	72	76.00	76.00	44,007	44,007	1,521	4,378
Union Printing Corp., Ltd.	30	30	94.74	94.74	29,466	29,466	-	-
Union Equity Co., Ltd.	160	160	99.79	99.79	159,771	159,771	-	-

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year
	<u>2021</u> (Million Baht) (Except for other specified currencies)	<u>2020</u> (Million Baht)	<u>2021</u> (%)	<u>2020</u> (%)	<u>2021</u>	<u>2020</u>	
<i>Investment and others business (continued)</i>							
Union Shoes Co., Ltd.	24	24	61.91	61.91	22,087	22,087	-
Union Construction Corp., Ltd.	600	600	62.49	62.49	375,457	375,457	-
Saha-Union Property Co., Ltd.	-	125	-	99.99	-	125,000	-
Saha-Union Wealth Plus Co., Ltd.	125	125	99.99	99.99	125,000	125,000	-
Union Nakhon Co., Ltd.	210	210	75.00	75.00	157,499	157,499	-
					5,687,916	5,812,916	4,378
<b>Total</b>					<b>10,445,376</b>	<b>10,570,376</b>	<b>204,094</b>
<b>Less: Allowance for impairment of investments in subsidiaries</b>					<b>(559,753)</b>	<b>(559,753)</b>	<b>319,112</b>
<b>Total investments in subsidiaries - net</b>					<b>9,885,623</b>	<b>10,010,623</b>	

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

Company	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2021	2020	2021	2020	2021	2020	2021	2020
	(%)	(%)						
Union Textile Industries Plc.	48.58	48.58	42	38	3	(19)	-	-
Union Pioneer Plc.	47.27	47.27	126	141	17	32	32	1
Union Plastic Plc.	50.31	50.31	(13)	(25)	(12)	(31)	-	-
Union Zojirushi Co., Ltd.	49.00	49.00	242	198	44	(1)	-	37
Zhejiang Jiashan-Union Cogeneration Co., Ltd.	24.04	24.04	144	84	51	37	41	71

(Unit: Million Baht)

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling.

**Summarised information about financial position**

	As at 31 December						(Unit: Million Baht)					
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.				Union Zojirushi Co., Ltd.		Zhejiang Jiahsan-Union Cogeneration Co., Ltd.	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	413	458	414	440	288	307	609	399	611	564		
Non-current assets	733	747	121	121	329	323	877	1,050	1,943	1,723		
Current liabilities	6	104	76	75	67	105	321	346	596	470		
Non-current liabilities	101	85	86	81	54	46	67	109	215	326		

(Unit: Million Baht)



## Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December					
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.	
	2021	2020	2021	2020	2021	2020
Revenue	230	471	621	693	591	546
Profit (loss)	9	(38)	35	67	-	(26)
Other comprehensive income	13	(89)	-	(7)	18	(23)
Total comprehensive income	22	(127)	35	60	18	(49)

	Union Zojirushi Co., Ltd.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.	
	2021	2020	2021	2020
Revenue	1,864	2,151	2,079	2,151
Profit (loss)	212	(20)	103	(20)
Other comprehensive income	95	-	-	-
Total comprehensive income	421	(20)	103	(20)

## Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December					
	Union Textile Industries Plc.		Union Pioneer Plc.		Union Plastic Plc.	
	2021	2020	2021	2020	2021	2020
Cash flow from (used in) operating activities	75	188	22	78	(46)	(38)
Cash flow from (used in) investing activities	(148)	(193)	(3)	(49)	20	(19)
Cash flow used in financing activities	-	-	(70)	(5)	(1)	-
Net increase (decrease) in cash and cash equivalents	(73)	(5)	(51)	24	(27)	(57)

	Union Zojirushi Co., Ltd.		Zhejiang Jiashan-Union Cogeneration Co., Ltd.	
	2021	2020	2021	2020
Cash flow from (used in) operating activities	399	455	258	455
Cash flow from (used in) investing activities	(172)	(81)	(103)	(81)
Cash flow used in financing activities	(257)	(374)	(113)	(374)
Net increase (decrease) in cash and cash equivalents	(30)	-	42	-



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

***Dissolution and liquidation***

Saha-Union Property Co., Ltd. registered its dissolution which was approved by the Annual General Meeting of Shareholders on 15 April 2021. The process of liquidation was completed on 19 July 2021. The Company had cash receipt from returns of the investment capital amounting to Baht 131 million.

***Increase in registered share capital***

On 20 January 2022, the Extraordinary General Meeting No. 1/2022 of The Royal Hotel Co., Ltd. approved an increase of Baht 200 million in share capital (20 million ordinary shares of Baht 10 each). The subsidiary registered its increase of share capital with the Department of Business Development, Ministry of Commerce on 28 January 2022.



### 13. Investments in joint ventures

#### 13.1 Details of investments in joint ventures:

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and its subsidiaries and other companies. Details of these investments are as follows:

#### Consolidated financial statements

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			<u>2021</u> (%)	<u>2020</u> (%)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Textile business</b>								
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Contract manufacture and distribution of textile products	China	57.57	57.57	640,940	640,940	-	-
Union Micronclean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	51.00	-	2,550	-	32,280	-
<b>Plastic, rubber and metal business</b>								
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	50.00	50.00	51,559	51,559	266,580	217,615
<b>Energy business</b>								
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	748,523	748,523	1,386,423	1,313,544
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	445,914	445,914	-	-
					1,194,437	1,194,437	1,386,423	1,313,544

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			<u>2021</u> (%)	<u>2020</u> (%)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Hospital business</b>								
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	40.00	41.83	400,000	400,000	392,473	398,016
					400,000	400,000	392,473	398,016
<b>Investment and others business</b>								
Soldev Co., Ltd.	Develop and distribution of computer software	Thailand	61.00	61.00	2,210	2,210	-	-
					2,210	2,210	-	-
<b>Liquidation</b>								
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	946	946	2,396	2,411
					946	946	2,396	2,411
<b>Total investments in joint ventures</b>					<b>2,292,642</b>	<b>2,290,092</b>	<b>2,080,152</b>	<b>1,931,586</b>

**Separate financial statements**

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		(Unit: Thousand Baht) Carrying amounts based on cost method - net	
			<u>2021</u> (%)	<u>2020</u> (%)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Textile business</b>										
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Contract manufacture and distribution of textile products	China	39.59	39.59	452,337	452,337	(452,337)	(452,337)	-	-
Union Micronclean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	38.00	-	8,269	-	-	-	8,269	-
<b>Plastic, rubber and metal business</b>										
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	30.00	30.00	31,556	31,556	-	-	31,556	31,556
<b>Energy business</b>										
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	25.00	25.00	374,416	374,416	-	-	374,416	374,416
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	40.00	40.00	417,271	417,271	(417,271)	(417,271)	-	-
<b>Hospital business</b>										
Sukhumvit 62 Medical Ltd.	Hospital	Thailand	40.00	41.83	400,000	400,000	-	-	400,000	400,000
<b>Liquidation</b>										
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	946	946	-	-	946	946
<b>Total investments in joint ventures - net</b>					<b>1,684,795</b>	<b>1,676,526</b>	<b>(869,608)</b>	<b>(869,608)</b>	<b>815,187</b>	<b>806,918</b>

### 13.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year		Dividend received during the year	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Textile business</b>						
Union Micronclean Co., Ltd.	4,176	-	-	-	-	-
	4,176	-	-	-	-	-
<b>Plastic, rubber and metal business</b>						
Union Nifco Co., Ltd.	109,466	67,838	-	(6,145)	36,303	54,454
	109,466	67,838	-	(6,145)	36,303	54,454
<b>Energy business</b>						
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	334,217	430,641	190,374	87,871	227,827	211,877
	334,217	430,641	190,374	87,871	227,827	211,877
<b>Hospital business</b>						
Sukhumvit 62 Medical Ltd.	(5,543)	(1,573)	-	-	-	-
	(5,543)	(1,573)	-	-	-	-
<b>Investment and other business</b>						
Soldev Co., Ltd.	-	(1,615)	-	-	-	-
	-	(1,615)	-	-	-	-
<b>Liquidation</b>						
Union Universe Co., Ltd.	(15)	(10)	-	-	-	19
	(15)	(10)	-	-	-	19
<b>Total</b>	<b>442,301</b>	<b>495,281</b>	<b>190,374</b>	<b>81,726</b>	<b>264,130</b>	<b>266,350</b>

### 13.3 Summarised financial information about material joint ventures

#### Summarised information about financial position

(Unit: Million Baht)

Financial position	Union Nifco Co., Ltd.		Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.	
	2021	2020	2021	2020	2021	2020
Current assets	685	565	1,640	1,265	14	310
Non-current assets	163	161	2,550	2,277	1,151	685
Current liabilities	245	227	1,406	907	161	36
Non-current liabilities	70	64	-	-	23	7
<b>Net assets</b>	<b>533</b>	<b>435</b>	<b>2,784</b>	<b>2,635</b>	<b>981</b>	<b>952</b>
Shareholding percentage (%)	50.00	50.00	50.00	50.00	40.00	41.83
<b>Share of net assets</b>	<b>267</b>	<b>218</b>	<b>1,392</b>	<b>1,318</b>	<b>392</b>	<b>398</b>
Elimination entries	-	-	(6)	(4)	-	-
<b>Carrying amounts of joint ventures based on equity method</b>	<b>267</b>	<b>218</b>	<b>1,386</b>	<b>1,314</b>	<b>392</b>	<b>398</b>

#### Summarised information about comprehensive income

(Unit: Million Baht)

Comprehensive income	Union Nifco Co., Ltd.		Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.		Sukhumvit 62 Medical Ltd.	
	2021	2020	2021	2020	2021	2020
Revenue	1,161	948	5,860	3,744	1	1
Profit (loss)	219	135	668	861	(14)	(4)
Other comprehensive income	-	(12)	381	176	-	-
Total comprehensive income	219	123	1,049	1,037	(14)	(4)

During the current year, there were following significant changes in the investments in joint ventures.

#### ***Increase in registered share capital***

On 16 July 2021, the Extraordinary General Meeting of Sukhumvit 62 Medical Ltd. approved an increase of Baht 43.75 million in the registered share capital, to Baht 1,000 million. The Company did not subscribe in this right offering. As a result, the Company's shareholding percentage decrease from 41.83% to 40.00%.



#### 14. Investments in associates

##### 14.1 Details of material associates:

##### Consolidated financial statements

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
			<u>2021</u> (%)	<u>2020</u> (%)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Textile business</b>								
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	51.99	51.99	46,563	46,563	50,817	67,879
Others (2 companies) (2020: 3 companies)			-	2,550	57,846	83,003		
			46,563	49,113	108,663	150,882		
<b>Plastic, rubber and metal business</b>								
Union Thai-Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.40	40.29	19,739	19,320	167,651	174,491
<b>Hospital business</b>								
Navavej International Plc.	Hospital	Thailand	24.62	30.00	19,739	19,320	167,651	174,491
<b>Investment and others business</b>								
Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	29.65	29.65	273,029	273,029	262,598	207,811
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	35.00	35.00	353,054	353,054	291,778	250,757
Uni-Fibre Co., Ltd.	Investment	Thailand	62.35	62.35	79,598	79,598	747,150	747,507
Union Thread Industries Co., Ltd.	Investment	Thailand	36.89	36.89	51,861	51,861	912,517	906,652
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	511,788	499,967



## Total investments in associates

### Separate financial statements

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		(Unit: Thousand Baht) Carrying amounts based on cost method - net	
			2021 (%)	2020 (%)	2021	2020	2021	2020	2021	2020
<b>Textile business</b>										
Union Micronclean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	-	25.00	-	1,251	-	-	-	1,251
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	25.00	25.00	46,563	46,563	-	-	46,563	46,563
					46,563	47,814	-	-	46,563	47,814
<b>Plastic, rubber and metal business</b>										
Union Thai-Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.40	40.29	19,739	19,320	-	-	19,739	19,320
					19,739	19,320	-	-	19,739	19,320
<b>Hospital Business</b>										
Navavej International Plc.	Hospital	Thailand	24.62	30.00	480,000	405,000	-	-	480,000	405,000
					480,000	405,000	-	-	480,000	405,000
<b>Investment and other business</b>										
Taiking Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	23.85	23.85	218,958	218,958	(32,129)	(32,129)	186,829	186,829
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automotive carpets	China	25.00	25.00	249,239	249,239	(57,000)	(57,000)	192,239	192,239
Uni-Fibre Co., Ltd.	Investment	Thailand	26.87	26.87	56,038	56,038	-	-	56,038	56,038
Union Thread Industries Co., Ltd.	Investment	Thailand	24.90	24.90	51,861	51,861	-	-	51,861	51,861
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	24.90	24.90	43,328	43,328	-	-	43,328	43,328
Others (2 companies)					20,851	20,851	(547)	(547)	20,304	20,304
					640,275	640,275	(89,676)	(89,676)	550,599	550,599
<b>Total investments in associates - net</b>					<b>1,186,577</b>	<b>1,112,409</b>	<b>(89,676)</b>	<b>(89,676)</b>	<b>1,096,901</b>	<b>1,022,733</b>



14.2 Share of comprehensive income and dividend received in material associates

During the years, the Company has recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company	Consolidated financial statements			Separate financial statements	
	Share of profit/loss from investments in associates during the year			Dividend received during the year	
	2021	2020	2021	2020	
<b>Textile business</b>					
Union Spinning Mills Co., Ltd.	(17,061)	(7,920)	-	(1,653)	-
Others (2 companies) (2020: 3 companies)	8,046	11,915	-	(727)	1,250
	(9,015)	3,995	-	(2,380)	1,250
<b>Plastic, rubber and metal business</b>					
Union Thai-Nichiban Co., Ltd.	21,868	30,643	-	(1,520)	26,952
	21,868	30,643	-	(1,520)	26,952
<b>Hospital business</b>					
Navavej International Plc.	(84,303)	(26,626)	(225)	-	-
	(84,303)	(26,626)	(225)	-	-
<b>Investment and others business</b>					
Taixing Union Zond Chemicals Co., Ltd.	24,472	(22,786)	30,315	13,919	-
Jiangsu Zhonglian-Union Carpet Co., Ltd.	6,349	8,443	34,672	16,033	-
Uni-Fibre Co., Ltd.	(286)	(153)	(71)	(362)	-
Union Thread Industries Co., Ltd.	17,880	49,179	34	(1,262)	8,963
Union Industries Corp., Ltd.	10,878	19,825	4,580	(25)	6,723

(Unit: Thousand Baht)

Company	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2021	2020	2021	2020	2021	2020
<b><i>Investment and others business (continued)</i></b>						
Union Business Management Co., Ltd.	15,530	12,666	21	48	-	-
Zhuji-Union Real Estate Co., Ltd.	27,411	22,686	26,794	9,828	-	-
Union Asset Holdings Corp., Ltd. and its subsidiaries	182	(1,898)	16	(264)	-	-
Others (16 companies)	2,240	20,063	24,097	11,321	-	-
(2020: 17 companies)						
<b>Total</b>	<b>104,656</b>	<b>108,025</b>	<b>120,458</b>	<b>49,236</b>	<b>15,686</b>	<b>15,686</b>
	<b>33,206</b>	<b>116,037</b>	<b>120,233</b>	<b>45,336</b>	<b>47,313</b>	<b>43,888</b>

### 14.3 Summarised financial information of material associates

#### Summarised information about financial position

Company	Current assets		Non-current assets		Current liabilities		Non-current liabilities		Net assets		Shareholding percentage (%)		Share of net assets based on equity method		Elimination entries		Carrying amounts of associates based on equity method	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Unit: Million Baht)																	
<b>Textile business</b>																		
Union Spinning Mills Co., Ltd.	201	218	48	60	31	28	16	16	202	234	51.99	51.99	105	122	(54)	(54)	51	68
Others (2 companies) (2020: 3 companies)	606	659	287	325	50	75	111	130	732	779	-	-	182	207	(124)	(124)	58	83
<b>Plastic, rubber and metal business</b>																		
Union Thai-Nichiban Co., Ltd.	438	431	86	90	74	54	35	34	415	433	40.40	40.29	168	174	-	-	168	174
<b>Hospital business</b>																		
Navavej International Plc.	309	70	3,310	3,008	118	330	2,213	1,647	1,288	1,101	24.62	30.00	317	330	-	(4)	317	326
<b>Investment and other business</b>																		
Taiking Union Zond Chemicals Co., Ltd.	465	457	703	663	290	427	-	-	878	693	29.65	29.65	260	205	3	3	263	208
Jiangsu Zhonglian-Union Carpet Co., Ltd.	520	472	931	817	623	578	-	-	828	711	35.00	35.00	290	249	2	2	292	251
Uni-Fibre Co., Ltd.	-	3	1,252	1,252	23	25	-	-	1,229	1,230	62.35	62.35	766	767	(19)	(19)	747	748
Union Thread Industries Co., Ltd.	265	265	2,167	2,155	4	3	143	135	2,285	2,282	36.89	36.89	843	842	70	65	913	907
Union Industries Corp., Ltd.	434	313	1,415	1,510	3	1	73	75	1,773	1,747	29.46	29.46	522	515	(10)	(15)	512	500
Union Business Management Co., Ltd.	3	3	1,216	1,040	163	65	145	102	911	876	37.54	37.54	342	329	(89)	(92)	253	237
Zhuji-Union Real Estate Co., Ltd.	964	983	1	2	30	267	-	-	935	718	25.00	25.00	234	180	-	-	234	180
Union Asset Holdings Corp., Ltd. and its subsidiaries	127	345	2,834	2,635	1	1	1	-	2,959	2,979	-	-	1,192	1,200	(1,199)	(1,206)	(7)	(6)
Others (16 companies) (2020: 17 companies)	682	600	1,338	1,246	410	297	18	23	1,592	1,526	-	-	494	473	(407)	(410)	87	63



Summarised information about comprehensive income

Company	Revenue		Profit (loss)		Other comprehensive income		Total comprehensive income	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Textile business</b>								
Union Spinning Mills Co., Ltd.	265	264	(33)	(15)	-	(3)	(33)	(18)
Others (2 companies) (2020: 3 companies)	450	671	5	34	-	(1)	5	33
<b>Plastic, rubber and metal business</b>								
Union Thai-Nichiban Co., Ltd.	754	697	54	76	-	(4)	54	72
<b>Hospital business</b>								
Navavej International Plc.	352	2	(400)	(89)	(1)	-	(401)	(89)
<b>Investment and other business</b>								
Taixing Union Zond Chemicals Co., Ltd.	2,674	1,568	83	(77)	103	48	186	(29)
Jiangsu Zhonglian-Union Carpet Co., Ltd.	734	687	18	24	99	46	117	70
Uni-Fibre Co., Ltd.	-	1	(1)	-	-	(1)	(1)	(1)
Union Thread Industries Co., Ltd.	70	70	41	22	-	(4)	41	18
Union Industries Corp., Ltd.	72	86	38	41	-	-	38	41
Union Business Management Co., Ltd.	44	44	35	30	-	-	35	30
Zhuji-Union Real Estate Co., Ltd.	562	1,121	110	91	107	39	217	130
Union Asset Holdings Corp., Ltd. and its subsidiaries	9	12	(20)	(5)	-	(1)	(20)	(6)
Others (16 companies)	674	686	(11)	11	48	(21)	37	(10)
(2020: 17 companies)								

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

#### ***Increase in registered share capital***

On 24 April 2020, the Annual General Meeting of Navavej International Plc. approved an increase of Baht 450 million in the registered share capital, to Baht 1,800 million, with the additional capital to be offered by Private Placement Method. On 28 January 2021, the Company has subscribed in right offering, amounting to Baht 75 million. As a result, following the increase in share capital the Company's investment in this associate is Baht 480 million and shareholding percentage slightly decreased from 30.00% to 26.67%.

On 2 April 2021, the Annual General Meeting of Navavej International Plc. approved an increase of Baht 150 million in the registered share capital, to Baht 1,950 million, with the additional capital to be offered by Private Placement Method. The Company did not subscribe in this right offering. As a result, the Company's shareholding percentage decreased from 26.67% to 24.62%.

### **15. Investment properties**

The net book value of investment properties as at 31 December 2021 and 2020 is presented below.

	Consolidated financial statements				Separate financial statements		
	Land and land improvement awaiting development	Factory and office building for rent	Assets under construction	Total	Land and land improvement awaiting development	Factory and office building for rent	Total
<b>As at 31 December 2021</b>							
Cost	2,097,501	2,654,555	122,884	4,874,940	1,545,232	1,794,547	3,339,779
<u>Less</u> Accumulated depreciation	(78,483)	(2,152,079)	-	(2,230,562)	(67,857)	(1,647,527)	(1,715,384)
<u>Less</u> Allowance for impairment loss	(4,413)	(150,308)	(25,000)	(179,721)	(4,413)	(138,707)	(143,120)
Net book value	<u>2,014,605</u>	<u>352,168</u>	<u>97,884</u>	<u>2,464,657</u>	<u>1,472,962</u>	<u>8,313</u>	<u>1,481,275</u>
<b>As at 31 December 2020</b>							
Cost	2,101,062	2,461,973	111,921	4,674,956	1,545,232	1,794,547	3,339,779
<u>Less</u> Accumulated depreciation	(72,619)	(2,020,620)	-	(2,093,239)	(61,993)	(1,646,918)	(1,708,911)
<u>Less</u> Allowance for impairment loss	(4,413)	(150,308)	(25,000)	(179,721)	(4,413)	(138,707)	(143,120)
Net book value	<u>2,024,030</u>	<u>291,045</u>	<u>86,921</u>	<u>2,401,996</u>	<u>1,478,826</u>	<u>8,922</u>	<u>1,487,748</u>

(Unit: Thousand Baht)

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	2,401,996	2,390,723	1,487,748	1,494,133
Acquisition of assets	15,789	28,963	-	110
Disposals/write-off - net book value	-	(3)	-	(3)
Transferred from property, plant and equipment				
- net book value	56,390	197	-	-
Depreciation for the year	(37,848)	(30,580)	(6,473)	(6,492)
Decrease in allowance for impairment loss				
during the year	-	1,500	-	-
Translation adjustments	28,330	11,196	-	-
Net book value at end of year	<u>2,464,657</u>	<u>2,401,996</u>	<u>1,481,275</u>	<u>1,487,748</u>

The fair value of the investment properties as at 31 December 2021 and 2020 stated below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land and land improvement awaiting development	6,214,266	4,139,773	4,607,990	2,541,898
Factory and office building for rent	2,080,642	1,504,073	322,100	29,964

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land and land improvement awaiting development has been determined based on market prices, while that of the factory and office building for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.



16. Property, plant and equipment

(Unit: Thousand Baht)

Cost	Consolidated financial statements					
	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others
As at 1 January 2020	1,896,985	21,082	3,477,097	6,398,723	2,001,500	1,340,098
Additions	-	819	27,051	90,303	156,535	122,957
Disposals/write-off	-	-	(15,857)	(320,540)	(47,925)	(31,009)
Transfers to investment properties	(197)	-	(3,338)	-	-	-
Transfers	-	491	35,899	84,139	-	(120,529)
Translation adjustments	-	-	29,634	-	140,640	1,577
As at 31 December 2020	1,896,788	22,392	3,550,486	6,252,625	2,250,750	1,313,094
Additions	-	423	28,411	79,625	143,911	111,420
Disposals/write-off	-	-	(68,987)	(498,368)	(167,889)	(29,808)
Transferred from (transfers to) investment properties	3,561	-	(129,598)	-	-	-
Transfers	-	(2,206)	15,994	35,353	-	(49,141)
Translation adjustments	-	-	85,790	-	309,457	4,933
As at 31 December 2021	1,900,349	20,609	3,482,096	5,869,235	2,536,229	1,350,498
						15,159,016

(Unit: Thousand Baht)

## Consolidated financial statements (continued)

	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others	Total
<b>Accumulated depreciation</b>							
As at 1 January 2020	-	8,982	1,875,404	5,479,561	418,694	902,737	8,685,378
Depreciation for the year	-	1,194	185,964	304,590	143,776	110,271	745,795
Depreciation on disposals/write-off	-	-	(15,601)	(311,794)	(33,847)	(28,474)	(389,716)
Transfers to investment properties	-	-	(3,338)	-	-	-	(3,338)
Translation adjustments	-	-	11,379	-	29,421	1,394	42,194
As at 31 December 2020	-	10,176	2,053,808	5,472,357	558,044	985,928	9,080,313
Depreciation for the year	-	1,194	173,383	265,617	179,257	115,043	734,494
Depreciation on disposals/write-off	-	-	(68,229)	(486,702)	(96,228)	(28,826)	(679,985)
Transfers to investment properties	-	-	(69,647)	-	-	-	(69,647)
Transfers	-	(2,206)	2,331	-	-	(125)	-
Translation adjustments	-	-	34,793	-	76,726	4,535	116,054
As at 31 December 2021	-	9,164	2,126,439	5,251,272	717,799	1,076,555	9,181,229



(Unit: Thousand Baht)

## Consolidated financial statements (continued)

	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others	Total
<b>Allowance for impairment loss</b>							
As at 1 January 2020	-	-	-	1,072	-	5,572	6,644
Increase during the year	-	-	-	-	45,778	-	45,778
Decrease during the year	-	-	-	-	-	(487)	(487)
Translation adjustments	-	-	-	-	(196)	-	(196)
As at 31 December 2020	-	-	-	1,072	45,582	5,085	51,739
Increase during the year	-	-	-	-	1,113	-	1,113
Decrease during the year	-	-	-	-	(51,849)	-	(51,849)
Translation adjustments	-	-	-	-	5,154	-	5,154
As at 31 December 2021	-	-	-	1,072	-	5,085	6,157
<b>Net book value</b>							
As at 31 December 2020	1,896,788	12,216	1,496,678	779,196	1,647,124	322,081	6,154,083
As at 31 December 2021	1,900,349	11,445	1,355,657	616,891	1,818,430	268,858	5,971,630
<b>Depreciation for the year</b>							
2020 (Baht 745 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							745,795
2021 (Baht 723 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							734,494



(Unit: Thousand Baht)

## Separate financial statements

	Land	Buildings and facilities	Machinery and equipment	Others	Total
<b>Cost</b>					
As at 1 January 2020	18,550	143,035	84,318	294,663	540,566
Additions	-	-	-	1,906	1,906
Disposals/write-off	-	-	-	(3,287)	(3,287)
As at 31 December 2020	18,550	143,035	84,318	293,282	539,185
Additions	-	-	-	8,747	8,747
Disposals/write-off	-	(145)	(275)	(3,256)	(3,696)
As at 31 December 2021	18,550	142,890	84,043	298,773	544,256
<b>Accumulated depreciation</b>					
As at 1 January 2020	-	136,693	83,852	275,564	496,109
Depreciation for the year	-	2,367	-	5,599	7,966
Depreciation on disposals/ write-off	-	-	-	(3,287)	(3,287)
As at 31 December 2020	-	139,060	83,852	277,876	500,788
Depreciation for the year	-	948	-	4,009	4,957
Depreciation on disposals/ write-off	-	(145)	(275)	(3,252)	(3,672)
As at 31 December 2021	-	139,863	83,577	278,633	502,073
<b>Allowance for impairment loss</b>					
As at 1 January 2020	-	-	464	4,922	5,386
As at 31 December 2020	-	-	464	4,922	5,386
As at 31 December 2021	-	-	464	4,922	5,386
<b>Net book value</b>					
As at 31 December 2020	18,550	3,975	2	10,484	33,011
As at 31 December 2021	18,550	3,027	2	15,218	36,797
<b>Depreciation for the year</b>					
2020 (included in administrative expenses)					7,966
2021 (included in administrative expenses)					4,957

As at 31 December 2021, certain plant, machinery and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 4,391 million (2020: Baht 5,143 million) and the Company only Baht 237 million (2020: Baht 233 million).



## 17. Leases

### 17.1 The subsidiaries as a lessee

The subsidiaries have lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 14 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings	Equipment	Motor vehicles	Total
Net book value as at 1 January 2020	70,615	25,221	88,268	7,895	191,999
Additions	-	-	115,269	1,739	117,008
Depreciation for the year	(3,175)	(5,045)	(53,904)	(3,019)	(65,143)
Translation adjustments	1,923	-	-	-	1,923
Net book value as at 31 December 2020	69,363	20,176	149,633	6,615	245,787
Additions	-	-	37,449	-	37,449
Adjustments due to lease modification	(1,938)	-	-	-	(1,938)
Depreciation for the year	(3,368)	(5,043)	(56,493)	(3,339)	(68,243)
Translation adjustments	7,616	-	-	-	7,616
Net book value as at 31 December 2021	71,673	15,133	130,589	3,276	220,671

#### b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Lease payments	193,894	221,310
Less: Deferred interest expenses	(17,349)	(15,319)
Total	176,545	205,991
Less: Current portion	(66,318)	(57,892)
Lease liabilities - net of current portion	110,227	148,099

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	205,991	148,085
Additions	37,449	112,519
Accretion of interest	8,597	7,864
Repayments	(73,498)	(62,477)
Adjustments due to lease modification	(1,994)	-
Balance at end of year	<u>176,545</u>	<u>205,991</u>

A maturity analysis of lease payments is disclosed in Note 36.2 under the liquidity risk.

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	68,243	65,143
Interest expense on lease liabilities	8,597	7,864
Expense relating to short-term leases	10,392	9,726
Expense relating to leases of low-value assets	973	639

**d) Others**

The subsidiaries had total cash outflows for leases for the year ended 31 December 2021 of Baht 85 million (2020: Baht 73 million), including the cash outflow related to short-term leases and leases of low-value assets.

**18. Goodwill**

Goodwill of the Royal Hotel Co., Ltd. (subsidiary) ("The Royal Hotel") from business acquisition amounting to Baht 522 million consisted of the business opportunity provided by the acquisition of a five star hotel (Hilton Hua Hin Resort and Spa Hotel) ready to operate immediately from the acquisition date, as well as various physical features are viewed as significant distinctive point of The Royal Hotel when compares with the business competitors in Hua Hin.

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by the subsidiary's management covering a five-year period.

Key assumptions used in value in use calculation are summarised below:

	(Unit: percent per annum)
	The Royal Hotel
Growth rates	3.0
Discount rates	9.0

The subsidiary's management determined growth rates based on historical operation results and expected market growth and discount rates is the rate that reflects the risks specific to each CGU.

The management believes that there is no impairment loss for goodwill.

## 19. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Withholding tax	49,142	63,829	2,982	3,148
Advance for purchase of fixed assets	7,023	12,847	-	-
Others	130,170	85,938	2,137	2,114
Total other non-current assets	186,335	162,614	5,119	5,262

The balances of other non-current assets in the consolidated financial statements above include account receivables, Ten Cate-Union Protective Fabrics Asia Ltd. ("TCUA"), amounting to Baht 39 million. There is uncertainty about the recoverable amount of this receivable because TCUA has filed for deregistration with the Ministry of Commerce and is in the process of liquidation. At present, it still not finalised the net asset value. For prudent reasons, the allowance for expected credit losses for this receivable is fully set aside.

## 20. Short-term loans from financial institutions

		(Unit: Thousand Baht)			
		Consolidated		Separate	
	Interest rate	financial statements		financial statements	
	(percent per annum)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term loans from local financial institutions	Money market rate at each period	113,000	19,300	113,000	-
Short-term loans from financial institutions in China	Reference from interest rate of bank in China	178,492	65,172	-	-
Total short-term loans from financial institutions		291,492	84,472	113,000	-

## 21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payables - related parties (Note 7)	31,527	32,609	28,843	27,955
Trade payables - unrelated parties	906,231	1,032,560	2,071	6,096
Other payables	84,166	67,892	1,517	-
Accrued expenses	244,298	334,195	17,891	16,551
Others	18,224	11,739	531	274
Total trade and other payables	1,284,446	1,478,995	50,853	50,876

## 22. Long-term loans

(Unit: Thousand Baht)				
Loan	Interest rate (%)	Repayment schedule	Consolidated	
			financial statements	
			2021	2020
1. Loan from local bank	Based on MLR minus discount rate as defined in contract	Six-month installments from 2017 to 2021	-	44,000
2. Loan from local bank	Market rate minus discount rate as defined in contract	Six-month installments from 2019 to 2022	25,000	75,000
3. Loan from local bank	Contract rate	Monthly installments from 2021 to 2024	6,800	-
4. Loan from local bank in China	Reference from interest rate of bank in China	Six-month installments from 2019 to 2022	156,732	358,444
Total			188,532	477,444
Less: Current portion			(184,132)	(314,867)
Long-term loans, net of current portion			4,400	162,577

Movement of the long-term loan account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)		
	Consolidated	
	financial statements	
	2021	2020
Beginning balance	477,444	706,413
Add: Additional borrowings	31,674	17,215
Less: Repayment	(361,280)	(278,205)
Translation adjustments	40,694	32,021
Ending balance	188,532	477,444



The loan agreements contain several covenants which, among other things, require the subsidiaries to maintain debt-to-equity ratio and negative pledges on certain assets that are essential for the subsidiaries' operations.

As at 31 December 2021 and 2020, there are no long-term credit facilities of the subsidiaries which have not yet been drawn down.

### 23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents the cash which will be paid to employees after they retire as at 31 December 2021 and 2020, were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Present value of defined benefit obligation	387,595	419,125	33,295	31,965
Fair value of plan assets	(98,518)	(117,394)	(8,172)	(8,143)
Net defined benefit liability	<u>289,077</u>	<u>301,731</u>	<u>25,123</u>	<u>23,822</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Defined benefit obligation at beginning of year</b>	419,125	478,218	31,965	27,369
Current service cost	24,707	30,306	1,570	1,081
Interest cost	4,008	9,048	293	604
Past service cost	-	(68,610)	-	-
Transfers to related company	(71)	-	-	-
Actuarial (gain) loss arising from				
Demographic assumptions changes	1,611	(14,078)	-	-
Financial assumptions changes	(3,255)	42,536	-	6,028
Experience adjustments	3,873	3,245	-	(1,899)
Benefits paid during the year	(62,403)	(61,540)	(533)	(1,218)
<b>Defined benefit obligation at end of year</b>	<u>387,595</u>	<u>419,125</u>	<u>33,295</u>	<u>31,965</u>
<b>Fair value of plan assets at beginning of year</b>	117,394	181,386	8,143	8,860
Change in fair value	1,410	(57,143)	170	(834)
Contribution by the Company and its subsidiaries	8,440	13,874	623	631
Benefits paid during the year	(28,726)	(20,723)	(764)	(514)
<b>Fair value of plan assets at end of year</b>	<u>98,518</u>	<u>117,394</u>	<u>8,172</u>	<u>8,143</u>



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

The Company and its subsidiaries expect to pay Baht 34 million (2020: Baht 26 million) of long-term employee benefits during the next year and the Company only amounting to Baht 3 million (2020: Baht 1 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2020: 11 years) and the Company only is 11 years (2020: 11 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated		(Unit: percent per annum)	
	financial statements		Separate	
	2021	2020	2021	2020
Discount rate	1.4 - 2.2	1.4 - 1.5	1.4	1.4
Future salary increase rate (depending on age of employees)	3.0 - 7.0	3.0 - 7.0	5.0 - 7.0	5.0 - 7.0
Turnover rate	0.0 - 45.0	0.0 - 45.0	0.0 - 30.0	0.0 - 30.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 are summarised below.

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statement		financial statement	
	%	Increase	Decrease	Increase	Decrease
Discount rate	1.00	(31)	33	(2)	2
Future salary increase rate	1.00	38	(34)	3	(2)
Turnover rate	20.00	(19)	23	(1)	1

## 24. The Company's shares held by its subsidiaries

This represents the acquisition cost of the 9,213,994 ordinary shares (3.07 percent of the total number of shares in issue) of the Company acquired and held by Saha-Union Holding Co., Ltd., Union Equity Co., Ltd. and Union Textile Industries Plc., subsidiaries.

## 25. Statutory reserve

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

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



## 26. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings	20,523	35,297	925	2,539
Interest expenses on lease liabilities	8,597	7,864	-	-
Total	<u>29,120</u>	<u>43,161</u>	<u>925</u>	<u>2,539</u>

## 27. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salary and wages and other employee benefits	1,355,756	1,608,714	59,894	60,254
Depreciation and amortisation expenses	847,783	858,990	12,666	15,434
Rental expenses from operating lease agreements	11,687	10,365	-	-
Transportation expenses	18,268	19,722	641	738
Raw materials and consumables used	1,622,812	1,773,187	-	-
Purchase of finished goods and raw materials for sales	2,457,160	3,007,579	618,873	566,215
Changes in inventories of finished goods and work in process	(12,096)	(152,755)	-	-

## 28. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Current income tax charge	74,087	132,989	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	19,321	(7,815)	337	(323)
<b>Income tax expenses (income) reported in the income statements</b>	<u>93,408</u>	<u>125,174</u>	<u>337</u>	<u>(323)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax on loss from the change in value of financial assets measured at FVOCI		26,233	37,350	31,457	25,770
Deferred tax on actuarial loss		-	9,301	-	826
Total		<u>26,233</u>	<u>46,651</u>	<u>31,457</u>	<u>26,596</u>

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

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax		<u>797,858</u>	<u>992,465</u>	<u>685,086</u>	<u>822,359</u>

The separation of accounting profit before tax of the Company and its subsidiaries to each applicable tax rate are as follows:

Applicable tax rate 2.50 percent	271	-	-	-
Applicable tax rate 5.00 percent	-	172	-	-
Applicable tax rate 16.50 percent	196,775	(2,991)	-	-
Applicable tax rate 20.00 percent	245,526	698,968	685,086	822,359
Applicable tax rate 25.00 percent	<u>355,286</u>	<u>296,316</u>	<u>-</u>	<u>-</u>
Accounting profit before tax multiplied by income tax rate	170,401	213,388	137,017	164,472

Effects of:

Tax exempt dividend revenue	(46,278)	(64,755)	(140,633)	(184,354)
Share of profit from investments in joint ventures	(88,460)	(99,056)	-	-
Share of profit from investments in associates	(6,641)	(23,207)	-	-
Additional expense deductions allowed	(27,123)	(39,163)	(1,291)	(1,255)
Non-deductible expenses	45,294	23,074	7,024	5,277
Loss on impairment of assets	-	11,145	-	15,600
Gain on disposals/return of investments under equity method	2,375	-	-	-
Unrecognised deferred tax on deductible temporary differences and unused tax losses	52,268	113,403	(2,102)	(210)
Others	(8,428)	(9,655)	322	147
Total	<u>(76,993)</u>	<u>(88,214)</u>	<u>(136,680)</u>	<u>(164,795)</u>
<b>Income tax expenses (income) reported in the income statements</b>	<u>93,408</u>	<u>125,174</u>	<u>337</u>	<u>(323)</u>



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

	(Unit: Thousand Baht)			
	Consolidated statements of financial position		Separate statements of financial position	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	12,860	11,451	-	-
Accumulated depreciation - Plant and equipment	6,819	7,915	-	-
Provision for long-term employee benefits	42,823	58,683	4,248	3,988
Deferred income	5,268	7,446	-	-
Others	8,865	5,964	-	-
<b>Total</b>	<b>76,635</b>	<b>91,459</b>	<b>4,248</b>	<b>3,988</b>
<b>Deferred tax liabilities</b>				
Gain on change in fair value of investments	137,802	158,596	132,766	163,627
<b>Total</b>	<b>137,802</b>	<b>158,596</b>	<b>132,766</b>	<b>163,627</b>

As at 31 December 2021, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 931 million (2020: Baht 693 million) and the Company only amounting to Baht 17 million (2020: Baht 28 million) no deferred tax assets have been recognised on these amount as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses and the unused tax losses will expire within 2026.

## 29. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares held by outside shareholders in issue during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit attributable to equity holders of the Company (Baht)	601,249,078	845,089,726	684,749,873	822,681,984
Weighted average number of ordinary shares (shares)	290,786,006	290,783,025	300,000,000	300,000,000
Basic earnings per share (Baht/share)	2.07	2.91	2.28	2.74

### 30. Discontinued operation

By resolution of the meeting of Board of Directors of Union Textile Industries Public Company Limited ("Union Textile") on 22 December 2020 was authorized to cease its textile business (spinning and weaving) within 2021, as mentioned in Note 1.3 to the financial statement. As of 31 December 2021, textile segment of Union Textile was classified as a discontinued operation.

Operating results and cash flows of the discontinued and continuing operations presented in the consolidated financial statements for the year ended 31 December 2021 and 2020 are as follows:

	(Unit: Million Baht)		
	For the year ended 31 December 2021		
	Continuing operation	Discontinued operation	Consolidated financial statements
<b>Operating result</b>			
Sales and service income	8,167	190	8,357
Other income	556	19	575
Total revenues	8,723	209	8,932
Cost of sales and services	7,415	156	7,571
Selling and distribution expenses	245	3	248
Administrative expenses	724	38	762
Total expenses	8,384	197	8,581
Operating profit	339	12	351
Share of profit from investments in joint ventures	442	-	442
Share of profit from investments in associate	33	-	33
Finance cost	(29)	-	(29)
Profit before income tax expenses	785	12	797
Income tax expenses	(82)	(11)	(93)
Profit for the year	703	1	704
<b>Cash flows</b>			
Net cash flows from operating activities	655	67	722
Net cash flows from (used in) investing activities	(99)	13	(86)
Net cash flows used in financing activities	(706)	-	(706)

(Unit: Million Baht)

For the year ended 31 December 2020

	Continuing operation	Discontinued operation	Consolidated financial statements
<b>Operating result</b>			
Sales and service income	8,295	433	8,728
Other income	622	18	640
Total revenues	8,917	451	9,368
Cost of sales and services	7,300	436	7,736
Selling and distribution expenses	259	10	269
Administrative expenses	880	59	939
Total expenses	8,439	505	8,944
Operating profit (loss)	478	(54)	424
Share of profit from investments in joint ventures	495	-	495
Share of profit from investments in associate	116	-	116
Finance cost	(42)	(1)	(43)
Profit (loss) before income tax income (expenses)	1,047	(55)	992
Income tax income (expenses)	(131)	6	(125)
Profit (loss) for the year	916	(49)	867
<b>Cash flows</b>			
Net cash flows from operating activities	906	178	1,084
Net cash flows from investing activities	-	3	3
Net cash flows used in financing activities	(955)	-	(955)

### 31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have six reportable segments as follows:

- Textile segment, which is the contract manufacture and distribution of textile products and garments
- Plastic, rubber and metal segment, which is the manufacture and distribution of rubber, elastic products, finished elastic products, plastic products, vacuum bottles and stainless steel kitchenware
- Trading segment, which is the operation of a computer and equipment dealership
- Energy segment, which is power generation
- Hotel segment, which is the operation of hotel
- Investment and others segment, which is principally the operation of an investment business

No other operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Company and its subsidiaries' central administrative activities, financing activities (including finance costs and finance income) and income taxes are managed on a group basis. Therefore, these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.





The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2021 and 2020, respectively.

	For the years ended 31 December												(Unit: Million Baht)				
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment			Elimination of inter-segment revenues		Consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		2021	2020	2021	2020
<b>Revenues</b>																	
Revenue from external customers	212	480	3,746	3,751	2,387	3,039	1,849	1,211	142	227	21	20	-	-	8,357	8,728	
Inter-segment revenues	9	7	-	-	-	-	-	-	-	-	17	18	(26)	(25)	-	-	
<b>Total revenues</b>	<b>221</b>	<b>487</b>	<b>3,746</b>	<b>3,751</b>	<b>2,387</b>	<b>3,039</b>	<b>1,849</b>	<b>1,211</b>	<b>142</b>	<b>227</b>	<b>38</b>	<b>38</b>	<b>(26)</b>	<b>(25)</b>	<b>8,357</b>	<b>8,728</b>	
<b>Segment operating profit</b>	<b>50</b>	<b>19</b>	<b>433</b>	<b>310</b>	<b>23</b>	<b>282</b>	<b>350</b>	<b>377</b>	<b>(109)</b>	<b>(35)</b>	<b>39</b>	<b>39</b>	<b>-</b>	<b>-</b>	<b>786</b>	<b>992</b>	
Unallocated income and expenses:																	
Dividend income															271	376	
Rental income															45	36	
Finance income															17	29	
Gain (loss) on investments designated at FVTPL															38	(196)	
Other income															205	192	
Selling and distribution expenses															(248)	(269)	
Administrative expenses															(695)	(704)	
Gain (loss) on derivatives designated at FVTPL															(18)	7	
Expenses of withholding tax write-off															(50)	(39)	
Share of profit from investments in joint ventures															442	495	
Share of profit from investments in associates															33	116	
Finance cost															(29)	(43)	
<b>Profit before income tax expenses</b>															<b>797</b>	<b>992</b>	
Income tax expenses															(93)	(125)	
Non-controlling interests of the subsidiaries															(103)	(22)	
<b>Profit for the year - equity holders of the Company</b>															<b>601</b>	<b>845</b>	

Below is the segment assets of the Company and its subsidiaries' operating segment as at 31 December 2021 and 2020.

(Unit: Million Baht)

As at 31 December																
	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Hotel segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Trade and other receivables	2	84	564	400	671	785	229	174	7	6	106	92	(65)	(51)	1,514	1,490
Inventories	-	67	496	429	443	423	40	21	1	1	-	-	-	-	980	941
Other current finance assets	370	199	137	202	-	(2)	-	-	-	-	1,616	1,061	-	-	2,123	1,460
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	5,847	5,925	(5,847)	(5,925)	-	-
Investments in joint ventures	1	-	106	87	-	-	-	-	-	-	1,973	1,845	-	-	2,080	1,932
Investments in associates	416	414	9	11	-	-	-	-	-	-	3,475	3,326	-	-	3,900	3,751
Other non-current finance assets	-	2	-	-	-	-	-	-	-	-	3,155	3,286	-	-	3,155	3,288
Investment properties	41	41	-	4	-	-	-	-	-	-	2,423	2,357	-	-	2,464	2,402
Property, plant and equipment	73	96	1,150	1,315	25	27	1,818	1,647	2,497	2,633	409	436	-	-	5,972	6,154
Unallocated assets	69	145	410	418	398	602	468	445	568	600	3,269	2,846	(892)	(757)	4,290	4,299
Total assets	972	1,048	2,872	2,866	1,537	1,835	2,555	2,287	3,073	3,240	22,273	21,174	(6,804)	(6,733)	26,478	25,717

Transfer prices between business segments are set out in Note 7 to the financial statements.



### Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	For the years ended 31 December	
	<u>2021</u>	<u>2020</u>
Revenue from external customers		
Thailand	3,691	4,343
Asia	4,298	3,770
Europe	117	328
America	245	283
Others	6	4
Total	<u>8,357</u>	<u>8,728</u>

### Major customer

For the year 2021, a subsidiary has revenue from one major customer in amount of Baht 1,972 million, arising from sales by the plastic, rubber and metal segment (2020: Baht 1,982 million derived from one major customer, arising from sales by the plastic, rubber and metal segment).

### **32. Provident fund**

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company contributes to the fund monthly at the rate of 3 percent of basic salary while the employees contribute to the fund monthly at the rate of 3 - 15 percent of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employee upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to Baht 1 million (2020: Baht 1 million).

### **33. Dividends**

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2019	Annual General Meeting of the shareholders on 23 April 2020	450	1.50
Total for 2020		<u>450</u>	<u>1.50</u>
Final dividends for 2020	Annual General Meeting of the shareholders on 22 April 2021	450	1.50
Total for 2021		<u>450</u>	<u>1.50</u>

### **34. Commitments and contingent liabilities**

#### **34.1 Capital commitments**

As at 31 December 2021, the Company and its subsidiaries had capital commitments of Baht 55 million (2020: Baht 37 million) and the Company only Baht 8 million (2020: Baht 0.1 million), relating to the purchases of machinery and equipment, buildings and land improvement.

#### **34.2 Operating lease commitments**

As at 31 December 2021, the subsidiaries have entered into several lease agreements in respect of the lease of vehicles, equipment and other services. The terms of the agreements are generally between 1 and 3 years. Future minimum lease payments required under these non-cancellable operating leases contracts and services agreements which have not recorded under lease liabilities were Baht 13 million (2020: Baht 17 million).

#### **34.3 Long-term service agreements**

The Royal Hotel Co., Ltd. (subsidiary) entered into a management agreement with a non-related company in respect of managing its hotel business, The Hilton Hua Hin Resort and Spa Hotel. The subsidiary has to pay the related management fee at the rate stated in the agreement.

#### **34.4 Commitment to purchase raw materials**

As at 31 December 2021, a subsidiary had commitments to purchase raw materials with overseas companies amounting to 152 Metric tons (2020: 121 Metric tons) with reference to contract prices. Deliveries of raw materials will occur during March 2022.

#### **34.5 Guarantees**

As at 31 December 2021, there were outstanding bank guarantees amounting to Baht 177 million (2020: Baht 165 million) issued by banks on behalf of the Company and its subsidiaries and the Company only amounting to Baht 1 million (2020: Baht 1 million) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 160 million (2020: Baht 145 million) to guarantee contractual performance, Baht 13 million (2020: Baht 15 million) to guarantee electricity use and Baht 4 million (2020: Baht 5 million) to guarantee others.

#### **34.6 Litigation**

During the year, the subsidiary was sued as a co-defendant with another company by a hiring party under a maintenance service agreement for a breach of agreement in the Civil Court. The subsidiary became the first defendant and an individual from another company, which was the subsidiary's sub-contractor, was the second defendant. The plaintiff claimed for compensation of approximately Baht 25.7 million, comprising damages of Baht 24.0 million and interest thereon at the rate of 7.5% per annum.



The subsidiary filed a counterclaim with the court, and on 15 February 2022, the court had an appointment the plaintiff and the defendant to determine the issue of the dispute and the date of witness hearing to be between 30 November 2022 to 2 December 2022.

However, management of the subsidiary believes that there will be no contingent liabilities arising from the lawsuit because the plaintiff's claim is not a fact that clearly indicates the nature of the claim. Consequently, the subsidiary did not record estimated contingent liabilities that may arise from the litigation in its account.

### 35. Fair value hierarchy

As at 31 December 2021 and 2020, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated financial statement				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Oversea listed equity investments	1,215	-	-	1,215
Open-end Fund	23	-	-	23
<u>Financial assets measured at FVOCI</u>				
Equity investments	2,211	-	921	3,132
<b>Liabilities measured at fair value</b>				
<u>Derivatives</u>				
Foreign currency forward contracts	-	8	-	8
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	732	7,563	8,295

(Unit: Million Baht)				
Consolidated financial statement				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Oversea listed equity investments	1,044	-	-	1,044
Open-end Fund	31	-	-	31
<u>Financial assets measured at FVOCI</u>				
Equity investments	2,221	-	1,035	3,256
<u>Derivatives</u>				
Foreign currency forward contracts	-	9	-	9
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	732	4,912	5,644

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Open-end Fund	23	-	-	23
<u>Financial assets measured at FVOCI</u>				
Equity investments	1,045	-	921	1,966
<b>Liabilities measured at fair value</b>				
<u>Derivatives</u>				
Foreign currency forward contracts	-	1	-	1
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	4,930	4,930

(Unit: Million Baht)

	Separate financial statement			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
<u>Financial assets measured at FVTPL</u>				
Open-end Fund	20	-	-	20
<u>Financial assets measured at FVOCI</u>				
Equity investments	1,083	-	1,033	2,116
<u>Derivatives</u>				
Foreign currency forward contracts	-	2	-	2
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	2,572	2,572



## 36. Financial instruments

### 36.1 Derivatives

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Derivative assets</b>				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	-	9,483	-	1,545
<b>Total derivative assets</b>	-	9,483	-	1,545
<b>Derivative liabilities</b>				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	8,120	-	1,183	-
<b>Total derivative liabilities</b>	8,120	-	1,183	-

#### Derivatives not designated as hedging instruments

The Company and its subsidiaries use foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

### 36.2 Financial risk management objectives and policies

The Company and its subsidiaries' financial instruments principally comprise cash and cash equivalents, trade and other receivables, short-term loans to related parties, other current financial assets, restricted investments, short-term loans from financial institutions and related party, trade and other payables, deposits from related parties, lease liabilities and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. Except for derivatives, the Company and its subsidiaries' maximum exposure relating to derivatives is noted in the liquidity risk topic.



## Trade receivables

The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries does not have high concentrations of credit risk.

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

## Financial instruments and cash deposits

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

## Market risk

There are 2 types of market risk comprising currency risk and interest rate risk.

### *Foreign currency risk*

The Company and its subsidiaries' exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	40	33	22	23	33.4199	30.0371
Japanese yen	4	3	-	-	0.2906	0.2907
Euro	-	1	-	-	37.5083	36.8764
Hong Kong dollar	5	3	-	-	4.2449	3.8335

### *Interest rate risk*

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their loans to related parties, short-term borrowings, deposits from related parties, lease liabilities and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.



As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2021					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years			
<b>Financial assets</b>					
Cash and cash equivalents	609	-	2,477	1	3,087
Trade and other receivables	-	-	-	1,515	1,515
Other current financial assets	908	-	-	1,215	2,123
Restricted investments	7	21	-	-	28
	<u>1,524</u>	<u>21</u>	<u>2,477</u>	<u>2,731</u>	<u>6,753</u>
<b>Financial liabilities</b>					
Short-term loans from financial institutions	-	-	291	-	291
Short-term loan from related party	-	-	10	-	10
Trade and other payables	-	-	-	1,284	1,284
Long-term loans	28	4	157	-	189
Lease liabilities	66	110	-	-	176
Other current financial liabilities	-	-	-	8	8
	<u>94</u>	<u>114</u>	<u>458</u>	<u>1,292</u>	<u>1,958</u>

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2020					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	1-5 years			
<b>Financial assets</b>					
Cash and cash equivalents	769	-	2,107	1	2,877
Trade and other receivables	-	-	-	1,490	1,490
Other current financial assets	407	-	-	1,053	1,460
Restricted investments	11	21	-	-	32
	<u>1,187</u>	<u>21</u>	<u>2,107</u>	<u>2,544</u>	<u>5,859</u>
<b>Financial liabilities</b>					
Short-term loans from financial institutions	-	-	84	-	84
Short-term loan from related party	-	-	10	-	10
Trade and other payables	-	-	-	1,479	1,479
Long-term loans	50	25	402	-	477
Lease liabilities	58	148	-	-	206
	<u>108</u>	<u>173</u>	<u>496</u>	<u>1,479</u>	<u>2,256</u>

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2021

	Fixed interest rate 1 - 5 years	Floating interest rate	Non-interest bearing	Total
<b>Financial assets</b>				
Cash and cash equivalents	-	657	-	657
Trade and other receivables	-	-	96	96
Short-term loans to related parties	-	677	-	677
Restricted investments	1	-	-	1
	1	1,334	96	1,431
<b>Financial liabilities</b>				
Short-term loans from financial institutions	-	113	-	113
Trade and other payables	-	-	51	51
Deposits from related parties	-	326	-	326
Other current financial liabilities	-	-	1	1
	-	439	52	491

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2020

	Fixed interest rate 1 - 5 years	Floating interest rate	Non-interest bearing	Total
<b>Financial assets</b>				
Cash and cash equivalents	-	489	-	489
Trade and other receivables	-	-	81	81
Short-term loans to related parties	-	568	-	568
Other current financial assets	-	-	2	2
Restricted investments	1	-	-	1
	1	1,057	83	1,141
<b>Financial liabilities</b>				
Trade and other payables	-	-	51	51
Deposits from related parties	-	422	-	422
	-	422	51	473



## Liquidity risk

The table below summarises the maturity profile of the Company and its subsidiaries' non-derivative financial liabilities as at 31 December 2021 and 2020.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2021		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	291,492	-	291,492
Short-term loan from related party	10,000	-	10,000
Trade and other payables	1,284,446	-	1,284,446
Long-term loans	184,132	4,400	188,532
Lease liabilities	66,318	110,227	176,545
<b>Total non-derivatives</b>	<b>1,836,388</b>	<b>114,627</b>	<b>1,951,015</b>

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2020		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	84,472	-	84,472
Short-term loan from related party	10,000	-	10,000
Trade and other payables	1,478,995	-	1,478,995
Long-term loans	314,867	162,577	477,444
Lease liabilities	57,892	148,099	205,991
<b>Total non-derivatives</b>	<b>1,946,226</b>	<b>310,676</b>	<b>2,256,902</b>

(Unit: Thousand Baht)

	Separated financial statements		
	As at 31 December 2021		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	113,000	-	113,000
Trade and other payables	50,853	-	50,853
<b>Total non-derivatives</b>	<b>163,853</b>	<b>-</b>	<b>163,853</b>

(Unit: Thousand Baht)

	Separated financial statements		
	As at 31 December 2020		
	Less than 1 year	1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	50,876	-	50,876
<b>Total non-derivatives</b>	<b>50,876</b>	<b>-</b>	<b>50,876</b>

### 36.3 Fair values of financial instruments

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

### 37. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholders value. As at 31 December 2021, the Company and its subsidiaries' debt-to-equity ratio was 0.11:1 (2020: 0.13:1) and the Company's was 0.04:1 (2020: 0.04:1).

### 38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.



# 4

Part

Certify Correct Information

# Certify correct information



The Company has carefully reviewed the information in this annual registration statement. The Company certifies that such information is correct, complete and not causing misunderstanding to others or lacking information that should be disclosed in material respects. Moreover, the Company certified that:

(1) The financial statements and financial information summarized in the annual registration statement have accurately and completely information regarding the financial position, performance and cash flows of the Company's and its subsidiaries.

(2) The Company has a good information disclosure system to ensure that the Company has disclosed the Company and its subsidiaries' information that is materiality with correctly and completely as well as to control and supervise the implementation of the system.

(3) The Company has set up a good internal control system and supervise to ensure compliance with the system. The Company has informed the internal control system assessment information as of December 23, 2021 to the Company's Auditor and the Audit Committee. This covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the Company has certified. The Company has assigned Ms. Ruangdao Supachorncharan has signed this document on every page as well. If any document does not have the signature of Ms. Ruangdao Supachorncharan, the Company will assume that it is not the information that the Company has certified the accuracy of the information mentioned above.

Name	Position	Signature
1. Miss Dalad Saphavichaikul	Chairman	
2. Mrs. Chantorntree Darakananda	President	
Name	Position	Signature
Proxy Ms. Ruangdao Supachorncharan	CFO	







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## Attachment

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## Details of Directors, Executives, the highest responsibility person in the line of Accounting and Finance and person who was assigned to take direct responsibility for the Accounting Control and Company Secretary as of 31 December 2021

### 1. Miss Dalad Saphavichaikul

**Age** 65 years

**Current position** : Chairman of the Board (appointment date on December 21<sup>st</sup>, 2017)

**Type of Director** : Non-executive director / Authorized director as specified in the Certificates of the Company

#### Education

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

**Percentage of shareholding** 0.004%

**Family relationship between Directors and Executives** None

#### IOD's Training

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

#### Experiences

- |                           |  |
|---------------------------|--|
| • 1999 - 2007             | Executive Director and Vice President, Saha-Union Plc.     |
| • 1999 - 2011             | Director, Saha-Union Plc.                                  |
| • 2004 - 2017             | Director, Computer Union Co., Ltd.                         |
| • 2011 - May 2014         | Director, Union Plastic Plc.                               |
| • 2012 - May 2012         | Director, Union Pioneer Plc.                               |
| • 2012 - 2016             | President, Saha-Union Plc.                                 |
| • 2012 - July 2019        | Chairman of the Risk Management Committee, Saha-Union Plc. |
| • May 2014 - 19 June 2020 | Director, The Royal Hotel Co., Ltd.                        |
| • May 2015 - 20 May 2020  | Chairman, Union Textile Industries Plc.                    |
| • 2017                    | Vice Chairman, Saha-Union Plc.                             |

#### Type of Business

- |                         |
|-------------------------|
| Investment              |
| Investment              |
| Trading                 |
| Plastic, Rubber & Metal |
| Plastic, Rubber & Metal |
| Investment              |
| Investment              |
| Hotel                   |
| Investment              |
| Investment              |

#### Current Positions

##### Listed Companies

- |                       |                              |
|-----------------------|------------------------------|
| • 2018 - Present      | Chairman, Saha-Union Plc.    |
| • May 2014 - Present  | Chairman, Union Plastic Plc. |
| • June 2012 - Present | Chairman, Union Pioneer Plc. |

#### Type of Business

- |                         |
|-------------------------|
| Investment              |
| Plastic, Rubber & Metal |
| Plastic, Rubber & Metal |

##### Saha-Union Group Companies

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

#### Type of Business

- |                         |
|-------------------------|
| Plastic, Rubber & Metal |
| Plastic, Rubber & Metal |
| Textiles                |
| Plastic, Rubber & Metal |
| Plastic, Rubber & Metal |
| Trading                 |

##### Other Companies

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

#### Type of Business

- |          |
|----------|
| Hospital |
| Hospital |

**Years of Directorship** 22 years (since December 1999)



**2. Mr. Chutindhon Darakananda****Age** 62 years**Current position**

- Vice Chairman (appointment date on January 1<sup>st</sup>, 2013)
- Nomination and Remuneration Director (appointment date on January 1<sup>st</sup>, 2011)

**Type of Director** : Executive director / Authorized director as specified in the Certificates of the Company**Education**

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

**Percentage of shareholding** 1.143%

- Family relationship between Directors and Executives
- Elder brother of the husband of Mrs. Chantornree Darakananda
- Elder brother of Mrs. Pinijporn Darakananda Kasemsap
- Elder brother of Mr. Bovornrat Darakananda
- Elder brother of Mr. Vacharaphong Darakananda

**IOD's Training**

- Director Accreditation Program (DAP) Class 17/2004

**Experiences**

		<b>Type of Business</b>
• December 1990 - 2006	Director, Saha-Union Plc.	Investment
• 1992 - February 2017	Vice Chairman, Venus Thread Co., Ltd.	Textiles
• 1993 - 2007	Director, Union Textile Industries Plc.	Investment
	Director, Union Pioneer Plc.	Plastic, Rubber & Metal
• 2001 - March 2009	Director, Union Energy (China) Co., Ltd.	Investment
• 2002 - January 2018	Vice Chairman / Managing Director, Union Thread Industries Co., Ltd.	Investment
	Vice Chairman / Managing Director, Union Industries Corp., Ltd.	Investment
• 2007 - 2012	Vice Chairman (Investments in China), Saha-Union Plc.	Investment
• May 2014 - February 2017	Director, The Royal Hotel Co., Ltd.	Hotel
• March 2017 - February 2018	Vice Chairman, The Royal Hotel Co., Ltd.	Hotel
• 24 January 2019 - 23 January 2020	Managing Director, The Royal Hotel Co., Ltd.	Hotel

**Current Positions****Listed Companies**

		<b>Type of Business</b>
• January 2011 - Present	Nomination and Remuneration Committee, Saha-Union Plc.	Investment
• 2013 - Present	Vice Chairman, Saha-Union Plc.	Investment
• February 2013 - Present	Director, Union Textile Industries Plc.	Investment
• May 2017 - Present	Director, Union Pioneer Plc.	Plastic, Rubber & Metal

**Saha-Union Group Companies**

		<b>Type of Business</b>
• 2013 - Present	Director, Union Garment Co., Ltd.	Textiles
	Director, Union Micronclean Co., Ltd.	Textiles
• November 2015 - Present	Director, Union Zojirushi Co., Ltd.	Plastic, Rubber & Metal
• March 2017 - Present	Director, Venus Thread Co., Ltd.	Textiles
• May 2017 - Present	Director, Union Nifco Co., Ltd.	Plastic, Rubber & Metal
• February 2018 - Present	Chairman, Union Spinning Mills Co., Ltd.	Textiles
	Chairman / Managing Director, Union Business Management Co., Ltd.	Investment
	Chairman / Managing Director, Union Thread Industries Co., Ltd.	Investment
	Chairman / Managing Director, Union Industries Corp., Ltd.	Investment
• March 2018 - Present	Chairman, The Royal Hotel Co., Ltd.	Hotel
• November 2018 - Present	Chairman, Saha Union Holding Co., Ltd.	Investment
• Present	Chairman, Vice Chairman and Director, Other Companies in Saha-Union Group	

**Other Companies**

		<b>Type of Business</b>
• April 2017 - Present	Director, Sukhumvit 62 Medical Limited	Hospital
• December 2017 - Present	Director, Navavej International Hospital Plc.	Hospital

**Years of Directorship** 31 years (since December 1990)



### 3. Associate Professor Suttima Jamnarnwej

**Age** 70 years

**Current position** : Chairman of the Audit Committee / Independent Director (appointment date on January 1<sup>st</sup>, 2019)

**Type of Director** : Non-executive director / Unauthorized director as specified in the Certificates of the Company

**Education**

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

**Percentage of shareholding** None

**Family relationship between Directors and Executives** None

**IOD's Training**

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

**Experiences**

		<b>Type of Business</b>
• 1974 - 1976	The Thai Danu Bank, Head Office.	Finance & Banking
• 1979 - 1981	Fulton Federal Savings and Loan, Atlanta Georgia, U.S.A.	Finance
• 1982 - 2012	Lecturer, Chulalongkorn Business School	
• 2003 - 2007	Associate Dean (Administrative Affairs), Chulalongkorn Business School	
• 2008 - 2016	Assistant to the President for Accounting and Finance, Chulalongkorn University	

**Current Positions**

**Listed Companies**

		<b>Type of Business</b>
• 2019 - December 2021	Independent Director / Audit Committee, Saha-Union Plc.	Investment
• 2021 - December 2021	Chairman of the Audit Committee, Saha-Union Plc.	Investment

**Saha-Union Group Companies**

- None -

**Other Companies**

- None -

**Other Positions**

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

**Years of Directorship** 3 years (since January, 2019)

**Years of Independent Directorship** 3 years (since January, 2019)

**4. Mr. Anon Sirisaengtaksin****Age** 69 years**Current position** : Audit Director / Independent Director / Nomination and Remuneration Director (appointment date on January 1<sup>st</sup>, 2020)**Type of Director** : Non-executive director / Unauthorized director as specified in the Certificates of the Company**Education**

- Honorary Doctor of Public Administration, Bangkok Thonburi University
- M.B.A., Thammasat University
- B.Sc. (Geology), Chulalongkorn University

**Percentage of shareholding** None**Family relationship between Directors and Executives** None**IOD's Training**

- Director Accreditation Program (DAP) Class 52/2006
- Director Certification Program (DCP) Class 73/2006

**Experiences****Type of Business**

- |                                   |  |                   |
|-----------------------------------|--|-------------------|
| • April 2007 - 2019               | Council Committee, King Mongkut's Institute of Technology Ladkrabang   | Council           |
| • 2008 - 2012                     | President and Chief Executive Officer, PTT Exploration and Production Plc.   | Energy            |
| • 2009 - 2017                     | Independent Director / Chairman of the Audit Committee /<br>Chairman of the Nomination and Remuneration Committee,<br>Bangkok Commercial Asset Management Plc. | Finance & Banking |
| • 2012 - 2013                     | Director and Chief Executive Officer, PTT Global Chemical Plc.   | Petrochemical     |
| • 2012 - August 2020              | Chairman, PTTGC International Private Limited (Singapore)  |                   |
| • 6 July 2012 - October 2021      | Director, Emery Oleochemicals (M) Sdn. Bhd. (Malaysia)   |                   |
| • 29 November 2012 - October 2021 | Director, Emery Specialty Chemicals Sdn. Bhd. (Malaysia)   |                   |
| • March 2018 - 5 April 2019       | Director and Director to the Risk Management Committee,<br>PTT Global Chemical Plc.  | Petrochemical     |
| • 18 April 2019 - October 2021    | Chairman, Thai Eastern Group Holdings Co., Ltd.  |                   |
| • 1 October 2020 - October 2021   | Oversea Business Consultant, PTT Global Chemical Plc.  | Petrochemical     |

**Current Positions****Listed Companies****Type of Business**

- |                          |  |            |
|--------------------------|--|------------|
| • January 2020 - Present | Independent Director / Audit Director /<br>Nomination and Remuneration Director, Saha-Union Plc. | Investment |
|--------------------------|--|------------|

**Saha-Union Group Companies****Type of Business**

- None -

**Other Listed Companies****Type of Business**

- |                           |   |        |
|---------------------------|---|--------|
| • April 2016 - Present    | Director / Member of the Corporate Governance and Nomination Committee,<br>Banpu Plc.   | Energy |
| • June 26, 2020 - Present | Independent Director / Chairman of Nomination Remuneration and Finance & Banking<br>Corporate Governance Committee / Member of Board Risk and<br>Compliance Committee, CIMB Thai Bank, Plc. |        |

**Years of Directorship** 2 years (since January, 2020)**Years of Independent Directorship** 2 years (since January, 2020)





## 5. Mr. Chai Jangsirikul

**Age** 64 years

**Current position** : Independent Director / Audit Director (appointment date on April 1<sup>st</sup>, 2021)

**Type of Director** : Non-executive director / Unauthorized director as specified in the Certificates of the Company

### Education

- Master's Degree in Business Administration (M. BA.), Faculty of Commerce and Accountancy, Thammasat University
- Bachelor's Degree in Accounting (First Class Honor), Faculty of Commerce and Accountancy, Thammasat University

**Percentage of shareholding** None

**Family relationship between Directors and Executives** None

### IOD's Training

- Director Accreditation Program (DAP) Class 87/2011
- Advanced Audit Committee Program (AACP) Class 40/2021

### Experiences

		Type of Business
• 2005 - 2007	Controller, Asia-Pacific Region, Lubes & Specialities, ExxonMobil Asia-Pacific Private Limited, Singapore	Energy Energy
• 2011 - 2012	Director, Thai Petroleum Pipeline Co., Ltd.	
• 2014 - 2018	Executive Director, Esso (Thailand) Public Co., Ltd., Executive Director, ExxonMobil Limited Controller, Esso (Thailand) Public Co., Ltd., and Esso Affiliated Companies in Thailand	Energy

### Current Positions

#### Listed Companies

		Type of Business
• April 2021 - Present	Independent Director / Audit Committee, Saha-Union Plc.	Investment

#### Saha-Union Group Companies

- None -

#### Other Listed Companies

• 2018 - Present	Advisor, Osotspa Public Co., Ltd. and Affiliated Companies (FMCG)	Consumer products
------------------	--	-------------------

**Years of Directorship** 9 months (since 1 April 2017)

**Years of Independent Directorship** 9 months (since 1 April 2017)



**6. Mr. Yanyong Tangchitkul****Age** 69 years**Current position :**

- Independent Director (appointment date on September 2009)
- Chairman of the Nomination and Remuneration Committee (appointment date on January 1<sup>st</sup>, 2013)

**Type of Director :** Non-executive director / Unauthorized director as specified in the Certificates of the Company**Education**

- Bachelor's Degree in Economics, Thammasat University
- Master's Degree in Business Administration (Second Class Honor), National Institute of Development Administration (NIDA)
- Management Development Program, Indiana University, U.S.A.

**Percentage of shareholding** (including the related person) 0.145%**Family relationship between Directors and Executives** None**IOD's Training**

- Director Accreditation Program (DAP) Class 79/2009

**Experiences**

- March 2009 - January 2011 Independent Director / Audit Committee, Union Pioneer Plc. Plastic,

**Type of Business**

Rubber &amp; Metal

**Current Positions****Listed Companies**

- September 2009 - Present Independent Director, Saha-Union Plc.
- 2013 - Present Chairman of the Nomination and Remuneration Committee, Saha-Union Plc.

**Type of Business**

Investment

Investment

**Saha-Union Group Companies**

- None -

**Other Companies**

- 1980 - Present Managing Director, Niyom Service Co., Ltd.

**Years of Directorship** 12 years 4 months (since September 2009)**Years of Independent Directorship** 12 years 4 months (since September 2009)



## 7. Mr. Pittawat Prertitumrong

**Age** 57 years

**Current position** : Independent Director (appointment date on January 1<sup>st</sup>, 2020)

**Type of Director** : Non-executive director / Unauthorized director as specified in the Certificates of the Company

### Education

- Bachelor of Engineering (Metallurgical Engineering), Chulalongkorn University
- Master of Business Administration (Finance) Chulalongkorn University

**Percentage of shareholding** (including the related person) 0.057%

**Family relationship between Directors and Executives** None

### IOD's Training

- Director Accreditation Program (DAP) Class 169/2020

### Experiences

### Type of Business

- |               |  |  |
|---------------|--|--|
| • 1987 - 1988 | Engineer, SiamKubota Diesel Co., Ltd.  |  |
| • 1990 - 1991 | Executive Trainee, Bank of Asia  |  |
| • 1991 - 1993 | Project Analyst, Estate Development Co., Ltd.                                  |  |
| • 1994 - 1995 | Business Development Manager, Ladawan Palace Co., Ltd.                         |  |
| • 1995 - 1997 | Finance and Investment Assistant Manager, Central Department Store Co., Ltd.   |  |
| • 1998        | Finance and Investment Assistant Manager, Central Retail Corporation Co., Ltd. |  |

### Current Positions

#### Listed Companies

#### Type of Business

- |                           |   |            |
|---------------------------|---|------------|
| • January 2020 - Present  | Independent Director, Saha-Union Plc.<br>Saha-Union Group Companies | Investment |
| • November 2020 - Present | Director, Union Button Corporation Co., Ltd.                        | Textiles   |

#### Other Companies

- 1997 - Present Owner, Chongsawad Part., Ltd.

**Years of Directorship** 2 years (since 1 January 2020)

**Years of Independent Directorship** 2 years (since 1 January 2020)

**8. Mrs. Chantornree Darakananda****Age** 58 years**Current position** : President (appointment date on December 22<sup>nd</sup>, 2016)**Type of Director** : Executive director / Authorized director as specified in the Certificates of the Company**Education**

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

**Percentage of shareholding** 0.623%

- Family relationship between Directors and Executives
- Younger sister in law of Mr. Chutindhon Darakananda
- Elder sister in law of Mrs. Pinijporn Darakananda Kasemsap
- Elder sister in law of Mr. Bovornrat Darakananda
- Elder sister in law of Mr. Vacharaphong Darakananda

**IOD's Training**

- Director Accreditation Program (DAP) Class 5/2003

**Experiences**

		<b>Type of Business</b>
• 1990 - February 2017	Director, Ladphrao Hospital Plc.	Hospital
• 1994 - 2008	Deputy Managing Director, Union Industries Corp., Ltd.	Investment
• 2002 - 2008	Deputy Managing Director, Union Thread Industries Co., Ltd.	Investment
	Director, Saha-Union Plc.	Investment
• 2002 - 2009	Director, Union Textile Industries Plc.	Investment
• 2002 - 2014	Director, Pro-Lab Co., Ltd.	
• 2009 - March 2017	Deputy Managing Director, Venus Thread Co., Ltd.	Textiles
	Deputy Managing Director, Union Zip Co., Ltd.	Textiles
• 2013 - September 2014	Director, Saha-Union Plc.	Investment
• September 2014 - 2016	Executive Vice President, Saha-Union Plc. Investment	

**Current Positions****Listed Companies**

		<b>Type of Business</b>
• June 2014 - Present	Director, Union Plastic Plc.	Plastic Rubber & Metal
• January 2015 - Present	Director, Union Textile Industries Plc.	Investment
• May 2015 - Present	Nomination and Remuneration Director, Union Textile Industries Plc.	Investment
• April 2015 - Present	Director, Union Pioneer Plc.	Plastic Rubber & Metal
• January 2017 - Present	President, Saha-Union Plc.	Investment

**Saha-Union Group Companies**

		<b>Type of Business</b>
• April 2015 - Present	Director, Computer Union Co., Ltd.	Trading
	Director, Union Zojirushi Co., Ltd.	Plastic Rubber & Metal
	Director, Union Nifco Co., Ltd.	Plastic Rubber & Metal
	Director, Union Rubber Products Corp., Ltd.	Plastic Rubber & Metal
	Director, Thai Rubber Enterprise Co., Ltd.	Plastic Rubber & Metal
	Director, Union Stainless Steel Products Co., Ltd.	Plastic Rubber & Metal
• March 2016 - Present	Director, Union Thai-Nichiban Co., Ltd.	Plastic Rubber & Metal
• March 2017 - Present	Director, Union Zip Co., Ltd.	Textiles
• Present	Director, Other Companies in Saha-Union Group	

**Other Companies**

		<b>Type of Business</b>
August 2015 - Present	Director, Sukhumvit 62 Medical Limited	Hospital
December 2017 - Present	Director, Navavej International Hospital Plc.	Hospital

**Years of directorship** 9 years (since January 2013)



## 9. Mr. Preecha Shunhavanich

**Age** 64 years

**Current position** : Director / Vice President (appointment date on January 1<sup>st</sup>, 2015)

**Type of Director** : Executive director / Authorized director as specified in the Certificates of the Company

### Education

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

**Percentage of shareholding** 0.0033%

**Family relationship between Directors and Executives** None

### IOD's Training

- Director Accreditation Program (DAP) Class 62/2007

### Experiences

		Type of Business
• 1977 - 1989	Assistant Group Products Marketing Manager, Sahapathanapibul Public Co., Ltd.	
• 1989 - 1995	Deputy Managing Director, PG Intertrade Co., Ltd.	
• 1995 - 2003	Sales Manager, Osotsapha Co., Ltd.	
• 2003 - 2004	General Manager, Unilever Bestfoods (Thailand) Ltd.	
• 2004 - 2007	Director, Union Pioneer Public Co., Ltd.	Plastic Rubber & Metal
	Director, Union Plastic Public Co., Ltd.	Plastic Rubber & Metal
	Director, Union Zojirushi Co., Ltd.	Plastic Rubber & Metal
	Director, Union Thai-Nichiban Co., Ltd.	Plastic Rubber & Metal
• 2007 - 2008	General Manager, Union Energy (Hong Kong) Co., Ltd.	Investment
• February 2014 - June 2020	Managing Director of Sales and Services Business, Computer Union Co., Ltd.	Trading
• 2017 - October 2019	Director, Union Nakorn Co., Ltd.	Real estate
• 2017 - 2020	Committee of Trade, Investment Promotion and Business Council, The Federation of Thailand Industries (F.T.I.)	

### Current Positions

#### Listed Companies

		Type of Business
• January 2015 - Present	Vice President, Saha-Union Plc.	Investment
• May 2020 - Present	Chairman, Union Textile Industries Plc.	Investment

#### Saha-Union Group Companies

		Type of Business
• 2008 - Present	Director, Computer Union Co., Ltd.	Trading
	Director, Computer Union Systems Co., Ltd.	Trading
• 2013 - Present	Director, Soldev Co., Ltd.	Trading
• April 2014 - Present	Director, Union Stainless Steel Products Co., Ltd.	Plastic Rubber & Metal
• 2018 - Present	Managing Director, Computer Union Systems Co., Ltd.	Trading

#### Other Companies

- None -

#### Other Positions

• 2018 - Present	Committee, Industrial Support and Promote Department, The Federation of Thailand Industries (F.T.I.)
• 2019 - Present	Thailand-China Industrial Cooperation Institute committee, The Federation of Thailand Industries (F.T.I.)
• 2020 - Present	Director, The Federation of Thailand Industries (F.T.I.)
	Director, Foreign Affairs, The Federation of Thailand Industries (F.T.I.)
	Director, Economic and Academic Data Analytic, The Federation of Thailand Industries (F.T.I.)
	Director, ASEAN and Logistics, The Federation of Thailand Industries (F.T.I.)
	Thai-Taiwan Economic Cooperation Committee (TTECC), The Federation of Thailand Industries (F.T.I.)
	Director, Thailand-China Business Council, The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB)
<b>Years of Directorship</b>	7 years (since 1 January 2015)

**10. Mr. Supakit Paungbua****Age** 61 years**Current position** : Director (appointment date on December 21<sup>st</sup>, 2017)**Type of Director** : Non-executive director / Authorized director as specified in the Certificates of the Company**Education**

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

**Percentage of shareholding** None**Family relationship between Directors and Executives** None**IOD's Training**

- Director Accreditation Program (DAP) Class 148/2018

**Experiences**

		Type of Business
• 1983 - 1991	Teacher, The Bangkok Technology School	
• 1991 - 1993	Head of Education Promotion, The Bangkok Technology College	
• 1993	Product Division Manager, Union Zojirushi Co., Ltd.	Plastic Rubber & Metal
• 1993 - 2006	Product Department Manager, Union Zojirushi Co., Ltd.	Plastic Rubber & Metal
• December 2006 - February 2007	Deputy Managing Director, Union Stainless Steel Products Co., Ltd.	Plastic Rubber & Metal
• February 2007 - February 2011	Managing Director, Union Stainless Steel Products Co., Ltd.	Plastic Rubber & Metal
• July 2007 - September 2007	Deputy Managing Director, Union Nifco Co., Ltd.	Plastic Rubber & Metal
• October 2007 - December 2020	Managing Director, Union Nifco Co., Ltd.	Plastic Rubber & Metal

**Current Positions****Listed Companies**

		Type of Business
• January 2018 - Present	Director, Saha-Union Plc.	Investment
• January 2021 - Present	Director, Union Textile Industries Plc. Investment Saha-Union Group Companies	
• 13 March 2020 - Present	Director, Union Rubber Products Corporation Co., Ltd.	Plastic Rubber & Metal
• 17 September 2020 - Present	Director, The Royal Hotel Co., Ltd.	Hotel

**Other Companies**

- None -

**Years of Directorship** 4 years (since January 2018)



### 11. Mrs. Pinijporn Darakananda Kasemsap

**Age** 59 years

**Current position** : Director (appointment date on December 2010)

**Type of Director** : Non-Executive director / Authorized director as specified in the Certificates of the Company

#### Education

- University of California, San Francisco (Doctor of Pharmacy)
- University of California, Davis (B.S. Chemistry)

**Percentage of shareholding** 0.0457%

#### Family relationship between Directors and Executives

- Younger sister of Mr. Chutindhon Darakananda
- Elder sister of Mr. Bovornrat Darakananda
- Elder sister of Mr. Vacharaphong Darakananda
- Younger sister of the husband of Mrs. Chantorntree Darakananda

#### IOD's Training

- Director Accreditation Program (DAP) Class 92/2011

#### Experiences

		Type of Business
• 1984 - 1991	Deputy Manager, Geary Pharmacy (U.S.A.)	
• 1991 - 1996	Deputy Manager of the Export Sales Department, Union Thread Industries Co., Ltd.	Investment
• 1996 - 2005	Managing Director, Venus Kits Co., Ltd.	Textiles
• 2014 -December 2018	Managing Director, The Royal Hotel Co., Ltd.	Hotel
• January 2019 - March 2020	Director, The Royal Hotel Co., Ltd.	Hotel

#### Current Positions

##### Listed Companies

• December 2010 - Present	Director, Saha-Union Plc.	Investment
---------------------------	---------------------------	------------

##### Saha-Union Group Companies

		Type of Business
• 1995 - Present	Director, Union Thread Industries Co., Ltd.	Investment
	Director, Union Industries Corp., Ltd.	Investment
• 1996 - Present	Managing Director, Uni-Agro Co., Ltd.	Investment & Agriculture
• April 2011 - Present	Director, Saha Union Holding Co., Ltd.	Investment
	Director, Union Equity Co., Ltd.	Investment
	Director, Union Multi-Capital Co., Ltd.	Investment
• Present	Director, Other Companies in Saha-Union Group	

#### Other Companies

- None -

**Years of Directorship** 11 years (since December 2010)

**12. Mr. Bovornrat Darakananda****Age** 58 years**Current position** : Director (appointment date on April 1991)**Type of Director** : Non-Executive director / Authorized director as specified in the Certificates of the Company**Education**

- Master of Science Degrees in Management and Electrical Engineering, Massachusetts Institute of Technology, U.S.A.
- Bachelor of Science Degrees in Management and Electrical Engineering, Massachusetts Institute of Technology, U.S.A.

**Percentage of shareholding** None**Family relationship between Directors and Executives**

- Younger brother of Mr. Chutindhon Darakananda
- Younger brother of Mrs. Pinijporn Darakananda Kasemsap
- Elder brother of Mr. Vacharaphong Darakananda
- Younger brother of the husband of Mrs. Chantorntree Darakananda

**IOD's Training**

- Director Accreditation Program (DAP) Class 18/2004

**Experiences**

• 1993 - December 2006	Director, Union Textile Industries Plc.	Investment
	Director, Union Pioneer Plc.	Plastic Rubber & Metal
• 1994 - December 2006	Director and Executive Director, Union Energy Co., Ltd.	Investment
• 1996 - 2009	Director and Manager, Union Energy (China) Co., Ltd.	Investment
• 2001 - March 2017	Director, Venus Thread Co., Ltd.	Textiles
	Director, Union Zip Co., Ltd.	Textiles
• 2011 - December 2012	Director, Union Textile Industries Plc.	Investment
	Vice President, Saha-Union International (Georgia) Inc.	
	General Manager, Saha-Union Investment (China) Co., Ltd.	Investment

**Current Positions****Listed Companies**

- April 1991 - Present Director, Saha-Union Plc.

**Type of Business**

Investment

**Saha-Union Group Companies****Type of Business**

• 1997 - Present	Director, Union Thread Industries Co., Ltd.	Investment
	Director, Union Industries Corp., Ltd.	Investment
• 2001 - Present	Managing Director, Union Spinning Mills Co., Ltd.	Textiles
• April 2011 - Present	Director, Saha Union Holding Co., Ltd.	Investment
• Present	Director, Other Companies in Saha-Union Group	

**Other Companies**

- None -

**Years of Directorship** 30 years 9 months (since April 1991)





### 13. Mr. Vacharaphong Darakananda

**Age** 56 years

**Current position** : Director (appointment date on February 1992)

**Type of Director** : Executive director / Authorized director as specified in the Certificates of the Company

#### Education

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

**Percentage of shareholding** 0.0167%

#### Family relationship between Directors and Executives

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

#### IOD's Training

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

#### Experiences

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

#### Type of Business

Textiles  
Trading  
Investment  
Investment  
Plastic Rubber & Metal  
Plastic Rubber & Metal  
Hotel

#### Current Positions

##### Listed Companies

- February 1992 - Present Director, Saha-Union Plc.
- April 1999 - Present Director, Union Pioneer Plc.
- April 2000 - Present Director, Union Plastic Plc.

#### Type of Business

Investment  
Plastic Rubber & Metal  
Plastic Rubber & Metal

##### Saha-Union Group Companies

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

#### Type of Business

Plastic Rubber & Metal  
Plastic Rubber & Metal  
Plastic Rubber & Metal  
Plastic Rubber & Metal  
Plastic Rubber & Metal  
Plastic Rubber & Metal  
Plastic Rubber & Metal

#### Other Companies

- None -

**Years of Directorship** 29 years 11 months (since February 1992)

**14. Mr. Nanthiya Darakananda****Age** 53 years**Current position** : Director (appointment date on April 1996)**Type of Director** : Non-executive director / Authorized director as specified in the Certificates of the Company**Education**

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

**Percentage of shareholding** None**Family relationship between Directors and Executives**

- Cousin of Mr. Chutindhon Darakananda
- Cousin of Mrs. Pinijporn Darakananda Kasemsap
- Cousin of Mr. Bovornrat Darakananda
- Cousin of Mr. Vacharaphong Darakananda
- Elder brother of Mr. Nithiphan Darakananda

**IOD's Training**

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

**Experiences**

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

**Current Positions****Listed Companies**

- April 1993 - Present Director, Union Pioneer Plc.
- April 1996 - Present Director, Saha-Union Plc.
- April 1998 - Present Director, Union Plastic Plc.

**Saha-Union Group Companies**

- None -

**Other Listed Companies**

- June 2019 - Present Director, Winnergy Medical Plc.

**Years of Directorship** 25 years 9 months (since April 1996)**Type of Business**

Textiles

**Type of Business**

Plastic Rubber &amp; Metal

Investment

Plastic Rubber &amp; Metal





### 15. Mr. Nithiphan Darakananda

**Age** 48 years

**Current position** : Director (appointment date on January 1<sup>st</sup>, 2021)

**Type of Director** : Non-executive director / Authorized director as specified in the Certificates of the Company

#### Education

- Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Master of Engineering, Chemical Engineering, CORNELL UNIVERSITY, Ithaca, NY, U.S.A.
- Bachelor of Science, Chemical Engineering, Minor Chemistry, University of California, Berkeley, CA, U.S.A.

**Percentage of shareholding** 1.0103%

#### Family relationship between Directors and Executives

- Cousin of Mr. Chutindhon Darakananda
- Cousin of Mrs. Pinijporn Darakananda Kasemsap
- Cousin of Mr. Bovornrat Darakananda
- Cousin of Mr. Vacharaphong Darakananda
- Younger brother of Mr. Nanthiya Darakananda

#### IOD's Training

- Director Accreditation Program (DAP) Class 179/2021
- Director Certification Program (DCP) Class 302/2021

#### Experiences

- |                         |  |                                     |
|-------------------------|--|-------------------------------------|
| • 1999 - September 2013 | Director, Union Button Corporation Limited           | <b>Type of Business</b><br>Textiles |
| • 2000 - September 2013 | Director, N Cubed Company Limited                    |                                     |
| • 2011 - September 2013 | Director, Sonite Innovative Surfaces Company Limited |                                     |
| • 2015 - June 2016      | Director, Union Button Corporation Limited           | Textiles                            |

#### Current Positions

##### Listed Companies

- |                          |                           |                                       |
|--------------------------|---------------------------|---------------------------------------|
| • January 2021 - Present | Director, Saha-Union Plc. | <b>Type of Business</b><br>Investment |
|--------------------------|---------------------------|---------------------------------------|

##### Saha-Union Group Companies

- None -

##### Other Companies

- |                        |  |          |
|------------------------|--|----------|
| • April 2017 - Present | Director, Union Button Corp., Ltd.             | Textiles |
| • 2019 - Present       | Director, N Cubed Co., Ltd.                    |          |
|                        | Director, Sonite Innovative Surfaces Co., Ltd. |          |

**Years of Directorship** 1 year (since 1 January 2021)

**Information of**

- the person who was assigned to the highest responsibility in the line of Accounting and Finance (a) and
- the person who was assigned to take direct responsibility for the Accounting Control (b),

by (a) and (b) was the same person

**Miss Ruangdao Supachorncharan**

**Position** Chief Financial Officer

**Appointment Date for Chief Financial Officer (CFO)** 1 July 2020

**Appointment Date for taking direct responsibility for the Accounting Control** 18 November 2020

**Age** 41 years

**Education**

- Master's Degree in Strategic Management, College of Management, Mahidol University (Graduated in 2009)
- Bachelor of Accountancy, Thammasat University (Graduated in 2002), Major in Accounting and Minor in Finance

**Training**

- Accounting Standards and Others Training 40 hours per year for Continuing Profession Development and CPD according to the criteria of the Federation of Accounting Professions
- Prepare for changes in Financial Reporting Standards related to Financial Instruments by the Stock Exchange of Thailand (June 2018)
- Financial Reporting Standards related to Revenue from Contracts with Customers (TFRS 15) and Financial Reporting Standards related to Leases (TFRS 16) by the Stock Exchange of Thailand (February 2019)
- E-Learning CFO's Orientation Course (August 2020)
- Smart Disclosure Program (SDP) by the Stock Exchange of Thailand

**Experiences**

- 2002 - March 2018 Audit Senior Manager, Audit Department, EY Office Ltd.
- May 2018 - June 2020 Assistant to the Chief Financial Officer, Saha-Union Public Company Limited

**Current Positions**

- July 2020 - Present Chief Financial Officer, Saha-Union Public Company Limited
- June 2020 - Present Director, The Royal Hotel Co., Ltd.




**Company Secretary**
**Mrs. Chadaporn Jiemsakultrip**
**Age** 59 years

**Position in the Company** Company Secretary (appointed since January 2014)

**Education**

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

**Training**

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

**Experiences**

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

**Current Positions**

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





Directors			SUC	Subsidiaries																							
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	Miss Dalad	Sapthavichaikul	C		C	C	C	C	C	C	C	C			I	I	I		I	C		C		C	C		
2	Mr. Chutindhon	Darakananda	V	I	I	I		I		I	I	I	I	C	C	C	C	C	C			V		I	I		
3	Mrs. Suttima	Jamnarnwej	I																								
4	Mr. Anon	Sirisaengtaksin	I																								
5	Mr. Chai	Jangsirikul	I																								
6	Mr. Yanyong	Tangchitkul	I																								
7	Mr. Pittawat	Prertitumrong	I																								
8	Mrs. Chantorntree	Darakananda	P	I	I	I	I	I	I	I	I	I	I		I	V	I	I	I	I		I		I	I		
9	Mr. Preecha	Shunhavanich	X	C				I			I	Y															
10	Mr. Supakit	Paungbua	I						I					I													
11	Mrs. Pinijporn	Darakananda Kasemsap	I					I			I		I		I	V	I	I	I			I		I	I	I	
12	Mr. Bovornrat	Darakananda	I													I			I								
13	Mr. Vacharaphong	Darakananda	I			I	I	Y	Z	I	I			I		I	I	I		I	I	I	I		I	I	
14	Mr. Nanthiya	Darakananda	I			I	I																				
15	Mr. Nithiphan	Darakananda	I																								

C Chairman

V Vice Chairman

P President

X Vice President

Y Managing Director

Z In charge of Managing Director

I Director

## Name list of Subsidiaries

- Union Textiles Industries Pubic Co., Ltd.
- Union Garment Co., Ltd.
- Union Pioneer Public Co., Ltd.
- Union Plastic Public Co., Ltd.
- Union Zojirushi Co., Ltd.
- Union Stainless Steel Products Co., Ltd.
- Union Rubber Products Corp., Ltd.
- Thai Rubber Enterprise Co., Ltd.
- Computer Union Co., Ltd.
- Computer Union System Co., Ltd.
- Zhejiang Jiashan-Union Cogeneration Co., Ltd.
- The Royal Hotel Co., Ltd.
- Saha-Union International Ltd.
- Saha-Union Investment (China) Co., Ltd.
- Union Energy (Hong Kong) Co., Ltd.
- Shanghai Dasity Co., Ltd.
- Saha-Union Holding Co., Ltd.
- Venus Shoes Co., Ltd.
- Union Printing Corp., Ltd.
- Union Equity Co., Ltd.
- Union Shoes Co., Ltd.
- Union Construction Corp., Ltd.
- Saha-Union Wealth Plus Co., Ltd.
- Union Nakhon Co., Ltd.





Directors			Joint Ventures							
			1	2	3	4	5	6	7	8
1	Miss Dalad	Sapthavichaikul	I		C				I	C
2	Mr. Chutindhon	Darakananda	I		I		I	I	I	I
3	Mrs. Suttima	Jamnarnwej								
4	Mr. Anon	Sirisaengtaksin								
5	Mr. Chai	Jangsirikul								
6	Mr. Yanyong	Tangchitkul								
7	Mr. Pittawat	Prertitumrong								
8	Mrs. Chantorntree	Darakananda	I	I	I		I		I	I
9	Mr. Preecha	Shunhavanich				I				
10	Mr. Supakit	Paungbua			Y					
11	Mrs. Pinijporn	Darakananda Kasemsap					I			
12	Mr. Bovornrat	Darakananda								
13	Mr. Vacharaphong	Darakananda			I		I			
14	Mr. Nanthiya	Darakananda								
15	Mr. Nithiphan	Darakananda								

C Chairman

Y Managing Director

I Director

## Name list of Joint Ventures

1. Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.
2. Union Universe Co., Ltd.
3. Union Nifco Co., Ltd.
4. Soldev Co., Ltd.
5. Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.
6. Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
7. Sukhumvit 62 Medical Ltd.
8. Union Micronclean Co., Ltd.







Directors			Associates																													
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	
1	Miss Dalad	Sapthavichaikul	I	I	I	C						I	I	I	I	I							V							I		
2	Mr. Chutindhon	Darakananda	C	C	I		I	I			C	I	C	C/Y	C/Y	C/Y				Y	I		I			C/Y	C	C	C/Y	C	C	
3	Mrs. Suttima	Jamnarnwej																														
4	Mr. Anon	Sirisaengtaksin																														
5	Mr. Chai	Jangsirikul																														
6	Mr. Yanyong	Tangchitkul																														
7	Mr. Pittawat	Prertitumrong																														
8	Mrs. Chantorntree	Darakananda		I		I		I				I					I	I	I				I									
9	Mr. Preecha	Shunhavanich																														
10	Mr. Supakit	Paungbua																														
11	Mrs. Pinijporn	Darakananda Kasemsap											Y	I	I	I				I						I	I	Y	I		Y	
12	Mr. Bovornrat	Darakananda	Y									I		I	I	I				I						I			I			
13	Mr. Vacharaphong	Darakananda				Y						I		I	I	I	I	I	I							I	I		I			
14	Mr. Nanthiya	Darakananda																														
15	Mr. Nithiphan	Darakananda																														

C Chairman

V Vice Chairman

Y Managing Director

O Deputy Managing Director

I Director

## Name list of Associates

- Union Spinning Mills Co., Ltd.
- Union Zip Co., Ltd.
- Venus Thread Co., Ltd.
- Union Thai-Nichiban Co., Ltd.
- Taixing Union Zond Chemicals Co., Ltd.
- Jiangsu Zhonglian-Union Carpet Co., Ltd.
- Wuhan Taicang Car Internal Decoration Parts Co., Ltd.
- Zhonglian-Union Carpet (Foshan) Co., Ltd.
- Saha-Union International Taipei Ltd.
- Uni-Fibre Co., Ltd.
- Uni-Agro Co., Ltd.
- Union Thread Industries Co., Ltd.
- Union Industries Corp., Ltd.
- Union Business Management Co., Ltd.
- Union Management and Service Co., Ltd.
- Union Asset Management Co., Ltd.
- Union Enterprise Holdings Co., Ltd.
- Union Capital Holdings Co., Ltd.
- Zhuji-Union Real Estate Co., Ltd.
- Jiangsu Zhonglian-Union Carpet (Tieling) Co., Ltd.
- Navavej International Public Co., Ltd.
- Tencate-Union Protective Fabrics Asia Ltd.  
(Under liquidation process)
- PSV Molds Co., Ltd.
- Union Asset Holdings Corp., Ltd., and Subsidiaries
- Union Langsuan Residence Co., Ltd.
- Union Pathumwan Co., Ltd.
- Venus Corp., Ltd.
- Union Lumpini Co., Ltd.
- Union Wealth Management Co., Ltd.





Directors			Related Parties		
			1	2	3
1	Miss Dalad	Sapthavichaikul	I		I
2	Mr. Chutindhon	Darakananda	C/Y	C/Y	C/Y
3	Mrs. Suttima	Jamnarnwej			
4	Mr. Anon	Sirisaengtaksin			
5	Mr. Chai	Jangsirikul			
6	Mr. Yanyong	Tangchitkul			
7	Mr. Pittawat	Prertitumrong			
8	Mrs. Chantornree	Darakananda			
9	Mr. Preecha	Shunhavanich			
10	Mr. Supakit	Paungbua			
11	Mrs. Pinijporn	Darakananda Kasemsap			
12	Mr. Bovornrat	Darakananda	I	I	I
13	Mr. Vacharaphong	Darakananda	I	I	
14	Mr. Nanthiya	Darakananda	I	I	I
15	Mr. Nithiphan	Darakananda			

C Chairman

V Vice Chairman

Y Managing Director

I Director

## Name list of Related parties

1. Union Capital Co., Ltd.
2. Union Unity Holdings Co., Ltd.
3. Union Multi-Capital Co., Ltd.



## Information of Internal Audit Officer

<b>Name</b>	Mrs. Chanpen Nopsuri
<b>Position</b>	Chief Audit Executive
<b>Age</b>	65 years
<b>Education</b>	Bachelor's Degree in Business Administration (Accounting), Ramkhamhaeng University
<b>Training</b>	<ul style="list-style-type: none"><li>- Writing Audit Report</li><li>- Assessment of the internal control system and risk management according to COSO</li><li>- Audit System Planning</li></ul>
<b>Experiences</b>	
1987 - 1992	Internal Audit Officer, Bangkok Metropolitan Bank
1996 - 1997	Assistant Director of Security Operation Department, ITF Finance & Securities Ltd.
2002 - 2013	Internal Audit Officer, Saha-Union Public Company Limited
<b>Current Positions</b>	
2014 - Present	Chief Audit Executive, Saha-Union Public Company Limited





## Assets Used in Operation

### Assets of the Company and its subsidiaries for the year ended 2021

#### Investment properties

(Unit : Thousand Baht)

	Consolidated financial statements				Separate financial statements		
	Land and land improvement awaiting development	Factory and office building for rent	Assets under construction	Total	Land and land improvement awaiting development	Factory and office building for rent	Total
As of 1 January 2021							
Cost	2,097,501	2,654,555	122,884	4,874,940	1,545,232	1,794,547	3,339,779
Less Accumulated depreciation	(78,483)	(2,152,079)	-	(2,230,562)	(67,857)	(1,647,527)	(1,715,384)
Less Allowance for impairment loss	(4,413)	(150,308)	(25,000)	(179,721)	(4,413)	(138,707)	(143,120)
Net book value	2,014,605	352,168	97,884	2,464,657	1,472,962	8,313	1,481,275

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as of 1 January 2021	2,401,996	1,494,133
Acquisition of assets	15,789	110
Transferred from property, plant and equipment - net book value	56,390	-
Depreciation for the year	(37,848)	(6,473)
Translation adjustments	28,330	-
Net book value as of 31 December 2021	2,464,657	1,481,275



## Property, plant and equipment

### Consolidated financial statements

(Unit : Thousand Baht)

	Land	Land improvement	Buildings, building improvements and facilities	Machinery and equipment	Power plants	Others	Total
<b>Cost</b>							
As of 1 January 2021	1,896,788	22,392	3,550,486	6,252,625	2,250,750	1,313,094	15,286,135
Additions	-	423	28,411	79,625	143,911	111,420	363,790
Disposals/write-off	-	-	(68,987)	(498,368)	(167,889)	(29,808)	(765,052)
Transferred from (transfers to investment properties)	3,561	-	(129,598)	-	-	-	(126,037)
Transfers	-	(2,206)	15,994	35,353	-	(49,141)	-
Translation adjustments	-	-	85,790	-	309,457	4,933	400,180
As of 31 December 2021	1,900,349	20,609	3,482,096	5,869,235	2,536,229	1,350,498	15,159,016
<b>Accumulated depreciation</b>							
As of 1 January 2021	-	10,176	2,053,808	5,472,357	558,044	985,928	9,080,313
Depreciation for the year	-	1,194	173,383	265,617	179,257	115,043	743,494
Depreciation on disposals/write-off	-	-	(68,229)	(486,702)	(96,228)	(28,826)	(679,985)
Transfers to investment properties	-	-	(69,647)	-	-	-	(69,647)
Transfers	-	(2,206)	2,331	-	-	(125)	-
Translation adjustments	-	-	34,793	-	76,726	4,535	116,054
As of 31 December 2021	-	9,164	2,126,439	5,251,272	717,799	1,076,555	9,181,229
<b>Allowance for impairment loss</b>							
As of 1 January 2021	-	-	-	1,072	45,582	5,085	51,739
Increase during the year	-	-	-	-	1,113	-	1,113
Decrease during the year	-	-	-	-	(51,849)	-	(51,849)
Translation adjustments	-	-	-	-	5,154	-	5,154
As of 31 December 2021	-	-	-	1,072	-	5,085	6,157
<b>Net book value</b>							
As of 1 January 2021	1,896,788	12,216	1,496,678	779,196	1,647,124	322,081	6,154,083
As of 31 December 2021	1,900,349	11,445	1,355,657	616,891	1,818,430	268,858	5,971,630
<b>Depreciation for the year</b>							
2020 (Baht 745 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							745,795
2021 (Baht 723 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)							734,494



### Separate financial statements

(Unit : Thousand Baht)

	Land	Buildings and facilities	Machinery and equipment	Others	Total
Cost					
As of 1 January 2021	18,550	143,035	84,318	293,282	539,185
Additions	-	-	-	8,747	8,747
Disposals/write-off	-	(145)	(275)	(3,256)	(3,676)
As of 31 December 2021	18,550	142,890	84,043	298,773	544,256
Accumulated depreciation					
As of 1 January 2021	-	139,060	83,852	277,876	500,788
Depreciation for the year	-	948	-	4,009	4,957
Depreciation on disposals/write-off	-	(145)	(275)	(3,252)	(3,672)
As of 31 December 2021	-	139,863	83,577	278,633	502,073
Allowance for impairment loss					
As of 1 January 2021	-	-	464	4,922	5,386
As of 31 December 2021	-	-	464	4,922	5,386
Net book value					
As of 1 January 2021	18,550	3,975	2	10,484	33,011
As of 31 December 2021	18,550	3,027	2	15,218	36,797
Depreciation for the year					
2020 (included in administrative expenses)					7,966
2021 (included in administrative expenses)					4,957

As of 31 December 2021, certain plant, machinery and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 4,391 million (2020: Baht 5,143 million) and the Company only Baht 237 million (2020: Baht 233 million).



## Assets of the Company and its subsidiaries for the year ended 2021

### Land and Land improvement

The Company					its subsidiaries				
Net book value (Million Baht)	Location	Size	Obligation	Objective	Net book value (Million Baht)	Location	Size	Obligation	Objective
1,491.51	Sukhumvit Rd., Phra Khanong Tai Sub-district Phra Khanong District, Bangkok	4-1-96 unit rai ----- 2-3-38 unit rai	Ownership	Head Office ----- For rent	2,434.89	Bangchan Industrial Estate, Soi Seri Thai 62, Minburi District, Bangkok	41-1-29 unit rai	Ownership	Office Building, Plant and Warehouse
	Bangna-Trad Rd., Bangsamak Sub-district, Bang Pakong District, Chachoengsao	176-3-14 unit rai	Ownership	Expand business and for rent		Bangna-Trad Rd., Bangsamak Sub-district, Bang Pakong District, Chachoengsao	108-2-26 unit rai	Ownership	Office Building, Plant and Warehouse
	Ban Muang Sub-district, Mueang Chon Buri District, Chon Buri	5-95 unit rai	Ownership	Office and training Building		Sukhumvit Rd., Bangpoo Mai Sub- district, Mueang Samut Prakan District, Samut Prakan	218-0-33 unit rai	Ownership	Office Building, Plant and Dormitory
	Bang Phra Sub- district, Sriracha district, Chon Buri	56-3-66 unit rai		Dormitory, Office, Plant and for rent		Na Yai Am Sub- District, Pong Nam Ron District, Chanthaburi. Kho Saming District, Trad	7,279 unit rai	Ownership	Agriculture
	Surasak Sub-district, Sriracha District, Chon Buri	0-1-11 unit rai		Free space		Bang Phli District, Samut Praka	56-2- 0.625 unit rai	Ownership	Expand business
	Nong Pirun Sub-district, Ban Bueng District, Chon Buri	1,299-0- 0.5 unit rai	Joint group company	Expand business and for rent		Nai Mueang Subdistrict, Mueang District, Nakhon Si Thammarat	3-3-27.7 unit rai	Ownership	Real estate development
	Ban Chang Subdistrict, Pla Sub-district, Ban Chang District, Rayong	51-0-14.4 unit rai	Ownership	Expand business		HuaHin Sub-district, HuaHin District, Prachuap Khiri Khan	14-2-54.6 unit rai	Ownership	Hotel
	Sai Noi Sub-district, Nontaburi	17-2-2 unit rai	Ownership						
	Mueang District, Samut Sakhon	85-1-12 unit rai	Ownership						
	Khao Yai Subdistrict, Cha-am District, Phetchaburi	54 Sq. wah	Ownership						







### Building improvements and facilities

The Company				
Net book value (Million Baht)	Location	Size	Obligation	Objective
11.33	Sukhumvit Rd., 1 building, Phra Khanong 9 floors Tai Sub-district 6,757.2 Phra Khanong Sq.m District, 1 building, 2 floors Bangkok 180 Sq.m		Ownership	Office Building    Service Building
	Bangna-Trad Rd., 9 buildings Bangsamak 20,564 Sub-district, Sq.m Bang Pakong District, Chachoengsao		Ownership	Expand business, For rent, gymnasium, canteen
	Bang Phra 45,475 Sub-district, Sq.m Sriracha district, Chon Buri		Ownership	Plant and Office
	Bang Phra 3 buildings Sub-district, 11,417 Sriracha district, Sq.m Chon Buri			Dormitory
	Ban Muang 5 buildings Sub-district, 3,668 Mueang Sq.m Chon Buri District, Chon Buri			Office and house for rent

its subsidiaries				
Net book value (Million Baht)	Location	Size	Obligation	Objective
1,696.49	Bangchan Industrial Estate, Soi Seri Thai 62, Minburi District, Bangkok	20 buildings 30,458.05 Sq.m	Ownership	Office Building, Plant and Warehouse
	Bangna-Trad Rd., 37 buildings Bangsamak 92,583 Sub-district, Sq.m Bang Pakong District, Chachoengsao		Ownership	Office Building, Plant and Dormitory
	Sukhumvit Rd., 14 buildings Bangpoo Mai 109,537 Sub-district, Sq.m Mueang Samut Prakan District, Samut Prakan		Ownership	Office Building, Plant and Dormitory
	KhoSaming District, Trad	4,650 Sq.m	Ownership	Office Building and Plant
	HuaHin Sub-district, HuaHin District, Prachuap Khiri Khan	45,645 Sq.m	Ownership	Hotel
	Nai Mueang Subdistrict, Mueang District, Nakhon Si Thammarat	738.20 Sq.m	Ownership	Real estate development
	Hong Kong	631.22 Sq.m	Ownership	Office Building, Housing and for rent

## 2. Details about property appraisal.

In 2021, the Company and its subsidiaries has determined the property appraisal in the part of investment properties and has been disclosed in Note 15 to the financial statements.



## CG Index

	Page
<b>6. Corporate Governance Policy</b>	<b>67</b>
<b>6.1 Overview of Corporate Governance Policy and Practice (8 Principles)</b>	<b>67</b>
1) <b>Board's leadership role and responsibilities</b>	<b>67</b>
2) <b>Define Objectives and Goals that promote Sustainable Value Creation</b>	<b>68</b>
3) <b>Strengthen Board Effectiveness</b>	<b>68</b>
3.1 Structure of the Board of Directors	
3.2 Board Composition and Administration	
3.3 Selection and Nomination of Directors and Directors' remuneration	
3.4 Nomination of Audit Committee and Related Responsibilities	
3.5 Director's responsibility in allocating sufficient time to perform their duties effectively	
3.6 The investment in Subsidiaries and other business supervision framework	
3.7 Annual Performance evaluation of the Board	
3.8 Training and development of Board of Directors' roles and responsibilities	
3.9 Duties of the Board and the Company Secretary	
4) <b>High Ranking Executive's Nomination and Development and HR Management</b>	<b>71</b>
4.1 High Ranking Executive's Nomination and Development	
4.2 Compensation Structure and Performance Evaluation	
4.3 Structure and Relationships	
4.4 HR Management and Development	
5) <b>Nurture Innovation and Responsible Business</b>	<b>73</b>
5.1 Corporate Social Responsibility and Environment	
5.2 Driving Business for Sustainability Practices	
5.3 Necessity of the resources for operation	
5.4 Company establishes a cyber security policy and measures	
6) <b>Board of Directors' effectively strengthen the risk management and internal control</b>	<b>73</b>
6.1 Risk Management	
6.2 Audit Committee	
6.3 Monitoring and managing potential conflicts of interest	
6.4 Anti-Corruption Policy and Practices	
7) <b>Ensure Information Disclosure and Financial Integrity</b>	<b>75</b>
7.1 Financial Report and Other Important Information	
7.2 Sufficient Financial Liquidity and Capability	
7.3 Appropriate Information Disclosure	
7.4 Investor Relations	
7.5 Adopting the Information Technology in Information Disclosure	
8) <b>Ensure Engagement and Communication with Shareholders</b>	<b>76</b>
■ <b>Supervision of subsidiaries, joint ventures and associated companies</b>	<b>77</b>
■ <b>Policy and Practices regarding Shareholders and Stakeholders</b>	<b>77</b>
1) Rights of Shareholders	
2) Equality among Shareholders	
3) Roles and Treatment of Stakeholders	
4) Use of Inside Information	
5) Conflicts of Interest	
6) Shareholders' Interest	
7) Anti-Corruption Policy	
8) Measures for those that do not comply with policies and practices	





## CG Index

	Page
<b>6.2 Business Ethics and Code of Conduct</b>	<b>82</b>
<b>6.3 Key Governance Policy Changes, Practices and System during the previous year</b>	<b>82</b>
<b>6.4 Other Practices according the Good Corporate Governance Principles</b>	<b>82</b>
<b>7. Corporate Governance Structure and Information about Board of Directors, Sub-Committee, Executives, Employees and other issues.</b>	<b>83</b>
<b>7.1 Corporate Governance Structure</b>	<b>83</b>
<b>7.2 Directors</b>	<b>84</b>
<b>7.3 Sub-Committees</b>	<b>86</b>
<b>7.4 Executives</b>	<b>89</b>
<b>7.5 Employee</b>	<b>90</b>
<b>7.6 Other Important Information</b>	<b>92</b>
7.6.1 Corporate Secretary, the person who is directly responsible for overseeing accounting preparation and Chief of Internal Audit	
7.6.2 Investor Relations	
7.6.3 Auditors and Remuneration	
<b>8. Major Development regarding Corporate Governance</b>	<b>94</b>
<b>8.1 Summary of the Board of Directors' Duties during the previous year</b>	<b>94</b>
8.1.1 Director Selection, Development and Performance Evaluation	
(1) Independent Directors	
(2) Selection process of Director and Top Executive	
(3) Director Development	
(4) Self Evaluation of the Company's Board of Directors	
(5) Directors Orientation	
8.1.2 Attendance at meetings and payment of remuneration for individual directors	
8.1.3 Governing Subsidiaries, Joint Ventures and Associated Company	
8.1.4 Follow up to ensure the corporate governance policies and practices	
(1) Preventive measures for conflicts of interest	
(2) Insider Information Control	
(3) Anti-Fraud and Corruption	
(4) Whistle-blowing	
(5) Securities Holding Positions Report	
(6) Report of Conflict of Interest	
(7) Consideration and evaluation of the related transaction	
<b>8.2 Report of the Audit Committee during the previous year</b>	<b>105</b>
<b>8.3 Report of other Sub-Committees</b>	<b>105</b>
8.3.1 Report of Nomination and Remuneration Committee	
<b>9. Internal Control and Related Transactions</b>	<b>106</b>
<b>9.1 Internal Control</b>	<b>106</b>
1) Control Environment	
2) Risk Assessment	
3) Control Activities	
4) Information and Communication	
5) Monitoring Activities	
<b>9.2 Related Transactions</b>	<b>110</b>

## Audit Committee's Report

To Shareholders,

In the year 2021, the Audit Committee is comprised of three independent directors, namely Associate Professor Suttima Jamnarnwej as a Chairman, Mr. Anon Sirisaengtaksin and Mr. Chai Jangsirikul. Four meetings had been organized and attended by all members of the Audit Committee as below:

	<u>Number of Attendances</u>
- Associate Professor Suttima Jamnarnwej	4/4
- Mr. Anon Sirisaengtaksin	4/4
- Mr. Chai Jangsirikul*	3/3
- Mr. Pasu Loharnchun*	1/1

\* Mr. Chai Jangsirikul has been appointed as the Audit Committee, in place of Mr. Pasu Loharnchun, effective April 1, 2021.

Participated in the meetings were the Company's Executives, internal auditors and the external auditors. The performance of the Audit Committee can be summarized as follows:

### 1. Review of Financial Reports

The Audit Committee, the Company's Executives and the external auditors reviewed the quarterly and annual financial statements and consolidated financial statements of the year 2021 on the accounting policies and including some important changes during the year, the integrity and reliability of the financial reports and the timing and adequacy of information disclosure, to assure the Company's compliance with accounting standards in accordance with generally accepted accounting principles and the regulations concerned prior to the financial statements' approval for the beneficial of the investors and the other users. Moreover, the Committee held a meeting, in absence of the Company's Executives, to analyse the observations and opinions of the external auditor and to discuss on the comments independently. In addition, the Company emphasized on the key audit matters of the Group Companies for disclosing information in accordance with the auditing standards in the auditor's report.

### 2. Review of Corporate Governance

The Audit Committee oversaw the Company's rules and regulations to ensure they are compliant with the Company's Code of Conduct and Regulations, without any legal violations. The Committee also established good awareness of anti-corruption measures and prevention among Executives and Employees.

### 3. Review of Risk Management

The Audit Committee held a meeting with the Risk Management Committee with their remarks on the auditing plan, the functions, and follow up the work of the Risk Management Committee. The Audit Committee confirmed the adequacy and suitability of risk management system of the company.

### 4. Review of Internal Control and Internal Audit

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

### 5. Review of Related Transactions

The Audit Committee reviewed and commented on related transactions and transactions with possible conflicts of interests and disclosed a complete and adequate report of the transactions in compliance with the regulations and requirements set forth by the Stock Exchange of Thailand, considering the Company's benefits and the completion and adequacy of information disclosure.

### 6. Self-assessment

The Audit Committee conducted individually a self-assessment of personal performance according to the Charter of the Audit Committee and the best practice guidelines of the Stock Exchange of Thailand.

### 7. Nomination of External Auditor

The Audit Committee decided on qualifications of external auditor and the proposed remuneration. Then, the Committee suggested its nomination to the Board of Directors to present to the statutory shareholder meeting.

In conclusion, the Audit Committee emphasized on the importance of internal control for the sake of the Company's good corporate governance, efficient internal control process and risk management, including its compliance with the law and regulations related to business operations.

On behalf of the Audit Committee



(Associate Professor Suttima Jamnarnwej)

Chairman of the Audit Committee  
Saha-Union Public Company Limited





## Report of Nomination and Remuneration Committee

### Dear Valued Shareholders,

Saha-Union's Nomination and Remuneration Committee consists of 3 Directors, 2 of which are independent Directors. The Chairman of the Nomination and Remuneration Committee is an independent Director who can act and express his or her opinion at will.

For more details regarding the components, scope of work and responsibilities, seeking and nomination processes for a qualified person, criteria and means, as well as Remuneration consideration approaches, shareholders are free to check in the Nomination and Remuneration Committee Manual published on the Company's website.

In 2021, the Nomination and Remuneration Committee held a total of 4 meetings, in which the whole body of the Committee was present. An operation summary of the Nomination and Remuneration Committee throughout 2021 is listed below:

1. Sought and selected qualified persons to propose to the Board of Directors for further nomination during the Annual General Meeting of Shareholders 2021 to appoint new persons for the Director positions in place of former Directors who completed their service term.
2. Considered and determined the amount and form of remuneration for the Board of Directors and other committees for 2021 to propose to the Board of Directors, who would use it to ask for approval from the body of the Annual General Meeting of Shareholders 2021.
3. Sought and selected qualified persons to propose to the Board of Directors for consideration to appoint them for the Director positions in place of former Directors who completed their service term.
4. Provided necessary orientations for newly appointed Directors to ensure an understanding over their roles, duties, and responsibilities, as well as the Company's policies, business executions, and other relevant information that facilitates their work.
5. Evaluated the operations of the Nomination and Remuneration Committee and submitted an annual assessment report to the Board of Directors. The summary result of self-evaluation of the Nomination and Remuneration Committee in 2021 scored an average of 97.55 percent.

The list of nominated persons to be considered by the Board of Directors and the Annual General Meeting of Shareholders 2021 for appointing for the Director position was made by the Nomination and Remuneration Committee, based on the criteria established by the Committee itself. A person to be nominated must possess qualifications and must not be under any prohibitions as stipulated by laws, must possess qualifications according to the regulations of Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), must comply with the principles of good corporate governance for registered companies concerning the Committee structures, and must be a knowledgeable, talented, and independent person who has necessary skills, expertise, and experiences in businesses that will benefit the Company's business operations.

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

In 2021, the Nomination and Remuneration Committee fulfilled the tasks and responsibilities with prudence, transparency, impartiality, and independence, for the highest benefit of the Company, shareholders, and stakeholders.

On Behalf of the Nomination and Remuneration Committee

(Mr. Yanyong Tangchitkul)

Chairman of the Nomination and Remuneration Committee



**IOD's Accreditation and Certification Training Program of the Board of Directors  
About the Responsibility and Skills of being the Director**

No.	Name	Surname	Thai Institute of Directors Certification Programs (Thailand Institute of Directors : IOD)								
			Director Accreditation Program (DAP)	Director Certification Program (DCP)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Chartered Director Class (CDC)	Director Diploma Examination	Finance for Non-Finance Director (FN)	Advanced Audit Committee Program (AACP)	Ethical Leadership Program (ELP)
1	Miss Dalad	Sapthavichaikul	-	9/2001	10/2005	-	-	4/2001	1/2001	-	13/2018
2	Mr. Chutindhon	Darakananda	17/2004	-	-	-	-	-	-	-	-
3	Mrs. Suttima	Jamnamweij	157/2019	-	-	-	-	-	-	34/2019	-
4	Mr. Yanyong	Tangchitkul	79/2009	-	-	-	-	-	-	-	-
5	Mr. Anon	Sirisaengtaksin	52/2008	73/2006	-	-	-	-	-	-	-
*6	Mr. Chai	Jangsirikul	87/2011	-	-	-	-	-	-	40/2021	-
7	Mrs. Chantornree	Darakananda	5/2003	-	-	-	-	-	-	-	-
8	Mr. Preecha	Shunhavanich	62/2007	-	-	-	-	-	-	-	-
9	Mr. Supakit	Paungbua	148/2018	-	-	-	-	-	-	-	-
10	Mrs. Piniyorn	Darakananda Kasemsap	92/2011	-	-	-	-	-	-	-	-
11	Mr. Bovornrat	Darakananda	18/2004	-	-	-	-	-	-	-	-
12	Mr. Vacharaphong	Darakananda	2/2003	69/2006	-	15/2012	7/2013	19/2006	-	-	-
13	Mr. Pittawat	Prettitumrong	169/2020	-	-	-	-	-	-	-	-
14	Mr. Nanthiya	Darakananda	2/2003	212/2015	-	-	-	-	-	-	-
*15	Mr. Nithiphan	Darakananda	179/2021	302/2021	-	-	-	-	-	-	-

Remark: In 2021 there were 2 directors attended the training program

No. 6 attended AACP Class 40/2021

No. 15 attended DAP Online Class 179/2021 and DCP Class 302/2021



## Direct Investment of Saha-Union (in Group Companies) as of 31 December 2021

Group of Business	Company's Name	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Investment per share (Baht)	SUC Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value (Baht)	Registration Date	Nature of Business
	<b>Saha-Union Public Company Limited</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>	<b>10.00</b>				<b>53.64</b>	<b>32.25</b>		<b>10 Aug. 1972</b>	<b>Investment, distribution of raw materials and products manufactured by group companies</b>
Textile Business	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	USD 30,300,000	USD 30,300,000		39.590	37.71	452,337,284.26	17.25	17.25	206,927,032.50	20 Jun. 2003	Contract manufacture and distribution of textile products
	Union Textile Industries Public Company Limited	600,000,000	600,000,000	10.00	49.882	10.73	321,180,863.41	17.32	38.35	1,147,784,820.00	21 Mar. 1977	Manufacture and distribution of textiles
	Union Garment Co., Ltd.	25,000,000	25,000,000	50.00	99.987	90.71	45,348,117.52	47.64	47.64	23,816,951.04	26 Apr. 1974	Manufacture and distribution of garments
	Union Universe Co., Ltd.	1,875,000	1,875,000	25.00	49.865	25.31	946,455.06	64.05	64.05	2,395,405.95	7 Mar. 1968	Distributor of Grand Slam shirts
	Union Micronclean Co., Ltd.	5,000,000	5,000,000	10.00	38.000	43.52	8,268,999.37	126.59	126.59	24,052,100.00	24 Jan. 1996	Manufacture and distribution of anti-electrostatic and dust clothing
	Union Spinning Mills Co., Ltd.	200,000,000	200,000,000	100.00	25.000	93.13	46,563,324.78	100.79	100.79	50,395,000.00	4 Jun. 1971	Manufacture and distribution of thread
Plastic, Rubber and Metal Business	Union Pioneer Public Company Limited	75,000,000	75,000,000	10.00	48.958	14.46	53,084,046.25	49.69	66.00	242,340,120.00	8 Oct. 1973	Manufacture and distribution of elastic products
	Union Plastic Public Company Limited	250,000,000	250,000,000	10.00	49.521	19.02	235,432,531.30	19.60	23.50	290,933,055.00	3 Jan. 1969	Contract manufacture of plastic products, manufacture and repair of molds
	Union Zojirushi Co., Ltd.	600,000,000	600,000,000	100.00	51.000	100.22	306,658,338.14	183.05	183.05	560,132,267.80	18 Aug. 1986	Manufacture and distribution of vacuum stainless bottles
	Union Stainless Steel Products Co., Ltd.	40,000,000	40,000,000	100.00	98.000	133.70	52,411,447.56	161.80	161.80	63,425,276.40	16 Dec. 1988	Manufacture and distribution of stainless steel kitchenware
	Union Rubber Products Corp., Ltd.	20,000,000	20,000,000	100.00	99.998	80.56	16,110,954.50	109.82	109.82	21,963,450.90	24 Mar. 1971	Manufacture and distribution of rubber products
	Thai Rubber Enterprise Co., Ltd.	32,000,000	32,000,000	100.00	50.849	106.36	17,307,345.10	349.50	349.50	56,869,941.00	9 Jul. 1970	Rubber estates
Trading Business	Union Nifco Co., Ltd.	100,000,000	100,000,000	100.00	30.002	105.18	31,556,005.62	517.29	517.29	155,199,414.96	3 Nov. 1988	Manufacture and distribution of plastic parts and molds
	Union Thai-Nichiban Co., Ltd.	15,000,000	15,000,000	100.00	40.402	325.71	19,738,921.63	2,766.38	2,766.38	167,650,927.14	21 Jun. 1973	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape
	Computer Union Co., Ltd.	100,000,000	100,000,000	100.00	98.486	105.16	103,571,432.35	11.94	11.94	11,759,180.64	18 Nov. 1982	Computer and accessories dealer



Group of Business	Company's Name	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Investment per share (Baht)	SUC Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value (Baht)	Registration Date	Nature of Business
Energy Business	Zhejiang Jiasan-Union Cogeneration Co., Ltd.	USD 36,900,000	USD 36,900,000		56.929	34.58	726,355,952.94	47.25	47.25	992,579,710.50	15 Aug. 1994	Power generation
	Shaoying Shangyu Hangzhou-Union Cogeneration Co., Ltd.	RMB 300,000,000	RMB 300,000,000		25.000	4.99	374,415,749.43	9.27	9.27	695,250,000.00	19 Nov. 2002	Power generation
Hotel Business	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	USD 24,658,660	USD 24,658,660		40.000	42.30	417,270,553.54	10.82	10.82	106,722,680.48	6 Jul. 1994	Power generation
	The Royal Hotel Co., Ltd.	3,000,000,000	3,000,000,000	10.00	96.000	10.00	2,880,000,000.00	8.74	8.74	2,517,120,000.00	2 May 2014	Hotel
Hospital Business	Sukhumvit 62 Medical Ltd.	1,000,000,000	1,000,000,000	100.00	40.000	100.00	400,000,000.00	98.12	98.12	392,480,000.00	6 Mar. 2014	Hospital
	Navavej International Plc.	1,950,000,000	1,950,000,000	10.00	24.615	10.00	480,000,000.00	6.61	6.61	317,280,000.00	8 Jul. 2015	Hospital
Investment Business and Others	Saha-Union International Ltd.	HKD 404,500,000	HKD 404,500,000	100.00	99.988	4.72	1,907,800,576.88	5.06	5.06	2,046,517,000.00	18 Aug. 1972	Investment
	Saha-Union Investment (China) Co., Ltd.	USD 45,000,000	USD 45,000,000		100.000	34.95	1,572,809,060.01	59.93	59.93	2,696,850,000.00	19 Jan. 1995	Investment
	Taiping Union Zond Chemicals Co., Ltd.	USD 27,930,000	USD 27,930,000		23.845	32.88	218,957,706.00	31.44	31.44	209,390,400.00	29 Aug. 2007	Manufacture of Phthalic anhydride & Fumaric acid and associated products
	Jiangsu Zhonglian-Union Carpet Co., Ltd.	RMB 79,394,073.79	RMB 79,394,073.79		25.000	4.86	249,239,518.07	10.43	10.43	207,020,042.74	21 May 2007	Manufacture of automobile carpet
	Saha-Union International Taipei Ltd.	TWD 5,000,000	TWD 5,000,000	25.00	10.000	0.77	385,917.66	2.72	2.72	1,360,000.00	8 Nov. 1984	Investment
	Saha-Union Holding Co., Ltd.	1,600,000,000	1,300,000,000	100 , 25	99.540	81.25	1,294,019,006.88	56.04	56.04	892,515,231.84	14 Nov. 1989	Investment
	Venus Shoes Co., Ltd.	72,000,000	72,000,000	100.00	76.000	80.42	44,006,626.43	104.65	104.65	57,264,793.95	29 Sep. 1988	Dormitory rental and services
	Union Printing Corp., Ltd.	30,000,000	30,000,000	10.00	94.735	10.37	29,465,812.50	7.66	7.66	21,770,103.00	10 Jul. 1970	Rental services
	Union Equity Co., Ltd.	160,000,000	160,000,000	10.00	99.794	10.01	159,770,484.00	21.12	21.12	337,223,905.92	31 May 1989	Investment
	Union Shoes Co., Ltd.	24,000,000	24,000,000	24.00	61.910	35.68	22,087,110.54	46.74	46.74	28,936,734.00	5 Aug. 1986	Rental services
	Union Construction Corp., Ltd.	600,000,000	600,000,000	100.00	62.487	100.14	375,457,200.00	94.57	94.57	354,564,681.10	7 Sep. 1973	Real estate development
	Saha-Union Wealth Plus Co., Ltd.	500,000,000	125,000,000	25.00	100.000	25.00	124,999,875.00	29.28	29.28	146,399,853.60	16 May 2013	Investment
	Union Nakhon Co., Ltd.	350,000,000	210,000,000	60.00	75.000	60.00	157,499,880.00	49.33	49.33	129,491,151.34	22 Aug. 2013	Real estate development
	Uni-Fibre Co., Ltd.	120,000,000	120,000,000	100.00	26.867	173.81	56,037,633.16	1,024.13	1,024.13	330,180,536.13	5 Nov. 1980	Investment
	Uni-Agro Co., Ltd.	65,000,000	65,000,000	100.00	30.000	104.95	20,464,690.80	106.21	106.21	20,710,950.00	22 Aug. 1972	Investment and agriculture
	Union Thread Industries Co., Ltd.	200,000,000	200,000,000	10.00	24.898	10.41	51,861,469.06	145.35	145.35	723,783,406.50	2 Nov. 1973	Investment
	Union Industries Corp., Ltd.	150,000,000	150,000,000	100.00	24.900	116.01	43,328,196.18	1,411.29	1,411.29	527,116,815.00	23 May 1961	Investment and real estate rental
					Group Companies	13,316,749,085.93		Group Companies	16,778,172,939.43			
					Other Companies	1,662,477,364.47		Other Companies	1,988,939,991.80			
					Total	14,979,226,450.40		Total	18,767,112,931.23			



## Revenue Structure of the Company and its subsidiaries Comparative from 2019-2021

(Unit : Million Baht )

Section	Consolidated financial statements													
	Export						Local						Total	
	2021	%	2020	%	2019	%	2021	%	2020	%	2019	%	2021	%
Textile Business	111	1.18	386	3.87	501	4.45	116	1.23	136	1.36	411	3.65	227	2.41
Plastic, Rubber and Metal Business	2,681	28.50	2,755	27.61	3,329	29.54	1,420	15.09	1,320	13.23	1,601	14.21	4,101	43.59
Trading Business	21	0.22	30	0.30	23	0.20	2,379	25.29	3,014	30.20	2,836	25.17	2,400	25.51
Energy Business	1,850	19.66	1,211	12.14	1,585	14.07	-	-	-	-	-	-	1,850	19.66
Hotel Business	-	-	-	-	-	-	142	1.51	227	2.27	523	4.64	142	1.51
Investment Business and Others	3	0.03	3	0.03	5	0.04	35	0.37	36	0.36	43	0.38	38	0.40
<b>Total</b>	<b>4,666</b>	<b>49.60</b>	<b>4,385</b>	<b>43.94</b>	<b>5,443</b>	<b>48.30</b>	<b>4,092</b>	<b>43.49</b>	<b>4,733</b>	<b>47.43</b>	<b>5,414</b>	<b>48.05</b>	<b>8,758</b>	<b>93.09</b>
(Less) Related transaction	-	-	-	-	-	-	(401)	(4.26)	(390)	(3.91)	(706)	(6.27)	(401)	(4.26)
Sales and service income - net	4,666	49.60	4,385	43.94	5,443	48.30	3,691	39.23	4,343	43.52	4,708	41.78	8,357	88.83
Dividend income													271	2.88
Rental income													45	0.48
Finance income													17	0.18
Other income													243	2.58
Share of profit from investments in joint ventures													442	4.70
Share of profit (loss) from investments in associates													33	0.35
<b>Total revenues</b>													<b>9,408</b>	<b>100.00</b>
													<b>9,979</b>	<b>100.00</b>
													<b>11,268</b>	<b>100.00</b>



## Investment Proportion

Group of Business	Name	Direct Investment %	Related party Investment %	Direct & Indirect Investment %
Textile Business	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	39.59	-	57.57
	Union Textile Industries Plc.	49.88	1.31	51.42
	Union Garment Co., Ltd.	99.99	0.01	99.99
	Union Universe Co., Ltd.	49.87	-	49.87
	Union Micronclean Co., Ltd.	38.00	-	51.00
	Union Spinning Mills Co., Ltd.	25.00	0.004	51.99
	Union Zip Co., Ltd.	-	0.01	24.85
	Venus Thread Co., Ltd.	-	-	24.90
Plastic, Rubber and Metal Business	Union Pioneer Plc.	48.96	12.85	52.73
	Union Plastic Plc.	49.52	1.67	49.69
	Union Zojirushi Co., Ltd.	51.00	-	51.00
	Union Stainless Steel Products Co., Ltd.	98.00	-	98.00
	Union Rubber Products Corp., Ltd.	99.99	-	99.99
	Thai Rubber Enterprise Co., Ltd.	50.85	-	50.85
	Union Nifco Co., Ltd.	30.00	-	50.00
	Union Thai-Nichiban Co., Ltd.	40.40	-	40.40
Trading Business	Computer Union Co., Ltd.	98.49	-	98.49
	Computer Union System Co., Ltd.	-	-	99.99
	Soldev Co., Ltd.	-	-	61.00
Energy Business	Zhejiang Jiashan - Union Cogeneration Co., Ltd.	56.93	-	75.96
	Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	25.00	-	50.00
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	40.00	-	50.00
	Ratchaburi Power Co., Ltd.	10.00	-	10.00
Hotel Business	The Royal Hotel Co., Ltd.	96.00	-	96.38
Hospital Business	Sukhumvit 62 Medical Ltd.	40.00	-	40.00
	Navavej International Plc.	24.62	-	24.62
Investment Business and others	Saha-Union International Ltd.	99.99	-	99.99
	Saha-Union Investment (China) Co., Ltd.	100.00	-	100.00
	Union Energy (Hong Kong) Co., Ltd.	-	-	100.00
	Shanghai Dasity Co., Ltd.	-	-	100.00
	Taixing Union Zond Chemicals Co., Ltd.	23.85	-	29.65
	Jiangsu Zhonglian-Union Carpet Co., Ltd.	25.00	-	35.00





Group of Business	Name	Direct Investment %	Related party Investment %	Direct & Indirect Investment %
Investment Business and others	Wuhan Taicang Car Internal Decoration Pasts Co., Ltd.	-	-	35.00
	Zhonglian-Union Carpet (Foshan) Co., Ltd.	-	-	21.00
	Jiangsu Zhonglian - Union Carpet (Teiling) Co., Ltd.	-	-	35.00
	Zhuji-Union Real Estate Co., Ltd.	-	-	25.00
	Saha-Union International Taipei Ltd.	10.00	-	42.30
	Saha-Union Holding Co., Ltd.	99.54	-	99.54
	Venus Shoes Co., Ltd.	76.00	-	99.99
	Union Printing Corp., Ltd.	94.74	0.75	94.74
	Union Equity Co., Ltd.	99.79	0.04	99.79
	Union Shoes Co., Ltd.	61.91	1.40	98.23
	Union Construction Corp., Ltd.	62.49	-	99.99
	Saha-Union Wealth Plus Co., Ltd.	99.99	-	99.99
	Union Nakhon Co., Ltd.	75.00	-	77.49
	Uni-Fibre Co., Ltd.	26.87	-	62.35
	Uni-Agro Co., Ltd.	30.00	-	44.94
	Union Thread Industries Co., Ltd.	24.90	1.96	36.89
	Union Industries Corp., Ltd.	24.90	7.09	29.46
	Union Business Management Co., Ltd.	-	-	37.54
	Union Management and Service Co., Ltd.	-	0.10	24.87
	Union Asset Management Co., Ltd.	-	-	24.90
	Union Enterprise Holdings Co., Ltd.	-	-	22.32
	Union Capital Holdings Co., Ltd.	-	-	29.46
	Union Asset Holdings Corp., Ltd.	-	-	40.27
	Union Langsuan Residence Co., Ltd.	-	-	29.40
	Union Pathumwan Co., Ltd.	-	-	35.99
	Venus Corp., Ltd.	-	-	31.83
	Union Wealth Management Co., Ltd.	-	-	29.46
	Union Lumpini Co., Ltd.	-	-	29.46
	PSV Molds Co., Ltd.	-	-	25.00
	Tencate-Union Protective Fabrics Asia Ltd.	-	-	49.35
	Union Button Corp., Ltd.	10.71	83.53	10.71
	Venus Button Co., Ltd.	-	54.00	4.98



## Companies Invested by Saha-Union Public Co., Ltd. Hold share of 10 percent or more

The Name of the Company	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Address	Telephone	Fax
<b>Textile Business</b>							
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	USD 30,300,000	USD 30,300,000		39.590	No. 7 Hengshan Rd. Jiashan County Economic Development Area, Zhejiang Province, China		
Union Textile Industries Plc.	600,000,000	600,000,000	10.00	49.882	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand Branch 1, 205 Moo 4 Sukhumvit Road (Km.39.5), Bangpoo Mai Sub-district, Mueang Samut Prakan District, Samut Prakan Province, 10280 Thailand	(66-2) 323-1085-7	(66-2) 323-9283
Union Garment Co., Ltd.	25,000,000	25,000,000	50.00	99.987	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand Branch 1, 205 Moo 4 Sukhumvit Road (Km.39.5), Bangpoo Mai Sub-district, Mueang Samut Prakan District, Samut Prakan Province, 10280 Thailand	(66-2) 710-7785	
Union Universe Co., Ltd.	1,875,000	1,875,000	25.00	49.865	52/1,52/4 Soi San Chao Chet, Charoenkrung Road, Bang Rak District, Bangkok 10500 Thailand	(66-2) 266-2976-80	(66-2) 237-6468
Union Micronean Co., Ltd.	5,000,000	5,000,000	10.00	38.000	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand Branch 1, 205 Moo 4 Sukhumvit Road (Km.39.5), Bangpoo Mai Sub-district, Mueang Samut Prakan District, Samut Prakan Province, 10280 Thailand	(66-2) 311-5111-9 (66-2) 710-8602	(66-2) 331-5668 (66-2) 710-7793
Union Spinning Mills Co., Ltd.	200,000,000	200,000,000	100.00	25.000	142 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand	(66-2) 530-0511	(66-2) 538-4247
<b>Plastics, Rubber and Metal Business</b>							
Union Pioneer Plc.	75,000,000	75,000,000	10.00	48.958	No.1 Serithai 62 Alley, Min Buri Sub-district, Min Buri District, Bangkok 10510 Thailand Branch Khosaming, 70/2 Moo 1 Santung Sub-district, KhoSaming District, Trad Province, 23150 Thailand	(66-2) 517-0105-8, 517-9052-5,	(66-2) 517-9056 (66-2) 517-1016
Union Plastic Plc.	250,000,000	250,000,000	10.00	49.521	Branch Bang Pakong, 99 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24180 Thailand No.11/1 Serithai 62 Alley, Min Buri Sub-district, Min Buri District, Bangkok 10510 Thailand	517-8217-21 (66-2) 517-0109-14	





The Name of the Company	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Address	Telephone	Fax
Union Zojirushi Co., Ltd.	600,000,000	600,000,000	100.00	51.000	99/9 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24130 Thailand Branch Bangchan, No.11/3 Serithai 62 Alley, Min Buri Sub-district, Min Buri District, Bangkok 10510 Thailand	(66-38) 540100	(66-38) 540082
Union Stainless Steel Products Co., Ltd.	40,000,000	40,000,000	100.00	98.000	No.11/2 Serithai 62 Alley, Min Buri Sub-district, Min Buri District, Bangkok 10510 Thailand	(66-2) 919-8996-8	(66-2) 517-8167
Union Rubber Products Corp., Ltd.	20,000,000	20,000,000	100.00	99.998	No. 99 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24180 Thailand Branch 1, 70/1 Moo 1 Santung Sub-district, KhoSaming District, Trad Province Thailand	(66-89) 500-3546 (66-39) 510-463	
Thai Rubber Enterprise Co., Ltd.	32,000,000	32,000,000	100.00	50.849	No. 99 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24180 Thailand Branch 1 No.12 Moo 2 Thap Sai Sub-district, Pong Nam Ron District, Chanthaburi Province, Thailand Branch 2, 70/2 Moo 1 Santung Sub-district, KhoSaming District, Trad Province Thailand	(66-89) 500-3546 (66-39) 510-466	
Union Nifco Co., Ltd.	100,000,000	100,000,000	100.00	30.002	No. 99/11 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24180 Thailand	(66-38) 842-130-5	(66-38) 842-129
Union Thai-Nichiban Co., Ltd.	15,000,000	15,000,000	100.00	40.402	No. 12 Serithai 62 Alley, Min Buri Sub-district, Min Buri District, Bangkok 10510 Thailand	(66-2) 517-0100-3	(66-2) 517-0104
<b>Trading Business</b>							
Computer Union Co., Ltd.	100,000,000	100,000,000	100.00	98.486	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand Branch 2 No.142/1-2 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand	(66-2) 311-6881-2 (66-2) 530-0505	(66-2) 311-6889 (66-2) 530-2940 , 530-1955,530-2388
<b>Energy Business</b>							
Zhejiang Jiashan - Union Cogeneration Co., Ltd.	USD 36,900,000	USD 36,900,000		56.929	No. 8 Hengshan Rd, Jiashan County Economic Development Area, Zhejiang Province, China		

The Name of the Company	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Address	Telephone	Fax
Shaoxing Shangyu Hangzhou-Union Cogeneration Co., Ltd.	RMB 300,000,000	RMB 300,000,000		25.000	No. 7 Wei Jiu Road, Shangyu Economic and Technological Development Zone, Hangzhou Bay, Zhejiang Province, China		
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	USD 24,658,660	USD 24,658,660		40.000	Bamaochong ,Xiaobaihu Village , Cheng Xi Hua Si, Luliang County, Yunnan Province, China		
Ratchaburi Power Co., Ltd.	7,325,000,000	7,325,000,000	100.00	10.000	1828 Sukhumvit Road,Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 332-3882
					Power Plant 245 Moo 6 Baan Rai Sub-District, Damnoen Saduak District, Ratchaburi 70130 Thailand	(66-32) 719300 # 1000	(66-32) 719300 # 1090
<b>Hotel Business</b>							
The Royal Hotel Co., Ltd.	3,000,000,000	3,000,000,000	10.00	96.000	1828 Sukhumvit Road,Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 311-6889
					Branch 1 No.33 Naresdamri Rd., HuaHin Sub-district, HuaHin District, Prachuap Khiri Khan Province, 77110 Thailand	(66-32) 538-999	(66-32) 538-990
					Branch 2 No.142 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand	(66-2) 514-7555	(66-2) 538-3292
<b>Hospital Business</b>							
Sukhumvit 62 Medical Ltd.	1,000,000,000	1,000,000,000	100.00	40.000	88 Sukhumvit 62 Road Yeak 3,Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-0823	
Navavej International Plc.	1,950,000,000	1,950,000,000	10.00	24.615	9 Ratchada-ramintra, Nuanchan, Bueng Kum, Bangkok 10230 Thailand	(66-2) 483-9999	
<b>Investment Business and others</b>							
Saha-Union International Ltd.	HKD 404,500,000	HKD 404,500,000		99.988	12 <sup>th</sup> Floor, Bangkok Bank Building, No.28 Des Voeux Road, Central, Hong Kong	(852) 2521-2260	(852) 2521-0021
Saha-Union Investment (China) Co., Ltd.	USD 45,000,000	USD 45,000,000		100.000	Room No.31 A-C, No.18 Cao Xi Road (North), Shanghai 200030, China	(86-21) 5459-0378,5459-0678	(86-21) 6427-9117
Taixing Union Zond Chemicals Co., Ltd.	USD 27,930,000	USD 27,930,000		23.845	No. 18 Zhunan Road, Taixing Economic Development Area, Jiangsu Province, China		
Jiangsu Zhonglian-Union Carpet Co., Ltd.	RMB 79,394,073.79	RMB 79,394,073.79		25.000	No. 81 Luoyang East Road, Lei dong Avenue, Taicang City (Taicang Economic Development Zone), Jiangsu Province, China		
Saha-Union International (Taipei) Ltd.	TWD 5,000,000	TWD 5,000,000		10.000	15 <sup>th</sup> Floor, Bangkok Bank Building, No.121 Sung Chiang Road, Taipei 10429, Taiwan		
Saha-Union Holding Co., Ltd.	1,600,000,000	1,300,000,000	100, 25	99.540	1828 Sukhumvit Road,Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 331-5668







The Name of the Company	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Address	Telephone	Fax
Venus Shoes Co., Ltd.	72,000,000	72,000,000	100.00	76.000	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 331-5668
					Branch 1, 99 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24180 Thailand	(66-38) 088-458-9	(66-38) 088-458
Union Printing Corp., Ltd.	30,000,000	30,000,000	10.00	94.735	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 331-5668
Union Equity Co., Ltd.	160,000,000	160,000,000	10.00	99.794	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 331-5668
Union Shoes Co., Ltd.	24,000,000	24,000,000	24.00	61.910	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 331-5668
					Branch 1, 99/5 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24180 Thailand		
Union Construction Corp., Ltd.	600,000,000	600,000,000	100.00	62.487	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 331-5668
Saha-Union Wealth Plus Co., Ltd.	500,000,000	125,000,000	25.00	99.999	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 311-5111-9	(66-2) 331-5668
Union Nakhon Co., Ltd.	350,000,000	210,000,000	60.00	75.000	899 I-Biz Avenue, Phatthanakan Khu Khwang Rd., Nakhon Si Thammarat 80000 Thailand	(66-75) 318-700 ๓๑ 870	(66-75) 318-700
Uni-Fibre Co., Ltd.	120,000,000	120,000,000	100.00	26.867	1828 Sukhumvit Road, Phra Khanong Tai Sub-district, Phra Khanong District, Bangkok 10260 Thailand	(66-2) 514-7555	(66-2) 538-3292
Uni-Agro Co., Ltd.	65,000,000	65,000,000	100.00	30.000	No. 142 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand	(66-2) 514-7555	(66-2) 538-3292
Union Thread Industries Co., Ltd.	200,000,000	200,000,000	10.00	24.898	No. 142 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand	(66-2) 514-7555	(66-2) 538-3292
Union Industries Corp., Ltd.	150,000,000	150,000,000	100.00	24.900	No. 142 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand	(66-2) 514-7555	(66-2) 538-3292
Union Button Corp., Ltd.	100,000,000	100,000,000	100.00	10.714	No. 142 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand	(66-2) 530-7040-	(66-2) 539-6124
					Branch 1 No. 99/10 Moo 5 Bangna-Trad Road (Km.38), Bangsamak Sub-district, Bang Pakong District, Chachoengsao Province, 24180 Thailand	54	
Processing Center Co., Ltd.	50,000,000	50,000,000	100.00	20.000	Branch 1 No. 253/43 Lat Phrao 80, Wang Thonglang, Bangkok 10310 Thailand		
					No. 319 Chamchuri Square Building, room 9-12, Floor 25, Phayathai Road, Pathumwan Province, Bangkok 10330 Thailand	(66-2) 029-0290	(66-2) 029-0291
					Branch 1 CAT Telecom public company limited. Room 419, Floor 4, No.72 Charoen krung Rd. khwang Khlong Toei, bangrak 10501 Thailand		

## Business Results and Three Years Financial Status

## Statement of financial position

	Consolidated financial statements					Separate financial statements				
	2021	%	2020	%	2019	%	2020	%	2019	%
<b>Assets</b>										
Cash and cash equivalents	3,087	11.66	2,877	11.19	2,700	10.71			306	1.90
Current investments	-	-	-	-	1,581	6.27			-	-
Trade and other receivables	1,515	5.72	1,490	5.79	1,708	6.78			156	0.97
Inventories	980	3.70	940	3.66	1,018	4.04			-	-
Short-term loans to related party	-	-	-	-	1	-			463	2.88
Other current financial assets	2,123	8.02	1,460	5.68	-	-			-	-
Other current assets	121	0.46	361	1.40	277	1.10			1	0.01
Investments in subsidiaries, joint ventures and associates	5,980	22.58	5,683	22.10	5,304	21.04			11,619	72.23
Other non-current financial assets	3,155	11.92	3,288	12.79	-	-			-	-
Other long-term investments	-	-	-	-	2,692	10.68			1,992	12.38
Investment properties	2,465	9.31	2,402	9.34	2,391	9.49			1,494	9.29
Property, plant and equipment	5,971	22.55	6,154	23.93	6,532	25.92			39	0.24
Other non-current assets	1,081	4.08	1,062	4.13	1,000	3.97			17	0.11
<b>Total assets</b>	<b>26,478</b>	<b>100.00</b>	<b>25,717</b>	<b>100.00</b>	<b>25,204</b>	<b>100.00</b>	<b>16,751</b>	<b>100.00</b>	<b>16,652</b>	<b>100.00</b>

(Unit : Million Baht)



## Statement of financial position (Continued)

(Unit : Million Baht)

	Consolidated financial statements						Separate financial statements					
	2021	%	2020	%	2019	%	2021	%	2020	%	2019	%
<b>Liabilities and shareholders' equity</b>												
Short-term loans	302	1.14	94	0.37	232	0.92	113	0.67	-	-	-	-
Trade and other payables	1,284	4.85	1,479	5.75	1,480	5.87	51	0.30	51	0.31	66	0.41
Deposits from related parties	-	-	-	-	4	0.02	326	1.95	422	2.53	357	2.22
Current portion of long-term Debts	250	0.94	373	1.45	465	1.84	-	-	-	-	-	-
Other current liabilities	141	0.53	130	0.51	129	0.51	10	0.06	10	0.06	11	0.07
Non-Current portion of long-term Debts	114	0.43	310	1.21	338	1.34	-	-	-	-	-	-
Provision for long-term employee benefits	289	1.09	302	1.17	297	1.18	25	0.15	24	0.14	19	0.12
Other non-current liabilities	174	0.66	197	0.77	184	0.73	133	0.79	163	0.98	135	0.84
Total liabilities	2,554	9.65	2,885	11.22	3,129	12.41	658	3.93	670	4.02	588	3.66
<b>Shareholders' equity</b>												
Share capital issued and fully paid	3,000	11.33	3,000	11.67	3,000	11.90	3,000	17.91	3,000	18.02	3,000	18.65
Share premium	2,599	9.82	2,599	10.11	2,599	10.31	2,599	15.52	2,599	15.61	2,599	16.16
Retained earnings - Appropriated and Unappropriated	15,714	59.35	15,542	60.43	15,165	60.17	9,965	59.49	9,728	58.42	9,358	58.17
Other components of shareholders' equity	773	2.92	(69)	(0.27)	(465)	(1.84)	529	3.16	655	3.93	542	3.37
Equity attributable to owners of the Company	22,086	83.41	21,072	81.94	20,299	80.54	16,093	96.07	15,982	95.98	15,499	96.34
Non-controlling interests of the subsidiaries	1,838	6.94	1,760	6.84	1,776	7.05	-	-	-	-	-	-
Total shareholders' equity	23,924	90.35	22,832	88.78	22,075	87.59	16,093	96.07	15,982	95.98	15,499	96.34
Total liabilities and shareholders' equity	26,478	100.00	25,717	100.00	25,204	100.00	16,751	100.00	16,652	100.00	16,087	100.00
Book Value per share (Baht)	75.95		72.46		69.97		53.64		53.27		51.66	

(Unit : Million Baht)

Equity holders of the Company	601	6.73	845	9.02	1,112	10.35
Non-controlling interests of the subsidiaries	103	1.15	22	0.23	63	0.59
	704	7.88	867	9.25	1,175	10.93
Earnings per share (Baht)	2.07		2.91		3.83	
Dividend per share (Baht)	1.50		1.50		1.50	
Dividend payout ratio (%)	72.46%		51.55%		39.16%	

**Business Results and Three Years Financial Status**  
**Statement of comprehensive income**

	Consolidated financial statements			Separate financial statements		
	2021	2020	2019	2021	2020	2019
Profit for the period	704	867	1,175	685	823	839
Other comprehensive income						
Other comprehensive income to be reclassified to profit or loss in subsequent periods						
Exchange differences on translation of financial statements in foreign currencies	692	210	(408)	-	-	-
Losses on change in value of available-for-sale investments	-	-	(160)	-	-	(118)
Share of other comprehensive income from investments in joint ventures and associates - net of income tax	305	139	(202)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	997	349	(770)	-	-	(118)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Actuarial gain (loss) - net of income tax	(2)	(25)	(6)	-	(3)	2
Loss on investments in equity designated at fair value through other comprehensive income - net of income tax	(104)	(147)	-	(124)	(103)	-
Share of other comprehensive income from investments in joint ventures and associates - net of income tax	6	(12)	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(100)	(184)	(6)	(124)	(106)	2
Other comprehensive income for the period	897	165	(776)	(124)	(106)	(116)
Total comprehensive income for the period	1,601	1,032	399	561	717	723
Total comprehensive income attributable to						
Equity holders of the Company	1,449	994	367	561	717	723
Non-controlling interests of the subsidiaries	152	38	32	-	-	-
	1,601	1,032	399	561	717	723

(Unit : Million Baht)

**Business Results and Three Years Financial Status**  
**Cash flow statement**

(Unit : Million Baht)

	Consolidated financial statements			Separate financial statements		
	2021	2020	2019	2021	2020	2019
Cash flows from operating activities						
Profit before tax	798	992	1,337	685	823	838
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities						
Depreciation and amortisation	848	859	820	13	15	15
Allowance for expected credit losses (reversal)	8	(2)	2	-	-	-
Reduction of cost of inventories to net realisable value (reversal)	6	(14)	17	-	-	-
Loss on disposals/write-off of property, plant and equipment	1	13	34	-	-	-
Gain on disposals/write-off of investment properties	-	(1)	-	-	(1)	-
Reversal of losses on impairment of investment properties	-	(2)	-	-	-	-
Loss on impairment of property, plant and equipment (reversal)	1	45	(8)	-	-	-
Loss on impairment of investments	-	-	-	-	78	-
Expenses of withholding tax write-off	50	39	21	32	25	21
Unrealised gains from revaluation of trading securities	-	-	(28)	-	-	-
Loss (gain) on investments designated at fair value through profit or loss	(38)	196	-	(3)	-	-
Loss (gain) on derivatives designated at fair value through profit or loss	18	(7)	-	3	(1)	-
Share of profit from investments in joint ventures	(442)	(495)	(535)	-	-	-
Share of loss (profit) from investments in associates	(33)	(116)	13	-	-	-
Gain on disposals of investments	(1)	(1)	(2)	(6)	-	-
Unrealised loss (gain) on exchange	(8)	5	7	-	-	-
Dividend received from investments	(271)	(376)	(245)	(704)	(923)	(875)
Provision for long-term employee benefits	19	14	76	1	2	6
Finance income	(17)	(29)	(50)	(32)	(34)	(27)
Finance cost	29	43	29	1	3	2
Profit (loss) from operating activities before changes in operating assets and liabilities	968	1,163	1,488	(10)	(13)	(20)

## Cash flow statement (Continued)

	Consolidated financial statements			Separate financial statements		
	2021	2020	2019	2021	2020	2019
Operating assets (increase) decrease						
Trade and other receivables	10	198	216	(16)	18	89
Inventories	(45)	92	90	-	-	40
Other current assets	239	(84)	(81)	-	-	-
Other non-current assets	(40)	(24)	7	-	-	-
Operating liabilities increase (decrease)						
Trade and other payables	(209)	2	(20)	(1)	(13)	(58)
Other current liabilities	14	(4)	15	(1)	(1)	10
Provision for long-term employee benefits	(34)	(41)	(10)	-	(1)	(2)
Other non-current liabilities	(1)	2	(1)	-	-	-
Cash from (used in) operating activities	902	1,304	1,704	(28)	(10)	59
Cash paid for interest	(21)	(40)	(29)	(1)	(5)	(2)
Cash paid for income tax	(200)	(197)	(293)	(35)	(28)	(24)
Cash refund from income tax	41	16	34	3	5	-
Net cash from (used in) operating activities	722	1,083	1,416	(61)	(38)	33
Cash flows from investing activities						
Decrease (increase) in short-term loans to related parties	-	1	-	(109)	(105)	(187)
Increase in current investments	-	-	(168)	-	-	-
Increase in other current financial assets	(495)	(28)	-	-	-	-
Decrease in restricted investments	4	3	-	-	-	-
Decrease in long-term loans to related party	-	185	-	-	-	-
Acquisition of investments in subsidiaries, joint venture and associates	(75)	(200)	(167)	(82)	(328)	(288)
Acquisition of other non-current financial assets/Other long-term investments	(11)	(523)	(132)	(9)	(2)	(3)
Proceeds from disposals of property, plant and equipment	32	13	6	-	-	-
Proceeds from disposals of investment properties	-	1	-	-	1	-
Proceeds from disposals/liquidation/capital returns of investments	17	18	20	133	28	-
Dividend received from investments	833	932	684	704	980	817

(Unit : Million Baht)



### Cash flow statement (Continued)

(Unit : Million Baht)

	Consolidated financial statements		
	2021	2020	2019
Interest income	16	29	51
Acquisition of investment properties	(16)	(29)	(370)
Acquisition of property, plant and equipment	(347)	(396)	(637)
Acquisition of intangible assets	(44)	(3)	(2)
Net cash from (used in) investing activities	(86)	3	(715)
Cash flows from financing activities			
Increase (decrease) in short-term loans from financial institutions	207	(147)	(165)
Increase in short-term loan from related party	-	10	-
Increase (decrease) in deposits from related parties	-	(4)	4
Cash receipt from disposals of the Company's shares held by subsidiaries	-	2	32
Cash receipt for share capital receipt from non-controlling interests of the subsidiaries	-	54	40
Dividend paid	(510)	(547)	(767)
Cash receipt from long-term loans	32	17	36
Repayment of long-term loans	(361)	(278)	(246)
Payment of lease liabilities	(74)	(62)	(44)
Net cash used in financing activities	(706)	(955)	(1,110)
Increase (decrease) in translation adjustments	280	46	(137)
Net increase (decrease) in cash and cash equivalents	210	177	(546)
Cash and cash equivalents at beginning of year	2,877	2,700	3,246
Cash and cash equivalents at end of year	3,087	2,877	2,700

Supplemental cash flows information			
Non-cash transaction			
Purchases of property, plant and equipment, computer software for which no cash has been paid	17	2	100
Right-of-use assets acquired under lease agreement	37	117	-
Decrease in right-of-use assets due to lease modification	2	-	-
Decrease in lease liabilities due to lease modification	2	-	-

	Separate financial statements		
	2021	2020	2019
	32	33	26
	-	-	(358)
	(7)	(2)	(2)
	-	-	(1)
	662	605	4
	113	-	-
	-	-	-
	(96)	66	41
	-	-	-
	-	-	-
	(450)	(450)	(600)
	-	-	-
	-	-	-
	-	-	-
	(433)	(384)	(559)
	-	-	-
	168	183	(522)
	489	306	828
	657	489	306

	2	-	1
	-	-	-
	-	-	-
	-	-	-





## FINANCIAL RATIO

	2021	2020	2019	
<b>LIQUIDITY RATIO</b>				
Current ratio	3.96	3.43	3.15	(times)
Quick ratio	3.46	2.98	2.71	(times)
Cash flow liquidity ratio (Average)	0.36	0.49	0.61	(times)
Average account receivable turnover (Average)	6.09	6.04	6.53	(times)
Average collection period	60	60	56	(days)
Average inventory turnover (Average)	7.88	7.90	8.19	(times)
Average inventory period	46	46	45	(days)
Average account payable turnover (Average)	7.56	7.38	8.63	(times)
Average payment period	48	49	42	(days)
Average cash cycle	58	57	59	(days)
<b>PROFITABILITY RATIO</b>				
Gross profit margin	9.41	11.36	13.50	(%)
Operating margin	4.37	7.41	7.72	(%)
Other Income margin	2.72	2.12	2.45	(%)
Free Cash Flow To EBIT	185.03	156.15	170.52	(%)
Net profit margin	6.39	8.47	9.87	(%)
Return on equity (ROE) (Average)	2.79	4.09	5.45	(%)
<b>EFFICIENCY RATIO</b>				
Return on asset (ROA) (Average)	2.30	3.32	4.35	(%)
Return On Fixed Assets (Average)	16.98	19.30	21.56	(%)
Asset turnover (Average)	0.36	0.39	0.44	(times)
<b>FINANCIAL POLICY RATIO</b>				
Total debts to total equity	0.11	0.13	0.14	(times)
Interest coverage ratio	57.51	43.90	75.28	(times)
Debt service coverage ratio	3.03	4.05	3.12	(times)



## Related Transactions of Saha-Union Public Company Limited with Related Parties in 2021

Party's Name	Type of Relationship	Related Transaction				Necessity
		Type of Transaction	Amount (Million Baht)	Pricing Policy		
1 Union Thread Industries Co., Ltd.	Major shareholder holding more than 30% of shares	1 Dividend Income/Payment	53.74	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.	
		2 Other Income/Expenses	0.11	Contract price		
2 Union Industries Corp., Ltd.	One of 10 major related shareholders	1 Dividend Income/Payment	33.70	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.	
		2 Other Income/Expenses	0.11	Contract price		
3 Venus Thread Co., Ltd.	Major shareholder holding more than 30% of shares	1 Purchases/Sales of Merchandise	11.61	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.	
		2 Rental Income	0.02	Contract price		
		3 Other Income/Expenses	0.09	Contract price		
		4 Account Receivables/Payables	0.01	Outstanding balance as of 31 December 2021		
4 Union Spinning Mills Co., Ltd.	Major shareholder holding more than 30% of shares	1 Purchases/Sales of Merchandise	4.51	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.	
		2 Rental Income	0.09	Contract price		
		3 Other Income/Expenses	0.08	Contract price		
		4 Account Receivables/Payables	0.06	Outstanding balance as of 31 December 2021		
5 Union Zip Co., Ltd.	Major shareholder holding more than 30% of shares	1 Other Income/Expenses	0.09	Contract price		
6 Union Shoes Co., Ltd.	Saha-Union Plc. is a major shareholder	1 Deposits	45.20	Outstanding balance as of 31 December 2021	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.	
		2 Interest Receivables/Payables	0.01	Outstanding balance as of 31 December 2021		
		3 Interest Income/Expenses	0.09	Referred to types and rates of a major commercial bank		
7 Thai Rubber Enterprise Co., Ltd.	Saha-Union Plc. is a major shareholder	1 Account Receivables/Payables	3.42	Outstanding balance as of 31 December 2021	To develop and make use of its vacant plots of land by rental of property for rubber plantation.	
		2 Rental Income	1.41	Contract price		
		3 Other Income/Expenses	0.04	Contract price		
		4 Dividend Income/Payment	0.49	From resolution of the Shareholders' Meeting		
8 Union Textile Industries Public Company Limited	Saha-Union Plc. is a major shareholder	1 Purchases/Sales of Merchandise	5.73	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.	
		2 Dividend Income/Payment	1.50	From resolution of the Shareholders' Meeting		
		3 Account Receivables/Payables	0.09	Outstanding balance as of 31 December 2021		
		4 Other Income/Expenses	0.87	Contract price		
		5 Rental Income	0.16	Contract price		





Party's Name	Type of Relationship	Related Transaction			Necessity
		Type of Transaction	Amount (Million Baht)	Pricing Policy	
9 Union Pioneer Public Company Limited	Saha-Union Plc. is a major shareholder	1 Purchases/Sales of Merchandise	8.34	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power and in the ordinary course of business should have return on investment
		2 Dividend Income/Payment	32.68	From resolution of the Shareholders' Meeting	
		3 Rental Income	2.90	Contract price	
		4 Other Income/Expenses	0.40	Contract price	
		5 Account Receivables/Payables	1.81	Outstanding balance as of 31 December 2021	
10 Union Construction Corp., Ltd.	Saha-Union Plc. is a major shareholder	1 Deposits	23.00	Outstanding balance as of 31 December 2021	
		2 Interest Income/Expenses	0.06	Referred to types and rates of a major commercial bank	
11 Uni-Agro Co., Ltd.	Saha-Union Plc. is a major shareholder	1 Interest Income/Expenses	0.08	Contract price	
12 Union Button Corp., Ltd.	Directors and related person holding more than 10% of shares	1 Other Income/Expenses	0.01	Contract price	In the ordinary course of business should have return on investment.
		2 Dividend Income/Payment	0.45	From resolution of the Shareholders' Meeting	
13 Venus Button Co., Ltd.	Related person holding more than 10% of shares	1 Dividend Income/Payment	0.87	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
		2 Other Income/Expenses	0.01	Contract price	
14 Uni-Fibre Co., Ltd.	Major shareholder holding more than 30% of shares	1 Other Income/Expenses	0.01	Contract price	
15 Union Management and Service Co., Ltd.	Major shareholder holding more than 30% of shares	1 Other Income/Expenses	0.01	Contract price	
16 Union Property Co., Ltd.	Related person holding more than 10% of shares	1 Other Income/Expenses	0.08	Contract price	
17 Venus Shoes Co., Ltd.	Saha-Union Plc. is a major shareholder	1 Deposits	37.50	Outstanding balance as of 31 December 2021	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
		2 Interest Income/Expenses	0.08	Referred to types and rates of a major commercial bank	
		3 Other Income/Expenses	0.73	Contract price	
		4 Rental Income	0.43	Contract price	
		5 Interest Receivables/Payables	0.02	Outstanding balance as of 31 December 2021	
		6 Account Receivables/Payables	0.10	Outstanding balance as of 31 December 2021	
		7 Dividend Income/Payment	1.52	From resolution of the Shareholders' Meeting	
Total amount of related transaction in 2021			274.32		



## Year 2020

### Opinion

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries and of Saha-Union Public Company Limited as of 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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

### Key Audit Matters

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

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

Key audit matters and how audit procedures respond for each matter are described below.

### Revenue recognition

The Group has sales and service income for the year ended 31 December 2020 amounting to Baht 8,728 million, which is significant to the income statement. The Group has a large number of customers and there are a variety of conditions of sale in the agreements made with these customers. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Group, I assessed and tested the IT system and the internal controls of the Group with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year, near the end of the accounting period, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### Goodwill

As discussed in Note 20 to the financial statements, as of 31 December 2020, the Group has goodwill amounting to Baht 522 million, which is significant to the statement of financial position. Thus, the assessment of impairment of goodwill is a significant accounting estimate requiring the subsidiary's management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.



I assessed the identification of cash generating units and the financial models selected by the subsidiary's management by gaining an understanding of decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the subsidiary's management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of the subsidiary's management judgement in preparing the cash flow projections. I also evaluated the discount rate applied by the subsidiary's management through an analysis of the weighted average finance costs of the subsidiary and of the industry, and I tested the calculation of the realisable value of the goodwill using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

### **Other Information**

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

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

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

An independent auditor who responsible for the audit resulting is Mr. Khitsada Lerdwana.

## Year 2019

### Opinion

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries and of Saha-Union Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

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







## Key Audit Matters

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

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

Key audit matters and how audit procedures respond for each matter are described below.

### Revenue recognition

The Group has sales and service income for the year ended 31 December 2019 amounting to Baht 10,151 million, which is significant to the income statement. The Group has a large number of customers and there are a variety of conditions of sale in the agreements made with these customers. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Group, I assessed and tested the IT system and the internal controls of the Group with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls and with considerations given to testing related to the accuracy and timing of revenue recognition. On a sampling basis, I also examined supporting documents for sales transactions occurring during the year, near the end of the accounting period, with special consideration given to expanding the scope of the examination of supporting documentation for transactions occurring near the end of the accounting period. In addition, I reviewed credit notes issued by the Group after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### Goodwill

As discussed in Note 18 to the financial statements, as of 31 December 2019, the Group has goodwill amounting to Baht 522 million, which is significant to the statement of financial position. Thus, the assessment of impairment of goodwill is a significant accounting estimate requiring the subsidiary's management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by the subsidiary's management by gaining an understanding of decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by the subsidiary's management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of the subsidiary's management judgement in preparing the cash flow projections. I also evaluated the discount rate applied by the subsidiary's management through an analysis of the weighted average finance costs of the subsidiary and of the industry, and I tested the calculation of the realisable value of the goodwill using the selected financial models and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

### Other Information

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
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An independent auditor who responsible for the audit resulting is Mr. Khitsada Lerdwana.



**บริษัท สหยูเนียน จำกัด (มหาชน)**  
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