
Part 1 Business Operation

1. Policy and Business Overview

Salee Colour Public Company Limited (“Company”) was established on 13th of August, 2003, under a joint venture composed of the Company’s top Management Team and staff led by Mr.Thanetphon Mongkolrat and VIV Interchem Company Group, business opportunities were foreseen according to the continuous expansion in the demand for plastic products. Under the initial registered capital of 40 million Baht, the Company’s objective is to operate a business in manufacturing and distributing colored plastic resin and high concentration color or masterbatch, including colored plastic resin and instant additive, compounds, and dry colorants to entrepreneurs of plastics processing products, namely: plastic bags, consumer and cosmetics packages, and other plastic components like furnitures or electrical goods, etc. Those entrepreneurs will use the Company’s products as part of their manufacturing components in order that their plastics products can be qualified in terms of colors, characteristics, and other requirements. Currently, the Company and affiliates’ operation relies on the factory that is located in Bangpu industrial estate, Samutprakarn with a total production volume at 45,000 tons/ year.

The Company has continuously developed their products with an aim to lead the market in terms of raw materials for all-type of plastic products. Under a concept called “Solution Provider” for entrepreneurs in plastic industry. On 31st October 2005, the Company had expanded it’s businesses by forming a joint venture with Natural Chemical Company Limited, a distributor of plastic resins and additives in order to established Poly Merit-Asia Company Limited under shares, holding the ratio of 30:70 of registered capital at 15 million Baht to manufacture a special-grade filler masterbatch with production volume of 5,000 tons per year.

Before the joint venture, the Company had manufactured and distributed standard-grade filler masterbatch. Therefore, the joint venture in Poly Merit-Asia Company Limited resulted in their expansion into the filler masterbatch business since they can provide customers with a variety of filler grade levels and reach new customer bases.

On 14th June 2011, the Company entered into the listing process with the Stock Exchange of Thailand (SET) of 30,000,000 selling at 2.89 Baht/share. Later, the Company increased the registered capital up to 145,250,000 Baht and adjusted the par value of common stocks from 100.00 Baht to 1.00 Baht, increasing a number of their registered common stocks from 115,250,000 shares to 145,250,000 shares. The Company has been then converted into a public company for Market Alternative Investment (MAI) listing process.

1.1 Policies, Vision, Objectives, Goals, and Strategies of the Company's and Subsidiaries' operation

The Company has applied in an international management standard to let the working process of all departments move forward efficiently; this resulted in the utmost effective review of the vision and strategy every year that has defined the following policies.

“Leader in promoting innovative plastics that enhanced sustainability for quality of life.”

Business Strategy

1. **Build a strong foundation.** Building an organization is a lot like building a house. First, we obtained the right components to build a strong structure; then we set the direction to the goal. Over the years, we are still investing continually even in economic downturn because we believe that there is always an opportunity in every crisis. We are committed in developing our internal systems, people, equipment and machines to meet the various needs for customers.
2. **Use existing resources to maximize efficiency.** in applying advanced technology and innovation that accommodate potential changes. Stakeholder engagement is to understand and to develop leading sustainability strategies; which is not only for business purposes; but also to foresee the long-term relationship in all aspects such as: economy, society and environment. As we believe that collaboration leads to sustainable development.
3. **Focus on developing products and services to meet international standards.** To build customer confidence with our production processes, quality control, until delivery by guaranteed auditing and continuous development. Because we believe that our quality comes from precise objective in every step of the process as we aim to exceed consumer expectation.

1.2 Major Changes and Developments

Three years ago, the Company went through a number of major changes and developments as follows:

In 2017

Month	Details
During the year	1. Operation of Composite Asia Company Limited in July. 2. Completion of warehouse construction and start work in January. 3. The exercise of rights in ordinary shares of directors and employees (ESOP-W1) total 4,384,298.00 shares (stock price 1.2397 Baht) valuing 5,435,215.00 Baht.

In 2018

Month	Details
During the year	<p>1. Mr. Kwanchai Nattaset resigned before the end of the term due to retirement. This was effective from 1st January, 2019, where the Nomination and Remuneration Committee has proposed to appoint Mr. Peerapun Chivapornthip to serve as a replacement director. This was approved by the Board of Directors Meeting 4/2018 on 12th November 2018.</p> <p>2. The exercise of rights in ordinary shares of directors and employees (ESOP-W1) was on 30th March 2018, total of 1,068,618 shares (stock price 1.2397 Baht) valuing 1,324,765.65 Baht.</p>

In 2019

Month	Details
During the year	<p>1. Has appointed the Risk management Committee and Corporate Governance appointed Mr. Peerapun Chivapornthip is the chairman. This was approved by the Board of Directors Meeting 1/2019 on 25th February 2019.</p>

1.3 Shareholding Structure of the Group

1.3.1 Operation Policy of the Group is classified as below:

- Production of filler and black masterbatch by Polymerit Asia Co., Ltd.
- Production of white, color and other special masterbatch by Salee Colour PCL.
- Production of filler, white and other special masterbatch by Composite Asia Co., Ltd.

1.3.2 Chart of Shareholding Structure of the Group



Information of Subsidiaries, Associates and Related Companies

1. Salee Industry Public Company Limited holds **8.09%** of the Company's shares.
Business type : Manufacturing plastic parts for electronic and electrical appliances
Company Address : 18 Village No.10, Klong See Sub-district, Klong Luang District, Pathumthani
2. VIV Interchem Co., Ltd. holds **20.92%** of the Company's shares.
Business type : Distribute chemicals
Company Address : 22 Soi Sukhumvit 42, Phra Khanong sub-district, Klong Toey District, Bangkok
3. Polymerit Asia Co., Ltd - Salee Color holds **100%** of shares.
Business type : Produce and distribute filler and black masterbatch.
Company Address : 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-District Mueang Samutprakan District, Samutprakarn Province.
4. Composite Asia Co., Ltd. - Salee Color holds **100%** of shares
Business type : Produce and distribute filler and black masterbatch.
Company Address : 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-District Mueang Samutprakan District, Samutprakarn Province.

1.4 Relationships with Business Groups of Major Shareholders

Major shareholders of the Company according to registered book as of 3rd December 2019 are as follows:

Seq.	Name-Surname	Number of shares	% of total shares
1	VIV Interchem Co., Ltd.	123,230,167	20.92
2	Salee Industry Public Company Limited	47,659,633	8.09
3	Mr. Sasis Monsereenusorn	36,687,900	6.23
4	Miss Kanvadee Chivapornthip	30,840,982	5.24
5	Mr. Chaiwat Anankavanit	21,398,100	3.63
6	Mr. Ratthavit Porapakkham	19,957,900	3.39
7	Mr. Phaibul Tangtrongsakdi	19,479,100	3.31
8	Mr. Susitak Achariyasombat	19,440,000	3.30
9	Mrs. Kallaya Tangtrongsakdi	19,000,000	3.23
10	Mr. Choosak Techasantisuk	18,000,000	3.06
11	Mr. Sathit Tatawatorn	11,186,100	1.90
12	Mr. Prakit Asawakarn	10,966,935	1.86
13	Mr. Veerakit Apirakprachasin	10,820,000	1.84
14	Mr. Niphon Manomayangkoon	9,000,000	1.53
15	Mr. Watcharachai Mongkolrat	9,000,000	1.53
16	Miss Saranthinee Mongkolrat	9,000,000	1.53
17	Mr. Wichian Srimunintanimit	8,200,000	1.40
18	Mr. Payut Thanawonrak	7,482,000	1.27
19	Mrs. Waroonwan Intoratat	6,857,000	1.16
20	VIV holding Co., Ltd.	6,849,700	1.16
21	Mr. Natthapol Uahwatanasakul	6,753,800	1.15
22	Miss Saowanit Sirikornkarn	6,581,991	1.12
23	Mr. Ekkawoot Chuenchom	6,040,000	1.02
24	Miss Varinpen Thongvanit	5,739,700	0.97
25	Mr. Kwanchai Nuttased	5,281,328	0.89
26	Mr. Thanetphon Mongkolrat	3,613,257	0.61
27	Mr. Chumpol Srilalert	3,550,500	0.60
28	Mrs. Tassanee Wongworrakarn	3,166,900	0.54
29	Mr. Kobchai Chayamarit	3,002,700	0.51
	Total	488,785,693	82.99

2. Nature of Business

The Company was established as a “Solution Provider” for plastic molders/ converters in analyzing mixtures and preparing raw materials in the format of masterbatch and compound, including a preparation for plastic colored powders for further use by customers, consisting of manufacturing of plastic products and providing analysis service and advice on problems and obstacles solving solutions related to all-type plastic products.

Currently, the Company and its affiliates have a capacity volume of 45,000 tons/ year focusing on manufacturing of masterbatch across categories, which can be divided into black and white masterbatch, color masterbatch, additive masterbatch, and filler masterbatch. In this regard, plastic products manufacturers are able to get the Company’s masterbatch, intensive raw materials, mixed with plastic beads at the required proportions in order to manufacture the products that carry characteristics and qualifications in accordance with customers’ requirement and in an acceptable cost.

Apart from the convenience in reducing the steps in raw materials’ preparation, this will also helps save cost in research and development projects, since raw materials in each category can also be divided into minor categories that show a lot of different qualifications. Thus, calculating the type and quantity of each raw material for manufacturing requires knowledge and skills to create mixtures for getting the products with required characteristics and qualifications.

Previously, the Company had a manufacturing line for a variety of compound and masterbatch categories, namely black-and-white masterbatch, color masterbatch, and additive masterbatch, and standard-grade filler masterbatch, which is mostly used to manufacture plastic products that do not require smoothness or leanness of the surface, for example, department store bags that are thicker than 0.015 millimeter, or plastic components that will result in a rough surface when being ironed by standard-grade filler. Also, the Company has invested in Polymerit Asia Company Limited in order to manufacture special-grade filler that can be applied in the high loading amount, which will help save investment costs by focusing on customers who has never used filler masterbatch before. And those who prefer smoothness or leanness of the surface to standard-grade filler like department stores that is less thick than 0.015 millimeters, bags for vegetable and fruits in department stores or film for envelope packages, etc.

Later, after the Company’s increase its investment in the Polymerit Asia Company Limited from 30% to 99.99%, in 2011, the Company adjusted the manufacturing policies by allowing the subsidiaries to operate the manufacturing of filler masterbatch and black masterbatch, ask for support from BOI and received an investment promotion in 2012. Therefore, the Company’s current manufacturing capacity is served for manufacturing white masterbatch, mixed - color masterbatch, and additive masterbatch, including compounds across categories.

Salee Colour Public Company Limited has been one of the leading manufacturers of raw materials for plastic products in the format of masterbatch, compound, and dry colorants in order to distribute them to plastic converters across different categories, such as plastic bags, packaging for consumer and cosmetic products, food packages, including other plastic components like furnitures or electrical devices, etc. These entrepreneurs will use the Company products as components of their raw materials before converting them into plastic products and distributing them to brand owners or involved users.

Revenue Structure

Product	Operated by	% Shareholding	In 2017 Revenue	%	In 2018 Revenue	%	In 2019 Revenue	%
White masterbatch, various colors, additives and compound	Salee Colour and Composite Asia	44.51	493.58	46.87	564.41	50.06	574.20	54.00
Filler masterbatch and black masterbatch	Polymerit Asia and Composite Asia	55.49	559.41	53.13	563.27	49.94	475.35	46.00
Total			1,052.99	100	1,127.68	100	1,049.55	100

2.1 Characteristics of the Company products are as follows:

2.1.1 High Intensity Color Masterbatch

Masterbatch is formed by a process where plastic beads are mixed with colorant and additive or filler that was analyzed and calculated at the proper ratio before getting into the process of melting and ironing for plastic fibers that will be cut into small pieces. They will then be made into masterbatch carrying qualifications in accordance with customers' requirements, including both colors and characteristics. When it comes to the usage, customer must get masterbatch mixed proportionately before starting the process of converting plastic product by various methods, such as extrusion blown film, extrusion, blow molding, and injection molding, etc.

2.1.2 Compound

Compound is formed by a similar process of masterbatch but carries a level of intensity that is ready to use in plastic products without any mixing with plastic brands in order to form a plastic product.

Compound will work out the best in terms of manufacturing process when being compared with the usage of masterbatch or a mixing between each raw material type since compound beads are already

melted into the same texture with plastic beads. Therefore, when applying compound to form the plastic products, customers will not face inconsistent spreading of plastic colors, which is the possible issue when using masterbatch or pigment. This may result from a selection of base resin that is not proper or a spreading of pigment when it is used as the starting raw material. Thus, compound is always used as the manufacturing raw material when it comes to a concern over consistency of colors, such as automobile components or electrical device parts, which require separate hiring of manufacturing teams for each component before combining at the end. Usage of compound will then result in consistent colors when all components are combined.

2.1.3. Dry Colorants

Apart from manufacturing of plastic products in the forms of masterbatch and compound, the Company also manufactures and distributes dry colorants for those who use in manufacturing process by means of proportionate mixing these colorants with other starting raw materials like plastic beads, additives, and filler in order to help form the plastic products. Main products of the Company are group of dye stuff and pigment.

In terms of dry colorants' manufacturing, color of each type can be mixed with each other like dye stuff with dye stuff or across type like dye stuff with pigment in order to achieve dry colorants as most preferred. However, in selecting the colors to be mixed, it requires a concern over suitability of plastic beads that will be used as plastic texture since each color will carry substances that result in different usage qualifications.

Selecting colors for plastic products is regarded as another crucial factor in products' marketing that will influence consumers to pay attention to each product. Thus, the Company places a continuous importance in new colors' development and color matching with an aim not only to distribute to customers in a form of plastic beads for direct manufacturing, but also to develop colors for the Company's masterbatch manufacturing.

2.2 Marketing and Competition

2.2.1 Marketing Characteristics

The plastic-related industry is downstream industries of the petrochemical industry plastic products are used as the main raw materials, which are various plastic pellets according to the requirements of customers. If the properties obtained from plastic pellets are not enough for use, there will be additional improvements such as adding color or adding other chemical additives which are the main products of the Company. Mixed together and then melted to prepare various forming processes, such as injection, extrusion, etc.

In 2019, The plastic industry in the country as a whole slowed down with growth decreasing. while the petrochemical industry has negative growth due to the pressure of the fluctuating oil market a trade war between China and the United States has diminished market demand.

The plastic industry has more clearly changed the market characteristics. Due to the challenge of the increasing plastic waste problem in the oceans around the world. Plastic parts found And micro plastics in a variety of aquatic animals in many countries, leading to a campaign on Of the environment Reducing the use of plastic in everyday use, single use (disposable), such as plastic carry bags, drinking straws, glass, plastic beverages, etc. Narong campaign occurs in a broader and more meaningful way when receiving collaboration from world-class consumer goods manufacturers and beverage restaurants resulting in product manufacturers these reduced orders from foreign countries. In Thailand, there is a campaign and received cooperation from Leading stores in the country as well.

The change is an opportunity for the company to present products that are part of recycle / reprocess as part of an environmental campaign. Preserving the characteristics and aesthetics of plastics after repeated molding.

The environmental campaign also includes a campaign to reduce the use of fossil plastic resins. to reduce carbon dioxide emissions into the atmosphere, which is part of the global warming. At present, there are both the use of pellets from the production process itself. and the use of products of companies in the group Filler & Reinforcement Masterbatches are combined to replace fossil plastic, which is accepted in the plastic industry at home and abroad. and abroad.

Thailand's agricultural sector has developed into organic chemical-free crops, organic systematic crops, in response to domestic consumption and exports to foreign countries due to the trend of health care. And food safe the use of plastic technology for agriculture with knowledge and agricultural technology to encourage farmers to produce good quality products with reasonable costs and safety from pesticides, which is accepted and used more. the company itself focuses on the development of plastic additive masterbatches, black&white masterbatches products. special properties of plastics and help in high concentration production to promote the technology of plastics for continuous agricultural work to meet the basic needs of farmers, such as extending the useful life of agricultural films, including house cover, ground cover and planting bags. Including product development to focus on increasing productivity with knowledge specific and data sets generated by actual experiments of the organization Such as the development of the range selection guidelines light waves to promote the production of plants etc.

For plastic products that need a long life (Durable Articles) in the construction sector or Wire & Cable. demand in Thailand is stable. the extension will be a project of clean-sustainable energy systems. which the government supports, such as the construction of a floating solar panel system starting to

increase in the end of the year. As a result, the demand for plastic products that have to be extrusion blow in order to create a buoyancy supported by solar panels. the company additives masterbatches are suitable for outdoor conditions that require prolonged exposure to water and primary plastic resins. special grade gray color developed from the company knowledge of raw materials selection and color mixing. That requires special expertise, acceptance and is also used as one of projects.

The company mainly sells products in the country. Accounting for approximately 90% of the company's sales revenue in 2019, which focuses on developing the domestic market to have quality products can compete with foreign countries and reduce imports of high-quality plastic products to promote the Thai business sector. the company uses direct sales channels for customers. which are various plastic product processing operators and at present the company is expanding the market to other countries in order to increase distribution potential, reducing risk another slowdown in the country.

2.2.2 Competition

The company evaluates the competitive situation in the plastic industry. Including an increase in the number of manufacturers in Countries, the importation of foreign goods more than usual due to the trade war between China and the United States Which has cheaper import costs from the appreciation of the baht Economic downturn and economic conditions Pressure of raw material prices of volatile petrochemical products directly affect the basic product groups In general, the company has a market share, therefore the company focuses on the development of production in order to create a cost structure for Can compete in this product group And focus on the market development, product expansion in the plastic group Which has more special needs.

Under the “Compound Values,” Salee Colour Public Company Limited and subsidiaries aim to become a leader in raw material supply for plastic products. We are determined to see various and comprehensive products in order to best meet clients’ demands. Our clients include those who want community products, such as black, white and filler masterbatch, and those who look for specific products, such as color and additive masterbatch. We also welcome “made-to-order” demands from customers who want various types of products under one order.

2.3 Raw material and product supply

We supply local raw materials and those imported. To select materials to supply, we take into consideration their quality, costs and shipment time. We import raw materials that cannot be found locally or are more affordable elsewhere as well as import raw materials for purpose of the natural hedge.

We provide the following raw materials to support the production of plastic products.

1) Plastic resin is the key raw material to produce masterbatches and compounds. It accounts for approximately 40-60% of the total costs of the Company's products. There are several types of plastic resin which possess different benefits and qualifications. Different production procedures and product purposes require different types of plastic resin. For example, our LLDPE, HDPE, LDPE, PP, PVC, GPPS and EVA plastic resin that can be used as main raw materials. Majority of plastic resin we supply is produced by local manufacturers, but we also import it from ASEAN countries (which are entitled to tax privileges), such as Singapore and Malaysia. We import raw materials with special qualifications from non-ASEAN countries, such as Japan, Korea, Saudi Arabia and Australia.

2) Colorants are another important raw material of Salee Colour. Mainly, the powdered colorants are used in production process. Our colorants are produced abroad, and we supply them thanks to our local and foreign distributors, taking into consideration the advantage in quality, costs and shipment time.

3) Filler is used to make filler masterbatch and compound. All of the filler we provide is either made or distributed by local suppliers.

4) Additive is used to make additive masterbatch and compound. Our additives are produced abroad, and through local and foreign distributors, taking into consideration the quality and qualifications as key criteria.

5) Others, including dispersing agents, lubricants and processing aids, etc. We supply these raw materials through local distributors and sometimes through export in case of boosting competitiveness in cost of production.

The table shows the value and proportion of raw material procurement in 2018 and 2019.

Category	2018		2019	
	Value (million Baht)	Percentage	Value (million Baht)	Percentage
Plastic resin	377.87	45.47	275.38	41.40
Color	277.20	33.35	258.40	38.84
Filler	62.41	7.51	44.12	6.63
Additives	56.68	6.82	41.80	6.28
Other	56.94	6.85	45.58	6.85
Total	831.10	100	665.28	100

Our raw material purchase strategy focuses on purchases sufficient for one month or one month and a half. Our inventory is aimed at production NOT profit speculation. In 2019, the gross raw material value soared 20%.

The Company emphasizes environment preservation and has always abided by rules and regulations imposed by organizations. The Company has been awarded with the ISO 14001:2015 and OSHA 18001:2007 certifications by SGS (Thailand) Limited. We have dust collectors all over the production and laboratory facilities in order to manage dust pollution occurring in our production, including the dust of diffused raw materials, such as calcium power, carbon powder, fabric pieces with oil stains and contaminated packages and containers. Waste generated during the production process is gathered for Akkhie Prakarn Public Company Limited to pick up and burn with the proper method.

We also have the Occupational Safety, Health and Environmental Committee to be responsible for the safety and management of noise level occurring during production. It also determines the Company's standards to be in accordance with the Occupational Safety, Health and Environment Act B.E. 2535 and measures of hazardous protective equipment wearing for workers on duty in the areas where the noise level could be harmful to their hearing and health. Every year, we employ Safety Plan Company Limited to inspect the workplace environment, noise level, light intensity and heat in our facilities and those of our subsidiaries and produce a report on the inspection in order that we are able to estimate risks and improve the efficiencies of our control system. Besides, we hire Global Environmental Technology Company Limited to examine every month the condition of our wastewater, which has never failed to meet the standards. We also hire C.T. Environment & Chemical Company Limited and Health & Envitech Company Limited to inspect and analyze the quality of dust, fume, light, noise and workplace environment every six months in order to make sure that the standards are met.

For 16 years of operations, we have never been in any conflicts or faced any allegations regarding impacts on environment. We have never been warned or fined by any related regulatory agencies under related regulations, which are the Factory Act, B. E. 2535, and the National Promotional and Reserved Environment Quality Act, B.E 2535, either. We welcome community representatives, officials from the Industrial Estate Authority of Thailand (IEAT), and officials from environment-related state organizations to visit and see our operations and management standards, which we effectively keep in line with the IEAT's rules and regulations throughout the year. We have also been awarded with the level 3 of 'Green Factory Standard,' which affirms how we strictly run our business in line with laws and regulations.

3. Risk Factors

3.1 Risk from increased competition

The economic slowdown both domestic and abroad but the production capacity expansion of the manufacturer is still ongoing causing higher price competition higher domestic costs from wages and raw materials are pressuring the ability to reduce domestic competition. resulting in the entry of products from Vietnam, China and India which causes severe price competition.

Domestic manufacturers have increased the number of new and expanding capacity of existing competitors. Causing more domestic supply Not in the way of growing demand. Causing customers to have more ways to choose products and affect the decision to reduce inventory policy.

3.2 Risk from dependence on raw materials suppliers

The Company has policy to procure raw materials from high credibility leading distributors as well as direct purchase from manufacturers in local oversea market as to support the demand including the shortage of raw materials in emergency case.

Having on board various suppliers offers us more choices for price comparison. At present, our suppliers are capable to provide raw materials which are in line with expected quality and standard, in terms of timing as well. The value of purchase from each supplier is maintain not to exceed 30% of total purchase value.

3.3 Risks from changes of law provision

Nowadays the environment conservation campaigns has huge impact in business operation. Using plastic is one issue of which many countries implemented policy to reduce the use or to encourage consumers to use alternative biodegradable materials. Thailand is a major importer of plastic bags in Asia, having large number of customers. Hence, the risk from changes of law which concerns the reduction of plastic bags worldwide may result in dropping of plastic bag demand.

The Company monitors situation closely and becomes a founding membership of Thai Bioplastics Industry Association in order to follow up latest news, changes in the market, techniques including updates relating to government and taxation system that may have impact in plastic industry in the future. As another approach to maintain business operation, our Research and Development Department constantly conduct a research and development on biodegradable plastic in response to the change of demand among plastic bag users in the future.

4. Operating Assets

4.1 Primary fixed operating asset

As at 31 December 2019, the primary fixed operating asset of the Company and subsidiaries are as follows;

Transaction	Type of ownership	Net value (Million THB)	Obligation
<u>Salee Colour PCL.</u>			
1. Land and structures			
1.1 Head office and factory(s)	Owner	140.83	Mortgaged with domestic financial institution
Location: No. 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280 Area: Approximately 24 rai			
2. Buildings and Improvements	Owner	198.86	Mortgaged with domestic financial institution
Location: No. 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280			
3. Machines and Equipment	Owner	345.20	Mortgaged with domestic financial institution (partial)
4. Decoration and Office Equipment	Owner	5.47	- none-
5. Vehicle	Hire	5.41	Under hire-purchase and financial lease contract
6. Intangible Assets	Owner	14.53	- none-
<u>Subsidiaries</u>	Hire	-	- none-
1. Land and structures			
1.1 Head office and factory(s)			
Location: No. 858 Village No. 2, Soi 1C/1			

Transaction	Type of ownership	Net value (Million THB)	Obligation
Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280 Area: Approx. 2,592 sq.m.			
2. Buildings and improvements Location: No. 858 Village No. 2, Soi 1C/1 Bangpu Industrial Estate, Bangpumai Sub-district Muang Samutprakan District, Samutprakarn 10280	Hire	-	- none-
3. Machines and equipment	Owner	10.09	- none-
4. Decoration and Office Equipment	Owner	0.02	- none-
5. Vehicle	-	-	- none-

4.2 Investment Policy and Management in Subsidiaries

The Company has in place a policy to enhance working performance, production capacity, reduce duplication, improve production process, minimize business risks as well as generate significant growth of earnings.

As at 31 December 2019, there are 2 subsidiaries namely;

1. Polymerit Asia Co., Ltd., - the Company holds 100% of paid-up capital value 50 million Baht. Starting operation in 2012 as a manufacturer of filler masterbatch and black masterbatch, Polymerit then received investment promotion from BOI including taxation benefit for a period of 8 years (2012-2020). Polymerit leases factories, machines and warehouses from Salee Colour for operation. Customer base are direct sale to converter groups and distributors. In 2019 the company generated total sale volume of 450 million Baht.

2. Composite Asia Co., Ltd. (Salee Color holds 100% of 15 million Baht registered capital) is established in response to business expansion on special supplementary products. The Company received promotion from BOI including taxation benefit for a period of 8 years from the date of operating. Commenced operations during the year 2017, producing masterbatch types filler, white and additives by renting factory buildings, machinery and warehouses from the company to produce and sell products to big companies, total sales of 250 million baht in 2019.

5. Legal Dispute

Currently, the Company has no legal dispute that may affect asset or business operation.

6. General and Other Significant Information

Company Name	Salee Color Public Company Limited
Securities Symbol	COLOR
Address:	858 Village No. 2, Soi 1 C/a Bangpu Industrial Estate, Bangpumai Sub-District Mueang Samutprakan District, Samutprakarn Province 10280
Telephone	(02) 323-2601-8
Fax	(02) 323-2227-8
Website	www.saleecolour.com
Type of Business	Manufacturing of high intensity color masterbatch, additives masterbatch or compound and dry colorants. Registered as a Juristic person under Public Company Law on 17 September 2008 Registration Number Public Company Limited 0107551000282.

Information about Shares

Common Share

Number of shares registered with the SET.	652,343,752 shares		
Number of paid-up shares	588,964,618 shares	voting rights	1: 1
Number of treasury shares	-		
Number of shares with voting rights, less treasury stock			
As of 3 rd December 2019,	588,964,618 shares		

Preferred Shares

Number of shares registered with the SET.	-
Number of treasury shares	-

Securities Registrar	Thailand Securities Depository Co., Ltd.
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Securities Registration Department 6 2 The Stock
Exchange of Thailand Building, Ratchadapisek Road,
Klongtoey Sub-district, Klongtoey District Bangkok
10110 Tel. (02) 229-2800 Fax (02) 654-5427

Auditor

EY Office Co., Ltd.

193/136, Lake Ratchada Building, Ratchadapisek, Klongtoey Sub-district, Klongtoey District, Bangkok
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Miss Sumalee Reewarabandit Certified Public Accountant Registration No. 3970 or

Mr. Kritsada Lertwana Certified Public Accountant Registration No. 4958 or

Miss Manee Rattanabannakit Certified Public Accountant Registration No. 5313

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