



Message from Managing Director



Thailand's export canned food business in year 2018 grew 1.3% in quantity when compared to 2017 contributing to 1.07 Billion Thai Baht inflow to Thailand. Although the increase is rather small but it showed a good sign of turnaround after big decrease of export canned food by 16.5% in 2017. Canned tuna and other seafood segment export sales increased 9% followed by the latest announcement in Jan 2019 from The European Commission which delists Thailand from the group of "warned countries" as recognition of the progress in tackling illegal, unreported and unregulated fishing (IUU Fishing). This shall enhance the growth in export canned products from Thailand in coming years.

UBIS 2018 ended with record sales at 929 Million Thai Baht or 11% increase comparing to 2017 with growth from all areas (Domestic, China and Other Export countries) following our strategies in expanding new sales to current customers and growing new customers resulting to export sales : domestic sales at 60% : 40%.

Net profit in 2018 recorded at 129 Million Thai Baht or 53% increase from 2017 which ended at 84 Million Thai Baht. However we faced several negative impacts during the year such as volatile situation of raw materials , instability of foreign exchange resulting in strengthening of Thai Baht against US dollar and Chinese Renminbi that affecting our income.

We succeeded in becoming a certified membership to Thai Private Sector Collective Action Coalition Against Corruption (CAC) after we signed anti-corruption protocols under the CAC project in 2017. Also we received a Total Innovation Management Award 2018 from The Stock Exchange of Thailand (SET) in cooperation with Market for Alternative Investment (MAI) , The National Innovation Agency (NIA) , The College of Management /Mahidol University.

In the year 2019, we are focusing on the growth both domestic and export market through our new products and expand our business in new markets such as Peru and Brazil where we start to have regular orders. Another important strategy is to work with some new big brand owners to quality our products which we have been doing very hard and will continue to do so.

Handwritten signature of Mr. Nawat Triyapongpattana in blue ink.

Mr.Nawat Triyapongpattana

Managing Director

2018 Main Activities

Expanding International Market

Expanded new market by appointing new distributors/agents in Latin America, Africa and Europe

Production Unit in China

Continued to operate the compound production unit for the second year in China and can fulfill customer's requirement well

2018

- Became a certified membership to Thai Private Sector Collective Action Coalition Against Corruption (CAC)
- Received a Total Innovation Management Award 2018
- Entered to new markets ; Latin America (Mexico, Chile) and Europe (Italy)

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Ubis (Asia) Public Company Limited

Chapter 1 : Company Business

Policy and Business Overview

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

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

Business Policy

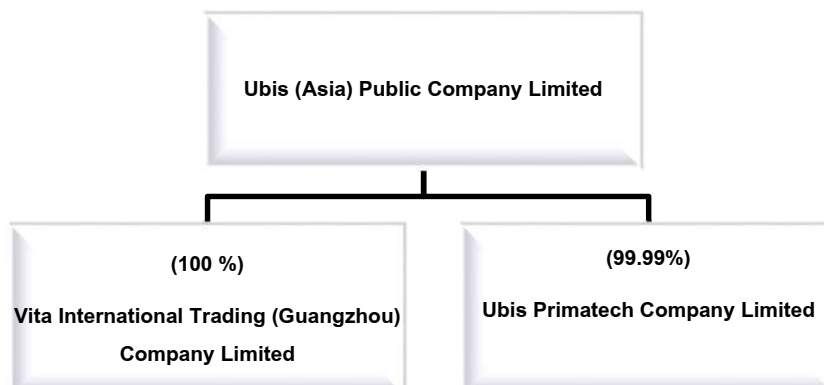
Vision

"World Class Partnership with Excellent Expertise and Innovation"

Mission

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

Organizational Structure



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

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

The company's management is under the policy of UBIS (Asia) Public Co.,Ltd, which has assigned one representatives to act as Director at Vita. Regularly high level executives from UBIS (Asia) Public Co.,Ltd will visit Vita to have discussion with Vita team in all aspects.

2. UBIS Primatech Co., Ltd.

UBIS Primatech Co., Ltd. ("UBIS Primatech") was registered on 30 May 2012 with a registered capital of Baht 160 million; all of which have been paid-up. The Company owns 99.99% of the shares in UBIS Primatech. UBIS Primatech is located on 6th Floor, 807/1 Rama 3 Road, Bang Phongphang Sub-district, Yannawa District, Bangkok 10120. UBIS Primatech has been supported by the Board of Investment of Thailand (BOI) to manufacture and distribute rubber sealant to food and beverage metal can manufacturing industry as well as to other metal container industries.

The company's operation is under 4 board of directors, comprising 3 directors and 1 executives from UBIS (Asia) Public Co., Ltd. The operation of UBIS Primatech is under the management policy of UBIS (Asia) Public Co., Ltd as both companies are in the same industry but offer different products which require supporting each other.

Nature of Business

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

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

Products and Service

UBIS (Asia) Public Company Limited is certified by ISO 9001:2015, the Quality Management System, we ensure to provide high quality of products and keep continuous improvement in accordance with ISO 9001:2015, we are elevating to compliance with Environmental concern toward ISO14001, Environmental Management System. The company has restructured department of Research and Development (R&D) directly report to Managing Director (MD) for agility and operation of the company's strategy. Besides to be we have an experienced specialist team to strengthen our product development unit equivalent with the international competitors and target to create new products as well as modernize the production process.

Maintaining good relationship and cooperation along with customers as business partnership. Beyond fast responsiveness, on-time delivery and after sales service, there would be coordinately participate between UBIS and customers to jointly research and develop project to meet their utmost satisfaction.

UBIS products are food grade chemicals as upstream supply chain of Metal Packaging Industry. Therefore, customer satisfaction for entire industrial chain will be UBIS's aim with highly concern in quality products, continuous improvement and after sales service for long term business relationship.

Brand perception in global market is one of overseas strategy with international networking agents or distributors who are knowledgeable and understanding in the industry to promote UBIS products, create more distribution channel and local services directly to each local potential customers.

Besides, UBIS must comply to international standard, regulations and other requirements of global food organization such as US-FDA, EU Directives, HALAL and etc. UBIS main products will be allocated by 2 categories :

1. Sealing Compounds

Latex can be used as a sealant for metal packaging. Its key function is to prevent leakage between the can and the lid, both the bottom lid and the top lid during container production process. After the food or container has been placed in the container, the container must be kept in good card to prevent any external contamination from entering into the container, thereby extending the shelf life of the product packed in the container. It also has to withstand the internal sterilization process of the production process.

1.1 Water base sealing compound

UBIS has been supplying water base sealing compound into two types of packing products

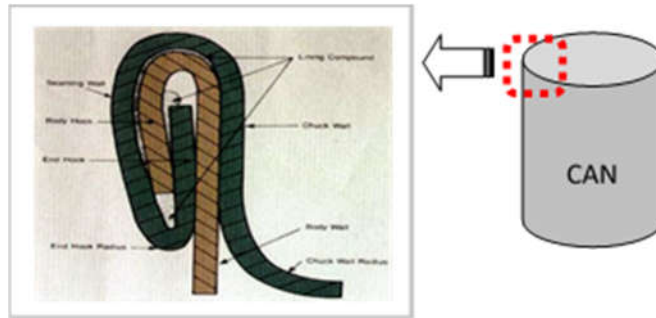
- Water base sealing compound for food and beverage
- Water base sealing compound for non-food product such as Aerosol can and Paint can

1.2 PVC Plastisol compound

PVC based compound for sealing purpose such as closure and lid cover

- Food and Beverage closure : Crown cap, Screw cap (ROPP), Lug cap and Crimp cap.
- Lid cover : Pail and Drum cover

Below is a picture of seaming process of can end production (Double seam) (Body hook) (End hook) and (Lining compound)



Source of picture : website of research project for developing books and home pages,

Srinakarinwirot University, subject Food processing industry for middle and small company

Below is a step of lining compound from bare end, lining compound process and lined compound. To prevent any leakage of the packaged product, and to prevent the entry of air into the can.



Source of picture : www.cancentral.com and Visipak Beverage Packaging "Beverage Manufacturing Processes"

2. Lacquers

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

2.1 Packaging for Food and Beverage products. Food and beverage cans are a core product line in metal packaging industry

2.1.1) Packaging for food can such as tuna can, sardine can, fruit and vegetable can.



2.1.2) Packaging for beverage can such as carbonated drink, beer, soft drink and juice.

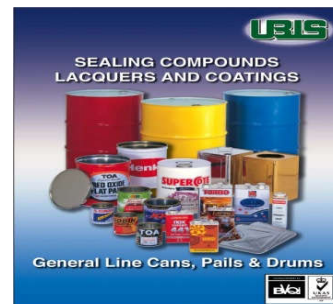


2.2 Packaging for Non-food products



2.2.1) Aerosol Can with high compressed product such as insecticide and air freshener.

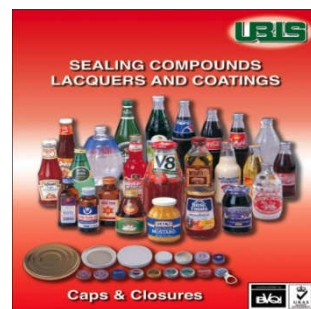
2.2.2) General Line for general can such as Paint can and Chemical pail.



2.2.3) Other metal packaging products

2.2.3.1) Aluminium collapsible tube for pharmaceutical products, cream, gel and glue. Monobloc such as body spray

2.2.3.2) Closure : Crown cap such as carbonated drink and beer Screw cap (ROPP) – energy drink / Twist off cap (LUG) – Jam and Ketchup



Beyond sealing compound and coating lacquer as UBIS core business, we were appointed as authorized distributor in Thailand of 3 product categories from well know manufacturers in metal packaging industry 1) Quaker Chemical from United States of America, Can making lubricants is high performance product metal packaging 2-Piece beverage can. 2) M-Dec Enterprise Pte Ltd. from Singapore, Lithographic printing inks for metal decoration. 3) Salchi Metalcoat Srl. from Italy, Side seam powder protection for 3-Piece can.

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

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

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

Target customers in other international markets;

- Asia includes Myanmar, Philippines, Indonesia, Malaysia, Vietnam, Singapore, Taiwan, South Korea, Hong Kong, Maldives, Bangladesh, Sri Lanka, Pakistan, Turkey, India
- Australia consists of Australia, New Zealand
- Middle East consists of Iran, Saudi Arabia United Arab Emirates
- Africa consists of Egypt
- Europe consists of Italy
- North America consists of Mexico
- Latin America consists of Brazil, Peru, Ecuador, Chile

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

International Marketing focus on promoting product by offering a trial product including the regularly visiting plan throughout the year to exchange any ideas, any advice and any issues of each business area to improve production and product development. The Company has a policy to participate in exhibitions worldwide and in the region continuously in order to build our brand recognition to customers. The company joined the following shows :

- 1) Euro CanTech 2018, during 19-21 March 2018 at Milan , Italy
- 2) Cannex 2018, during 14-17 May 2018 at Guangzhou , China
- 3) Asia Cantech 2018, during 29-31 October 2018 at Bangkok , Thailand
- 4) Advertised in The CanMaker Magazine

The company's sales in 2018 were at 929 Million Baht, increase of 11.00% when compared with 2017. The domestic market increased by 15.21% and the foreign market increased of 8.24%, as the result, the ratio of total sales domestic sales : foreign sales are 40.65% : 58.51%, and other revenues of 0.83% which meet company's target for both domestic and oversea market expansion. The Company's revenue structure are as follows:

Company Revenue Structure

Unit : Thousand Baht	2018		2017		2016	
	Revenue	%	Revenue	%	Revenue	%
Sales Revenue						
▪ Domestic ⁽¹⁾	380,983	40.65	330,676	39.10	326,703	38.26
▪ International	548,371	58.51	506,632	59.90	522,117	61.14
Total Revenue from Sales	929,354	99.16	837,308	99.00	848,820	99.40
Other Revenue ⁽²⁾	7,819	0.84	8,445	1.00	5,150	0.60
Total Revenue	937,173	100.00	845,753	100.00	853,970	100.00

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

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

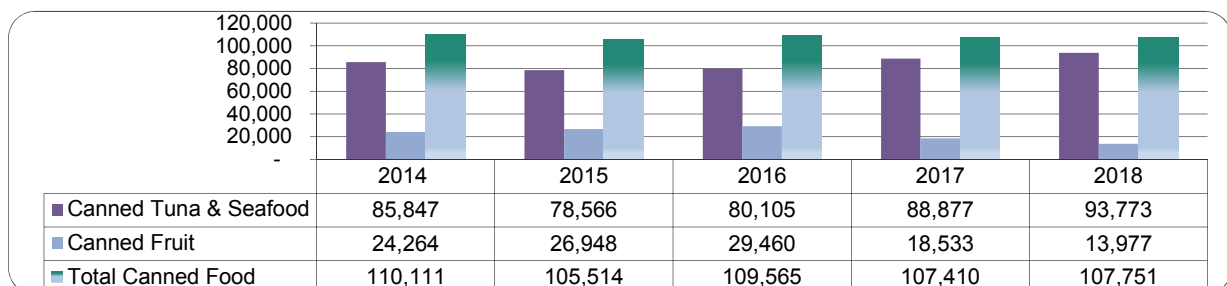
MARKETING AND COMPETITION

Our product marketing aims at market share in the international market with specialized and excellent innovation. Therefore, we have been developing our can coating and compound with good quality and also in time delivery to suit customers satisfaction under "UBIS" brand to expand our products to Asian and worldwide market.

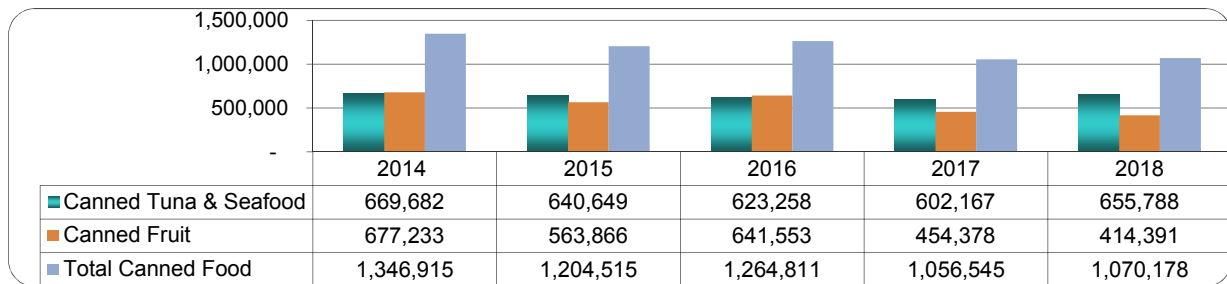
Marketing policy in 2018, we have focused on international market growth which resulted in the international sales growth rate of 8.24 percent, which makes this year the company has a proportion of foreign sales to domestic sales is 59:41 which is a challenge for the company to compete with other manufacturers that are multinational companies and are sold worldwide. For the domestic market, we have focused on cooperation with customers to improve the quality and variety of products throughout the service in order to maintain our market share and growth. In 2018 the domestic market growth rate 15.21 percent, on the otherwise export ratio of canned food industry increased only 1.30% (Volume of weight).

The situation of the canned food industry according to the information of Thailand's canned food export value from Ministry of Commerce in 2018 was 107,751 Million Baht, similar to the previous year. The export volume was 1,070,178 Tons, increased 1.30% from the previous year.

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



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



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

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

Sealing Compounds, in this market segment there are only UBIS and other one competitor. The competition depends on the acceptance of the technology and the reliability of the manufacturers. Therefore, considering the competition, situation of sealing compound, it is rather few. The proportion of sales is similar, meanwhile in the foreign markets, competitors are large multinationals, thus, opportunity can be seen. Therefore, the Company focuses on research and development of quality products and production standard to meet the needs of users and to be equally acceptable in the industry

Lacquers, in this market of can coating industry. The Company is the only Thai manufacturer with market share in the top five in the domestic market which is similar to multi national competitors. The market share is similar, therefore, competition in lacquer market is moderate and each competitor in the market has its own unique expertise and having their own customer base including the characteristics of the business and technology of the industry that is why there are no new manufacturers into this business

PROCUREMENT OF PRODUCTS OR SERVICE

The company's factory is located at Samut Sakorn Industrial Estate (SIE) in Samut Sakorn Province with semi-automation by industrial digital computer PLC process control system our high technology of production process will leads to high productivity, stability of quality control and on-time delivery. Both Sealing Compound and Coating Lacquer plants are certified with ISO 9001 Quality Management System Standard as well operational system for ISO14001 Environmental management and ISO45001 Occupational Health and Safety in near future.

The company is also certified by The Central Islamic Council of Thailand (CICOT) under "HALAL" that guarantees our Sealing compound and Lacquer products meet the requirement of Islamic law. Therefore our products can be distributed to Muslim contries without concerns.

Production Capacity

(Unit : Metric Ton)	2018	2017	2016
Water Based Sealing Compound	9,000***	9,000***	8,000
Coating Lacquer	6,000	6,000	6,000
Total Capacity	15,000	15,000	14,000
Maximum Production Capacity Rate	19,000	19,000	18,000

Remark : ***included the production in China

The Company have a production policy that is focused on quality products to meet the needs of customers and can deliver products on time. It also develops new products to support new technologies and requirements. This is to focus on building confidence in our customers and continuously promoting our products.

Sourcing Material : Main raw material of sealing compounds and lacquers are petrochemical products such as resin, solvent, polymer and other chemicals are imported directly from manufacturers or local distributors, agent in Thailand. Due to fluctuation of world supply and demand, foreign exchange currency, we have to effectively manage our inventory system, lead time and price of material which will effect to cost of production.

Thailand is world's leading producer of natural latex which is core raw material of Sealing compound which is highly fluctuated by demand and supply in world market. Currently, UBIS has sourcing ratio 70:30 of domestic raw material and import from overseas.

In compliance with ISO 9001 : 2015 UBIS must qualify the supplier lists with qualifications 1) On time delivery 2) Reliability 3) After sales service. Moreover, compliance on quality of material and competitive cost will be considered too.

Green Industry : UBIS highly cares on environmental impact of waste from production process, therefore we participated in "Gree Industry" project with Department of Industrial works, ministry of Industry and now we were certified as "Green Industry Level2"

Risks Factor

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

Risks towards the Company's operation

Risks from reliance on major raw material vendors

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

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

Risks associated with major customers

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

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

Risks associated with changes in packaging technology

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

Environmental risks

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

The Company has issued a control measure as follows: set up an annual plan, operate under the standard by strictly adhering to the operation policy and all legal requirements. The Company is inspected by an external independent unit and is provided with the inspection results and solution guidelines. The Company has initiated an improvement policy for the quality system management by elevating the quality management system from ISO 9001-2015 to ISO 14001 and ISO 45001 in order to cover environmental management and Safety, Health and Occupation aspects in 2019. The quality system department and the production department are in charge of this task.

Production risks

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

Product quality risks

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

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

Risks associated with material cost fluctuation

hemical product is the main material used in manufacturing tin-coating lacquer and sealant polymer, accounting for 70% of the total production cost. The material costs are driven by the supply and demand of the market, which also determines the production costs of the Company, as well as affects all manufacturers in the same industry. Nevertheless, the Company has set up a control measure as follows: a policy that revises purchasing orders and remaining stock to ensure proper procurement decision; a policy to contract for purchasing raw materials in advance, depending on the situation; a close monitoring of petrol and raw material prices; building good relationship with suppliers for pricing flexibility. The Company also prepares a sales forecast for long-term planning, which is under the responsibility of the procurement department, sales department, planning department, and the warehouse.

Financial Risk

This financial risk is caused by the risk in currency exchange. Since more than 60% of the Company's business activities lie in export, while the import of raw materials occur in a smaller proportion, the volatility of exchange rate could potentially impact the Company's profits. The Company hence adopted a risk control measure by means of Natural Hedging and Forward Contract with domestic financial institutions and FCD account. The execution of the policy is dependent upon the Baht currency rate situation.

Investment Risk of the Stakeholders

Risk from the Company Having major shareholders

The first 10 majority shareholders as of December 28, 2018 own a total shares of 77.90% of the paid-up shares. Overall, the Dhangwattantotai Family owns 27.47% of the total paid-up shares. This might lead to majority shareholders having a controlling interest including the votes in the shareholders meeting and resolutions for the agenda requiring a majority vote to pass, except the agenda which requires at least 3/4 of shareholders' votes as restricted by Law or the Company's regulations.

Corruption RiskCorruption Risk

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

Company's General Information

Company Profile

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

Subsidiary Companies

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

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

References

Auditor	Mr. Paibool Tunkul, Certified Public Accountant Registration Number 4298 PricewaterhouseCoopers ABAS Ltd. 15 th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn, Bangkok 10120 Telephone: 02-844 1000 Fax: 02-286 5050
Legal advisor	-None-
Financial advisor	-None-
Registrar	Thailand Securities Depository Company Limited 93, 14th Floor, Ratchadapisek Road, Din Daeng District, Din Daeng, Bangkok 10400 Telephone: 02-009 9000 Fax: 02-009 9992
Other important information	-None-



Ubis (Asia) Public Company Limited

Chapter 2 : Management and Corporate Governance

Listed Security and Shareholders

As of December 28, 2018, the Company has a registered capital of 228,000,000 Baht which issued and paid-up capital of 227,999,991 Baht (a total of 227,999,991 ordinary shares at a value of 1.00 Baht per share) as a listed company in Market for Alternative Investment (mai)

The listed of 10 majority shareholders according to the book of shareholders registration as of December 28, 2018 are as follows;

No	Name of Shareholders	Number of Shares	Percentage
1.	Dhangwattanotai Family	62,636,060	27.47%
	Mr.Sawat Dhangwattanotai	15,747,575	6.91%
	Mr.Sawong Dhangwattanotai	2,366,725	1.04%
	Ms.Pattra Dhangwattanotai	7,650,000	3.36%
	Mr.Sawaeng Dhangwattanotai	8,723,635	3.83%
	Ms.Pimthong Dhangwattanotai	7,200,000	3.16%
	Mr.Sakun Dhangwattanotai	7,200,000	3.16%
	Mr.Sawang Dhangwattanotai	5,796,475	2.54%
	Ms.Mayuree Dhangwattanotai	4,035,725	1.77%
	Ms.Ratchanee Dhangwattanotai	3,915,725	1.72%
	Mrs.Suwannee Dhangwattanotai	200	0.00%
2.	Mr.Nant Kritayanuttakul	42,378,300	18.59%
3.	Mr.Pichai Satawornmanee	18,423,700	8.08%
4.	Mr.Panusun Preungwiriya	12,663,900	5.55%
5.	Ms.Sutkanueng Panyathara	8,532,130	3.74%
6.	Mr.Teerayuth Reanchaiyuth	8,509,200	3.73%
7.	Ms.Radnita Kittayanukun	8,503,999	3.73%
8.	Mr.Sirisak Piyatassikul	6,110,438	2.68%
9.	Mr.Komsan Techamaitrijit	5,030,000	2.21%
10.	Ms.Airada Chinwat	4,636,363	2.03%
	Minority Shareholders	50,575,901	22.18%
	Total	227,999,991	100.00%

Limitations of Foreign Shareholders

Non-Thai shareholders are allowed to hold the Company's shares not exceeding a total of 49 percentage of the issued and the paid-up capital as of December 28, 2018, the proportion of the Company's shares owned by foreign shareholders was 0.36 percentage

The listed of shareholders who are Directors and/or Executives according to the book of shareholder's registration as of December 28, 2018 are as follows;

No	Name of Directors/Executives	Number of Shares	Percentage
1	Mr.Sawang Dhangwattanotai	5,796,475	2.54%
2	Mr.Wiroj Thangpitakpaisal	1,202,400	0.53%
3	Mr.Nawat Triyapongpattana	1,110,000	0.49%
4	Ms.Puanggern Kanjarak	91,000	0.04%
	Total	8,199,875	3.60%

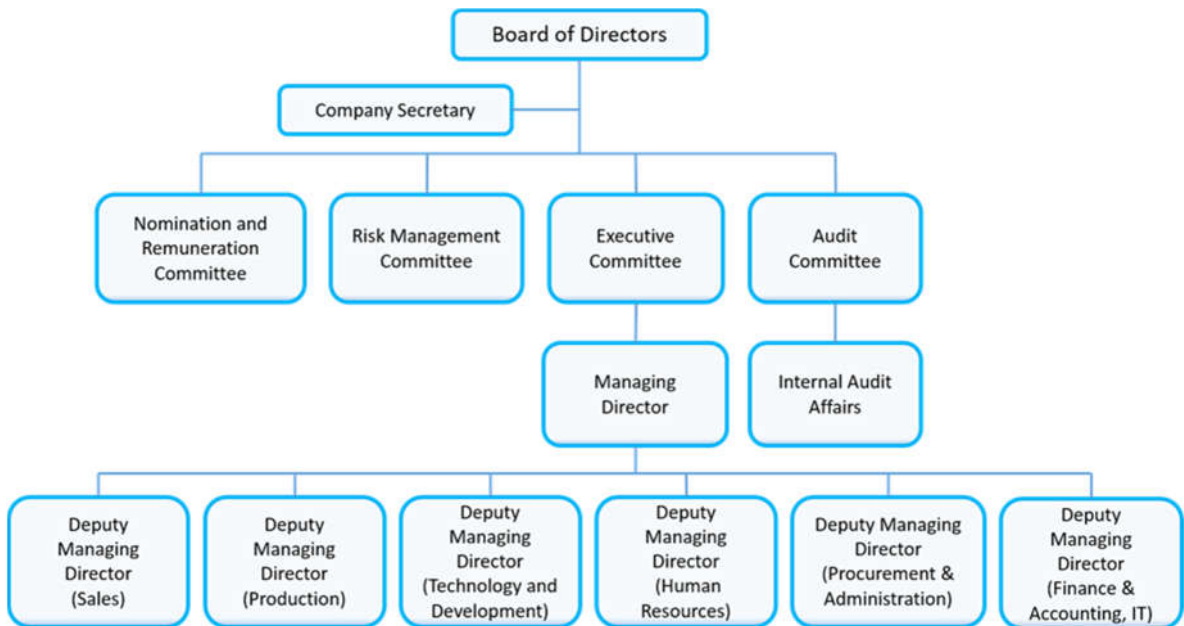
Dividend Payment Policy

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

Subsidiary’s Dividend Payment Policy

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

Management Structure



Board of Directors

The Board of Directors (as of December 31, 2018) consist of

1. Mr. Phakdi Kanchanavalai



Position	Chairman of the Audit Committee Vice Chairman Chairman of Nomination and Remuneration- Committee Independent Director
Age	82
Date of appointment	1 August 2004
Years in position	14 years 4 months
Qualifications	Bachelor of Accountancy, Thammasat University
Training	Director Accreditation Program (DAP) 14/2004, Thai Institute of Directors

Current position and work experiences in the past 5 years

2004 – Present Chairman of the Audit Committee and Vice Chairman UBIS (Asia) Public Co., Ltd.

Position in other listed companies -None-

Position in the non-listed companies

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

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

2 Mr. Chattaphum Khantiviriya

Position Director
Risk Management Committee

Age 57

Date of appointment 27 February 2015

Years in position 3 year 10 months

Qualifications

Bachelor of Accountancy, Chulalongkorn University
Master of Business Administration, Kasertsart University

Training

Director Accreditation Program (DAP), Thai Institute of Directors
Company Secretary Program, Thai Institute of Directors
Role of Remuneration Committee, Thai Institute of Directors
Role of Audit Committee, Thai Institute of Directors

Current position and work experiences in the past 5 years

2015 - Present Director, Chairman of Risk Management Committee, UBIS (Asia) Public Co., Ltd.
2015 - 2018 Director, UBIS Primatech Co., Ltd.

Position in other listed companies

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

Position in the non-listed companies

2018 - Present Director, NBI Four Biz Co., Ltd.
2018 - Present Director, Thai Parcels Co., Ltd.

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

3. Mr. Nawat Triyapongpattana



Position	Director/Managing Director (The Authorized Director) Risk Management Committee
Age	47
Date of appointment	14 May 2015
Years in position	3 years 7 months
Qualifications	Bachelor of Arts, Faculty of Humanities, Kasetsart University Master of Business Administration, Bangkok University

Training

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

Current position and work experiences in the past 5 years

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

Position in other listed companies -None-

Position in the non-listed companies -None-

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) 0.49%

4. Mr. Sawang Dhangwattanotai



Position	Director (The Authorized Director)
Age	64
Date of appointment	1 August 2004
Years in position	14 years 4 months
Qualifications	Bachelor of Chemical Engineering, Chulalongkorn University Master of Business Administration, Oklahoma State University, USA

Training

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

Current position and work experiences in the past 5 years

2004 – Present Director(The Authorized Director), UBIS (Asia) Public Co., Ltd.

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

Position in other listed companies -None-

Position in the non-listed companies –None-

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) 2.54%

5. Ms. Sopha Nachanhom

Position Director/Executive Committee Member
(The Authorized Director)

Age 44

Date of appointment 14 May 2015

Years in position 3 year 7 months

Qualifications

Bachelor of Accountancy, Ramkhamhaeng University
Master of Business Administration (Accounting),
Ramkhamhaeng University

Training

Director Diploma Examination 62/2018, Thai Institute of Directors
Director Accreditation Program (DAP) 121/2015, Thai Institute of Directors
Director Certification Program (DCP) 248/2017, Thai Institute of Directors
Company Secretary Program (CSP) 81/2017, Thai Institute of Directors
Strategic CFO in Capital Markets Program (SCFO) 4/2017, The Stock Exchange of Thailand

Current position and work experiences in the past 5 years

2015 - Present Director and Executive Committee Member, UBIS (Asia) Public Company Limited
2017 - Present Deputy Managing Director and Company Secretary, UBIS (Asia) Public Company Limited

Position in other listed companies

2014 - 2015 Independent Director, Audit Committee, Mida Leasing Public Company Limited
2017 - 2018 Director, Tapaco Public Company Limited

Position in the non-listed companies

2002 - Present Certified Public Accountant, Freelance Accounting Firm
2015 - Present Director, UBIS Primatech Co., Ltd. (Subsidiary company)
2017 - 2018 Director, Tapaco Mold Company Limited

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

6. Mrs.Thitiporn Silaparassamee



Position	Director Nomination and Remuneration Committee
Age	66
Date of appointment	7 January 2016
Years in position	2 Year 11 months
Qualifications	Bachelor of Finance, University of the Thai Chamber of Commerce Master of Business Administration (SME), Ramkhamhaeng University
Training	Director Accreditation Program (DAP) 124/2016, Thai Institute of Directors

Current position and work experiences in the past 5 years

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

Position in other listed companies

-None-

Position in the non-listed companies

2010 – Present CEO, Saengrunghawon Company Limited

2010 – Present Advisor, Trailer Industry Company Limited

2010 – Present Advisor, Sirawat Land Company Limited

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

Remark : Mrs.Thitiporn Silaparassamee resigned from the position of Director and effective from February 8, 2019.

7. Mr. Anan Sirisaengtaksin

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

Age 68

Date of appointment April 28, 2017

Years in position 1 Year 9 months

Qualifications

Bachelor of Accountancy, Chulalongkorn University

Master of Business Administration, Eastern New Mexico University

Training

Top Executive Program, Capital Market Academy

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

Advanced Audit Committee Program

Director Accreditation Program (DAP), Thai Institute of Directors



Current position and work experiences in the past 5 years

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

Position in other listed companies

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

2015-Present Director, Asean Potash Chaiyaphum PCL

2015-Present Director, Aira Capital PCL

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

Position in the non-listed companies -None-

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

8. Mr. Kawin Chalermroj

Position Independent Director, Audit Committee, Risk Management Committee

Age 42

Date of appointment June 21, 2017

Years in position 1 Year 6 Months



Qualifications

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

Training

Director Accreditation Program (DAP), Thai Institute of Directors

Current position and work experiences in the past 5 years

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

Position in other listed companies

2013-Present Director and Assistant to Chairman, United Power of Asia PCL

Position in the non-listed companies

2013-Present Managing Director, Dome Land Estate Co.,Ltd.
 2009-Present Executive Committee, Heart and Mind Apparel Co.,Ltd.

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

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

Family relationship between the director and the executives -None-

Percentage of shareholding (%) -None-

The Board of Directors

As of December 31, 2018, the Board of Directors consists of the following names ;

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

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

Remark : The company received the notification letter from Department of Business Development dated on December 28, 2018 informing the refusal of registration request of Mr.Sawang Dhangwatnotai as a Company Director due to the approved votes were less than the disapproved votes which did not meet the criteria of the company's General Provisions - Chapter 17. Later Mr.Sawaeng appeal this notification to Minister of Commerce, then the company received the result letter from Department of Business Development informing the appeal dismissal and confirming the refusal of registration request.

Scope of Authority and Duties of the Board of Directors

- To consider and approve important matters related to the Company's operations such as vision and strategy financial goals, risks, anti-corruption measures, and annual and budgets plan by taking into the benefit of all stakeholders and to monitor and supervise the management to work efficiently and effectively and comply with the Company's policy
- Manage the Company in accordance with the law, objectives and regulations of the Company along with the resolutions of the shareholders' meeting shall be in accordance with the law, honesty and prudence
- Supervise the management of the Executive Committee in accordance with the policies assigned except in the following cases; the Board of Directors must obtain the approval from the shareholders' meeting prior the proceeding with accordance to the law requires the approval from the shareholder meeting, such as capital increase, capital reduction, issuance of debentures, sale or transfer of the entire or essential part of the business to other persons and the purchase or acceptance of the business of another company belongs to the company and amendments to the Memorandum or Articles of Association
- The Board may appoint a number of directors as it deems appropriate to be the Executive Committee to perform the tasks assigned by the Board of Directors. The Board of Directors shall appoint one Executive Director, therefore, the Executive Committee is entitled to receive remuneration and gratuities as determined by a meeting of the Board of Directors, however, it does not affect the rights of Executive Directors to receive compensation and other benefits as Directors or employees of the Company.
- The Board may appoint any other person to operate the Company under the control of the Board or may authorize such person to have the power as deemed appropriate by the Board and within the proper time the Board deems appropriate. The Board may revoke, change or modify such powers at anytime
- The directors are prohibited from engaging in business activities of the same nature and competing with the business of the Company or to be a partner in a limited partnership to liability or to be a director of another company which having the same business and competition with the Company whether to do for their own benefit or the benefit of others except those directors have notify to the shareholders's meeting prior to the resolution to appoint them as directors
- Interim Dividend Payment
- Hiring or Appointing Managing Director
- Appointment of Director in Subsidiary

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

Sub-Committees

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

Audit Committee

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

Scope of Duties and Responsibilities of Audit Committees

1. To review the Company's financial reporting process to ensure that it is accurate and adequate
2. To review the corporate governance, internal audit system, risk management and the Company's anti-corruption measures according to the guideline accepted by the Stock Exchange of Thailand and the Securities and Exchange Commission
3. To review that the Company has an appropriate and efficient internal audit agency, to determine internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit
4. To ensure that the Company has duly complied with the laws on securities and exchange, the Stock Exchange of Thailand's regulations and the laws relating to the Company's business
5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
6. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they comply with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the best interests of the Company
7. To prepare the Audit Committee's report disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report
 - (b) an opinion on the adequacy of the Company's internal control system
 - (c) an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws relating to the Company's business
 - (d) an opinion on the suitability of an auditor
 - (e) an opinion on the transactions that may lead to conflicts of interests
 - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member
 - (g) an opinion or overall remarks received by the Audit Committee from its performance of duties in accordance with the charter

- (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors
8. To audit cases informed by the Company's auditor when he/she discovers any suspicious circumstance that the managing director, or any person responsible for the Company's operation commits an offence specified under the Securities and Exchange Act (No. 4) B.E.2551 and to report the result of preliminary inspection to the Securities and Exchange Commission and the auditor within thirty days of being informed by the auditor
 9. To express opinions regarding the operation plan and operation results, budgeting and manpower of the internal audit office
 10. To review and approve the Internal Audit Charter
 11. To prepare the operation report submitted to the Board of Directors at least once a year
 12. To revise the Audit Committee Charter at least once a year
 13. To invite executive officers or supervisors to attend its meeting for clarification purpose or to submit relevant documents based on the scope of its authority
 14. To obtain appropriate consultations from the independent specialist relating to its scope of duties and responsibilities with the Company's expenses.
 15. To perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent. The Audit Committee will serve a three-year term, which will expire according to the Board of Director's term.

Executive Committee

Scope of Duties and Responsibility of the Executives Committees

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

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

Nomination and Remuneration Committee

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

Scope of Duties and Responsibility of the Nomination and Remuneration Committee

1. Recruitment practices

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

2. Compensation Practices

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

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

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

Risk Management Committee

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

Scope of Authority and Duties of the Risk Management Committee

1. The Risk Management Committee is empowered to perform various functions in the organization by writing the information or invite the executives and related staffs to attend a meeting with the Risk Management Committee to clarify or provide verbal information for risk and duty compliance as the Risk Management Committee deems appropriate
2. The Risk Management Committee is empowered to operate the various organizations in the organization or perform any one of the tasks as necessary to be able to perform the duties as specified in the charter or other special functions as the Board of Directors will assign additional special cases
3. Review the internal control and risk management of the organization
4. Supervision, counseling, advice, recommendations on internal control and risk management are key issues of the organization
5. Appoint the risk management team to follow as the rules and guidelines for good corporate governance by delegating clearly authority to directly monitor the risk management
6. Supervise and support the policy review and the risk management framework of the organization on a regular basis, at least every year to ensure that the policy and the risk management framework are remains consistent and suitable for the overall business environment and risk management activities in the Company
7. Report the significant risk management results to the Board of Directors
8. To consider other matters as assigned by the Board of Directors

Management Team

As of December 31, 2018, consists of the following names ;

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

Authorized Director of the Company

The authorized signatories are Mr. Nawat Triyapongpattana, Miss Sopana Nachantom and Mr. Sawang Dhungwattanotai, 2 of 3 Directors signed together with the company seal

Scope of Authority and Duties of Managing Director

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

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

Company Secretary

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

Scope of Authority and Duties of Company Secretary

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

During the past year, the Company held the Board of Directors Meeting and Sub-Committees to perform the Company Performance comply with the principles of good corporate governance. The Company collected the attendance records of each committee in the year 2018 as of December 31, 2018 with the details as follows:

Summary of Director's Meeting 2018

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

Remarks (1) Mr. Sawaeng Dhangwattanotai was appointed on April 20, 2018, replacing Mr. Sirisak Piyatassikul , who resigned from the position by the resolution of the Annual General Meeting of Shareholders in year 2018. (Enclosure 1)

Remuneration for Directors and Executives

1. Monetary Remuneration

Details of directors' remuneration are as follows;

Name-Surname	Position	Remuneration and Meeting Allowance				
		Committee				Total
		Board of Directors	Risks	Audit	Nomination and Remuneration	
Mr.Chattaphum Khantiviriya	Directors Risk Management Committee	536,923	10,000	-	-	546,923
Mr.Phakdi Kanjanavalai	Vice Chairman Chairman of Audit Committee Chairman of NR Committee Independent Director	530,000		40,000	10,000	580,000
Mr.Nawat Triyongpattana	Director Risk Management Committee	410,000	10,000	-	-	420,000
Ms.Sopha Nachanhom	Director	410,000		-	-	410,000
Mr.Sawang Dhangwattanotai	Director	410,000		-	-	410,000
Mrs.Thitiporn Sillaparamee	Director NR Committee	410,000		-	10,000	420,000
Mr.Anan Sirisaengtaksin	Independent Director Audit Committee Chairman of Risk Management Committee	410,000	10,000	40,000	-	460,000
Mr.Kavin Chalermroj (2)	Independent Director Audit Committee Risk Management Committee	410,000	10,000	40,000	-	460,000
Resigned of Director :						
Mr.Sirisak Piyatassikul (1)	Director NR Committee	119,313		-	10,000	129,313
New Directors :						
Mr.Sawaeng Dhangwattanotai (1), (2)		581,786		-	-	581,786
Grand Total		4,228,022	40,000	120,000	30,000	4,418,022

Remarks (1) Mr. Sawaeng Dhangwattanotai was appointed on April 20, 2018, replacing Mr. Sirisak Piyatassikul , who resigned from the position and effective from April 18, 2018.

(2) The company received the notification letter from Department of Business Development dated on December 28, 2018 informing the refusal of registration request of Mr.Sawang Dhangwatnotai as a Company Director due to the approved votes were less than the disapproved votes which did not meet the criteria of the company's General Provisions - Chapter 17. Later Mr.Sawaeng appeal this notification to Minister of Commerce, then the company received the result letter from Department of Business Development informing the appeal dismissal and confirming the refusal of registration request.

2. Management Remuneration

In 2018, the Company paid management remuneration that consists of salary and bonus to 6 executives in total of 27.18 million baht (For 2017, the remuneration was 28.03 million baht)

3. Other Remuneration

Other Remuneration for Board of Directors -None-

Other Remuneration for Managements With regard to provident fund, the Company has set up a provident fund in which the Company makes a contribution equal to 2-3% of the salary, depending on the work duration. In 2018, the Company contributed a total of 0.45 million baht to the provident fund of 6 executives (In 2017, the contribution was 0.41 million baht).

Corporate Governance

Corporate Governance Policy

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

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

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

Rights of shareholders

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

➤ The Company emphasizes on and respects the rights of shareholders by following the rules prescribed by law and according to the Corporate Governance Policy, the Company held the Annual General Meeting of Shareholders for the year 2018 on 20 April 2019. There were 6 directors attending the meeting. The senior managers, and the Auditors from PricewaterhouseCoopers ABAS Ltd. and OJ International Co., Ltd. oversaw the registration and reviewed the voting results in each ballot. The Legal Agenda and Consultant Mr. Phacharaporn Sallakawit attended the meeting as observants this meeting.

➤ The Company has publicized both the Thai and English versions of the invitation to shareholders' meeting on the Company's website, www.ubisasia.com. The Company informed the shareholders through the news system of the Stock Exchange of Thailand (SET) on 26 March 2018 so that the shareholders study the information before the meeting date. The Company published the Company Information and Annual Report on 26 March 2018

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

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

➤ The Company has disclosed the Minutes of the Annual General Meeting of Shareholders for the year 2018 on the Company's website, www.ubisasia.com.

Equal treatment for shareholders

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

- On 16 October 2017, the Company provided the opportunity for the shareholders to propose the agenda item and to nominate persons to be elected as directors in advance for the Annual General Meeting of Shareholders for the year 2018, the period from 16 October 2017 to 31 January 2018 by informing through the Stock Exchange of Thailand and also publish the rules and procedures of such matters on the Company's website at www.ubisasia.com
- On 1 February 2018, the Company informed the Stock Exchange of Thailand that none of the shareholders proposed agenda or the list of persons to be elected as directors in advance
- The Company sent the invitation letter together with the Proxy Form B and Form C, which are the form that the shareholders can set their own voting of each agenda and to avoid inconvenience of the shareholders who are unable to attend the meeting on their own, they can delegate power of attorney to other persons or independent directors to attend the meeting and vote on their behalf. Shareholders can download the proxy form via the Company website www.ubisasia.com
- The company used a computerized system for registration and vote counting including the use of ballots for shareholders' convenience. Particularly, for an election of directors, the ballot will be the type for individual voting. The company collected all ballots after the end of the each agenda from all shareholders attending the meeting.
- The company did not add to the agenda or change any important information without informing the shareholders in advance in the Annual General Meeting of Shareholders for the year 2018.
- The Company gave shareholders the opportunity to express their opinions and make inquiries at the meeting before any resolution was made each agenda
- Board of Directors imposed restrictions on the use of internal information by directors, executives, and related staff in order to exploit the company's shares for personal gain, to let others use the information for benefits in trading company shares. Directors and the executives must prepare a securities holding report as stipulated under Section 59 of the Securities and Exchange Act 2008.
- Board of Directors determined that the Board of Directors and executives are required to report their own interests and that of related persons, as prescribed in Section 89/14 of the Securities and Exchange Act 2008, by the end of December each year or report immediately if any related action has taken place

Taking into account the role of stakeholders

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company has disclosed a clear process for dealing with complaints as stated in the Anti-Corruption Policy Guide and Guidelines. In 2018, the Company did not receive any complaints from stakeholders.

Disclosure and Transparency

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

- The Company has established a corporate governance policy and ethical business practices that the company must be socially responsible and environmentally responsible
- The Company has appointed a new Risk Management Committee according to the resolution of the Board of Directors Meeting No. 7/2560 held on August 11, 2017, the Board of Directors approved the appointment of new Risk Management Committee to provide effective risk management oversight and comply with the new risk management guidelines and to be systematic covers all aspects as appropriate and specify the risk management policy to support management and operations under the management of risk management and the prevention of corruption
- The company has disclosed the list of directors and sub committees including the roles, duties, scope of authority and term of the Board of Directors and sub committees, number of meetings, and number of times each director attended the meeting in 2018
- The Board of Directors has provided opinions on the financial statements accurately, completely and credibly with full and sufficient disclosure for investors to make decisions. The Board of Directors 'Report on the Board of Directors' Responsibilities for Financial Statements has been prepared in the Annual Report for the year 2018 and submitted to the Stock Exchange of Thailand.
- The Company facilitates the work of independent auditors and cooperates in the disclosure of accurate and transparent information to enable the auditor to express his / her opinion accurately, completely and independently in order for shareholders and investors to trust the company information with confidence
- The Company discloses the policy on remuneration for directors and executives. The Nomination and Remuneration Committee will determine the remuneration structure for directors and executives by comparison with the same industry level based on information surveyed by trusted agencies such as the Stock Exchange of Thailand or the Thai Institute of Directors Association, etc., together with the performance of the Company and responsibilities of directors by presenting to the shareholders meeting for approval. Except for the Managing Director, the Board of Directors will approve.
- The Audit Committee has prepared a report of the Audit Committee to give opinions on the internal control system and the proposed list of auditors which included in the 2018 Annual Report.
- The Board of Directors determines the policy for directors and executives to report to the Company on their own and related parties' interests from the date of their appointment. The company secretary is responsible for documenting the stakeholders' reports to the Board of Directors. In 2018, the Company's directors and executives did not have any interest and if any director or management has any stake in the matter, directors with vested interests will not participate in the decision on the

agenda. The Company will notify its resolutions via the Stock Exchange of Thailand's information dissemination system for shareholders to know about

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

➤ UBIS (Asia) Public Company Limited has assigned specific persons responsible for investor relations on the Company's behalf and communicate with institutional investors, shareholders, analysts and public sector. The Company appointed Mr. Nawat Triyapongpattana, Managing Director, as a representing executive who discloses the information, together with the Investor Relations, via e-mail nawat@ubisasia.com or telephone number 02-683 0008. In 2018, the Company by Mr. Nawat Triyapongpattana, CEO and Managing Director, and Ms.Sopha Nachanhom, Company Secretary/Deputy Managing Director of Finance-Accounting and IT, joined Opportunity Day event, in which all listed companies met all investors, on 30 August 2018 for Q2/2018, which was held at SET.

➤ The Board provides whistle-blowing channels for all stakeholders to directly contact the directors and the independent directors to complain via their e-mail addresses. Moreover, the Board will keep the complainants' information confidential.

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

Responsibilities of the Board of Directors

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

The Principles of Corporate Governance

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

Leadership and Vision

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

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

Conflict of Interest

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

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

Business Ethics

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

Power balancing of non-executive committee

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

Compensation of executives and committees

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

Board meetings

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

Internal control system

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

Committee's report

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

Conducting business with fairness and anti-corruption

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

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

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

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

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

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

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

The standard regulation to protect appellant or complaint as below

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

Inquiry process toward complaint

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

However, company will not accept complaint or behavior as below

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

Management toward clues and complaint has regulations as below

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

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

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

Corporate Governance Code for Listed Companies

The Company's Board of Director commit to aware to good Corporate Governance practice along with all other complianess as defined by The Stock Exchange of Thailand (SET), The Securities and Exchange Committee (SEC) and aim to meet CG Code as follows:

The CG Code Principles



Source : https://www.sec.or.th/mpublish/cqcode_en/cqcode_introduction_en.html

Principle 1: Establish Clear leadership Role and Responsibilities of the Board

1.1 The Company's Board of Director understand the role and responsibility of Good governance practice such as, setting clear goal and objectives, strategies and measurement including quarterly follow up and disclosure.

1.2 Board of Diretors realize the importance of company's core values to promote the responsibility to business, shareholders, employees, stakeholders and society through business code of conducts as follows: 1) Honesty, 2) Trust, 3) Confidentiality, 4) Professional Adherence, 5) Personnel, 6) Leadership, 7) Entrepreneur, 8) Coporate Governance, 9) Anti-corruption practice, 10) Employee's code of conduct.

Principle 2: Define Objectives that Promote Sustainable Value Creation

Goal Setting leading toward sustainable Value Creation as follows;

Ubis (Asia) Public Company Limited

Environment

Reforestation activity with local community at Mae Wong, Nakorn Sawan province

Planting Mangrove Forests joint activity with Industrial Estate Authority of Thailand (Samutsakorn) by UBIS team in order to preserve the nature and mangrove forests at Samutsongkram.

Ubis (Asia) Public Company Limited

Social

Computer room
Donation to build a computer room for students at Klong Sai School, Mae Wong, Nakorn Sawan province.

NLP for KIDS
NLP : Neuro Linguistic Programming at Ban Chai Talay, Bang Kra Jao, Muang, Samutsakorn province to encourage the self-learning process for primary students and lead to behavior determination and goal setting.



Principle 3: Strengthen Board Effectiveness

3.1 Board of Directors consists of 9 directors of which 3 directors are independent directors and 6 directors are not members of executive committee for order to limit the management power

3.2 Directors performance assessment: Good corporate Governance for listed company emphasizes on each director as well as the entire board of directors performance assessment annually. The assessment is divided into 4 sections :

- Section 1 "Entire board of director assessment"
- Section 2 "Each director assessment"
- Section 3 "Entire Sub-committee assessment"
- Section 4 "Each director of Sub-committee assessment"

Principle 4: Ensure Effective CEO and People Management

4.1 Directors are responsible to nominate and appoint the directors and high-level executive for the company. However the appointed director must be a qualified person according to Section 68 of the Public Company Act B.E. 2535 and According to the Notification of the Capital Market Supervisory Board No.TorChor. 28/2551 regarding the application for permission and permission to offer newly Issue Share, dated on December 15, 2008 and must not be a person with prohibited manner according to the permission of the SEC. and SET. That all directors and executives must not have a record of criminal offenses for the the last 10 years including no record of being judged to be the bankrupt person. Also no disputes or lawsuits that are in the process of being judged.

4.2 The company shall set the remuneration for directors at the same level as the industry with the clearly defined duties and should be high enough to motivate and retained qualified directors. The compensation for executives should be in accordance with the principles and policies set by Board of Directors

4.3 The company has prepared the Succession plan with advice of the Board of Directors in order to support and be ready to tackle the challenges and business complexity effective in cluding its manpower assessment of both Quality and Competenay. In addition Sucession Plan can be used as a tool to motivate employees, which the company has a policy of promotily internal staff rather than recruit from outside those matainy employees morale.

Principle 5: Nurture Innovation and Responsible Business

Innovation is an important factor for the success and growth of the company. Therefore the company focuses or and gives utmost importance to the research and development of new innovations to maximize benefits and to meet customer needs by clearly defining an innovation management strategy for both internal and external organizations, such as cooperation with the National Science and Technology Development Agency (NSTDA) increase the speed and flexibility in research and development.



Principle 6: Strengthen Effective Risk Management and Internal Control

6.1 Internal Control is under supervision of Audit Committee, Board of Directors shall hold quarterly internal control meeting of which Audit Committee attend the meeting to give opinions on the adequacy and appropriateness of the internal control system. Audit committee shall clarify and evaluate the internal control assessment and report to Board of Director on quartly basis. In addition the company gives the importance to internal control system at both the management and staff level to ensure efficiency in control over the use of the company's assets for the benefit as well as the clear separation of duties between operators, supervisors, control and assessment to ensure check and balance between each other. Besides there are internal controls related the financial which the company sets the approval authority according to the limit setting level.

6.2 Risk management is under supervision of Risk Management committee which the committee will appoint the risk management team to comply with risk management charter under the guidance of good corporate governance by assigning the authority and responsibility to the risk management directly.

6.3 The company joined "Private Sector Collective Anti-Corruption" which has been certified as its membership under the Thai Institute of Directors Association from the resolution of the Board of Director Meeting No.4/2017 on Febuary 12,

2018. The certificate will be 3 years from the certified date. This is the commitment of the company of anti-corruption practice. All directors executive and staffs shall strictly passform under the anti-corruption law.



Principle 7: Ensure Disclosure and Financial Integrity

The company is aware of important information disclosure including financial information which required by Good Corporate Governance in a complete timely and transparent manner according to the criteria of the SEC. and SET by allowing shareholders to receive accurate and equal information such as Annual Report Annual information disclosure (F56-1) information disclosure system of the SET ans also the company's website (www.ubisasia.com) which are constantly updated.

Principle 8: Ensure Engagement and communication with Shareholders

The company focuses on participation and communication with shareholders as follows:

- 8.1 The company has published the invitation letter to shareholders both Thai and English through the company's website (www.ubisasia.com) as well as the SET channel.
- 8.2 Informing the rules and procedures for joining shareholders meeting together with information for each agenda sufficiently for decision making of shareholders.
- 8.3 The company uploads the Annual General Meeting via the company's website (www.ubisasia.com)
- 8.4 Allowing Shareholders to propose the agendas, nominate persons to be elected as directors in advance to be including the Annaul General Shareholders Meeting.
- 8.5 The company participated in the Opportunity Day to meet investors regularly.
- 8.6 The company participated in mai Forum or joined by the MAI and maiA to meet shareholders annually.



Nomination of Directors and Executives

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

Supervision of the Operation of Subsidiaries

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

Supervising the use of Internal Information

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

- The directors and executives are to prepare and submit the company's securities holding reports of themselves, their spouse, and their underage children to The Securities and Exchange Commission as follows:
 - Report the first securities holding (Form 59-1) within 30 days from the date of the appointment.
 - Report changes in securities holdings (Form 59-2) within 3 business days from the date of purchase, sale, transfer or transfer of securities holdings and submit a copy of the report on the securities holding to the Company's secretary

within the date of report submission in order to record changes and summarize the number of securities owned by the directors and executives, and to present to the Board of Directors for acknowledgment at the next meeting.

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

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

Personnel

The Company employs a total of 120 employees; 23 employees at its headquarters, and 97 employees located in the Samut Sakorn Industrial Estate. The details are as follows.

	Main field of workers	Full time worker	
		2018	2017
1.	Executive Office	3	3
2.	Finance - Accounting and Information Technology	14	14
3.	Sales and Marketing	9	9
4.	Production line (factory)	71	75
5.	Technology and Development	17	18
6.	Human Resources	6	6
7.	Internal Audit Office (none)	-	-
	Total	120	125

The total compensation for the year 2018 and 2017 is as follows.

Type of compensation	2018	2017
Total salary	60,202,628	61,176,875
Bonus included	10,936,657	9,440,933
Contribution to Provident Fund	1,431,005	1,236,435
Total	71,854,243	71,854,243

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

Labor dispute

In June 2018, the company was sued by a former executive director for unfair termination of employment contract. The finally the plaintiff has withdrawn the case at the Central Labor Court on March 7, 2019.

Auditor's remuneration

Auditor's compensation (Audit fee)

Payer Company's name	Name of Auditor 2018	Auditor Fee 2018	Name of Auditor 2017	Auditor Fee 2017
		(Baht)		(Baht)
Ubis (Asia) Public Company Limited	Mr.Paiboon Tankul	3,695,000	Mr.Paiboon Tankul	3,695,000
	PricewaterhouseCoopers		PricewaterhouseCoopers	
	ABAS Ltd.		ABAS Ltd.	
Ubis Primattech Company Limited	Mr.Paiboon Tankul	130,000	Mr.Paiboon Tankul	130,000
	PricewaterhouseCoopers		PricewaterhouseCoopers	
	ABAS Ltd.		ABAS Ltd.	
Vita International Trading (Guangzhou) Co.,Ltd.	Mr.Yingzhang Xue	200,000	Mr.Jinsheng Zhang	200,000
	GuangDong Zhongsui Certified Public Accountants	(RMB 40,000)	Guangzhou Zhisheng Certified Public Accountants	(RMB 40,000)

Other Fee (Non-Audit Fee) -None-

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

Mr. Paiboon Tankul is the signatory certifying of the company's financial statements for the year 2018

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

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

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

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

Mr. Yingzhang Xue is the signatory certifying the financial statements of "Vita Inter" for the year 2018

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

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

Compliance with Good Corporate Governance Principles in Other Matters

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

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

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

Corporate Social Responsibility

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

Overall Policy

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

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

Business Operation with Fairness and Anti-Corruption Policy

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

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

Human Resource Development

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

Fair Labour Practices

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

- Employee's health and safety with integration for development and adjustment in every activities that will not cause damage or be risky to employees such as always having disaster and fire drill and having enough safety equipment at work place also having annual physical check for employees, and having proper report for each person.

- Supporting employees to have good conscious to work to get the best and the most reliable products which also support safety culture for all employees via morning talk in every morning before start to work. Also have enough seminars for employees such as seminar for employee's safety to gain more knowledge in order to work properly and correctly. Moreover, the company should have campaign to reduce accident at work to zero and always monitor the result.

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

Service Qualification and Responsibility towards Customers and Business Partner

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

- Follow and coordinate with customers with politeness and trust. Also making standard to measure satisfaction of the customers toward products and services.
- Give correct, adequate, and latest information to customers for preventing any misunderstanding toward products and services.
- Give priority to service after selling with fast and latest update on customer's situation.
- Keep client's secrets without using for personl or other's benefit.
- Give efficient explanation of how to use to the customers about products.
- Let the customers visit and check qualification of company's business.
- Support guidelines making process for finding good qualified materials from good and acceptable resources location.
- Make a regulation about reviews and development for products so that the company can hand in standard and safe products continuously.
- Use ISO 9001:2015 that is certified by Bureau Veritas (BVQI) which focus on process approach to enable the company to produce products, after sales service and emphasizes on customer satisfaction.
- The Halal certificate by The Central Islamic Committee of Thailand (CICOT) to ensure the company's process, features and quality of the products according to the rules established by the Islamic Council that allow the use of the mark under "HALAL".
- The Company is applying ISO 45001:2018, Occupational health and safety (OH&S) management system, for increasing the efficiency of the process and control of occupational health and safety.
- The company has channels for stakeholders to complain or give clues about any bad behavior via website, phone, and email. The channel send the information to the chairman and executive committees directly.

Social and Environmental Responsibility

The Company emphasizes on supporting social and environmental development with the introduction of ISO14001:2015, Environmental management, by taking care environment as defined in company policy to reduce emission with 3Rs (Reduce, Reuse, and Recycle). There will be reviews and risk management for environment affectation from pre-production and post-production, including waste disposal from production that the company hires waste disposal company to take responsibility about this. Every year, the company measure environmental problems in both factory and production location in order to preventing and finding immediately measure so the company still never has problems toward environmental with any places or any sectors. Moreover, the company still support all social activities for environment continuously by attending the projects under Samut Sakorn industrial estate authority, which emphasizing on community or social development. The company still emphasize the significant of living together and community development. The company will set up the social responsibility policy toward business's conform policies.

Respect for Human Rights

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

Competitive Behavior

The company emphasizes on independence and fairness competition with transparent, code of conduct, and ethics toward trading competition law, including other related regulations in Thailand and international. However, code of conduct policy for employees which covered guidelines about competition with fairness and trade competition, to protect from competition without fairness. However, the company offers stakeholders the channels to give clue or complain via company's website, phone, email directly to executive committees and board of audit committee of the company.

Innovation Development

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

Report Preparation and Procedures

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

Procedures that affect social responsibility

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

After Process of Corporate Social Responsibility

UBIS (ASIA) PUBLIC COMPANY LIMITED operates under good corporate governance. We have been in business for more than 36 years and have been producing and distributing Sealing Compound products and Lacquer for using in the metal canned industry and bottle cap in food and beverage packaging and other products. The Company also invented and developed a variety of products and maintain the good quality continuously to meet the different needs of customers. The one of our firm commitment that is a business transaction integrate with the reciprocation to society throughout Corporate Social Responsibility (CSR) also encourage all sectors of our organization to participate in our activities. "UBIS Volunteer" with a shared consciousness that infiltrates the heart of employees whether it is in the form of strength, mind and smile to to every society

Over the years, the Company has continuously participated in CSR activities both inside and outside the organization. Our internal activities in year 2018 as follows:

Throughout the year, UBIS has done CSR Project both internal and external such as **Paints and brushes donation** at Bann Chai Talay school, BangKrajaao, SamutSakorn, **donation of educational aid**, children's day gift to nearly school.





Planting Mangrove Forest
by company's directors and employees with Industrial Estate Authority of Thailand (Samut Sakorn)

Blood Donation by the company's directors and employees with Industrial Estate Authority of Samut Sakhon on the occasion of importance Day and to be a part of the charitable contributions for human life.



NLP for kids project

NLP : Neuro Linquistic Programming at Bann Chai Talay, Bang Kra Jao, Muang, SamutSakorn to encourage the self-learning process for students and lead to behavior determination and goal setting.



Computer Room and Reforestation

Donation to build a computer room for student at Klong Sai School, Mae Re Wa, and reforestation activity with local community at Mae Wong, Nakornsawan Province.





Corruption Involvement Prevention

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

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

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

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



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

- Send letter to the company's address : 807/1 6th floor Rama3 Road Bangpongpang Yannawa Bangkok 10120
- Send an email directly to Chairman, Email : D2B@ubisasia.com
- Send via company website www.ubisasia.com or **Contact Us**

- For employee's complaint, it will be sent directly to Chairman
- For executive's complaint, it will be sent directly to Chairman of Audit Committees

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

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

The standard regulation to protect appellant or complaint as below

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

Inquiry process toward complaint

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

However, company will not accept complaint or behavior as below

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

Management toward clues and complaint has regulations as below

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

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

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

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

Internal Control and Risk Management

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

The Board of Directors' meeting every quarter for Internal Control. The Audit Committee attended this meeting to inform about the appropriateness and the adequacy of the internal control. The Audit Committee has addressed and reported the 2018 Internal Control Report to the board of committees.

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

The Audit Committee has reported that in 2018, there is no indicator that relate to corruption and the inappropriate usage of company's securities. The result has complied with the government regulations and company's policy. In term of internal control system along with the comments from the independent certified public accountant, the internal control system is adequate. The result of the internal control is appropriate and there is no error in the main key points that will affect the internal control system and the financial statement. In addition, the Company has improved the accounting process following the certified public accountant remarks.

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

Organization and environment

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

Risk management

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

Control Activities

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

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

Information system and communication

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

know. The Company Secretary looks over the Board of Directors' activities and coordinates the management with the Board of Directors' decision. The Company Secretary collects and stores every important documents and information according to the regulation.

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

Monitoring system

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

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

-None-

Internal control chief and company work cooperation chief

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

Related Transactions

Related-Party Transactions Policy with related companies persons who may have conflicts or persons who are directors/shareholders with control power.

The company has established Related-Party Transactions Policy in order to set measure to protect shareholder by defining measure to control related transactions between the company or its subsidiaries and related companies, directors/shareholder who have control power or may have conflict of interest comply with the principles of the Securities and Exchange Act by SEC. and SET. and including announcement of SET. The Audit Committee will provide an opinion on the necessity, reasonableness and fairness of the price in accordance to the normal trading behavior in the market and be comparable to the third parties. In case The audit committee has no expertise in considering any related-party transactions, the company will provide with special expertises such as auditors, property appraisers, etc. who are independent from the company and persons who may have conflicts of interest on that transactions. In order to be used for making decision of the audit committee for presentation to the Board of directors or Shareholders.

In addition, the company has set policy to prevent executives or stakeholders from being in participate of approvals both direct or indirect related-party transaction. The Board of Director will ensure the company complies with law, announcement, notification and other regulations determined by the regulatory agencies. The related-part transaction will be disclosed following Accounting standard by Federation of Accounting Professions (FAPs) in the Notes of the Financial Statement have been audited by the company's auditor and the Annual Information Disclosure form (Form 56-1) and annual report.



Ubis (Asia) Public Company Limited

Chapter 3 : Financial Position and Overall Operation

Financial Highlight

Consolidated Financial Statement

Separate Financial Statement

For the fiscal year

2018
2017
2016
2018
2017
2016

ended 31 December 2018

	2018	2017	2016	2018	2017	2016
Stock Data						
Par Value Per Share (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book Value Per Share (Baht)	1.72	1.15	2.16	1.64	1.14	2.19
Earnings Per Share (Baht)	0.56	(1.04)	0.50	0.50	(1.06)	0.82
Operating Results (Thousand Baht)						
Sales Revenue	929,354	837,308	848,820	785,686	733,856	743,289
Total Income	937,173	845,753	853,970	851,432	803,760	899,808
Net Profit	128,745	(236,013)	113,408	114,506	(242,232)	186,890
Balance Sheet (Thousand Baht)						
Total Asset	702,664	704,211	1,035,482	764,211	840,391	1,118,731
Total Liabilities	311,376	442,079	543,124	389,378	580,068	620,007
Issued and Paid-up Capital	228,000	228,000	228,000	228,000	228,000	228,000
Shareholders' Equity	391,288	262,132	492,358	374,832	260,323	498,724
Financial Ratio						
Return on Shareholders' Equity (%)	39.41	(90.04)	23.03	36.06	(93.05)	37.46
Return on Total Asset (%)	22.04	(23.73)	16.05	17.05	(22.01)	21.36
Return on Fixed Asset (%)	84.54	(110.73)	81.42	87.35	(134.94)	137.08
Gross Profit (%)	35.03	35.02	40.33	26.62	24.95	28.37
Net Profit (%)	13.74	(28.19)	13.36	13.45	(33.01)	25.14

Management Discussion and Analysis

Company Performance Analysis

Ubis (Asia) Public Company Limited (“the Company”) would like to clarify on the performance and the financial status for the year 2018 ended December 31, 2018 of the Company and its subsidiaries, as shown below:

(Unit : Million Baht)	2018	2017	Change
Revenue	929	837	11.0%
Gross profit margin	326	293	11.0%
Selling Expenses	88	80	9.8%
Doubtful debts from the voiding of contract	80	93	(14.4%)
Finance cost	8	21	(60.1%)
Net profit	129	(263)	(154.5%)

In overall, the Company and its subsidiaries had the net profit in the year 2018 at 129 MB increased 365 MB by 154.5 percent when compared to the year 2017 at 236.0 MB. Therefore, the Company would like to clarify the operating results as following essential information:

- **Revenue**

In the year 2018, the Company and its subsidiaries had total revenue of 929 MB, increased from the year 2017 at 92.0 MB by 11.0 percent (by increasing from domestic sales at 15.2 percent and 8.2 percent from export sales)

- **Gross profit margin**

In the year 2018, the Company and its subsidiaries had the total gross profit of 326 MB increased from the year 2017 at 33 MB by 11.0 percent while the gross profit margin was 35.0 percent (35.0 percent in the year 2017). The gross margin was higher as the company could be controlled the volatility of raw material prices. In addition, the production and sales in this quarter decreased the cost per unit.

- **Sales Expenses**

In the year 2018, the Company and its subsidiaries had the expenses of 88.0 MB increased from the year 2017 at 8 MB by 9.8 percent (80.0 MB in the year 2017) mainly increased from the transportation cost.

- **Administrative Expenses**

In the year 2018, the Company and its subsidiaries had the expenses of 80 MB decreased from the year 2017 at 13 MB by 14.4 percent (93 MB in the year 2017) mainly decreased from travelling expenses and consultation fee etc.

- **Finance Cost**

In the year 2018, the Company and its subsidiaries had the financial cost 8 MB decreased 13 MB by 60.1 percent from the year 2017 (21 MB)

The overall financial statuses of the Company and its subsidiaries as of December 31, 2018 with the comparison to the financial status as of December 31, 2017 are summarized as below:

- **Assets**

As of December 31, 2018, the Company and its subsidiaries had a total asset by 702.7 MB which decreased from December 31, 2017 at 1.5 MB and decreased when comparing with cash or equate with cash by 42.9 MB and increased 54.8 MB of account receivable and decreased of the inventory stocks at 0.7 MB and decreasing of the other current asset at 7.0 MB and 4.9 MB for the non-current asset and others assets 0.8 MB

- **Liabilities**

As of December 31, 2018, the Company and its subsidiaries had a total liability of 311.4 MB decreased 130.7 MB from December 31, 2017 and having overdrawn and the short- term loan decreased 165.7 MB and account payable increased 31.6 MB and other liabilities decreased 3.1 MB and increasing 2.2 MB from Income Tax Payable and increasing of the other liabilities 0.9 MB and employee benefit obligations increased 3.3 MB

- **Shareholders' Equity**

As of December 31, 2018, the Company and its subsidiaries had total shareholder equity of 391.3 MB, increased from December 31, 2017 at 129.2 MB due to the Company and its subsidiaries had net profit for in the year 2018 at 128.8 MB and other 0.4 MB

- **Cash Flow**

Based on the results for in the year 2018, the company had cash flow as following details

- Net cash flow from operating activities was 138.6 MB when compared with the year 2017 will be increased 53.4 MB came from debt repayment increased and decreasing in inventory stocks in the year 2018 resulted in cash and cash equivalents creasing.
- Cash flow from the investment 4.3 MB when compared with the year 2017 decreased 10.2 MB from the fixed assets investment decreasing
- Cash flow from financing activities in the year 2018 was 177.6 MB decreased at 77.2 MB when compare with the year 2017 from the repayment of the short-term loan to the financial institution

The company's strategy for 2019

The Company targets to grow 10% in sales from 2018 (929 Million THB) by focusing on both domestic and export markets. The latest announcement in Jan 2019 from The European Commission which delists Thailand from the group of "warned countries" as recognition of the progress in tackling illegal, unreported and unregulated fishing (IUU Fishing). This shall enhance the growth in export canned products from Thailand in coming years.

Export market accounts for 60% of the total Company sales, therefore, it remains very critical to the Company to expand our reach to new regions such as Middle East , Latin America , Europe and Africa. Following the appointments distributors and agents in Mexico , Chile , Brazil , Peru and Egypt , we have realized some repeated orders which means these are potential markets.

We will work hard to maintain our market share in domestic market by improving our sales strategy, developing new products fulfilling market needs and continuing to grow our export market by strengthen our brand among multinational companies.



UBIS (ASIA) PUBLIC COMPANY LIMITED

ENCLOSURE 1

REPORT OF AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

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

In 2018, the Audit Committee performed under the scope of duties and responsibilities under the Audit Committee's Charter, which had been approved by the Board of Directors. The Audit Committee verified the quarterly financial reports and the annual statements, in conjunction with a certified public accountant (CPA), the Internal Audit, the Accounting, and the management in meetings, before presenting these documents to the Company's Board of Directors. The Audit Committee reviewed the Internal Audit and Internal Control Reports to ensure their efficiency and effectiveness. In addition, the Committee verified related transactions that might have a conflict of interests to ensure the compliance with the Stock Exchange of Thailand's requirements, the laws on securities and the Stock Exchange of Thailand, as well as laws related to the Company's business. The Audit Committee also considered and proposed the appointment of an independent CPA and the remuneration to the Board of Directors.

The Audit Committee is of the opinion that the Company's 2018 Financial Report is accurate, complete, and creditable and that the internal control system and the management of risk management were efficient and suitable for the Company's transactions. In addition, the Committee reviewed the compliance with laws on securities and the Stock Exchange of Thailand, the Stock Exchange of Thailand's requirements, laws on the Company's business, as well as related transactions and conflict of interest transactions. The Committee found the full compliance and complete disclosure of information.

The Audit Committee proposed the Board of Directors to propose to the General Shareholders' Meeting to appoint PricewaterhouseCoopers ABAS Co., Ltd., as the Company's Auditor for year 2019 and appoint Mr. Paiboon Tunkoon, CPA No. 4298 or Mr. Pisit Thangtanagul, CPA No. 4095 or Mr. Chanchai Chaiprasit, CPA No. 3760 or another CPA from PricewaterhouseCoopers ABAS Co., Ltd., as approved based on the Notification on CPA Approval, to sign in Audit Report 2019, with total remuneration amounting to 3,825,000 baht, and appoint Dharmniti Internal Audit Company Limited as the Company's Internal Auditor, with total remuneration amounting to 420,000 baht.



Mr. Phakdi Kanchanavalai
Chairman of the Audit Committee



UBIS (ASIA) PUBLIC COMPANY LIMITED

ENCLOSURE 2

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS TO THE FINANCIAL REPORT

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS TO THE FINANCIAL REPORT

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

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

The Board of Directors is of the opinion that, overall, the internal control systems of the Company and its subsidiaries were at a satisfactory level and could create reasonable confidence in the trustworthiness of their financial statements as of 31 December 2018.



(Mr. Nawat Triyapongpattana)
Managing Director



(Miss Sopha Nachanhom)
Director



UBIS (ASIA) PUBLIC COMPANY LIMITED

ENCLOSURE 3

AUDITOR'S REPORT & FINANCIAL STATEMENTS

UBIS (ASIA) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018



Independent Auditor's Report

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

My opinion

In my opinion, the consolidated financial statements of Ubis (Asia) Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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



Key audit matter	How my audit addressed the key audit matter
<p data-bbox="268 450 799 483">Revenue recognition from sales of goods</p> <p data-bbox="268 510 847 577">Refer to Note 2.17 'Accounting policies - revenue recognition', to the financial statements.</p> <p data-bbox="268 604 847 757">The total revenue from the sales of goods for the year ended 31 December 2018 was Baht 929 million. This comprised local and export sales to many countries. The Group's sales were in Thai Baht and foreign currencies.</p> <p data-bbox="268 784 847 1064">I focussed on the accuracy of revenue recognition and revenue cut-off for overseas sales, which was 59 percent of total revenues, because the point of revenue recognition are varies depending on the conditions of sale, shipment terms and the point at which ownership of goods is transferred to the buyers in many countries. In addition, the recognition of export sales involves foreign currency translation.</p>	<p data-bbox="874 510 1230 544">My audit procedures included:</p> <ul data-bbox="874 571 1474 1160" style="list-style-type: none"><li data-bbox="874 571 1474 694">• obtaining an understanding of and evaluating the design effectiveness of the system, process, and key controls for revenue recognition<li data-bbox="874 698 1474 788">• testing the key controls over the revenue cycle which cover ordering, approving, goods delivery, invoicing and cash collection processes<li data-bbox="874 792 1474 882">• agreeing sales transactions with invoices, delivery notes, bills of lading and other related shipping documents<li data-bbox="874 887 1474 1003">• recalculating the translation of foreign currency sale transactions and checking the exchange rate used for translation at the date of revenue recognition<li data-bbox="874 1008 1474 1160">• performing out off testing by examining sales and credit notes within a defined period before and after year-end with supporting documentation to verify whether the underlying sales and credit notes were recorded in the correct period. <p data-bbox="874 1187 1474 1317">I did not find any issues as a result of the above procedures. Revenue recognition from sales of goods was in accordance with the accounting policy and the available evidences.</p>

Other information

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

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

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

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



Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

PricewaterhouseCoopers ABAS Ltd.

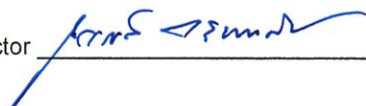
A handwritten signature in black ink, appearing to read 'Paiboon Tunkoon', with a horizontal line underneath.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
21 February 2019

Ubis (Asia) Public Company Limited
Statement of Financial Position
As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Assets					
Current assets					
Cash and cash equivalents	7	6,470,786	49,353,889	2,068,025	39,427,881
Trade and other receivables, net	8	299,450,971	244,674,759	317,612,892	344,622,887
Inventories, net	9	169,667,594	170,443,094	87,060,383	89,373,641
Other current assets	10	5,583,446	12,645,334	5,409,583	9,762,111
Total current assets		481,172,797	477,117,076	412,150,883	483,186,520
Non-current assets					
Fixed deposits pledged as collateral	26	412,000	412,000	412,000	412,000
Account receivable from void contract	27	-	-	-	-
Investments in subsidiaries, net	11	-	-	159,999,970	159,999,970
Investment property, net	12	28,836,500	28,836,500	28,836,500	28,836,500
Property, plant and equipment, net	13	180,980,799	185,754,481	153,739,022	159,462,022
Intangible assets, net	14	4,733,341	5,370,366	3,861,789	4,351,504
Deferred income tax assets	15	6,351,637	6,568,732	5,033,735	3,990,975
Other non-current assets		177,000	152,000	177,000	152,000
Total non-current assets		221,491,277	227,094,079	352,060,016	357,204,971
Total assets		702,664,074	704,211,155	764,210,899	840,391,491

Director




Director



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

Ubis (Asia) Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Liabilities and equity					
Current liabilities					
Bank overdraft and short-term borrowings from financial institutions	17	133,337,563	298,979,049	106,950,890	226,585,845
Trade and other payables	16	139,935,465	108,338,138	248,033,084	322,598,995
Current portion of long-term borrowings from financial institution	17	-	3,128,895	-	3,128,895
Income tax payable		8,221,854	5,980,612	8,121,008	4,587,464
Other current liabilities		3,836,971	2,920,408	1,586,669	1,200,860
Total current liabilities		285,331,853	419,347,102	364,691,651	558,102,059
Non-current liabilities					
Employee benefit obligations	18	26,043,808	22,732,111	24,686,838	21,966,567
Total non-current liabilities		26,043,808	22,732,111	24,686,838	21,966,567
Total liabilities		311,375,661	442,079,213	389,378,489	580,068,626

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

Ubis (Asia) Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	19				
Authorised share capital					
228,000,000 ordinary shares at par value of Baht 1 each		<u>228,000,000</u>	<u>228,000,000</u>	<u>228,000,000</u>	<u>228,000,000</u>
Issued and paid-up share capital					
227,999,991 ordinary shares paid-up of Baht 1 each	19	227,999,991	227,999,991	227,999,991	227,999,991
Premium on share capital	19	26,870,810	26,870,810	26,870,810	26,870,810
Retained earnings (deficits)					
Appropriated - legal reserve	20	22,800,000	22,800,000	22,800,000	22,800,000
Unappropriated		109,234,998	(19,509,746)	97,161,609	(17,347,936)
Other components of equity		<u>4,382,614</u>	<u>3,970,887</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the parent		<u>391,288,413</u>	<u>262,131,942</u>	<u>374,832,410</u>	<u>260,322,865</u>
Non-controlling interests		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity		<u>391,288,413</u>	<u>262,131,942</u>	<u>374,832,410</u>	<u>260,322,865</u>
Total liabilities and equity		<u>702,664,074</u>	<u>704,211,155</u>	<u>764,210,899</u>	<u>840,391,491</u>

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

Ubis (Asia) Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Revenues from sales of goods		929,353,801	837,308,198	785,686,481	733,856,782
Cost of sales		(603,827,061)	(544,101,554)	(576,564,401)	(550,750,552)
Gross profit		325,526,740	293,206,644	209,122,080	183,106,230
Other income	21	7,819,164	8,445,477	65,745,294	69,904,577
Selling expenses		(88,001,339)	(80,159,129)	(60,077,831)	(52,883,800)
Administrative expenses		(79,800,278)	(93,259,617)	(68,921,399)	(83,068,043)
Doubtful debt from void contract	27	-	(320,000,000)	-	(320,000,000)
Other expenses		(10,520,376)	(14,638,482)	(9,079,783)	(12,708,490)
Finance costs		(8,282,441)	(20,760,101)	(6,195,456)	(17,757,282)
Profit (loss) before income tax		146,741,470	(227,165,208)	130,592,905	(233,406,808)
Income tax expense	23	(17,996,726)	(8,847,738)	(16,083,360)	(8,825,411)
Net profit (loss) for the year		128,744,744	(236,012,946)	114,509,545	(242,232,219)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of employment benefit obligations	18	-	6,542,357	-	4,789,563
Income tax on items that will not be reclassified subsequently to profit or loss	15, 23	-	(1,031,495)	-	(957,913)
Total items that will not be reclassified subsequently to profit or loss		-	5,510,862	-	3,831,650

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

Ubis (Asia) Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the year ended 31 December 2018

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss					
Currency differences on translating financial statement		411,727	276,151	-	-
Total items that will be reclassified subsequently to profit or loss		411,727	276,151	-	-
Other comprehensive income for the year, net of tax		411,727	5,787,013	-	3,831,650
Total comprehensive income (expense) for the year		129,156,471	(230,225,933)	114,509,545	(238,400,569)
Profit (loss) attributable to:					
Owners of the parent		128,744,744	(236,012,946)	114,509,545	(242,232,219)
Non-controlling interests		-	-	-	-
Net profit (loss) for the period		128,744,744	(236,012,946)	114,509,545	(242,232,219)
Total comprehensive income (expense) attributable to:					
Owners of the parent		129,156,471	(230,225,933)	114,509,545	(238,400,569)
Non-controlling interests		-	-	-	-
Total comprehensive income (expense) for the period		129,156,471	(230,225,933)	114,509,545	(238,400,569)
Earnings (loss) per share					
Basic earnings (loss) per share	24	0.56	(1.04)	0.50	(1.06)

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

Ubis (Asia) Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Consolidated financial statements

	Attributable to owners of the parent									
	Issued and paid-up share capital (Note 19)	Premium on share capital (Note 19)	Retained earnings (deficits)		Other components of equity			Total owners of Non-controlling interests	Total equity	
			Baht	Baht	Appropriated - legal reserve (Note 20)	Unappropriated	Translating financial statement			
Opening balance										
at 1 January 2017	227,999,991	26,870,810	22,800,000	210,992,338	3,694,736	3,694,736	492,357,875	-	492,357,875	
Changes in equity for the year										
Total comprehensive expense for the year	-	-	-	(230,502,084)	276,151	276,151	(230,225,933)	-	(230,225,933)	
Closing balance										
at 31 December 2017	227,999,991	26,870,810	22,800,000	(19,509,746)	3,970,887	3,970,887	262,131,942	-	262,131,942	
Opening balance										
at 1 January 2018	227,999,991	26,870,810	22,800,000	(19,509,746)	3,970,887	3,970,887	262,131,942	-	262,131,942	
Changes in equity for the year										
Total comprehensive income for the year	-	-	-	128,744,744	411,727	411,727	129,156,471	-	129,156,471	
Closing balance										
at 31 December 2018	227,999,991	26,870,810	22,800,000	109,234,998	4,382,614	4,382,614	391,288,413	-	391,288,413	

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

Ubis (Asia) Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2018

	Separate financial statements				
	Issued and paid-up share capital (Note 19) Baht	Premium on share capital (Note 19) Baht	Retained earnings (deficits)		Total equity Baht
			Appropriated - legal reserve (Note 20) Baht	Unappropriated Baht	
Opening balance at 1 January 2017	227,999,991	26,870,810	22,800,000	221,052,633	498,723,434
Changes in equity for the year					
Total comprehensive expense for the year	-	-	-	(238,400,569)	(238,400,569)
Closing balance at 31 December 2017	<u>227,999,991</u>	<u>26,870,810</u>	<u>22,800,000</u>	<u>(17,347,936)</u>	<u>260,322,865</u>
Opening balance at 1 January 2018	227,999,991	26,870,810	22,800,000	(17,347,936)	260,322,865
Changes in equity for the year					
Total comprehensive income for the year	-	-	-	114,509,545	114,509,545
Closing balance at 31 December 2018	<u>227,999,991</u>	<u>26,870,810</u>	<u>22,800,000</u>	<u>97,161,609</u>	<u>374,832,410</u>

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

Ubis (Asia) Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from operating activities					
Profit (loss) before income tax		146,741,470	(227,165,208)	130,592,905	(233,406,808)
Adjustments for:					
Unrealised losses on					
foreign currency translation		6,331,594	6,310,591	5,925,547	5,971,415
Doubtful debt		479,396	283,858	-	-
Doubtful debt from void contract	22, 27	-	320,000,000	-	320,000,000
(Reversal of) loss on impairment of inventories	22	(3,964,167)	2,589,075	(2,296,037)	2,723,393
Depreciation and amortisation charge	13, 14, 22	10,086,865	9,678,625	8,284,332	8,063,865
Finance costs		8,282,441	20,760,101	6,195,456	17,757,282
Interest income	21	(139,456)	(1,424,902)	(72,249)	(1,341,626)
Dividend income	21, 25	-	-	(45,999,991)	(49,999,991)
Loss on disposal of assets		102,383	1,619,411	-	1,223,714
Employee benefit obligations	18	3,311,697	7,709,133	2,720,271	6,385,566
Cash flows before changes in operating assets and liabilities		171,232,223	140,360,684	105,350,234	77,376,810
Changes in operating assets and liabilities:					
- Trade and other receivables		(61,288,764)	(8,017,198)	(29,023,152)	(15,575,830)
- Inventories		4,739,666	(17,388,301)	4,609,296	(12,869,457)
- Other current assets		7,061,888	4,257,061	4,352,528	3,976,682
- Other non-current assets		(25,000)	-	(25,000)	-
- Trade and other payables		31,320,103	(16,055,250)	(74,405,503)	80,861,220
- Other current liabilities		916,563	(296,159)	385,809	(519,424)
Cash provided by operating activities		153,956,679	102,860,837	11,244,212	133,250,001
- Interest received		139,456	1,731,124	72,249	1,647,849
- Employee benefit paid	18	-	(3,067,600)	-	(3,067,600)
- Income tax paid		(15,538,389)	(16,303,397)	(13,592,576)	(13,765,753)
Net cash provided by (used in) operating activities		138,557,746	85,220,964	(2,276,115)	118,064,497

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

Ubis (Asia) Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from investing activities					
Purchases of intangible assets		(334,151)	(4,925,459)	(334,151)	(3,767,868)
Purchases of equipment		(4,057,412)	(10,317,474)	(1,710,476)	(9,040,086)
Proceeds from disposal of equipment		83,326	734,853	-	734,853
Dividend received		-	-	95,999,982	-
Net cash (used in) provided by investing activities		<u>(4,308,237)</u>	<u>(14,508,080)</u>	<u>93,955,355</u>	<u>(12,073,101)</u>
Cash flows from financing activities					
(Decrease) increase in short-term borrowings from financial institutions		(166,198,054)	33,839,046	(123,775,346)	3,553,018
Repayments on long-term borrowings from financial institution	17	(3,128,895)	(113,472,387)	(3,128,895)	(113,472,387)
Interest paid to financial institutions		(8,282,441)	(20,760,101)	(6,195,456)	(17,757,282)
Net cash used in financing activities		<u>(177,609,390)</u>	<u>(100,393,442)</u>	<u>(133,099,697)</u>	<u>(127,676,651)</u>
Net decrease in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		11,485,580	46,457,649	12,346,199	39,322,965
Exchange loss on cash and cash equivalents		(79,790)	(5,291,511)	(79,790)	(5,291,511)
Cash and cash equivalents at end of the year		<u>(31,954,091)</u>	<u>11,485,580</u>	<u>(29,154,048)</u>	<u>12,346,199</u>
Cash and cash equivalents at end of the year consist of					
Cash and cash equivalents - cash at bank	7	6,470,786	49,353,889	2,068,025	39,427,881
Bank overdrafts	7, 17	(38,424,877)	(37,868,309)	(31,222,073)	(27,081,682)
		<u>(31,954,091)</u>	<u>11,485,580</u>	<u>(29,154,048)</u>	<u>12,346,199</u>

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

Ubis (Asia) Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2018

Significant non-cash transactions

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Accounts payable - purchases of intangible assets	187,250	187,250	187,250	187,250
Accounts payable - purchases of equipment	544,335	79,715	64,440	37,450

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

1 General information

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

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

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

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

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

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 21 February 2019.

2 Accounting policies

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

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

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

2 Accounting policies (Cont'd)

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

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

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

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

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

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

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

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 Revenue from contracts with customers will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognizes revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognizes revenue when (or as) the entity satisfies a performance obligation

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc.) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, subject to the expedients or retrospectively with the cumulative effect recognized as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TFRS 4 (revised 2018)	Insurance Contracts
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards. (Cont'd)

TFRS 4 has been amended to provide insurance companies an optional exemption from compliance with TFRS 9 and TFRS 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines to be issued by the Federation of Accounting Professions (upon announcement) until TFRS 17 becomes effective.

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

2.2.2.3 The Group of financial instruments reporting standards which effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards which effective for annual periods beginning on or after 1 January 2020 consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

2.3 Group accounting - Investment in subsidiaries

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

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

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

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

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

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

2 Accounting policies (Cont'd)

2.3 Group accounting - Investment in subsidiaries

(1) Transactions with non-controlling interests

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

(2) Disposal of subsidiaries

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

(3) Separate financial statements

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

2.4 Foreign currencies translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

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

2.6 Trade receivables

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

2.7 Inventories

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

2.8 Investment property

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

2.9 Property, plant and equipment

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

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

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

Plant and leasehold improvements	10 - 30 years
Furniture, fixture and office equipment	5 years
Machinery and equipment	5 - 30 years
Vehicles	5 years

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

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

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

2 Accounting policies (Cont'd)

2.10 Intangible assets

Trademarks and licences

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

Computer software

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

2.11 Impairment of assets

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

2.12 Leases

Where a Group is the lessee

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

2.13 Borrowings

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

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

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

2 Accounting policies (Cont'd)

2.14 Current and deferred income tax

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

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

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

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

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

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

2.15 Employee benefits

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

Defined contribution

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

Retirement benefits

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

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

2 Accounting policies (Cont'd)

2.15 Employee benefits (Cont'd)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

2.16 Provisions

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

2.17 Revenues recognition

Revenues from sales of goods

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

Rental and service income

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

Other income

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

2.18 Dividends

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

2.19 Segment reporting

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

3 Financial risk management

3.1 Financial risk factors

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

3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Foreign exchange risk

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

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

The Company enters into foreign currency forward contracts with financial institution to hedge foreign currency risk. At 31 December 2018, outstanding balance of foreign currency forward contracts with maturity dates from 26 April 2019 to 28 June 2019 (2017: from 26 March 2018 to 29 June 2018) are as follows:

	Consolidated and separate financial statements	
	Asset Baht	Liabilities Baht
At 31 December 2017	24,832,326	-
At 31 December 2018	6,169,296	3,436,319

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

	Consolidated and separate financial statements	
	2018 Baht	2017 Baht
Gain on foreign currency forward contracts	16,711	2,660

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

3.1.2 Interest rate risk

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

3.1.3 Credit risk

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

3.1.4 Liquidity risk

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

3 Financial risk management (Cont'd)

3.2 Fair value estimation

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

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

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

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

1) Financial instruments in level 1

The fair value of financial instruments that are not traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

2) Financial instruments in level 2

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 2.

Specific valuation techniques used to value financial instruments include:

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

4 Critical accounting estimates, assumptions and judgements

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

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

4.1 Plant and equipment

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

4.2 Employee benefits

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

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

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

5 Capital risk management

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

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

6 Segment information

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

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

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

The segment information for the year ended 31 December 2018 is as follows:

	Consolidated financial statements		
	Domestic Baht	Overseas Baht	Total Baht
Segment revenues	380,983,126	548,370,675	929,353,801
Segment gross profit	131,550,448	193,976,292	325,526,740
Selling and administrative expenses			(167,801,617)
Operating profit			157,725,123
Other income			7,819,164
Finance costs			(8,282,441)
Other expenses			(10,520,376)
Profit before income tax			146,741,470
Income tax expense			(17,996,726)
Net profit			128,744,744
Assets as at 31 December 2018			
Property, plant and equipment, net			180,980,799
Total assets			702,664,074

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	325,469	724,838	280,436	164,914
Deposits at banks - savings	6,127,917	48,612,670	1,771,189	39,247,586
Deposits at banks - current	17,400	16,381	16,400	15,381
Total	6,470,786	49,353,889	2,068,025	39,427,881

The average interest rate on saving bank deposits was 0.25% per annum (2017: 0.25% per annum).

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash and cash equivalents	6,470,786	49,353,889	2,068,025	39,427,881
Bank overdrafts (Note 17)	(38,424,877)	(37,868,309)	(31,222,073)	(27,081,682)
Total	(31,954,091)	11,485,580	(29,154,048)	12,346,199

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables				
- third parties	287,172,869	228,662,666	178,175,725	117,225,792
- related parties (Note 25)	-	-	131,009,763	167,906,707
<u>Less</u> Allowance for doubtful debts	(854,785)	(425,260)	-	-
Trade receivables, net	286,318,084	228,237,406	309,185,488	285,132,499
Post-dated cheques	7,013,893	6,182,549	5,587,761	4,195,312
Prepayments	3,825,759	5,231,395	850,995	1,266,395
Dividend receivable (Note 25)	-	-	-	49,999,991
Other receivables	2,254,484	5,001,014	1,988,498	4,028,540
Others	38,751	22,395	150	150
Total	299,450,971	244,674,759	317,612,892	344,622,887

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

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current	206,285,811	163,520,501	184,333,950	184,720,481
Overdue				
Up to 3 months	72,004,120	54,757,961	84,377,130	38,555,210
3 - 6 months	6,129,537	7,997,963	13,619,998	38,801,732
6 - 12 months	1,810,503	1,963,812	24,489,856	23,055,076
Over 12 months	942,898	422,429	2,364,554	-
	287,172,869	228,662,666	309,185,488	285,132,499
<u>Less</u> Allowance for doubtful debts	(854,785)	(425,260)	-	-
Trade receivables, net	286,318,084	228,237,406	309,185,488	285,132,499

The Company does not reserve of the allowance for doubtful debts for the outstanding trade receivable overdue over 12 months since it is the balance of related trade receivable.

9 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Raw materials	55,273,374	65,121,375	33,919,864	45,813,837
Work in process	4,065,272	4,487,245	3,026,735	3,169,859
Finished goods	80,915,045	81,380,995	35,906,060	41,113,825
	140,253,691	150,989,615	72,852,659	90,097,521
<u>Less</u> Allowance for impairment of Inventories	(1,675,248)	(5,675,656)	(481,836)	(2,777,873)
Goods in transit	31,089,151	25,129,135	14,689,560	2,053,993
Inventories, net	169,667,594	170,443,094	87,060,383	89,373,641

The Group has reversed of the allowance for impairment of inventories of Baht 3,964,167 due to the fact that the inventories had been destroyed during the year 2018, in which the amount reversed has been included in cost of sales in the statement of comprehensive income. (2017: Nil).

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Value added tax receivables	4,513,713	12,381,371	4,513,713	9,502,551
Others	1,069,733	263,963	895,870	259,560
Total	5,583,446	12,645,334	5,409,583	9,762,111

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11 Investment in subsidiaries, net

The Group comprises of the subsidiaries listed below as at 31 December 2018 as follows:

Company name	Place of business/ Country of incorporation	Nature of business	Proportion of ordinary shares directly held by parent		Separate financial statements Cost	
			2018 %	2017 %	2018 Baht	2017 Baht
Ubis Primatech Company Limited	Thailand	Manufacture and distribute sealing compounds for food and beverage canning	99.99	99.99	159,999,970	159,999,970
Vita International Trading (Guangzhou) Company Limited	Republic of China	Distribute sealing compounds for food and beverage canning and lacquer	100.00	100.00	38,027,500	38,027,500
<u>Less</u> Allowance for impairment of investment in subsidiary					198,027,470	198,027,470
Investment in subsidiaries, net					<u>(38,027,500)</u>	<u>(38,027,500)</u>
					<u>159,999,970</u>	<u>159,999,970</u>

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

12 Investment property, net

	Consolidated and Separate financial statements
	Land Baht
At 1 January 2018	
Cost	28,836,500
Net book amount	<u>28,836,500</u>
For the year ended 31 December 2018	
Opening net book amount	28,836,500
Closing net book amount	<u>28,836,500</u>
At 31 December 2018	
Cost	28,836,500
Net book amount	<u>28,836,500</u>
Fair value	<u>44,726,000</u>

Investment property represents land that the Company held for a currently undetermined future use, located in Samutsakorn province.

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

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13 Property, plant and equipment, net

	Consolidated financial statements							Total Baht
	Land and land improvements Baht	Plant and leasehold improvements Baht	Furniture, fixtures and office equipment Baht	Machineries and equipment Baht	Vehicles Baht	Machinery and equipment under installation Baht		
At 1 January 2017								
Cost	47,178,250	80,894,542	17,875,161	59,477,146	12,221,972	15,227	217,662,298	
Less Accumulated depreciation	-	(5,910,343)	(5,745,801)	(11,884,851)	(7,072,391)	-	(30,613,386)	
Net book amount	47,178,250	74,984,199	12,129,360	47,592,295	5,149,581	15,227	187,048,912	
For the year ended 31 December 2017								
Opening net book amount	47,178,250	74,984,199	12,129,360	47,592,295	5,149,581	15,227	187,048,912	
Additions	-	218,200	681,600	7,978,882	-	-	8,878,682	
Disposals and write-offs, net	-	-	(395,002)	(695)	(890,000)	(15,227)	(1,300,924)	
Depreciation charge	-	(2,706,811)	(2,036,182)	(3,504,831)	(624,365)	-	(8,872,189)	
Closing net book amount	47,178,250	72,495,588	10,379,776	52,065,651	3,635,216	-	185,754,481	
At 31 December 2017								
Cost	47,178,250	81,112,742	17,776,696	67,454,685	8,321,972	-	221,844,345	
Less Accumulated depreciation	-	(8,617,154)	(7,396,920)	(15,389,034)	(4,686,756)	-	(36,089,864)	
Net book amount	47,178,250	72,495,588	10,379,776	52,065,651	3,635,216	-	185,754,481	

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

	Consolidated financial statements						Total Baht
	Land and land improvements Baht	Plant and leasehold improvements Baht	Furnitures, fixtures and office equipment Baht	Machineries and equipment Baht	Vehicles Baht	Building and assets under construction Baht	
At 1 January 2018							
Cost	47,178,250	81,112,742	17,776,696	67,454,685	8,321,972	-	221,844,345
Less Accumulated depreciation	-	(8,617,154)	(7,396,920)	(15,389,034)	(4,686,756)	-	(36,089,864)
Net book amount	47,178,250	72,495,588	10,379,776	52,065,651	3,635,216	-	185,754,481
For the year ended 31 December 2018							
Opening net book amount	47,178,250	72,495,588	10,379,776	52,065,651	3,635,216	-	185,754,481
Additions	-	319,533	1,326,099	1,128,168	-	1,748,232	4,522,032
Transfers in (out)	-	-	94,200	1,654,032	-	(1,748,232)	-
Disposals and write-offs, net	-	-	(180,025)	-	-	-	(180,025)
Depreciation charge	-	(2,715,521)	(2,071,714)	(3,812,137)	(516,317)	-	(9,115,689)
Closing net book amount	47,178,250	70,099,600	9,548,336	51,035,714	3,118,899	-	180,980,799
At 31 December 2018							
Cost	47,178,250	81,432,275	18,998,254	70,236,885	8,321,972	-	226,167,636
Less Accumulated depreciation	-	(11,332,675)	(9,449,918)	(19,201,171)	(5,203,073)	-	(45,186,837)
Net book amount	47,178,250	70,099,600	9,548,336	51,035,714	3,118,899	-	180,980,799

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

	Separate financial statements							Total Baht
	Land and land improvements Baht	Plant and leasehold improvements Baht	Furniture, fixtures and office equipment Baht	Machineries and equipment Baht	Vehicles Baht	Machinery and equipment under installation Baht		
At 1 January 2017								
Cost	47,178,250	80,845,224	16,633,959	30,239,905	12,221,972	15,227	187,134,537	
Less Accumulated depreciation	-	(5,907,959)	(5,084,572)	(8,900,912)	(7,072,391)	-	(26,965,834)	
Net book amount	47,178,250	74,937,265	11,549,387	21,338,993	5,149,581	15,227	160,168,703	
For the year ended 31 December 2017								
Opening net book amount	47,178,250	74,937,265	11,549,387	21,338,993	5,149,581	15,227	160,168,703	
Additions	-	135,000	447,833	6,976,196	-	-	7,559,029	
Disposals and write-offs, net	-	-	-	-	(890,000)	(15,227)	(905,227)	
Depreciation charge	-	(2,704,119)	(1,954,065)	(2,077,934)	(624,365)	-	(7,360,483)	
Closing net book amount	47,178,250	72,368,146	10,043,155	26,237,255	3,635,216	-	159,462,022	
At 31 December 2017								
Cost	47,178,250	80,980,224	17,081,792	37,216,101	8,321,972	-	190,778,339	
Less Accumulated depreciation	-	(8,612,078)	(7,038,637)	(10,978,846)	(4,686,756)	-	(31,316,317)	
Net book amount	47,178,250	72,368,146	10,043,155	26,237,255	3,635,216	-	159,462,022	

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

	Separate financial statements						Total Baht
	Land and land improvements Baht	Plant and leasehold improvements Baht	Furnitures, fixtures and office equipment Baht	Machineries and equipment Baht	Vehicles Baht	Building and assets under construction Baht	
At 1 January 2018							
Cost	47,178,250	80,980,224	17,081,792	37,216,101	8,321,972	-	190,778,339
Less Accumulated depreciation	-	(8,612,078)	(7,038,637)	(10,978,846)	(4,686,756)	-	(31,316,317)
Net book amount	47,178,250	72,368,146	10,043,155	26,237,255	3,635,216	-	159,462,022
For the year ended 31 December 2018							
Opening net book amount	47,178,250	72,368,146	10,043,155	26,237,255	3,635,216	-	159,462,022
Additions	-	319,533	776,865	546,868	-	94,200	1,737,466
Transfers in (out)	-	-	94,200	-	-	(94,200)	-
Depreciation charge	-	(2,703,063)	(1,987,139)	(2,253,947)	(516,317)	-	(7,460,466)
Closing net book amount	47,178,250	69,984,616	8,927,081	24,530,176	3,118,899	-	153,739,022
At 31 December 2018							
Cost	47,178,250	81,299,757	17,951,946	37,762,969	8,321,972	-	192,514,894
Less Accumulated depreciation	-	(11,315,141)	(9,024,865)	(13,232,793)	(5,203,073)	-	(38,775,872)
Net book amount	47,178,250	69,984,616	8,927,081	24,530,176	3,118,899	-	153,739,022

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

Depreciation expense of Baht 9,115,689 (2017: Baht 8,872,189) has been charged in cost of goods sold, selling expense and administrative expense in the consolidated financial statements of Baht 5,501,327 (2017: Baht 5,318,633), Baht 747,573 (2017: Baht 629,042) and Baht 2,866,789 (2017: Baht 2,924,514), respectively.

Depreciation expense of Baht 7,460,466 (2017: Baht 7,360,483) has been charged in cost of goods sold, selling expense and administrative expense in the separate financial statements of Baht 3,989,727 (2017: Baht 3,948,625), Baht 712,181 (2017: Baht 613,473) and Baht 2,758,558 (2017: Baht 2,798,385), respectively.

14 Intangible assets, net

	Consolidated financial statements			Total Baht
	Computer software Baht	Trademark Baht	Computer software under installation Baht	
At 1 January 2017				
Cost	646,098	97,624	1,618,940	2,362,662
<u>Less</u> Accumulated amortisation	(222,200)	(23,029)	-	(245,229)
Net book amount	<u>423,898</u>	<u>74,595</u>	<u>1,618,940</u>	<u>2,117,433</u>
For the year ended 31 December 2017				
Opening net book amount	423,898	74,595	1,618,940	2,117,433
Additions	2,605,306	-	2,507,403	5,112,709
Transfers in (out)	3,050,503	-	(3,050,503)	-
Written-offs, net	-	-	(1,053,340)	(1,053,340)
Amortisation charge	(796,674)	(9,762)	-	(806,436)
Closing net book amount	<u>5,283,033</u>	<u>64,833</u>	<u>22,500</u>	<u>5,370,366</u>
At 31 December 2017				
Cost	6,301,907	97,624	22,500	6,422,031
<u>Less</u> Accumulated amortisation	(1,018,874)	(32,791)	-	(1,051,665)
Net book amount	<u>5,283,033</u>	<u>64,833</u>	<u>22,500</u>	<u>5,370,366</u>
For the year ended 31 December 2018				
Opening net book amount	5,283,033	64,833	22,500	5,370,366
Additions	334,151	-	-	334,151
Amortisation charge	(961,414)	(9,762)	-	(971,176)
Closing net book amount	<u>4,655,770</u>	<u>55,071</u>	<u>22,500</u>	<u>4,733,341</u>
At 31 December 2018				
Cost	6,204,399	97,624	22,500	6,324,523
<u>Less</u> Accumulated amortisation	(1,548,629)	(42,553)	-	(1,591,182)
Net book amount	<u>4,655,770</u>	<u>55,071</u>	<u>22,500</u>	<u>4,733,341</u>

14 Intangible assets, net (Cont'd)

	Separate financial statements			Total Baht
	Computer software Baht	Trademark Baht	Computer software under installation Baht	
At 1 January 2017				
Cost	589,450	97,624	1,618,940	2,306,014
<u>Less</u> Accumulated amortisation	(192,914)	(23,029)	-	(215,943)
Net book amount	<u>396,536</u>	<u>74,595</u>	<u>1,618,940</u>	<u>2,090,071</u>
For the year ended 31 December 2017				
Opening net book amount	396,536	74,595	1,618,940	2,090,071
Additions	1,447,715	-	2,507,403	3,955,118
Transfers in (out)	3,050,503	-	(3,050,503)	-
Written-offs, net	-	-	(1,053,340)	(1,053,340)
Amortisation charge	(630,583)	(9,762)	-	(640,345)
Closing net book amount	<u>4,264,171</u>	<u>64,833</u>	<u>22,500</u>	<u>4,351,504</u>
At 31 December 2017				
Cost	5,087,668	97,624	22,500	5,207,792
<u>Less</u> Accumulated amortisation	(823,497)	(32,791)	-	(856,288)
Net book amount	<u>4,264,171</u>	<u>64,833</u>	<u>22,500</u>	<u>4,351,504</u>
For the year ended 31 December 2018				
Opening net book amount	4,264,171	64,833	22,500	4,351,504
Additions	334,151	-	-	334,151
Amortisation charge	(814,104)	(9,762)	-	(823,866)
Closing net book amount	<u>3,784,218</u>	<u>55,071</u>	<u>22,500</u>	<u>3,861,789</u>
At 31 December 2018				
Cost	5,079,651	97,624	22,500	5,199,775
<u>Less</u> Accumulated amortisation	(1,295,433)	(42,553)	-	(1,337,986)
Net book amount	<u>3,784,218</u>	<u>55,071</u>	<u>22,500</u>	<u>3,861,789</u>

15 Deferred income tax

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred income tax assets:				
Deferred tax asset to be recovered within 12 months	1,357,385	642,051	96,367	555,574
Deferred tax asset to be recovered after more than 12 months	4,994,252	5,926,681	4,937,368	3,435,401
Deferred income tax, net	<u>6,351,637</u>	<u>6,568,732</u>	<u>5,033,735</u>	<u>3,990,975</u>

The movements of deferred tax assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	6,568,732	4,802,834	3,990,975	4,698,529
(Tax charged)/credited to profit or loss	(217,095)	2,797,393	1,042,760	250,359
Tax charged to other comprehensive income	-	(1,031,495)	-	(957,913)
At 31 December	<u>6,351,637</u>	<u>6,568,732</u>	<u>5,033,735</u>	<u>3,990,975</u>

	Consolidated financial statements		
	Allowance for impairment of inventories Baht	Employee benefit obligations Baht	Total Baht
Deferred tax assets			
At 1 January 2017	10,896	4,791,938	4,802,834
Credited to profit or loss	631,155	2,166,238	2,797,393
Tax charged to other comprehensive income	-	(1,031,495)	(1,031,495)
At 31 December 2017	<u>642,051</u>	<u>5,926,681</u>	<u>6,568,732</u>
At 1 January 2018	642,051	5,926,681	6,568,732
Credited/(tax charged) to profit or loss	715,334	(932,429)	(217,095)
At 31 December 2018	<u>1,357,385</u>	<u>4,994,252</u>	<u>6,351,637</u>

15 Deferred income tax (Cont'd)

	Separate financial statements		
	Allowance for impairment of inventories Baht	Employee benefit obligations Baht	Total Baht
Deferred tax assets			
At 1 January 2017	10,896	4,687,633	4,698,529
Credited/(tax charged) to profit or loss	544,678	(294,319)	250,359
Tax charged to other comprehensive income	-	(957,913)	(957,913)
At 31 December 2017	555,574	3,435,401	3,990,975
At 1 January 2018	555,574	3,435,401	3,990,975
(Tax charged)/credited to profit or loss	(459,207)	1,501,967	1,042,760
At 31 December 2018	96,367	4,937,368	5,033,735

The Group did not recognise deferred tax assets in respect of tax losses of subsidiary in Republic of China, amounting to Baht 681,029 (2017: Baht 41,995 which will be expired in 2022) which will be expired in 2023 since the management has considered that there is uncertainty that the subsidiary will have sufficient taxable profits to realise the benefit from tax losses in the future.

16 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade payables				
- third parties	118,488,983	88,548,926	89,802,551	66,041,237
- related parties (Note 25)	-	-	140,287,693	239,239,119
Post-dated cheques	991,492	1,375,627	684,070	991,373
Other payables	3,901,369	3,517,811	1,724,961	1,765,612
Accrued expenses	12,323,752	11,996,326	11,512,849	11,743,608
Advances received	2,456,950	500,603	2,456,450	500,103
Retention	-	41,786	-	28,469
Others	1,772,919	2,357,059	1,564,510	2,289,474
Total	139,935,465	108,338,138	248,033,084	322,598,995

17 Borrowings

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current				
Short-term borrowings from financial institutions				
Bank overdrafts	38,424,877	37,868,309	31,222,073	27,081,682
Promissory notes	82,500,000	205,000,000	67,500,000	165,000,000
Trust receipts	12,412,686	56,110,740	8,228,817	34,504,163
Total	133,337,563	298,979,049	106,950,890	226,585,845
Current portion of long-term borrowings from financial institution	-	3,128,895	-	3,128,895
Total current borrowings	133,337,563	302,107,944	106,950,890	229,714,740
Total borrowings	133,337,563	302,107,944	106,950,890	229,714,740

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	302,107,944	378,513,280	229,714,740	342,062,182
Changes in short-term borrowings from financial institutions	(165,641,486)	37,067,051	(119,634,955)	1,124,945
Repayments of long-term borrowings from financial institutions	(3,128,895)	(113,472,387)	(3,128,895)	(113,472,387)
At 31 December	133,337,563	302,107,944	106,950,890	229,714,740

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Borrowings:				
- at fixed rates	72,500,000	45,000,000	57,500,000	35,000,000
- at floating rates	60,837,563	257,107,944	49,450,890	194,714,740
Total	133,337,563	302,107,944	106,950,890	229,714,740

17 Borrowings (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
Bank borrowings	3.50 - 4.50	3.25 - 6.25	3.50 - 4.50	3.25 - 6.25

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

	Consolidated and separate financial statements			
	Carrying amounts		Fair values	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term borrowings	-	3,128,895	-	3,128,895

The fair values are based on discounted cash flows using a discount rate (2017: 5%) and are within level 2 of the fair value hierarchy.

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

Maturity of long-term borrowings are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	-	3,128,895	-	3,128,895
Between 1 and 5 years	-	-	-	-
Total	-	3,128,895	-	3,128,895

18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Statement of financial position: Retirement benefits	26,043,808	22,732,111	24,686,838	21,966,567
Profit or loss charge included in operating profit for: Retirement benefits	3,311,697	7,709,133	2,720,271	6,385,566
Remeasurement for: Retirement benefits	-	(6,542,357)	-	(4,789,563)

18 Employee benefit obligations (Cont'd)

The movement in the defined benefit obligation over the year is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	22,732,111	24,632,935	21,966,567	23,438,164
Current service cost	2,747,241	7,178,449	2,242,711	5,941,862
Interest expense	564,456	530,684	477,560	443,704
Benefits paid	-	(3,067,600)	-	(3,067,600)
	26,043,808	29,274,468	24,686,838	26,756,130
Remeasurements:				
Gain from change in actuarial assumptions	-	(6,542,357)	-	(4,789,563)
At 31 December	26,043,808	22,732,111	24,686,838	21,966,567

The principal actuarial assumptions used were as follows:

	Consolidated and separate financial statements	
	2018 %	2017 %
Discount rate	2.41	2.41
Salary growth rate	5.00	5.00
Turnover rate of employee	0.00 - 33.00	0.00 - 33.00

	Consolidated financial statements		
	Change in assumption	Impact on defined benefit obligations	
		Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 8.42% - 13.03% (2017: 9.00% - 13.64%)	Increase by 9.57% - 15.28% (2017: 10.26% - 16.08%)
Salary growth rate	1%	Increase by 10.77% - 16.38% (2017: 10.39% - 16.04%)	Decrease by 9.59% - 14.10% (2017: 9.30% - 13.87%)
Turnover rate of employee	1%	Decrease by 8.74% - 13.74% (2017: 9.34% - 14.39%)	Increase by 2.62% - 6.09% (2017: 2.88% - 6.79%)

	Separate financial statements		
	Change in assumption	Impact on defined benefit obligations	
		Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 8.42% (2017: 9.00%)	Increase by 9.57% (2017: 10.26%)
Salary growth rate	1%	Increase by 10.77% (2017: 10.39%)	Decrease by 9.59% (2017: 9.30%)
Turnover rate of employee	1%	Decrease by 8.74% (2017: 9.34%)	Increase by 2.62% (2017: 2.88%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

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

The weighted average duration of the defined benefit obligation is 9.83 years (2017: 9.83 years).

18 Employee benefit obligations (Cont'd)

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

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

	Consolidated financial statements				Total Baht
	Within 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2018 Retirement benefits	-	-	9,335,534	148,062,708	157,398,242
Total	-	-	9,335,534	148,062,708	157,398,242

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

	Separate financial statements				Total Baht
	Within 1 year Baht	Between 1 - 2 years Baht	Between 2 - 5 years Baht	Over 5 years Baht	
At 31 December 2018 Retirement benefits	-	-	9,335,534	99,784,184	109,119,718
Total	-	-	9,335,534	99,784,184	109,119,718

19 Share capital and premium on share capital

	Number of shares Shares	Number of paid-up shares Shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
At 1 January 2017	228,000,000	227,999,991	227,999,991	26,870,810	254,870,801
Issue of shares	-	-	-	-	-
At 31 December 2017	228,000,000	227,999,991	227,999,991	26,870,810	254,870,801
Issue of shares	-	-	-	-	-
At 31 December 2018	228,000,000	227,999,991	227,999,991	26,870,810	254,870,801

The total number of authorised ordinary shares is 228,000,000 shares (2017: 228,000,000 shares) with par value of Baht 1 per share (2017: Baht 1 per share). The 227,999,991 ordinary shares are issued and fully paid-up.

20 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	22,800,000	22,800,000	22,800,000	22,800,000
Appropriation during the year	-	-	-	-
At 31 December	22,800,000	22,800,000	22,800,000	22,800,000

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

21 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Dividend income (Note 25)	-	-	45,999,991	49,999,991
Rental and services income	847,755	583,308	13,540,155	12,715,861
Commission income	1,307,903	1,930,136	1,307,903	1,930,136
Interest income	139,456	1,424,902	72,249	1,341,626
Others	5,524,050	4,507,131	4,824,996	3,916,963
Total	7,819,164	8,445,477	65,745,294	69,904,577

22 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Changes in finished goods and work in process	57,467,924	17,653,423	232,261,353	224,332,034
Raw material and consumables used	500,544,131	485,035,155	320,705,549	305,371,029
Employee benefit expenses	111,484,713	103,459,919	80,261,841	72,713,659
Transportation and sale department expenses	50,192,436	46,273,705	35,430,035	31,331,300
Consultant and professional fee	8,618,578	15,790,697	8,124,331	15,317,274
Utility expenses	11,953,556	12,068,903	8,691,689	8,847,429
Operating lease payment	3,027,844	1,391,950	3,051,288	3,644,809
Depreciation and amortisation (Note 13 and Note 14)	10,086,865	9,678,625	8,284,332	8,063,865
Loss on written-offs of intangible asset	-	1,053,340	-	1,053,340
Loss on inventories destruction	4,210,516	2,574,399	115,300	-
(Reversal of) loss on impairment of inventories	(3,964,167)	2,589,075	(2,296,037)	2,723,393
Doubtful debt from void contract (Note 27)	-	320,000,000	-	320,000,000
Travelling expenses	10,504,228	11,739,108	7,232,158	8,972,675
Repair and maintenance cost	2,433,440	1,938,094	1,428,820	1,334,031
Loss from exchange rate	10,520,376	14,468,084	9,079,783	12,538,117
Others	5,068,614	6,444,305	2,272,972	3,167,930
Total	782,149,054	1,052,158,782	714,643,414	1,019,410,885

23 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax:				
Current tax on profits for the year	(17,779,631)	(11,645,131)	(17,126,120)	(9,075,770)
Deferred tax:				
(Increase) decrease in deferred tax assets (Note 15)	(217,095)	2,797,393	1,042,760	250,359
Total income tax expense	(17,996,726)	(8,847,738)	(16,083,360)	(8,825,411)

23 Income tax expense (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit (loss) before tax	146,741,470	(227,165,208)	130,592,905	(233,406,808)
Tax calculated at a tax rate of 20% (2017: 20%)	(29,348,294)	45,433,037	(26,118,581)	46,681,362
Tax effect of:				
Benefit from BOI regulation	9,722,029	9,086,237	-	-
Income not subject to tax	-	-	9,199,998	9,999,998
Expenses not deductible for tax purpose	561,579	(63,470,495)	733,911	(65,637,962)
Revenues that are granted income tax exemption or expenses that are deductible at a greater amount	386,931	145,478	101,312	131,191
Tax profit (loss) for which no deferred income tax asset was recognised	681,029	(41,995)	-	-
Income tax	(17,996,726)	(8,847,738)	(16,083,360)	(8,825,411)

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

	Consolidated financial statements					
	2018			2017		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	-	-	-	6,542,357	(1,031,495)	5,510,862
Other comprehensive income	-	-	-	6,542,357	(1,031,495)	5,510,862
	Separate financial statements					
	2018			2017		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	-	-	-	4,789,563	(957,913)	3,831,650
Other comprehensive income	-	-	-	4,789,563	(957,913)	3,831,650

24 Earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Earnings (loss) (Baht)	128,744,744	(236,012,946)	114,509,545	(242,232,219)
Weighted average number of ordinary shares outstanding (Shares)	227,999,991	227,999,991	227,999,991	227,999,991
Basic earnings (loss) per share (Baht per share)	0.56	(1.04)	0.50	(1.06)

25 Related party transactions

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

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

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

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

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

25 Related party transactions (Cont'd)

Criteria for income and expenses of related parties are as follows:

Transaction	Pricing policies
Purchase - Sale goods	The market price is comparable to the selling price to the third parties
Rental property	Contract price
Personal fee	Contract price
Consultant fee	Contract price

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Sales of goods - Subsidiaries	-	-	119,278,139	154,490,213
Purchases of goods - Subsidiaries	-	-	193,419,736	211,802,117
Dividend income - Subsidiaries	-	-	45,999,991	49,999,991
Rental and services income - Subsidiaries	-	-	12,692,400	12,132,553
Other income - Subsidiaries	-	-	35,081	109,105

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

	Consolidated financial statements		Separate financial Statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Receivable - Subsidiary	-	-	131,009,763	167,906,707
Dividend receivable - Subsidiary	-	-	-	49,999,991
Payables - Subsidiaries	-	-	140,287,693	239,239,119

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term employee benefits	28,984,690	32,098,623	27,176,809	30,418,194
Post-employment benefits	972,352	1,936,000	972,352	1,936,000
	<u>29,957,042</u>	<u>34,034,623</u>	<u>28,149,161</u>	<u>32,354,194</u>

26 Commitments

Letters of guarantee

As at 31 December 2018, there was outstanding letter of bank guarantee of Baht 412,000 issued by a bank on behalf of the Company in the normal course of business (2017: Baht 412,000).

Operating lease commitments - Where the Group is the lessee

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	2,354,400	2,810,400	2,354,400	2,810,400
Later than 1 year but not later than 5 years	2,308,635	4,663,035	2,308,635	4,663,035
	<u>4,663,035</u>	<u>7,473,435</u>	<u>4,663,035</u>	<u>7,473,435</u>

Contractual commitment

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

Litigation

In July 2018, the Company was sued by a former executive director for unfair termination of employment contract and he demanded compensation of Baht 2.4 million plus related interest ranging from 7.5% to 15% per annum. It's still in the early stage of consideration by the Central Labour Court; witness depositions are expected to take place in March 2019. Hence, the Group does not recognise any reserves relate to this claim in the financial statement.

27 Account receivable from void contract

On 1 July 2015, the Company purchased 400,000 ordinary shares at Baht 280 million representing a 40% shareholding in Family Corporation Co., Ltd. from RF Vision Co., Ltd. (the Seller) according to the Share Sale Purchase Agreement dated 5 June 2015. On 26 February 2016, Family Corporation Co., Ltd increased its issue of ordinary shares. The Company purchased 400,000 increased ordinary shares for Baht 40 million to maintain their ownership interest of 40%.

Subsequently on 15 March 2017, the Company's Board of Directors approved the cancellation of the Share Sale Purchase Agreement on ordinary shares of Family Corporation Co., Ltd. by referring to a conditional right "The Cancellation" in the Share Sale Purchase Agreement. The Company's legal advisor viewed that the investment in Family Corporation Co., Ltd. was void by law and retrospectively effective since the first investment of Baht 280 million in 2015 and the additional investment of Baht 40 million in 2016.

Therefore, on 21 March 2017, the Company and the Seller jointly signed a Memorandum of void contract and agreed that the Company shall immediately transfer the investment of 800,000 ordinary shares of Family Corporation Co., Ltd. back to the Seller on receiving full repayment of Baht 320 million. The Company has allowed the seller to repay by 12 monthly instalments from June 2017 to May 2018 totalling Baht 320 million.

27 Account receivable from void contract (Cont'd)

Collateral of the repayments comprise:

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

As a result of the void contract, the Company has reversed all equity gains taken in the past year and recorded the Seller as accounts receivable from void contract since the year ended 31 December 2015.

In June 2017, management attempted and demanded repayments several times from both the accounts receivable and guarantor but still no progress was made. Consequently, management has reassessed the current situation of repayments including the intention and the ability of the accounts receivable and guarantor, which was substantially changed in their position from the previous assessment. Management has therefore decided to be prudent and set up a related allowance in full for all outstanding amounts in June 2017. On 11 August 2017, the Board of Directors made its decision to take legal action against the account receivable and guarantor to collect the full amount as soon as possible.

During 2017 and 2018, the Company (the plaintiff) assigned an attorney to prepare written notices to demand repayment and letters of default to the account receivable (the first defendant) and notices to demand repayment to the guarantor (the second defendant) in accordance with legal process. The Company's assigned attorney filed a lawsuit against the defendants with charges for breach and guarantee, and to claim compensation for the defaulted receivables in full totalling Baht 320 million with interest at the rate of 7.5% per annum for principal, commencing on the date of the lawsuit until full repayment to the Company.

In November 2018, the Company assigned the attorney to comply with judgment execution and to combine all cases as the defendant is the same person. However, the lawsuit is still currently at trial at the Civil Court in which the first appointment of the plaintiff and defendant witness is expected to take place in September 2019.

28 Promotional privileges

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

The promotional certificate No. 2363(5)/2555

The promotional privilege was received from the BOI for the manufacture of sealing compound as per the promotional certificate No. 2363(5)/2555 dated 5 March 2012. The main privileges include the reduction in import duty on machinery as approved by the BOI and the exemption from corporate income tax for the promoted activities for a period of 8 years from the date income is first derived (1 October 2014).

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

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

	2018 Baht	2017 Baht
Revenue from BOI promoted activities	215,170,755	225,222,221
Revenue from non-BOI promoted activities	57,013,324	59,303,908
Total	<u>272,184,079</u>	<u>284,526,129</u>