



# รายงานประจำปี 2562

บริษัท ยูบิส (เอเชีย) จำกัด (มหาชน)

# UBIS



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



## Message from Chairman

It has been a very fluctuation upon of economy both domestic and oversea markets in 2019 which was the result from China-United States trade war, including the fluctuation of exchange rate. Therefore, it was extremely challenge for business operation.

Ubis (Asia) Public Company Limited has currently export sales of 60% and domestic sales of 40%. As the above circumstances, we have managed our policy to comply with the changes of current situation by focusing on the business expansion of new innovative products and develops the existing product to meet market demand. As being a listed Company in the Stock Exchange of Thailand, the Company has strong business model and hence, we can manage the business well.

I would like to thank you our shareholders, partners, affiliates, financial situations, government entities, all stakeholders, and Ubis (Asia) Public Company's team who has always trusted and engaged in supporting our operations contributing to our Company's continuous growth. We are committed that the Board of Directors, Executives, and all teams will use our best knowledge and experience to perform our duty deliberately and professionally to increase our corporate value along with development of Thai society sustainably.

Dr. Prachnon Temritikulchai  
Chairman

## Business Overview



Thailand's export canned food business in year 2019 decreased 4% in quantity when compared to 2018 contributing to 1.02 Billion Thai Baht inflow to Thailand. If analyzed in deep details, canned tuna and other seafood segment export sales increased 3%, 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.

On the other hand, the export canned fruit industry group, especially pineapple, decreased by 16% because of the climate change which impacts to the lower crop outputs and the slow down in global economic condition.

UBIS 2019 ended with record sales at 911 Million Thai Baht or 2% decrease comparing to 2018 although sales volume was equal because the effect of Thai Baht currency, which is US Dollar up to 5-6% and China Yuan up to 12%. Both of currencies are the main to export and resulting to export sales : domestic sales at 60% : 40%.

In 2019, The Company can generate net profit at 104 Million Thai Baht or 19% decrease comparing to 2018 and has net profit at 129 Million Thai Baht that the main cause was the loss from the conversion of exchange rate.

The metal packaging industry has been facing various challenges especially the decline of growth in food cans of agriculture products as a result of climate change (weather – related problems) impacting the low productivity resulting to the less consumption of metal cans (some can factories in foreign countries have even shut down). The attempt to offer an alternative packaging to replace the use of cans, the China-United States trade war on tax barrier with many predicts, including steel which is the main raw material of can production in United States. As we could see the large companies complained about its impact to metal packaging business by sending a letter to the President of the United States, thus this affect is unavoidable to the end customers.

Despite of the above challenges, the positive signs have been seen when the governments and organization from many countries have shown the awareness of environmental problem from the use of plastic packaging which can damage the environment and all lifes because plastics need such a long time to decompose while the metal packaging is sustainable and also eco friendly from the steel to metal cans and after they are consumed until recycling at the end, Brazil could aChief the recycle of the aluminum cans up to 97% while Europe could recycle 80% and more increasing. This creates a mega awareness to our society and drive the growth of the metal packaging.

The Company's operation goals in 3 years (2020 - 2022) as follows

1. Business goals
  - 1.1 Manage for good turnover operations to have good and stable operating results
  - 1.2 Establish a trusted organization among domestic and overseas markets
  - 1.3 Create a strong and well accepted Brand
2. Establish a Sustainability Development report meeting with the guideline of the Stock Exchange of Thailand  
Objectives and operational goals
  - 2.1 Define the Stakeholders in business operation throughout the supply chain
  - 2.2 Analyze the importance and impact to Stakeholders and the Company (Economy Environment and Social) related to sustainability aspects
  - 2.3 Take the principle and guideline of the sustainability to the integration with the organization management
  - 2.4 Able to conduct the report of social responsibility and sustainability
3. Upgrade the Company's standards
  - 3.1 Environmental Management System (ISO 14001)
  - 3.2 Occupational Health and Safety Management System (ISO 45001)
4. Execute the assessment for certification of Anti-Corruption from Collective Action Coalition Against Corruption (or CAC)
5. Study other potential businesses to support the Company's expansion plan and diversify risks from existing business which might be from disrupted by technology or Consumers' behavior changes

In 2020, the Company has set the business growth from new products and increased more capacity in foreign markets from both direct customers and dealers. After our effort in increase our presence in new markets such as Latin America, Brazil, Mexico, Peru. At present, the Company has identified the new potential market in Africa such as Egypt, Turkey, etc.

Besides, the Company continues to have our products approval by Brand Owners. In the past year, the Company could succeed in listing a Compound product into the approved list of a large beverage company in China and a world class beverage company.



Mr. Nawat Triyapongpattana

Managing Director



# Annual Main Activities

## 2011

- The Company has filed the new investment project with the Board of Investment (BOI)



## 2014

- The Company started to operate from the new factory



## 2019

- 4 stars of CG SCORE
- Certified ISO 9001: 2015 from BVQI
- Expand to the new factory at Bangpoo Industrial Estate



## 2007

- Ubis's shares was traded on 9 May 2007 in the Market for Alternative Investment (mai)



## 2012

- The filing was approved by the Board of Investment (BOI) and Ubis Prematech Co., Ltd. was established with registered capital of 160 Million Baht.







## 2018

- Certificate by The Collective Action Coalition Against Corruption or CAC
- Awarded as Top Innovative Organization



## Financial Information 2019

Unit : Thousand BAHT

	
Total Assets 730,843	Total Income 910,707
	
Net Profit 106,678	Earning Per Share 0.47

Unit : Thousand BAHT

	2019	2018	2017
<b>Financial Position</b>			
Total Assets	730,330	702,664	704,211
Total Liabilities	282,170	311,376	442,079
Shareholders' Equity	448,160	391,288	262,132
<b>Overall Operation</b>			
Total Income	910,707	929,354	837,307
Total Expense	789,456	782,613	1,064,472
Total Profit before VAT	121,251	146,741	(227,165)
Net Profit	106,678	128,745	(236,013)
Earning Per Share	0.47	0.56	(1.04)

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## **Enclosure**

Attached 1 Annual Financial Statement 2019



Ubis (Asia) Public Company Limited

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**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

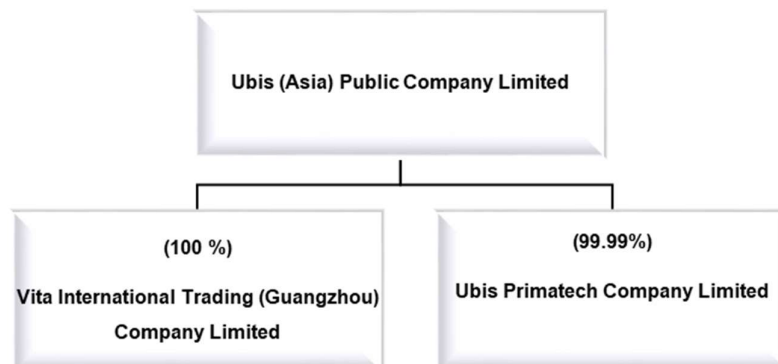
#### Vision

"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, we have an experienced specialist team to strengthen our product development unit to be 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

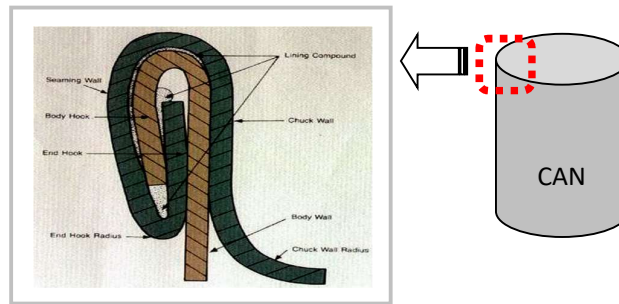
- Water base sealing compound for food and beverage
- Water base sealing compound for non-food product such as Aerosol can and Paint can

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](http://www.cancentral.com) และ Visypak 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 dividing 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 :

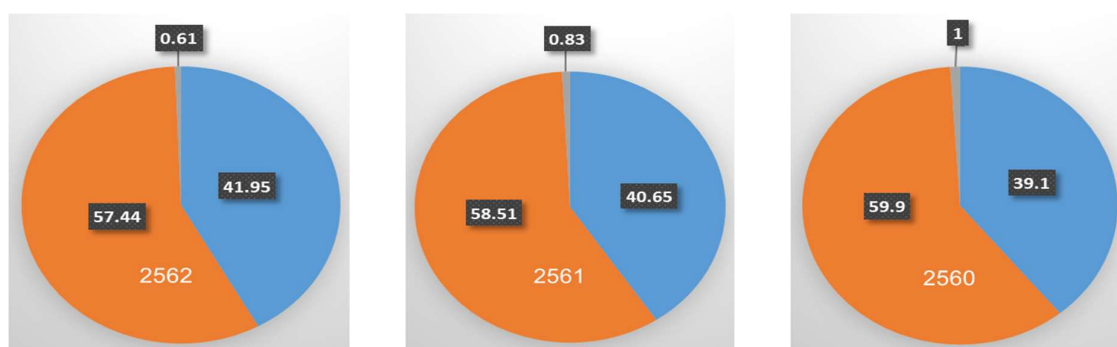
- 1) The 10th AOSD International Conference, during 15-17 October 2019 at Suzhou, China
- 2) Asia Cantech 2019, during 28-30 October 2019 at Bangkok, Thailand

The company's sales in 2019 were at 911 Million Baht, decrease of 2% when compared with 2018. The domestic market increased by 1% and the foreign market increased of 4% , as the result, the ratio of total sales domestic sales : foreign sales are 41.95% : 57.44% , and other revenues of 0.61% which meet company's target for both domestic and oversea market expansion. The Company's revenue structure are as follows:

**Revenue Structure**

Unit : Thousand BAHT	2019		2018		2017	
	Reveue	%	Reveue	%	Reveue	%
Sales Revenue						
▪ Domestic <sup>(1)</sup>	384,417	41.95	380,983	40.65	330,676	39.10
▪ International	526,290	57.44	548,371	58.51	506,632	59.90
Total Revenue from Sales	910,707	99.39	929,354	99.17	837,308	99.00
Other Revenue <sup>(2)</sup>	5,569	0.61	7,819	0.83	8,445	1.00
<b>Total Revenue</b>	<b>916,276</b>	<b>100.00</b>	<b>937,173</b>	<b>100.00</b>	<b>845,753</b>	<b>100.00</b>

**Company's Income**



■ Domestic sales  
■ Foreign Sales  
■ Other revenue

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

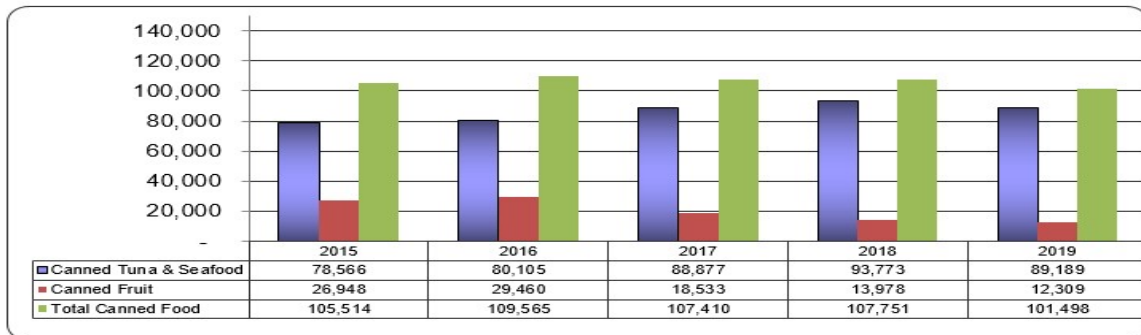
## MARKETING AND COMPETITION

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.

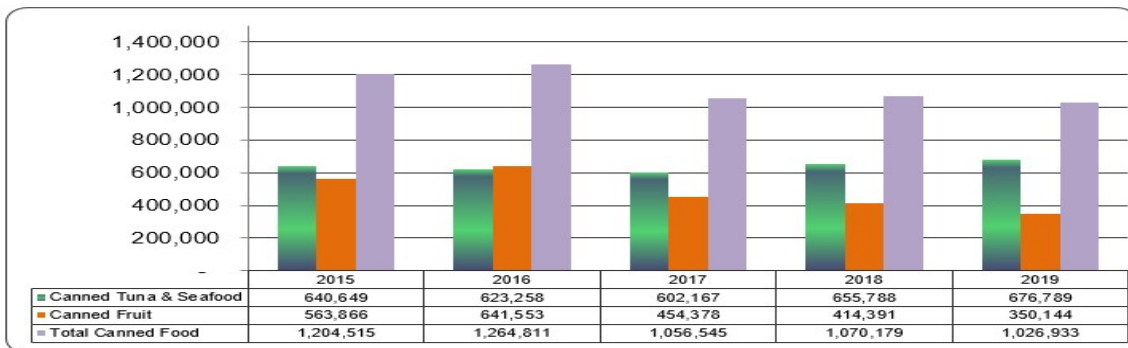
Marketing policy in 2019, we have focused on international market growth which resulted in the international sales growth rate of 3 percent because of the impact of foreign exchange rate. The main foreign currencies are US Dollar appreciating by 5-6 percent and China Yuan appreciated 12 percent. As a result, the ratio of overseas sales decreased 2 percent, which makes this year the company has a proportion of foreign sales to domestic sales is 60:40 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 2019 the domestic market growth rate 0.87 percent, on the otherwise export ratio of canned food industry increased only 4% (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 2019 was 101,498 Million Baht, decrease from the previous year. The export volume was 1,026,933 Tons, increased 4% from the previous year.

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



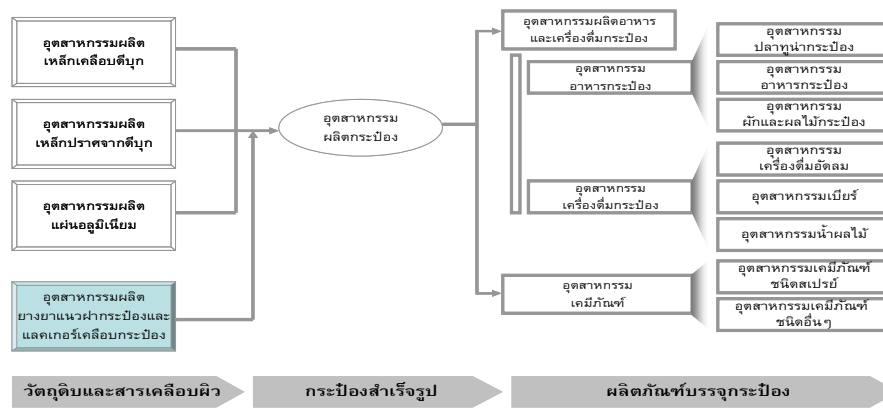
Volume of Thailand's Canned Food Export (Metric Ton)



\*\* 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.





The connection of Sealing Compound and Lacquer industries with other industries

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 gurantees 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 : Mettric Ton)	2019	2018	2017
Water Based Sealing Compound	9,000***	9,000***	9,000***
Coating Lacquer	6,000	6,000	6,000
<b>Total Capacity</b>	<b>15,000</b>	<b>15,000</b>	15,000
Maximum Production Capacity Rate	19,000	19,000	19,000

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"

The Company has prepared an annual plan to regularly analyze the environment in production area in order to monitor and find preventive measures immediately. In the past year, there were no environmental problems or failed criteria. According to the law, the Company has focused on establishing the work procedure, especially safety in work. Furthermore, the employees strictly follow the instructions of using of safety devices in work as the policy of accident prevention and health, and always coordinate with the Industrial Estate for trainings.

The Company has built the fire prevention system with fire tightening plan, and annual rehearsal fire evacuation to employees to ensure we will be able to effectively handle and manage the emergency incident with minimal impact to the environment and nearby community.

In 2019, there was no dispute cases of environmental problems

## Risk Management Committee Report

Dear Shareholders

In the midst of rapid changes in today's highly competitive business environment, it must be adapted to keep up with those changes. In addition to the proper business plan and management, the risk management is considered to be an important process that will help the organization to achieve its goals and objectives. UBIS (ASIA) PUBLIC CO., LTD. has realized such importance, the risk management process has been used as a management tool to achieve the objectives set.

The responsibility of the Risk Management Committee is to set policies and recommending the risk management to Board of Directors. In 2019, there were 2 meetings considered important issues follows.

1. Reviewing new risks to be in line with the business environmental changes to reduce the Company's risk exposures.
2. Consider the risk, impact, risk management measures for the year 2019 and monitor the progress of the Company's risks.
3. Suggestions and recommendations regarding internal control and risk management of the Company's important issues.
4. Provide the risk management report to the Board of Directors.

Risk management Committee is determined to ensure that the Company has an acceptable risk management to ensure the sufficient risk management to support the Company's business operation and undertake under the charter of Risk Management Committee.



Mr. Anant Sirisaengtaksin  
Chairman of Risk Management Committee

## 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 engages in the production of lacquer and sealing compound which are chemical products. The production processes may produce pollution in form of noise, odor, waste industrial, and water contamination. Therefore, the Company has applied the environmental management system (ISO14001:2015), resulting in a significant environmental impact assessment in all processes leading to the development of processes to improve the efficiency in waste water treatment system and reduction resources used such as water, electricity, and fuel subject to the compliance of laws and relevant environmental regulations.

By establishing a control measure such as the “Quality, Environment, Occupation Health and Safety Policy” the annual work plan, implementary and controlling in accordance with the strict operational policy to comply with all laws and regulations including the inspection from external independent unit with reports of inspection results and solution guidelines under the supervision of quality system and production department.

#### Occupational Health and Safety risks

As the Company's products are chemical , therefore, the factory area has a risk of accidents. Injuries or occupational diseases which have an impact to the production efficiency and the quality of employees' life. The Company has a policy to apply the Occupational Health and Safety system (ISO45001:2018) in the organization and establishing “Quality, Environment, Occupational Health, and Safety policy” as a guideline in the Occupational Health and Safety management within the organization. Under the supervision of Quality System and the production department.

#### 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 30, 2019 own a total shares of 83.97% of the paid-up shares. Overall, the Dhangwattanotai Family owns 26.82%, the Temritikulchai Family owns 22.02%, the Krittayanutkul Family owns 14.03% of the total paid-up shares. This might lead to majority shareholders having a controlling interest including the votes in the shareholders meeting and resolutions for the agenda requiring a majority vote to pass, except the agenda which requires at least 3/4 of shareholders' votes as restricted by Law or the Company's regulations.

**Corruption Risk**Corruption Risk

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



## Company's General Information

### Company Profile

<b>Name</b>	<b>Ubis (Asia) Public Company Limited</b>
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 <sup>th</sup> Floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120 Telephone: 02-683 0008 Fax: 02-294 2013
Factory 1 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
Factory 2 Address	Bangpoo Industrial Estate 586 Moo 4, Soi 13B, Sukhumvit Road KM.37 Tambon Praksa, Amphoe Mueng Samut Prakan, Samut Prakan Province Telephone: 02-683 0008 Fax: 02-323 0773
Website	<a href="http://www.ubisasia.com">www.ubisasia.com</a>
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: <a href="mailto:nawat@ubisasia.com">nawat@ubisasia.com</a>

### Subsidiary Companies

<b>Subsidiary Company 1</b>	<b>Ubis Primatech Company Limited</b>
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 <sup>th</sup> 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

<b>Subsidiary Company 2</b>	<b>Vita International Trading (Guangzhou) Company Limited</b>
	(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

<b>Auditor</b>	<b>Mr. Paibool Tunkul, Certified Public Accountant Registration Number 4298</b>
	PricewaterhouseCoopers ABAS Ltd.
	15 <sup>th</sup> 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

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**Chapter 2 : Management and Corporate Governance**

## Listed Security and Shareholders

As of December 30, 2019, 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 30, 2019 are as follows;

No	Name of Shareholders	Number of Shares	Percentage
1.	Dhangwattantai Family	61,146,035	26.82%
	Mr.Sawat Dhangwattantai	15,597,575	6.84%
	Mr.Sawaeng Dhangwattantai	8,723,635	3.83%
	Ms.Patra Dhangwattantai	7,650,000	3.36%
	Ms.Pimthong Dhangwattantai	7,200,000	3.16%
	Mr.Sakun Dhangwattantai	7,200,000	3.16%
	Mr.Sawang Dhangwattantai	5,796,475	2.54%
	Ms.Mayuree Dhangwattantai	4,035,725	1.77%
	Ms.Ratchanee Dhangwattantai	3,915,725	1.72%
Mr.Sawong Dhangwattantai	1,026,900	0.45%	
2.	Temritikulchai Family	50,205,777	22.02%
	Mr.Prachnon Temritikulchai	50,045,377	21.95%
	Mr.Artkran Temritikulchai	10,000	0.004%
	Mr.Pasithphol Temritikulchai	3,500	0.002%
	Mrs.Nuanruedee Krittayanukul	146,900	0.06%
3.	Krittayanukul Family	31,998,804	14.03%
	Mr.Nant Krittayanukul	14,304,805	6.27%
	Ms.Radnita Krittayanukul	9,493,999	4.16%
	Mr.Piyakun Krittayanukul	8,200,000	3.60%
4.	Mr.Pichai Satawornmanee	17,223,700	7.55%
5.	Ms.Sutkanueng Panyathara	8,532,130	3.74%
6.	Thai NVDR Company Limited	5,371,220	2.36%
7.	Mr.Komsan Techamaitrijit	5,030,000	2.21%
8.	Mr.Teerayuth Reanchaiyuth	5,000,422	2.19%
9.	Mr.Panusan Pruangviriya	3,714,600	1.63%
10.	Ms.Airada Chinwat	3,212,643	1.41%
	Minority Shareholders	36,564,660	16.03%
<b>Total</b>		<b>227,999,991</b>	<b>100.00%</b>

### 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 30, 2019, 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 30, 2019 are as follows;

No	Name of Directors/Executives	Position	Number of Shares (as of December 31, 2018)	Number of Shares (as of December 30, 2019)	Number of Shares Changed Increase/(decrease) In 2019	Percentage
1	Mr. Prachnon Temritikulchai	Chairman	-	50,045,377	50,045,377	21.95%
2	Mr. Wiroj Thangpitakpaisal	Director	1,202,440	1,202,440	-	0.53%
3	Mr. Nawat Triyapongpattana	Managing Director	1,110,000	1,110,000	-	0.49%
4	Ms. Sopha Nachanhom	Director	-	302,000	302,000	0.13%
5	Ms. Puanggern Kanjarak	Director	91,000	91,000	-	0.04%
6	Mr. Chatchai Dowruang	Director	-	20,000	20,000	0.009%
	รวม			52,770,817		23.15%

### Dividend Payment Policy

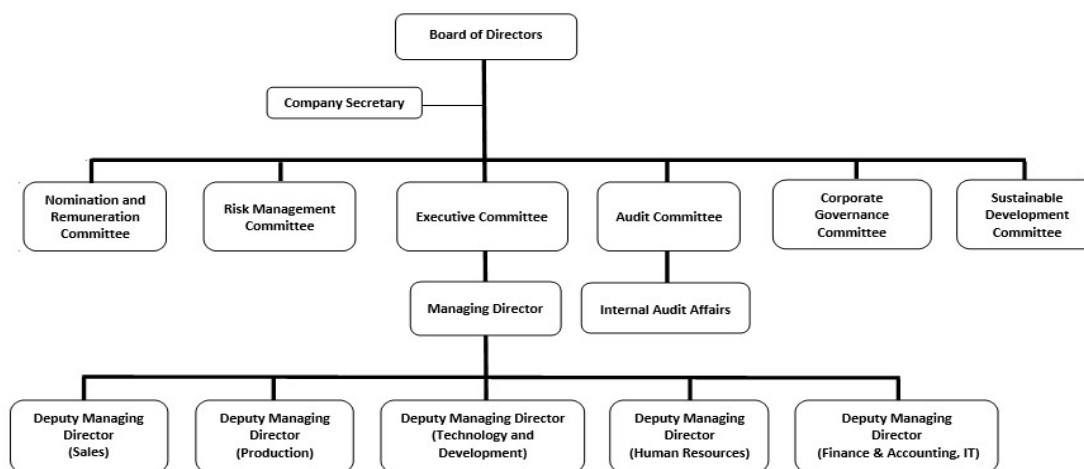
In a normal situation where the Company has a sufficient cash flow and does not require extra cash for additional investments or business expansion, the Company has a policy to pay the dividend at a minimum of 40% of the operating net profit after the deduction of corporate income tax and legal reserve 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.

Dividend Payment Information	2019	2018	2017
Rate of Net Profit Per Share	0.47	0.56	(1.04)
Rate of Dividend Per Share	0.25	0.20	-
Rate of Dividend Payment Per Net Profit (Percentage)	56.11	39.82	-

### 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, 2019)



**1. DR.PRACHNON TEMRITIKULCHAI**

Chairman of the Board of Director



**2. MR.ANANT SIRISAENGTAKSIN**

Chairman of Audit Committee / Independent



**3. GEN. DR.TERDSAK MARROME**

Independent Director



**4. MS.KANCHANA VONGRATANAKULTHON**

Audit Committee / Independent Director



**5. MR.NAWAT TRIYAPONGPATTANA**

Managing Director



**6. MR.KAWIN CHALERMROJ**

Audit Committee / Independent Director



**7. MR. KITTISAK PHANUNAN**

Director



**8. MR.PANOM RATANARAT**

Director




**9. MR.NOPADON KITAYANUGUL**

Director



## Biography of Directors

### The Biography of Directors (as of December 31, 2019)

 <p><b>Dr. Prachnon Temritikulchai</b></p> <p><b>Age</b> 73 years</p> <p>Chairman of the Board of Director / Chief Executive Officer / Chairman of Sustainable Development Committee / Corporate Governance Committee / Risk Management Committee</p> <p><b>Percentage of shareholding (%)</b> Direct: 21.95% Indirect: 0.07%</p> <p><b>Date of appointment</b> February 14, 2019</p> <p><b>Year in position</b> - year 10 months</p> <p><b>Education</b></p> <ul style="list-style-type: none"> <li>• Doctor of Industrial Business Administration, King Mongkut's University of Technology North Bangkok</li> <li>• Master of Technical Education, King Mongkut's Institute of Technology North Bangkok</li> <li>• Bachelor of Industrial Technology, King Mongkut's Institute of Technology North Bangkok</li> </ul> <p><b>Training</b></p> <ul style="list-style-type: none"> <li>• Directors Certification Program (DCP 39/2004), The Thai Institute of Directors Association (IOD)</li> <li>• Reinforcement for Modern Manager Program, Chulalongkorn University</li> <li>• Accounting for Non-Accountant Program, Chulalongkorn University</li> <li>• Competitive Strategy Program and INTOP, Thammasat University</li> <li>• International Management Program, Thammasat University</li> <li>• Chemical Knowledge for Director Program, King Mongkut's Institute of Technology Ladkrabang</li> <li>• Diploma of Administrative Law, The Thai Bar Under The Royal Patronage</li> </ul> <p><b>Skills</b></p> <ul style="list-style-type: none"> <li>• Account and Finance</li> <li>• Leadership</li> <li>• Audit</li> <li>• Marketing</li> <li>• Good Governance</li> <li>• Management</li> <li>• Industrial</li> <li>• Technology</li> <li>• Law</li> <li>• Risk</li> <li>• Strategy</li> <li>• Critical Management</li> </ul>	<p><b>Current position and work experiences in the past 5 years</b></p> <p>2019-Present Chairman of the Board of Director, Chief Executive Officer, Chairman of Sustainable Development Committee, Corporate Governance Committee, and Risk Management Committee UBIS (ASIA) PUBLIC CO., LTD.</p> <p><b>Position in other listed companies</b></p> <p>2008-2019 Vice President THAI RUBBER LATEX GROUP PUBLIC CO., LTD.</p> <p>2002-Present Director WORLD FLEX PUBLIC CO., LTD.</p> <p><b>Position in the non-listed companies</b></p> <p>2014-Present Chairman MAYOR RESIN CO., LTD.</p> <p><b>Holding a position in a company that may cause conflict of interest</b></p> <p>2014-Present Chairman MAYOR RESIN CO., LTD.</p> <p>2008-2019 Vice President THAI RUBBER LATEX GROUP PUBLIC CO., LTD.</p> <p>2007-Present Chairman GOLDEN ARROW COATING CO., LTD.</p> <p><b>Having any interests in the Company and its affiliates</b> -None-</p> <p><b>Family relationship between the director and the executives</b> -None-</p>
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**Mr. Anant Sirisaengtaksin**

**Age** 69 years  
 Independent Director /  
 Chairman of Audit Committee /  
 Chairman of Risk Management Committee /  
 Chairman of Corporate Governance  
 Committee /  
 Nomination and Remuneration Committee

**Percentage of shareholding (%)** Direct: -None- Indirect: -None-

**Date of appointment** April 28, 2017

**Year in position** 2 years 8 months

**Education**

- Master of Business Administration, Eastern New Mexico University
- Bachelor of Accountant, Chulalongkorn University

**Training**

- Executive Director Program (Wor Tor Thor 13), Capital Market Academy
- Diploma of National Defence College (Wor Por Oar 2546), Thailand National Defence College
- Advanced Audit Committee Program  
The Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP)  
The Thai Institute of Directors Association (IOD)

**Skills**

- Account and Finance
- Leadership
- Audit
- Marketing
- Good Governance
- Management
- Industrial
- Technology
- Law
- Risk
- Strategy
- Critical Management

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

2017-Present Independent Director, Chairman of Audit Committee, Chairman of Risk Management Committee, Chairman of Corporate Governance Committee, and Nomination and Remuneration Committee  
 UBIS (ASIA) PUBLIC CO., LTD.

**Position in other listed companies**

2016-Present Independent Director, and Chairman of Audit Committee  
 CHIANGMAI RIMDOI PUBLIC CO., LTD.  
 2015-Present Director ASEAN POTASH CHAIYAPHUM Public Co.,Ltd.  
 2015-Present Independent Director AIRA CAPITAL PUBLIC CO., LTD.

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

**Holding a position in a company that may cause conflict of interest**

-None-

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

**Family relationship between the director and the executives** -None


**Gen. Dr. Terdsak Marrome**

**Age** 83 years  
 Independent Director

**Percentage of shareholding (%)** Direct: -None- Indirect: -None-

**Date of appointment** April 18, 2019

**Year in position** - year 8 months

**Education**

- Doctor (honorary) of Arts (Educational Technology and Innovation)  
Rajamangala University of Technology Phra Nakhon
- Bachelor of Science,  
Chulachomkiao Royal Military Academy

**Training**

- Director Certification Program (DCP 10/2004),  
The Thai Institute of Directors Association (IOD)

**Skills**

- Leadership
- Audit
- Good Governance
- Management
- Industrial
- Technology
- Law
- Risk
- Strategy
- Critical Management

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

2019-Present Independent Director UBIS (ASIA) PUBLIC CO., LTD.

**Position in other listed companies**

2014-Present Chairman of the Board of Director, Independent Director, and Audit Committee  
 EAST COAST FURNITECH PUBLIC CO., LTD.

**Position in the non-listed companies**

2016-Present President and Consultant, Lions Clubs in Thailand  
 2004-Present President of the Vietnam Veterans Association  
 1997-Present Special Royal Guard  
 1992-Present President of Education at Tri Kaew Foundation,  
 Thamawatee school  
 1986-Present Special Officer at the 21<sup>st</sup> Infantry Regiment,  
 The King's Guard  
 1977-Present Organization Leader of Lion Club 310 Thailand

**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-


**Ms. Kanchana Vongratanakulthon**

Age 63 years  
 Chairman of Nomination and Remuneration Committee /  
 Independent Director /  
 Audit Committee /  
 Corporate Governance Committee

**Percentage of shareholding (%)** Direct: -None- Indirect: -None-

**Date of appointment** April 18, 2019

**Year in position** - year 8 months

**Education**

- Bachelor of Business Administration, Sukhothai Thammathirat Open university

**Training**

- Director Accreditation Program (DAP 161/2019), The Thai Institute of Directors Association (IOD)

**Skills**

- Account and Finance
- Leadership
- Audit
- Good Governance
- Management
- Law
- Risk
- Strategy

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

2019-Present Chairman of Nomination and Remuneration Committee, Independent Director, Audit Committee, and Corporate Governance Committee  
 UBIS (ASIA) PUBLIC CO., LTD.

**Position in other listed companies**

2018-Present Assistant Vice President, Executive of Asset Quality Development  
 INDUSTRIAL AND COMMERCIAL BANK of CHINA (THAI) PUBLIC CO., LTD. (ICBC)

2013-2018 Assistant Vice President, Executive of Asset Quality Development and Credit Card  
 INDUSTRIAL AND COMMERCIAL BANK of CHINA (THAI) PUBLIC CO., LTD. (ICBC)

**Position in the non-listed companies**

2014-Present Director Internal Audit and Compliance  
 ICBC (THAI) LEASING CO., LTD.  
 2014-Present Director CHONBURI MOTOR EXPRESS 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-


**Mr. Nawat Triyapongpattana**

Age 47 years  
 Director /  
 Executive Committee /  
 Risk Management Committee /  
 Corporate Governance Committee /  
 Sustainable Development Committee /

Managing Director (Authorized Sign)

**Percentage of shareholding (%)** Direct: 0.49% Indirect: -None-

**Date of appointment** May 14, 2015

**Year in position** 4 years 7 months

**Education**

- Master of Business Administration, Bangkok University
- Bachelor of Humanities, Kasetsart University

**Training**

- Director Certification Program (DCP 216/2016), The Thai Institute of Directors Association (IOD)

**Skills**

- Account and Finance
- Leadership
- Marketing
- Good Governance
- Management
- Industrial
- Technology
- Risk
- Strategy
- Critical Management

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

2015-Present Managing Director, Executive Committee, Risk Management Committee, Corporate Governance Committee, and Sustainable Development Committee  
 UBIS (ASIA) PUBLIC CO., LTD.

2015-Present Director and Executive Committee UBIS PREMATECH Co.,Ltd.

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-


**Mr. Kavin Chalermroj**

**Age** 43 years  
 Independent Director /  
 Audit Committee /  
 Nomination and Remuneration Committee /  
 Risk Management Committee

**Percentage of shareholding (%)** Direct: -None- Indirect: -None-

**Date of appointment** June 21, 2017

**Year in position** 2 years 6 months

**Education**

- Master of Science and Technology,  
Assumption University
- Bachelor of Engineering,  
Sirindhorn International Institute of Technology, Thammasat University

**Training**

- Director Accreditation Program (DAP),  
The Thai Institute of Directors Association (IOD)

**Skills**

- |                       |                       |
|-----------------------|-----------------------|
| ● Account and Finance | ● Management          |
| ● Leadership          | ● Law                 |
| ● Audit               | ● Risk                |
| ● Marketing           | ● Strategy            |
| ● Good Governance     | ● Critical Management |

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

2017-Present Independent Director, Audit Committee,  
 Nomination and Remuneration Committee, and  
 Risk Management Committee  
 UBIS (ASIA) PUBLIC CO., LTD.

**Position in other listed companies**

2013-Present Chairman Assistant and Director  
 UNITED POWER OF ASIA PUBLIC CO., LTD.

**Position in the non-listed companies**

2013-Present Managing Director DOME LAND ESTATE CO., LTD.  
 2009-2017 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-


**Mr. Kittisak Phanunan**

**Age** 65 years  
 Director /  
 Executive Committee /  
 Sustainable Development Committee  
 (Authorized Sign)

**Percentage of shareholding (%)** Direct: -None- Indirect: -None-

**Date of appointment** April 18, 2019

**Year in position** - year 8 months

**Education**

- Bachelor of Business Administration,  
Sukhothai Thammathirat Open university

**Training**

- Director Accreditation Program (DAP 162/2019)  
The Thai Institute of Directors Association (IOD)

**Skills**

- |                       |                       |
|-----------------------|-----------------------|
| ● Account and Finance | ● Industrial          |
| ● Leadership          | ● Technology          |
| ● Marketing           | ● Strategy            |
| ● Good Governance     | ● Critical Management |
| ● Management          |                       |

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

2019-Present Director, Executive Committee, and  
 Sustainable Development Committee  
 UBIS (ASIA) PUBLIC CO., LTD.

**Position in other listed companies**

2516-2519 Financial Officer SIAM CITY BANK PUBLIC CO., LTD.

**Position in the non-listed companies**

1999-Present Director PVK CORPORATION CO., LTD.  
 1983-1999 Sales Development Manager  
 SANG SAHAMIT CHEMICAL CO., LTD.  
 1976-1983 Sales Supervisor SIAM CHEMICAL INDUSTRY 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-

**Mr. Panom Ratanarat**

**Age** 44 years  
 Director /  
 Executive Committee /  
 (Authorized Sign)

**Percentage of shareholding (%)** Direct: -None- Indirect: 0.13%

**Date of appointment** April 18, 2019

**Year in position** - year 8 months

**Education**

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Business Administration, Ramkhamhaeng University

**Training**

- Director Certification Program (DCP 151/2018)  
The Thai Institute of Directors Association (IOD)

**Skills**

- |                       |              |
|-----------------------|--------------|
| • Account and Finance | • Management |
| • Leadership          | • Law        |
| • Audit               | • Risk       |
| • Good Governance     | • Strategy   |

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

2019-Present Director and Executive Committee  
 UBIS (ASIA) PUBLIC CO., LTD.

**Position in other listed companies**

2018-Present Director T.M.C INDUSTRIAL PUBLIC CO., LTD.  
 2014-2017 Director of Debt  
 RHB SECURITIES (THAILAND) PUBLIC CO., LTD.

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

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

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

**Family relationship between the director and the executives**

Spouse Ms. Sopha Nachanhom

Managing Director of Finance & Accounting and IT

**Mr. Nophadon Kitayanugul**

**Age** 49 years  
 Director /  
 Executive Committee

**Percentage of shareholding (%)** Direct: -None- Indirect: 14.03%

**Date of appointment** October 16, 2019

**Year in position** - year 2 months

**Education**

- Master of Business Administration, Texas A&M University – Commerce
- Bachelor of Communication Arts, Bangkok University

**Training**

- Director Certification Program (DCP 167/2019),  
The Thai Institute of Directors Association (IOD)

**Skills**

- |                   |              |
|-------------------|--------------|
| • Leadership      | • Management |
| • Audit           | • Technology |
| • Good Governance | • Strategy   |

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

2019-Present Director and Executive Committee  
 UBIS (ASIA) PUBLIC CO., LTD.

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

**Position in the non-listed companies**

2016-Present Director BAAN PHUM SIRI 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-

### The Board of Directors

As of December 31, 2019, the Board of Directors consists of the following names ;

	Name-Surname	Position
1.	Dr. Prachnon Temritikulchai	Chairman of the Board of Director/Chief Executive Officer/ Chairman of Sustainable Development Committee/ Corporate Governance Committee/ Risk Management Committee
2.	Mr. Anant Sirisaengtaksin	Independent Director/Chairman of Audit Committee/ Chairman of Risk Management Committee/ Chairman of Corporate Governance Committee/ Nomination and Remuneration Committee
3.	Gen. Dr. Terdsak Marrome	Independent Director
4.	Ms. Kanchana Vongratanakulthon	Independent Director/Audit Committee/ Chairman of Nomination and Remuneration Committee/ Corporate Governance Committee
5.	Mr. Nawat Triyapongpattana	Director/Executive Committee/ Risk Management Committee/ Corporate Governance Committee/Sustainable Development Committee/Managing Director
6.	Mr. Kavin Chalermroj	Independent Director/Audit Committee/ Nomination and Remuneration Committee/ Risk Management Committee
7.	Mr. Kittisak Phanunan	Director/Executive Committee/ Sustainable Development Committee
8.	Mr. Panom Ratanarat	Director/Executive Committee
9.	Mr. Nophadon Kitayanugul	Director/Executive Committee

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

#### Scope of Authority and Duties of the Board of Directors

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

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

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

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

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

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

7. Interim Dividend Payment

8. Hiring or Appointing Managing Director

9. Appointment of Director in Subsidiary

In case of any matters 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 six sub-committees, which are Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, and Sustainable Development Committee and as detailed below:

#### Audit Committee

	Name-Surname	Position
1.	Mr. Anant Sirisaengtaksin	Chairman of Audit Committee
2.	Ms. Kanchana Vongratanakulthon	Audit Committee
3.	Mr.Kavin Chalermroj	Audit Committee

#### Scope of Duties and Responsibilities of the Audit Committee

- **Authorities**

- To invite any Executive Director or Employee to attend the Audit Committee meeting to clarify or provide the information as required by the Committee. The Chairman of the Audit Committee and all members of Audit Committees have the authority even the meeting is not held. The Audit Committee may delegate this authority to any Executive or Employee to act on their behalf. The management team or an Employee who has been contacted for inquiries or information have a duty to cooperate seamlessly
- To hire an external consultant to provide advices and suggestions to the internal auditor and audit committee (if it is necessary)
- Approve the occasional hiring of outside persons to assist the internal auditor in the event that the workload is too high for internal auditor to perform their duties. In case the Company does not appoint an internal auditor, the Audit Committee has the power to hire an internal audit company to be the Company's independent internal auditor by presenting the scope of work and service fees with the approval by the Board of Directors
- To review the rules, regulations, and systems of any other operations that have the influence on corporate governance, finance, accounting, risk assessment, business risk management, internal control of the Company in order to give advice to the Board of Director for improvement
- To carry out any matters as assigned by the Board of Director on a case-by-case basis

- **Responsibilities**

- Review the Company's financial report and accounting report with emphasis on the quality of reports on transparency, accuracy, and completeness as well as sufficient disclosure of information in accordance with accounting standards
- Appointment and termination of employment as the Company's Auditor as well as determining suitable remuneration for the Auditor to the Board of Directors any proposing to the Annual General Meeting for approval
- Review the corporate governance process, internal control, risk management, and processes related to Anti-Corruption measures in accordance with the established guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission
- Assure that there is no conflict of interest between Company and the Board of Directors, the Executives, or Company's Employees, including the review of the internal operations that Employees and Executives have complied with the policies, laws, rules, regulations, guidelines and the requirements regarding to the ethics of the Company
- Review the performance of Internal Auditor, recommend, and support the Internal Auditor to be able to perform the duties independently so that the reports of internal audit are accurate, transparent and reliable including the recommendations of Internal Auditor which are beneficial to the Company.
- Recruit and present opinions to the Board of Directors about appointment, transferring, and dismissal from Internal Audit position
- Review and approve the Internal Auditor's plans, especially budgets, audit plans, manpower plans, and personnel development plans, with an emphasis on thorough examination of both finance and operations, knowledge development, skills, and specific characteristics of internal audit person, as well as following up the performances of those plans
- Follow up and review the level of competence to perform duties in accordance with the professional standards of Company's Auditors
- Support good coordination between the Board of Directors, Directors, Employees, and Internal Auditor with Company's Auditor
- Review the appropriateness of the Company's accounting policies. Disclosure of information in the financial statement is sufficient and in accordance with the requirements of the relevant accounting standards
- Study on the Management Letter from the Auditor to consider on the observations about significant weakness or defect, and the recommendations that the Auditor reported to ensure that the useful recommendations are implemented. In the event that the defects are not resolved without a reason, the Committee shall discuss with the Management and propose to the Board of Directors to consider the necessary actions
- Review the internal control measures and the Company's security system regarding the data processing and Information Technology systems
- Review the conclusions and supporting evidences in the event that Employees or Executives may have action which is Fraud or abuse of authority causing the Company to suffer damage and present to the Board of Directors for consideration without delay



Holding the position is determined not more than 3 consecutive terms and no more 9 years without exception.

### **Executive Committee**

#### **Scope of Duties and Responsibility of the Executives Committees**

- 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;
- Determine and guidelines about the Company's investment in compliance with the Company's policy;
- 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 50 million;
- 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.
- Have the authority to consider employee welfare in accordance with the state of tradition and situation, and in compliance with applicable law.
- 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
- 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.
- 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.
- 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.	Ms. Kanchana Vongratanakulthon	Chairman of NR Committee
2.	Mr. Anant Sirisaengtaksin	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 a Chief 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. Anant Sirisaengtaksin	Chairman of Risk Management Committee
2.	Dr. Prachnon Temritikulchai	Risk Management Committee
3.	Mr. Nawat Triyapongpattana	Risk Management Committee
4.	Mr. Kavin Chalermroj	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

#### **Corporate Governance Committee**

	Name-Surname	Position
1.	Mr. Anant Sirisaengtaksin	Chairman of CG Committee
2.	Dr. Prachnon Temritikulchai	CG Committee
3.	Mr. Nawat Triyapongpattana	CG Committee
4.	Ms. Kanchana Vonggratanakulthon	CG Committee

#### **Scope of Authorities and Duties of the Corporate Governance Committee**

- Establish the Corporate Governance Policy, the Anti-Corruption Policy, as well as the requirements for ethics and business ethics under the framework of the laws, cabinet resolutions, the rules, and the current regulations of the regulatory agencies such as the Stock Exchange of Thailand, the Securities and Exchange of Commission and other related organizations through the framework of good corporate governance practices and recommend to Board of Directors for approval and announce as a the best practice for the Directors, Executives, and Employees in all levels
- Supervise and recommend policies and the guidelines for promoting to Directors and Executives and Company's Employees to perform their duties and has the responsibilities in accordance with the principles of the Corporate Governance Policy and the Anti-Corruption Policy including the implementation of good ethics and business ethics of Directors, Executives, Employees, and Company's Workers
- Consider, review and update the Corporate Governance Policy and the Anti-Corruption Policy regularly at least 1 time per year to ensure the policies are up-to-date and comply with international standards including laws, rules, the other regulations, and recommendation of internal organizations that are responsible for corporate governance including Shareholders's proposal regarding good corporate governance
- Monitor and evaluate the performance of Directors and Company's Executives in accordance with the specified good practices in the Corporate Governance Policy and the Anti-Corruption Policy, and assess the annual corporate governance for proposing to the Board of Directors by January of the following year along with the necessary comments and recommendations.
- Prepare the manual of good corporate governance according to the Corporate Governance Policy, and Company's Anti-Corruption Policy as guidelines to perform duties
- Review the charter of Corporate Governance Committee at least 1 time per year for update and in consistent with international standards including laws, rules, and the other regulations
- Determine the framework and the Company's plan for Corporate Social Responsibility (CSR) both short and long term and present to the Board of Directors for approval before the end of the fiscal year and monitor the operation by having the working group to carry out CSR activities and preparing Corporate Social Responsibility (CSR) report to present to Corporate Governance Committee and the Board of Directors quarterly
- Perform other tasks as assigned by the Board of Directors

**Sustainable Development Committee**

	Name-Surname	Position
1.	Dr. Prachnon Temritikulchai	Chairman of SD Committee
2.	Mr. Kittisak Phanunan	SD Committee
3.	Mr. Nawat Triyapongpattana	SD Committee
4.	Ms. Sopha Nachanhom	SD Committee
5.	Mr. Wiroj Thangpitakpaisal	SD Committee
6.	Mr. Chatchai Dowruang	SD Committee
7.	Ms. Puanggern Kanjarak	SD Committee

**Scope of Authorities and Duties of the Sustainable Development Committee**

- Consider and determine the goals, policies, strategies, as well as operational plans for sustainable development that are consistent with the organization's economic, social, and organizational environmental operations
- Clearly determine the process timeline and define the responsible person in each aspect
- Supervise the implementation of policies, strategies, and sustainable development plan through the Sustainable Development Working Group
- Determine the important issues and give opinions to the Board of Directors about the policy of the sustainable development policies that are in line with the framework of Company's good corporate governance for approval by the Board of Directors
- Able to request the information from relevant departments and able to invite those involved to attend in the meeting or provide information as necessary
- Appoint the Sustainable Development Working Group (SDWG) to jointly take responsibility and work in various areas for approval by the Board of Directors
- Advise and approve the report of sustainable development for approval by the Board of Directors
- Report the operations to the Board of Directors at least 1 time per year and summarize the operations at the end of the financial year
- Evaluate their own performance and overall performance of the Sustainable Development Committee as well as evaluate the sufficiency of this charter annually
- Undertake the other actions as appropriate for the Company's sustainable development to meet the goals or as assigned by the Board of Directors

**Management Team**

- As of December 31, 2019, 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.Pueanggern Kanjarak	Deputy Managing Director – Human Resources

**Authorized Director of the Company**

The authorized signatories are Mr. Prachnon Temritikulchai, Mr. Nawat Tripongpattana, Mr. Panom Ratanarat and Mr. Kittisak Phanunan, 2 of 4 Directors signed together with the company seal

**Scope of Authority and Duties of Managing Director**

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

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

**Company Secretary**

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

**Scope of Authority and Duties of Company Secretary**

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

During the past year, the Company held the Board of Directors Meeting and Sub-Committees to perform the Company Performance comply with the principles of good corporate governance. The Company collected the attendance records of each committee in the year 2019 as of December 31, 2019 with the details as follows:

**Summary of Director's Meeting 2019**

No.	Name of Directors	Position	Board of Directors	Audit	Nomination and Remuneration	Risk Management	Corporate Governance	Sustainable Development
1	Dr. Prachnon Temritikulchai (1)	Chairman of the Board of Director Chairman of SD Committee Risk Management Committee Corporate Governance Committee	12/12 (100%)	-	-	1/1	1/1	1/1
2	Mr. Anant Sirisaengtaksin	Chairman of Audit Committee Chairman of CG Committee Chairman of Risk Management Committee Nomination and Remuneration Committee Independent Director	13/14 (92.86%)	5/5	1/1	2/2	1/1	-
3	Gen. Dr. Terdsak Marrome (5)	Independent Director	8/8 (100%)	-	-	-	-	-
4	Ms. Kanchana Vongratanakulthon (2)	Chairman of Nomination and Remuneration Committee Audit Committee Independent Director Corporate Governance Committee	7/8 (87.5%)	4/5	1/1	-	1/1	-
5	Mr. Nawat Triyapongpattana	Managing Director Risk Management Committee Corporate Governance Committee Sustainable Development Committee	14/14 (100%)	-	-	2/2	1/1	1/1
6	Mr. Kavin Chalermroj	Audit Committee Risk Management Committee Nomination and Remuneration Committee Independent Director	13/14 (92.86%)	5/5	2/2	2/2	-	-
7	Mr. Kittisak Phanunan (3)	Director SD Committee	8/8 (100%)	-	-	-	-	1/1
8	Mr. Panom Ratanarat (4)	Director	8/8 (100%)	-	-	-	-	-
9	Mr. Nophadon Kitayanugul (6)	Director	2/2 (100%)	-	-	-	-	-
	<b>Resigned of Directors</b>							
10	Mrs.Thitiporn Sillaparasamee (1)	Director Nomination and Remuneration Committee	1/1 (100%)	-	-	-	-	-
11	Mr.Phakdi Kanjanavalai (2)	Chairman of Audit Committee Chairman of Nomination and Remuneration Committee Independent Director	5/5 (100%)	1/1	1/1	-	-	-
12	Mr.Chattaphum Khantiviriya (1 and 6)	Director Risk Management Committee	11/11 (100%)	-	-	1/1	-	-
13	Mr.Sawang Dhangwattanotai (3)	Director	4/5 (80%)	-	-	-	-	-
14	Ms.Sopha Nachanhom (4)	Director	5/5 (100%)	-	-	-	-	-

**Remarks**

- (1) Dr. Prachnon Temritikulchai was appointed on 14 February 2019, replacing Mrs.Thitiporn Sillaparasamee, who resigned from the position and effective on 8 February 2019 by remaining term, was appointed on 10 April 2019, as The Chairman of Director, replacing Mr.Sawaeng Dhangwattanotai by the resolution of the Annual general Meeting of Shareholders in 2019, and was appointed as the Risk Management Committee, replacing Mr.Chattaphum Khantiviriya

- (2) Ms. Kanchana Vongratanakulthon was appointed on 18 February 2019, replacing Mr. Phakdi Kanjanavalai, who terminated the term by the resolution of the Annual general Meeting of Shareholders in 2019, was appointed as the Nomination and Remuneration Committee on 9 May 2019
- (3) Mr. Kittisak Phanunan was appointed on 18 February 2019, replacing Mr.Sawang Dhangwattanotai
- (4) Mr. Panom Ratanarat was appointed on 18 February 2019, replacing Ms.Sopha Nachanhom
- (5) Gen. Dr. Terdsak Marrome was appointed on 18 February 2019, replacing Mr.Sawaeng Dhangwattanotai
- (6) Mr. Nophadon Kitayanugul was appointed on 16 October 2019, replacing Mr.Chattaphum Khantiviriya, who resigned from the position and effective on 16 October 2019 by remaining term

## Monetary Remuneration for Directors and Executives

### Remuneration for Directors and Executives

The Board of Directors has set the policy of the remuneration for Directors to be fair and reasonable as the principles of good corporate governance. the Nomination and Remuneration Committee was assigned to determine the compensation which is suitable and conform to the strategies, long-term goals, Company's overall operations, and responsibilities as assigned. The compensation will be compared with other listed Companies that are in the same industrial group and companies with similar size including the use of the survey of Directors' compensation information of The Thai Institute of Directors Association and The Stock Exchange of Thailand for consideration to determine the appropriate remuneration which is sufficient to motivate and retain the quality Directors. The Directors who are assigned to be Sub-Committee members will receive an additional remuneration due to higher responsibilities. The Executives will receive the remuneration through company as a company's employee. The remuneration for the Board of Directors inform of the meeting allowances along with annual remuneration will be dividing by quarterly payment. The annual remuneration to Directors will be proposed to the Board of Directors meeting before the approval by the Annual General Meeting of shareholders.

In 2019, the monetary remuneration for 14 Directors is 4,440,991.06 Baht, consists of the annual remuneration is 3,540,991.06 Baht, The Board of Directors meeting allowance is 580,000 Baht, The Audit Committee meeting allowance is 120,000 Baht, the Nomination and Remuneration Committee meeting allowance is 50,000 Baht, The Risk Management Committee meeting allowance is 80,000 Baht, The Corporate Governance meeting allowance is 40,000 Baht, and The Sustainable Development Committee meeting allowance is 30,000 Baht. Aside from Monetary Remuneration, the Company has not give any benefits to Directors

### Monetary Remuneration

Name-Surname	Annual Remuneration	Remuneration and Meeting Allowance						Total
		Board of Directors	Audit	Nomination and Remuneration	Risk Management	Corporate Governance	Sustainable Development	
1. Dr. Prachnon Temritikulchai (1)	618,461	60,000	-	-	10,000	10,000	10,000	708,461
2. Mr. Anant Sirisaengtaksin	437,142	60,000	40,000	10,000	20,000	10,000	-	577,142
3. Gen. Dr. Terdsak Marrome (5)	252,197	45,000	-	-	-	-	-	297,197
4. Ms. Kanchana Vongratanakulthon (2)	252,197	45,000	30,000	10,000	-	10,000	-	347,197
5. Mr. Nawat Triyapongpattana	360,000	60,000	-	-	20,000	10,000	10,000	460,000
6. Mr. Kavin Chalermroj	360,000	60,000	40,000	20,000	20,000	-	-	500,000
7. Mr. Kittisak Phanunan (3)	252,197	45,000	-	-	-	-	10,000	307,197
8. Mr. Panom Ratanarat (4)	252,197	45,000	-	-	-	-	-	297,197
9. Mr. Nophadon Kitayanugul (6)	75,483.87	15,000	-	-	-	-	-	90,483.87
<b>Resigned of Directors</b>								
10. Mrs.Thitipom Sillaparasamee (1)	45,000	15,000	-	-	-	-	-	60,000
11. Mr. Chattaphum Khantiviriya (1,6)	276,774.19	45,000	-	-	10,000	-	-	331,774.19
<b>Ended Period of Directors</b>								
12. Mr.Phakdi Kanjanavalai (2)	143,736	30,000	10,000	10,000	-	-	-	193,736
13. Mr.Sawang Dhangwattanotai (3)	107,803	25,000	-	-	-	-	-	132,803
14. Ms.Sopha Nachanhom (4)	107,803	30,000	-	-	-	-	-	137,803
<b>Grand Total</b>	<b>3,540,991.06</b>	<b>580,000</b>	<b>120,000</b>	<b>50,000</b>	<b>80,000</b>	<b>40,000</b>	<b>30,000</b>	<b>4,440,991.06</b>

- Remarks**
- (1) Dr. Prachnon Temritikulchai was appointed on 14 February 2019, replacing Mrs.Thitiporn Sillaparasamee, who resigned from the position and effective on 8 February 2019 by remaining term, was appointed on 10 April 2019, as The Chairman of Director, replacing Mr.Sawaeng Dhangwattanotai by the resolution of the Annual general Meeting of Shareholders in 2019, and was appointed as the Risk Management Committee, replacing Mr.Chattaphum Khantiviriya
  - (2) Ms. Kanchana Vongratanakulthon was appointed on 18 February 2019, replacing Mr. Phakdi Kanjanavalai, who terminated the term by the resolution of the Annual general Meeting of Shareholders in 2019, was appointed as the Nomination and Remuneration Committee on 9 May 2019
  - (3) Mr. Kittisak Phanunan was appointed on 18 February 2019, replacing Mr.Sawang Dhangwattanotai
  - (4) Mr. Panom Ratanarat was appointed on 18 February 2019, replacing Ms.Sopha Nachanhom
  - (5) Gen. Dr. Terdsak Marrome was appointed on 18 February 2019, replacing Mr.Sawaeng Dhangwattanotai
  - (6) Mr. Nophadon Kitayanugul was appointed on 16 October 2019, replacing Mr.Chattaphum Khantiviriya, who resigned from the position and effective on 16 October 2019 by remaining term

### **Management Remuneration**

In 2019, the Company paid management remuneration that consists of salary and bonus to 6 executives in total of 23.54 million baht (For 2018, the remuneration was 24.38 million baht)

### **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 2019, the Company contributed a total of 0.48 million baht to the provident fund of 6 executives (In 2018, the contribution was 0.45 million baht).



## Corporate Governance Committee Report

Dear Shareholders

The Corporate Governance Committee consists 4 members, with the Chairman of Corporate Governance Committee being an Independent Director. In 2019, the Corporate Governance Committee held 1 meeting with the responsibility of supervising the Company's business operation in accordance with the principles of good corporate governance which conform to the principles of good corporate governance of the Stock Exchange of Thailand and international practices as below.

1. Supervise to ensure compliance with legal requirements and best practices.
2. Participate in the consideration of the code of business conduct.
3. Approve the good corporate governance handbook.
4. Promote the execution of the good corporate governance policies and business ethics.
5. Consider the charter of the Corporate Governance Committee and the Sustainable Development Committee

The Corporate Governance Committee has determined to improve the efficiency of the operation of good corporate governance to be effective by having the management with transparency, fairness, verifiable and monitoring of the operation as the good corporate governance plan by adhering to the Code of Business Conduct for sustainable growth. The Corporate Governance Committees' duties also cover the operation in Anti-Corruption, fairness and responsibility to Stakeholders such as employees, customers, business partners, communities, shareholders, society, environment, government agencies, and the educational institutes, Etc.



Mr. Anant Sirisaengtaksin  
Chairman of Corporate Governance Committee

# 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 2019 on 18 April 2019. There were 8 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](http://www.ubisasia.com). The Company informed the shareholders through the news system of the Stock Exchange of Thailand (SET) on 27 March 2019 so that the shareholders study the information before the meeting date. The Company published the Company Information and Annual Report on 27 March 2019

➤ 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 2019 on the Company's website, [www.ubisasia.com](http://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 17 September 2018, 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 2019, the period from 17 September 2018 to 31 January 2019 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](http://www.ubisasia.com)

- On 4 February 2019, 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](http://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 2019.
- 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 2019, the company has no involvement in the infringement of intellectual property or copyrights in any way.

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

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

- ✓ Send mail to 807/1, 6th Floor, Rama 3 Road, Bang Phongphang, Yannawa, Bangkok 10120

- ✓ Sending e-mails to CEO
  - ✓ E-MAIL: [D2B@ubisasia.com](mailto:D2B@ubisasia.com)
  - ✓ Send via the company's website [www.ubisasia.com/contactus](http://www.ubisasia.com/contactus)
- In case of employee complaints, complaints will be sent to the Executive Chairman as per the set up on the system on the company website.
  - In the case of administrative complaints, complaints will be sent to the Chairman of the Audit Committee as it is set up on the system on the company website.

The Company has disclosed a clear process for dealing with complaints as stated in the Anti-Corruption Policy Guide and Guidelines. In 2019, 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](http://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](mailto:nawat@ubisasia.com) or telephone number 02-683 0008. In 2019, 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 11 March 2019 for Q4/2018, on 15 May 2019 for Q1/2019, 21 August 2019 for Q2/2019, and 19 November 2019 for Q3/2019 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 6<sup>th</sup> floor Rama3 Road Bangpongpang Yannawa Bangkok 10120
- Send an email directly to Chairman, Email : [D2B@ubisasia.com](mailto:D2B@ubisasia.com)
- Send via company website [www.ubisasia.com](http://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 clues or complaints must be polite and contain the following details.**

- Name and Surname of the complainant
- Facts or details about mis-conduct along with evidences (If available)



- Name and Surname of whistleblowers

**The measures to protect whistleblowers or complaints as below**

- Company will keep the complaints as confidentiality and only disclosure as necessary to ensure safety and prevent risks that could have happened to the appellant. (In case the appellant does not disclose his or her name, he or she, however, must specify the details, facts, or enough evidence to show corruption or misconduct as reported.)
- Appellant can request to provide protection as necessary and appropriate.
- Those who suffer damage will be mitigated by a fair and proper process.

**The investigation of complaints is as follows**

- In case those who are complained are in manager or lower position, their supervisor and human resource director will jointly investigate the complaints.
- In case those who are complained are in executive or higher position, the Audit Committee will perform the investigation.
- In case the result of investigation is unacceptable by those who are complained, it shall be escalated to The Audit Committee for consideration.

**However, company does not accept complaints as follows**

- The complaints which the Audit Committee has already finalized and there is no new evidence.
- The complaints which the appellant has ceased to be an Employee of the Company for more than 5 years.
- The matters do not have evidences or specify the behavior of the corruption that is clear enough to conduct the investigation.

**The matters that have been reported for clues or complaints are follows**

The Company secretary takes responsibility to compile the documents received from these channels in order to summarize the recommendations of all issues to company's Board of Directors for consideration and proceeding. The company has rules for setting up an inquiry committee to establish the judicial process for investigation and punishment. In case where the evidence appears sufficiently clear that the appellant is dishonest toward clues or evidences, they may receive the punishment for each case as follows.

- If being an employee, will be investigated and considered punishment following company's work regulations.
- If it is a third party and causes damage to company, the company may consider legal action against the whistleblowers as well.

Regarding the complaints, the company will keep the information as confidential and will not disclose to others unless required in the process of investigation, prosecution, testimony, or cooperation in court or government agencies having legal authority.

**Applying the principles of good corporate governance**

The Board of Directors is committed by adhering to the principles of good corporate governance, good practices for Directors of Listed Company, regulations, and the related good practices of the Stock Exchange of Thailand, the Securities and Exchange Commission, and improving the level of corporate governance to be in line with international practices. The policies of corporate governance has been prepared to be used as guideline for the Board of Directors, Executives, and Employees.

The Board of Directors will promote and supervise the implementation of the established policies in order to aChief the goal of creating stability and sustainability for the organization and shareholders. The Board of Directors understands their roles, duties, and responsibilities of the Board of Directors towards the company and shareholders, and has studied the guidelines for compliance with the good corporate governance as specified by the Stock Exchange of Thailand to improve the Company's

operations in order to create the transparency in work, conducting business ethical operation, creating internal control systems including the importance of equality of shareholders, and the protection of shareholders' interests.

#### **Supervision of the Subsidiaries' Operation**

The Board of Directors has a regulatory mechanism that enables management control and accountability of the Subsidiary operations in order to protect the benefits of the Company's investment as follows.

- The Company has sent a representative to be a Director, Executive, or controlling person in Subsidiary in proportion to shareholding which must be approved by the Board of Directors
- The appointed person will have duty to perform for the best benefit of the subsidiary company
- The scope of duties and responsibilities of the Director or Executive representing of the Company in determining the important policies such as capital increase, capital reduction, as well as changes to Company regulations or operational policies, etc., however, the approval by the Board of Directors is required before voting or exercising voting rights at the same level that must be approved by the Board of Directors if it is conducted by the Company itself
- In case of being a Subsidiary, the appointed persons must ensure that the subsidiary has regulations regarding connected transactions and/or acquisition and disposition of assets in accordance with the practice of the Company. The data storage and accounting records must be aligned with the policies of the Company as to enable the company to examine and compile the consolidated financial statements in time
- The Company representative must ensure that the subsidiary has appropriate internal control mechanism and comply with the Company

#### **Supervision on the use of the Inside information**

The Company has a policy prohibiting the Directors, Executives, and Employees, who are acknowledge the inside information to use the information that has not been disclosed to public for their own or other's benefits with the following guidelines

- The Directors and Executive are required to prepare and submit the security holding report of their own, their spouses, and underage children to the Securities and Exchange Commission as follows.
  - To submit first report on Securities Holding (Form 59-1) within 30 days from the date of being a Director
  - To report the changes in Securities Holding (Form 59-2) within 3 days working from the date of purchase, sell, or transfer of securities, and send the copy of security holding report to the Company Secretary within the date of report sending to record the changes and summarize the securities of each Director and individual Executive for submission to the Board of Directors in the next meeting
- Announce that Directors, Executives, and Employees who acknowledge the significant inside information that may affect the changes in trading price of the securities must suspend for the purchase or sale of the securities during 1 month before the Company announce results of operations (The schedule of overall operation announcement is 45 days from the end of quarter and 60 days from the end of accounting period) or until such internal information is disclosed to the public.

#### **Decide the measure of penalty**

The Company has set the penalty of violation for the use of Company's information on personal benefit in the Company's regulations with the highest penalty according to the law.

# Nomination and Remuneration Committee Report

## Dear Shareholders

The Nomination and Remuneration Committee consists 3 Independent Directors with Ms. Kanchana Vongratanakulthon, as the Chairman of The Nomination and Remuneration Committee, performing duties as assigned with carefulness, prudence, transparency, honesty, and reasonable with realize on the best interest of Shareholders and all Stakeholders, learning on all related matters as well as encourages the expression of Directors' opinion independently and creatively according to the responsibilities specified in the charter of The Nomination and Remuneration Committee.

In 2019, The Nomination and Remuneration Committee held 2 meetings with the report of the meeting results with opinions and recommendations to the Board of Directors on a continuous basis. The important operations in 2019 can be summarized as follows.

### **Recruitment and selection of persons to be members of the Board of Directors**

The Nomination and Remuneration Committee has considered the selection of the Board with transparency by adhering to the principles of good corporate governance to build confidence to Shareholders and all parties. Besides, The Nomination and Remuneration Committee has also provided Shareholders the opportunity to nominate suitable person for selection as the Directors during of 1 October 2019 – 31 December 2019 but no Shareholders nominated them.

Therefore, The Nomination and Remuneration Committee has considered the qualifications of 3 Directors who retired. They have knowledge, capability, experience, and expertise for benefit to the company's operations and have complete qualifications under the Public Limited Company Act and do not have any prohibited characteristics as specified in various laws applicable to the Company. Moreover, they are qualified with no vested interest or conflict of interest with the Company, and competency in line with the strategy of Company business operation, including supervising the succession plan of the Executive positions. Therefore, the 3 retired Directors are proposed to return to their positions Along with proposing to the Board of Directors for submission to the shareholders' meeting for approval of the appointment of new Directors as proposed.

### **Determination of the remuneration of Directors and Sub-Committees**

The Nomination and Remuneration Committee has considered guideline for determining the remuneration for Directors, Sub-Committees, Chairman of the Director, and Executives as well as determining the methods and criteria for determining the remuneration that is fair and reasonable by its based performance, achievement compared to goals and Key Performance Indicators (KPIs) considering Directors' responsibilities, Company's performance, business environment, the overall economic situation, and comparing the remuneration rates with the other companies with similar business sizes or in the same industrial group by reasonable consideration, and propose to Annual General Meeting for approval and disclose the remuneration of Directors, Sub-Committees, and Executives which is included in the annual report for transparency in auditing.

### **The assessment of performance evaluation of the Board of Directors, Sub-Committees, and Independent Directors**

The Nomination and Remuneration Committee has conducted self assessment of the Board of Directors and Sub-Committees (As a whole) and individuals. In 2019, there is an additional performance evaluation of the Independent Directors and the result has concluded that all Independent Directors have all the qualifications as required by the regulations of the Securities and Exchange Commission as well as perform duties as assigned and able express independent opinions and do not have conflict of interest or significant interest with the Company by reporting to the Board of Directors for acknowledgment and use the evaluation results for improve the operations to be more efficient and achieve the Company's objectives.

**Improvement of the roles and duties of Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has reviewed the charter of the Nomination and Remuneration, annually and screened the various subjects according to their roles and duties to maximize the benefits to Shareholders by proposing to the Board of Directors for approval.

All of members of in The Nomination and Remuneration Committee have given importance have on meeting attendances and presented their opinions and useful informations to improve the nomination and remuneration works for relevant persons fairly and appropriately in accordance with the guidelines of good corporate governance of the Stock Exchange of Thailand, in line the Corporate Governance Code. All opinions and recommendations of The Nomination and Remuneration Committee can be used as a tool for the Board of Directors to consider with confidence and trust.



Ms. Kanchana Vongratanakulthon

Chairman of Nomination and Remuneration Committee

## Nomination of Directors and Senior Executives

The Board of Directors is responsible for recruiting and appointing Directors and Senior Executives. However, the persons appointed to be the Directors and Executives must be qualified persons under the section 68 of the Public Limited Company Act, B.E. 2535 (1992) and according to the announcement of the Capital Market Supervisory Board No. Tor Chor 28/2551 regarding the request for permission and permission to offer newly issued shares dated 15 December 2008 and must not be a person with prohibited characteristics according to the announcement of the Securities and Exchange Commission regarding the regulations about the security issueing by the management. However, all Directors and Executives must not have a criminal record in last 10 years before the date of submission of the application and has no history of being judged bankrupt, not violatory the regulations, rules, announcements, orders, Board resolutions or the agreements of security registration including the circulars at the Stock Exchange of Thailand as well as disputes or lawsuits during of jurisdiction. The Company has set the criteria of recruitment as follow.

### The criteria of Nomination and Apointment of Directors and Chief Executive

#### 1. Nomination and Appointment of Directors and Independent Directors

In order for methodically and clearly nomination and appointment of Directors with the principles of good corporate governance, the Board of Directors has assigned 3 Nomination and Remuneration Committees to consider nominating the Directors when the positions are vacant or ended of term. The Nomination and Remuneration Committee is responsible to selecting and recruiting the person to be nominated as a Director by stipulating the criteria for considering the appropriate person who has the qualification as benefits and suitable for Company's operation in a comprehensive and transparent as follows.

1.1 The Minority and Major Shareholders are given the opportunity to name a qualified persons to be considered for election as a Director.

1.2 Specifying the qualifications that are in accordance with the laws and requirements such as the Public Company Act, Company's regulations, and the principles of good corporate governance of the company.

1.3 Set criteria for the selection of Directors in accordance with the Stock Exchange of Thailand.

1.4 Giving priority to those who have skills, experiences, professions, specific qualifications in various fields which the Executives are still lacking and that is extremely necessary to Company's business without gender and race discrimination or any differences to the completion of the Board of Directors and Company's benefits.

1.5 Conflict of interest of Directors.

#### (1) Directors

**Appointment of new Directors** is considered from the following elements.

- Having the qualification in accordance with relevant laws and regulations, and Company's regulations.
- Being a qualified preson with a wide range of knowledge, ability and experiences in various professional fields that is beneficial to the performance of Directors' duties.

- The necessity for the missing composition of the Board of Directors considering the Skill Matrix in engineering, laws, finance, accounting, economics, security and management in order to combine knowledges that is beneficial to Company's operation.

- Interest or conflict of interest to the Company.
- Acceptance from nominated persons for consideration.

**Appointment of existing Directors** is considered from the following elements.

- Performance in the past year.
- Providing useful opinions and suggestions.
- Time dedication to the organization.
- Participation in the activities by each Director.

## (2) Independent Directors

Selecting and proposing for the appointment of Independent Directors will consider the number of Independent Directors in composition of the Board of Directors to be consistent as follow.

- According to the regulations of the Securities of Exchange Commission (SEC), the Company has more independent Directors than the SEC's requirements.
- According to the definition of Independent Directors, the Company's Independent Directors meet the qualification as specified in the manual of good corporate governance and disclosed on the Company's website.

In addition, the election of Directors to fill vacancy which are not completion of term, the Nomination and Remuneration Committee may select and nominate the qualified persons so that the Board of Directors may elect the Directors to replace the position with the vote not less than 3 in 4 of the remaining Directors. However, The replacing persons will have the same remaining terms.

## 2. Nomination and Appointment of Chairman and Managing Director

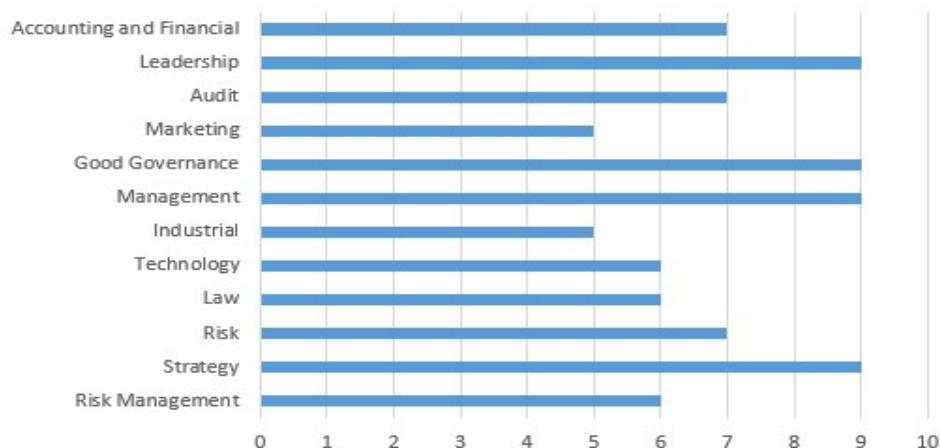
The Nomination and Remuneration Committee has considered the criteria for recruitment of Chairman and Managing Director as follows.

- Being a Director of the company in accordance with the Company's regulations, skills, professional experience, specific qualifications in various fields.
- Knowledge and capability in the business operations which are extremely necessary and most beneficial to Company's business.
- Experience in Water Base Lining Compound, Sealant, Can Coating, and Lacquer business and organizational management
- Experience in the organizational leader with high leadership skill.
- Recognized by the relevant business organizations.
- Approved by the Board of Directors.
- Consideration of a conflict of interest.

The Company has prepared the Board Skill Matrix to review the structure of the Board are use as information for consideration of the selection of the Directors to ensure to have the right that conform with the Company's business direction.

The person appointed to be a Director or the Executives must have complete qualifications under section 68 of the Public Company Act B.E. 1992 (including amendment) and the SEC notification that must not have prohibited characteristics as according to the Security Act (including amendment), other laws and relevant regulations.

Directors' Knowledge and Components



## Personnel

The Company employs a total of 152 employees; 27 employees at its headquarters, 97 employees located in the Samut Sakorn Industrial Estate, and 28 employees located in the Bangpoo Industrial Estate. The details are as follows.

	Main field of workers	Full time worker	
		2019	2018
1.	Executive Office	3	3
2.	Finance - Accounting and Information Technology	18	14
3.	Sales and Marketing	11	9
4.	Production line (factory)	90	71
5.	Technology and Development	21	17
6.	Human Resources	9	6
7.	Internal Audit Office (none)	-	-
	<b>Total</b>	<b>152</b>	<b>120</b>

The total compensation for the year 2019 and 2018 is as follows.

	Type of compensation	2019	2018
	Total salary	64,625,112	65,202,628
	Bonus included	14,407,506	10,936,657
	Contribution to Provident Fund	1,566,904	1,431,005
	<b>Total</b>	<b>80,599,522</b>	<b>77,570,290</b>

## Developing and Enhancing the Potential of Personnel

The Company has highlighted the importance the enhance employee's knowledge and expertise by establishing a Human Resource Management system that considers the appropriateness of personnel's ability for each activity to the highest efficiency with annual performance evaluation by using the Key Performance Indicator (KPI) and the performance evaluation form to determine the compensation. Moreover, the Company has conducted training in all aspects, and provided service to the customers with efficiency.

Besides the Company has planned for appropriate manpower projection to suit overload and recruit personnel in advance. The Company does not have a labor union but the establishment of a Welfare Committee in workplace is responsible to survey the welfare needs of Employees, discussing with management representatives and proposing to Executive Committees to consider and improve the other benefits for Employees. In addition, facilitating channels for presenting employees' opinion freely through the channels specified by the Company such as comment box, E-mail to Executives directly, or Company's website. Employees can send suggestions to Directors directly for consideration or through the complaint system that is secure and most confidential of which the Company is aware that is a joint Company development.

## Labor Disputation

In the present, the Company does not have labor disputes.

**Auditor's remuneration**

Auditor's compensation (Audit fee)				
Payer Company's name	Name of Auditor 2019	Auditor Fee 2019 (Baht)	Name of Auditor 2018	Auditor Fee 2018 (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 Primatech 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.Yingzhang Xue	200,000
	GuangDong Zhongsui Certified Public Accountants	(RMB 40,000)	GuangDong Zhongsui 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 Zhongai 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 Thanurutrpong 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



# 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 person 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

**Social Responsibility Activities (After process)**

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.

Over the past years, the Company has continuously invented and developed a variety of products and maintain good quality to meet the needs of different Customers. One of the Company's aspiration is to run a consistent business along with the return back to society in various forms through the activities that demonstrate Corporate Social Responsibility or CSR continuously throughout activities within internal organization. "UBIS Volunteer Spirit" is one of our pride with employees' awareness of sharing by informs of monetary, strength, inspiration, and smile to Thai Society whenever Society needs.

The Company has always carried out CSR activities both inside and outside and our activities in 2019 were giving the school supplies and the gifts on Children's day to schools around the Industrial Estate.



**Planting Mangrove Forest**

by company's directors an 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 and for Teacher project**

NLP : Neuro Linquistic Programming is the project for teachers and students at Bann Chai Talay, Bang Kra Jao, Muang, SamutSakorn and Wat Nang Sao School, Krathumban, SamutSakorn. The objective of this project were the self-understanding, empathy, behavior determination, and other activities for their goals such as educational goal, exercise, etc. and to grant the scholarship to the students.



Hometown contribution camp project

The objective of this project was aimed to have employees to propose their hometown to receive the budget for development project of their hometown. In 2019, the Company and volunteers have constructed a multipurpose building at Bannong Nokkoo school, Nakhon Ratchasima for organizing various activities for school, communities including nearby agencies.





### 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 6<sup>th</sup> floor Rama3 Road Bangpongpang Yannawa Bangkok 10120
- Send an email directly to Chairman, Email : [D2B@ubisasia.com](mailto:D2B@ubisasia.com)
- Send via company website [www.ubisasia.com](http://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

### Directors and Executives Development

To ensure the efficient operation of the Company, The Board of Directors has a policy to encourage Directors and Executives to receive training in courses that are beneficial to continuous performance of duties both in-house and external training institutions such as the Thai Institute of Directors Association (IOD) and the Stock Exchange of Thailand for bring the knowledge and experience to further develop the organization.

In 2019, Directors and Executives have been passed the training program organized by Thai Institute of Directors Association (IOD), The Stock Exchange of Thailand, and other institutions as follows.

No	Name-Surname	Course	Institution
1	Ms.Kanchana Vongratanakulthon Independent Director and Audit Committee	Director Accreditation Program (DAP 161/2019)	Thai Institute of Directors Association (IOD)
		Organisation Transformation	PriceWaterHouseCoopers ABAS Co., Ltd.
2	Mr. Kittisak Phanunan Director and Executive Committee	Director Accreditation Program (DAP 162/2019)	Thai Institute of Directors Association (IOD)
3	Mr. Nophadon Kitayanugul Director and Executive Committee	Director Accreditation Program (DAP 167/2019)	Thai Institute of Directors Association (IOD)
4	Ms. Sopha Nachanhom Deputy Managing Director – Finance & Accounting, IT (CFO) and Company Secretary	Company Reporting Program (CRP 24/2019)	Thai Institute of Directors Association (IOD)
		Board Reporting Program (BRP 31/2019)	Thai Institute of Directors Association (IOD)
		Business Development for Sustainable Development in 2019	The Stock Exchange of Thailand

No	Name-Surname	Course	Institution
5	Ms. Puanggern Kanjarak Deputy Managing Director – Human Resources	Organisation Transformation	PriceWaterHouseCoopers ABAS Co., Ltd.
		ISO 45001:2018	T.P Consultant & Training
		Risk & Opportunity Management	Thailand Productivity Institute
		Factory Competency Project : Process Safety Management	The Industrial Estate
		Collaborative Solution & Great Feedback	Independent Speakers
6	Mr.Chatchai Dowrueng Deputy Managing Director - Manufacturing	ISO 45001:2018	T.P Consultant & Training
		Risk & Opportunity Management	Thailand Productivity Institute
		Process Safety Management	The Industrial Estate

### Educating for new Directors

The Company has provided an orientation program for new Directors in order to prepare them to perform their duties. Company Secretary was assigned to set the orientation program for new Directors to attend an orientation to explain about the Company's business operation, factory visit, production process as well as to prepare the manual to Directors about vision, Company's goals, business overview, the Company regulations and related laws.

In 2019, Nomination and Remuneration Committee had recruited 6 new Directors as below

- |                                   |  |
|-----------------------------------|--|
| 1. Mr. Prachnon Temritikulchai    | Chairman of the Board Director           |
| 2. Gen. Dr. Terdsak Marrome       | Independent Director                     |
| 3. Ms. Kanchana Vongratanakulthon | Independent Director and Audit Committee |
| 4. Mr. Kittisak Phanunan          | Director                                 |
| 5. Mr. Panom Ratanarat            | Director                                 |
| 6. Mr. Nophadon Kitayanugul       | Director                                 |







### Confederate with Corporate Governance

The Company Secretary and the team responsible for overseeing the Corporate Governance part which the Company supported and encouraged to participate the training/seminar continuously in the various courses organized by the Securities & Exchange Commission (SEC) / the Stock Exchange of Thailand (SET) / the Thai Institute of Directors Association (IOD) / and the other situations.

### Succession Plan

The Board of Directors has assigned the Management to prepare the succession plan to ensure good preparation and business continuity. The Chairman of the Executive Committee and Managing Director positions have been assigned to be the duty of the Nomination and Remuneration Committee as the recruiter by considering the knowledge, capability, and experience of important positions of the Company and proposed to the Board of Directors and/or the Shareholders' meeting for approval.

### Performance Evaluation

The Board of Directors has conducted performance evaluation for the Board of Directors and Sub-Committees at least 1 time per year by dividing the evaluation into assessment of the whole Committee's evaluation (As a whole) and Self – assessment including the evaluation of the Chairman and Managing Director by assigning the Nomination and Remuneration Committee to be responsible for evaluating the performance including finding ways to improve the work. The Company Secretary has sent the evaluation form to all Directors and compiled it back for assessing and propose to the Nomination and Remuneration Committee and reported to the Board of Directors.

The criterion of evaluation has been calculated as a percentage of the full range of scores for each topic as below.

Rating	Assesment
Upper than 90 percent	Very good
Upper than 75 percent	Good
Upper than 50 percent	Fair
Lower than 50 percent	Poor

### Evaluation of The Board of Directors' Performance

The Nomination and Remuneration Committee has evaluated the Board of Directors' performance by using the Stock Exchange of Thailand evaluation form and adjusted to suit the characteristics and the structure of the Board of Directors is used as framework for auditing the performance of duties of the Board of Directors with the evaluation topics as follow.

#### The evaluation topic as a whole Committee

1. Structure and qualifications of Directors
2. Roles, duties, and responsibilities of Directors
3. Board of Director meeting

4. Duties of Director
5. Relation with the Management
6. Director's self-development

#### Self-evaluation of Sub-Committees

1. The structure and qualification of the Committee in the following matters are appropriate and enable to perform with effectiveness.
2. The Sub-Committee meeting has been conducted in the following matters and enable to perform its duties efficiently in the meeting.
3. The roles, duties, and responsibilities of Sub-Committees have given sufficient time for consideration, review, and sufficiently comply with following matters.
  - 3.1 Audit Committee
  - 3.2 Nomination and Remuneration Committee
  - 3.3 Risk Management Committee
  - 3.4 Corporate Governance Committee
  - 3.5 Sustainable Development Committee

#### The topic of individual assessment

1. Structure and qualification of the Committee.
2. Board of Directors' Meetings.
3. The roles, duties and responsibilities of Directors

In 2019, The Board of Directors and all Sub-Committees have performed their duties with knowledge and competency in accordance with the scope of duties and responsibilities as specified in the charter and in line with the best practice according to the principles of corporate governance. The Company Secretary has summarized the result of Director's evaluation in both as a whole and individual including individual evaluation results of all Sub-Committees and report to the Nomination and Remuneration Committee for submission to Board of Directors meeting No.1/2563 on 20 February 2020 with the results as follows.

Executive Committees	Evaluation (Percentage)	Evaluation
Directors' Evaluation as a whole	96.75	Very good
Directors' Evaluation as individual	97.97	Very good

Sub-Committees	Evaluation (Percentage)	Evaluation
Audit Committee	98.50	Very good
Nomination and Remuneration Committee	96.75	Very good
Risk Management Committee	97.25	Very good
Corporate Governance Committee	97.77	Very good
Sustainable Development Committee	97.22	Very good

### The evaluation of Chairman and Managing Director's performance

The Board of Directors has evaluated the Chairman and Managing Director's performances by using the SET's evaluation form covering the topics for evaluation as follows.

The topic of evaluation

1. Leadership	6. External Relation
2. Strategy Determination	7. Administration and Personnel Relation
3. Strategy Execution	8. Succession
4. Financial Planning and Operation	9. Knowledge of Product and Service
5. Relation with the Board of Directors	10. Personnel Characteristics

The Company Secretary has sent the evaluation form to the Board of Directors to evaluate the Chairman and Managing Director's performances, and compiled the result of evaluation and report to the Nomination and Remuneration Committee for discussion to order to improve the performances. In 2019, the results of evaluation of the Chairman and Managing Director are as below

	Evaluation (Percentage)	Evaluation
Chairman of the Board of Director	94.73	Very good
Managing Director	100.00	Very good

### Supervision of the Subsidiaries' Operations

The Company has sent a qualified person to be Directors in its Subsidiaries both in domestic and foreign country to represent the Company in determining the important policies in business operation including overseeing the Subsidiaries with appropriate internal control system and supervising various aspects under the same criteria. Therefore, the Subsidiaries has duty to provide financial report to the Company for financial consolidation.

## Audit Committee Report

The Audit Committee of UBIS (ASIA) PUBLIC CO., LTD. consists of 3 Company's independent Directors who are Mr. Anant Sirisaengtaksin, as the Chairman of the Audit Committee, Ms. Kanchana Vongratanakulthon and Mr. Kavin Chalermroj, as the Audit Committees who have qualifications as required by the Stock Exchange of Thailand

In 2019, Audit Committees operate under the scope of duties and responsibilities as the charter of the Audit Committee approved by the Board of Directors. The Audit Committee has reviewed the financial report quarterly and annually by meeting with the Auditors, Internal Audit department, accounting, and Management team before presenting to the Board of Directors including reviewing the internal audit report and efficiency of internal control, reviewing the related transactions that may be the conflict of interest according to the regulations of the Stock Exchange of Thailand, reviewing the compliance with the laws of Securities and the Stock Exchange of Thailand, SET requirements as well as related the laws to the Company's business including considering and proposing the appointment of Independent Auditor and audit fees to the Board of Directors.

The Audit Committee has given the opinions that the Company's financial report in 2019 is accurate, complete, and reliable. The internal control system and risk management are effective and suitable with Company's transactions. Beside the Audit Committee have reviewed the compliance with the law of the Securities and the Stock Exchange of Thailand and its requirements as well as the related to the Company business including the related transactions and the conflict of interest transactions which has fully complied and disclosed the complete informations.

The Audit Committee has presented to the Board of Directors for proposing to Shareholders' meeting on the appointment of KPMG Phoomchai Audit Co., Ltd. as the Company's Auditor in 2020 by Mr. Yuttapong Soontarinka (Certified Public Accountant no. 10604) and/or Ms. Sujitra Masena (Certified Public Accountant no. 8645) and/or Ms. Sawitree Ongsirimeemongkol (Certified Public Accountant no. 10449) who are approved as in the announcement of the approved Auditors to be sign and review the audit report of the Company in 2020 with the total audit fee of Company's group in the amount of 2,650,000 Baht per year and the appointment of Dharmniti Internal Audit Co., Ltd. as the Company's internal Auditor with audit fee of 420,000 Baht per year.

Mr. Anant Sirisaengtaksin  
Chairman of the Audit Committee

# Internal Control

## 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 2019 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 2019, 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 assigned the Audit Committee to oversee the Internal Control system and the risk management to be appropriate and effective including having the Internal Audit system to be independent and effective by implementing the framework of the internal control according to the international standard of COSO (The committee of Sponsoring Organization of the Treadway Commission) which has been updated and used along with the Enterprise Risk Management (ERM) or COSO - ERM Framework as follows.

### 1. Internal Environment

The Company has set up an appropriate organizational structure and supervisor structure and has established clear policies and operational procedures covering procurement, production, sales, accounting, finance, and general administration including the preparation of a written code of business conduct manual as working guidelines for the Board of Directors, Executives, and Employees to consistently perform their duties with accuracy, transparency, morality and responsibility to all Stakeholders. Besides the Company has announced to all Employees for acknowledgement and to comply strictly.

### 2. Objective Setting

The Company has prepared a clear and measurable business goal and target plan, including strategic planning and annual budget planning, revenue, cost, expense, and forecast of the operating results for the Executives and Employees of each department to know and implement the set objectives and goals. However, the Company has assessed and monitored the progress including review the plan and solve that may the problems or obstacles encounter in the operation in a continuous manner be considering the business environment, fairness to Business Partners and Shareholders for the benefit of the Company in the long term. In addition, the Management of the Company has established a risk management policy for the entire organization, including the operational control process to reduce the cause of opportunity to cause the damage to the Company as well as plan to control the risk level and the size of damage that might occur in the future to be at acceptable level by taking into account the accomplishment of goals and objectives at both the organizational and departmental levels in accordance with the important strategic plans and clearly specify the risk management structure which consists of Board of Directors, Risk

Management Committee, the Executives, Internal Auditor and determined the responsible persons for risk management in all departments by setting a plan and specifying the risk management measures systematically.

### 3. Event Identification

The Company has regularly held a Risk Management Committee meeting and Risk Management Working Group to analyze and identify the various risk factors which might affect or damage to business operation from both internal and external factors by covering the risk factors which have tendency to be a problem with the constant monitoring and management.

### 4. Risk Assessment

The Board of Directors and Executives have emphasized in risk management for maximize the value of business and to build the confidence in leading the organization to both short and long term goals and build the confidence toward all Stakeholders including creating the sustainable value for the organization in the long term by establishing the Risk Management Committee and the Enterprise Risk Management Committee to overseeing the Company's risk management to be efficient and effective with the following management guidelines.

- Having the risk management policy as a guideline for risk management that might affect the achievement of the Company's objective by implementing risk management throughout the organization in accordance with the framework of COSO Enterprise Risk Management.
- Establishing risk management throughout the organization by creating the Risk Matrix, and risk management plan at both the organizational and management levels so that the risks are at acceptable levels taking into accounts of changes at both internal and external factors including the possibility of fraud and corruption with the process of risks review and monitoring regularly in the implementation of risk management measures that all Executives and Employees must be aware of and attention.
- Improve risk communication channels throughout the organization by opening a central communication channel through the Company's network for Executives and Employees to access.

### 5. Control Activities

The Company has clearly specified scope of duties and responsibilities of the Executive and operators at each level and has revised the approval authority table for each level of management with measures to control and monitor operations in accordance with the relevant laws and regulations. In case that the Company has a transaction with major Shareholders, Directors Executive, or related persons, the compliance department is responsible for monitoring transaction and closely overseeing operations in accordance with the approved procedures which complies with the relevant laws and regulations. The Stakeholders must not approve the transactions including a summary of transaction between the Company or the related persons to the Audit Committee and the Board of Directors, and disclose the information correctly and completely.

### 6. Information and Communication

The Company has used the information system under the project of Enterprise Resources Planning system (ERP) by using SAP-B1 program to manage both the main and supporting activities of the Company, including procurement, production,

sales, accounting, finance, inventory system and fixed asset system process since 2017 in order to develop an efficient database system to be in line with the business needs and to support the information needs for timely and accurate management decisions.

## 7. Monitoring

The Company has regular meeting to assess the overall performance whether they are in line with the target or not. In the event that the target is missed or the overall operation is different from the target, there will be a resolution for the management to take corrective actions in time.

The Company has set a policy for all departments to monitor regularly the internal control system and allow the internal audit team to review the performance of the internal control system and report directly to the Audit Committee and the Board of Director. If the significant defects are found, it has to be reported in timely manner including reports on progress of the improvement of the said defect to ensure that the internal control system is still ongoing and has been adjusted to be in line with the change of situation.

### Opinions from the Audit Committee that differ from the Board of Directors

-None-

### Internal Control Lead and Company Operation Head

The company has appointed Dharmaniti Internal Audit Co., Ltd. to be the internal audit to audit all procedures in the company under approved plans by the audit committee. The company appointed Ms.Sopha Nachanhom to be the coordinator of the Audit Committee, so there is no internal audit Head. The consideration and approval for the appointment, removal or transfer of a person to be the Head of company's internal audit or the appointment of external party to be internal audit, must be approved by the Audit 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.

### Details of the related transactions in 2018 and 2019 as follows.

Related Company/Person	Type of relationship	Related items	The amount of related transactions		Condition and price policy
			2019	2018	
Ubis Prematech Co., Ltd.	1. The Company has percentage of shareholding 99.99% 2. There are 2 common Directors in the Company	- Purchase of goods - Dividend income - Rental and service income - Other income - Trade Account Payable	207,812,030 55,999,990 12,695,400 2,952 130,903,568	193,419,736 45,999,991 12,692,400 35,081 140,287,693	- The value of purchase – sale of goods : Market price comparable to sales price of third parties - Service Fee : Agreed price as in the contract
Vita International Trading (Guangzhou) Co., Ltd.	1. The Company has percentage of shareholding 100% 2. There are 2 common Directors in the Company	- Sale of goods - Trade Account Payable	141,397,929 139,982,114	119,278,139 131,009,763	- The value of purchase – sale of goods : Market price comparable to sales price of third parties
Thai Rubber Latex Group Public Co., Ltd.	Common Shareholders and son of Director as a Director of Thai Rubber Latex Group PCL.	- Purchase of goods - Trade Account Payable	18,793,545 2,615,705		- The value of purchase – sale of goods : Market price comparable to sales price of third parties



Related Company/Person	Type of relationship	Related items	The amount of related transactions		Condition and price policy
			2019	2018	
Golden Arrow Coating Co., Ltd.	2 sons of	- Sale of goods	1,085,282		- The value of purchase – sale of goods : Market price comparable to sales price of third parties - Service Fee : Agreed price as in the contract
	Chairman as the	- Sell assets	2,771,300		
	Directors at	- Rental fee for assets	712,500		
	Golden Arrow Coating Co., Ltd.	- Account Payable	172,460		
Mayor Resin Co., Ltd.	Common Shareholders and Directors	- Sell products	29,960		- The value of purchase – sale of goods : Market price comparable to sales price of third parties
		- Buy products	6,634		
		-Account Payable	29,960		

**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 2019.



(Mr. Prachnon Temritikulchai)  
Chairman



(Mr. Nawat Triyapongpattana)  
Managing Director

Ubis (Asia) Public Company Limited 

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## Chapter 3 : Financial Position and Overall Operation

## Financial Highlight

### Consolidated Financial Statement

### Separate Financial Statement

For the fiscal year

2019

2018

2017

2019

2018

2017

ended 31 December 2019

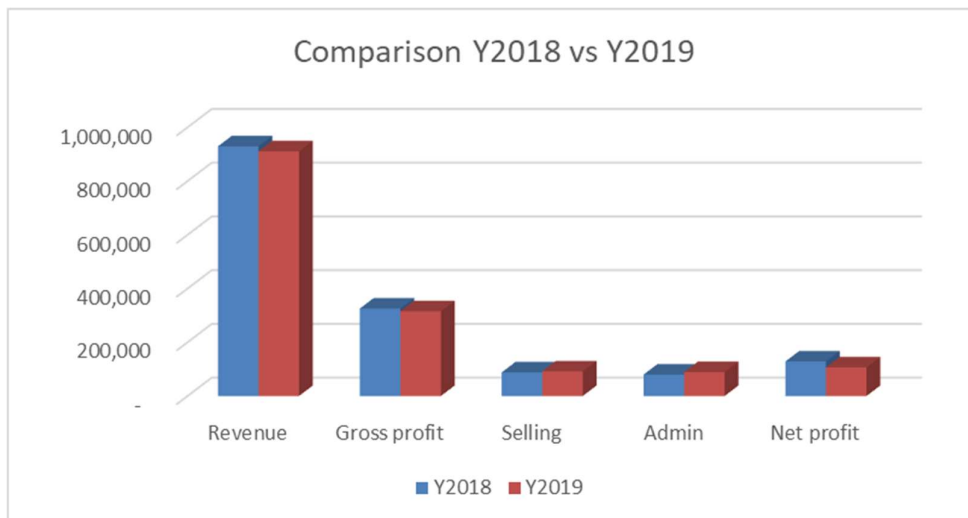
	2019	2018	2017	2019	2018	2017
<b>Stock Data</b>						
Par Value Per Share (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book Value Per Share (Baht)	1.97	1.72	1.15	1.87	1.64	1.14
Earnings Per Share (Baht)	0.47	0.56	(1.04)	0.45	0.50	(1.06)
<b>Operating Results (Thousand Baht)</b>						
Sales Revenue	910,707	929,354	837,308	783,768	785,686	733,856
Total Income	916,275	937,173	845,753	857,364	851,431	803,760
Net Profit	106,678	128,745	(236,013)	101,595	114,510	(242,232)
<b>Balance Sheet (Thousand Baht)</b>						
Total Asset	730,330	702,664	704,211	792,561	764,211	840,391
Total Liabilities	282,169	311,376	442,079	366,340	389,378	580,068
Issued and Paid-up Capital	228,000	228,000	228,000	228,000	228,000	228,000
Shareholders' Equity	448,161	391,288	262,132	426,221	374,832	260,323
<b>Financial Ratio</b>						
Return on Shareholders' Equity (%)	25.42	39.41	(90.04)	25.37	36.06	(93.05)
Return on Total Asset (%)	17.46	22.04	(23.73)	14.90	17.05	(22.01)
Return on Fixed Asset (%)	61.04	84.54	(110.73)	65.18	87.35	(134.94)
Gross Profit (%)	34.66	35.03	35.02	25.36	26.62	24.95
Net Profit (%)	11.64	13.74	(28.19)	11.85	13.45	(33.01)

## 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 2019 ended December 31, 2019 of the Company and its subsidiaries, as shown below:

(Unit : Thousand Baht)	2019	2018	Change	%Change
Revenue	910,707	929,354	(18,647)	(2.01%)
Gross profit margin	315,647	325,527	(9,880)	(3.04%)
Selling Expenses	91,735	88,001	3,734	4.24%
Admin Expenses	89,134	79,800	9,334	11.70%
Net profit	106,678	128,745	(22,067)	(17.14%)
Finance cost	3,867	8,282	(4,415)	(53.31%)



In overall, the Company and its subsidiaries had a net profit in the year 2019 of 106.6 MB with decrease of 22.0 MB or 17.14 percent, when compared to the year 2018 as following results:

- **Revenue**

In the year 2019, the Company and its subsidiaries had total revenue of 910.7 MB, decreased from the year 2018 in the amount of 18.6 MB or 2.0 percent (Domestic sales increase 0.9 percent and Export sales decrease 4.0 percent)

- **Gross profit margin**

In the year 2019, the Company and its subsidiaries had the total gross profit of 315.6 MB decreased from the year 2018 in the amount 9.8 MB or 3.0 percent with the gross profit margin of 34.6 percent (35.0 percent in the year 2018). The decrease of gross profit was the result of the appreciation of the BAHT against the Foreign Currency.

- **Sales Expenses**

In the year 2019, the Company and its subsidiaries had the expenses of 91.7 MB, increased from the year 2018 in the amount 3.7 MB or 4.2 percent (88.0 MB in the year 2018) as result from the higher in promotion expenses.

- **Administrative Expenses**

In the year 2019, the Company and its subsidiaries had the admin expenses of 89.1 MB, which increased from the year 2018 in the amount 9.3 MB, or 11.7 percent (79.8 MB in the year 2018) as result the higher in professional and consultation expenses.

- **Finance Cost**

In the year 2019, the Company and its subsidiaries had the financial cost 3.8 MB which decreased 4.4 MB from the year 2018 or 53.3 percent (8.2 MB. in the year 2018) as result from better the interest payable management.

### **Financial Status**

The overall financial status of the Company and its subsidiaries as of December 31, 2019 with the comparison to the financial status as of December 31, 2018 are summarized as below:

- **Assets**

As of December 31, 2019, the Company and its subsidiaries had a total asset by 730.3 MB which increased from December 31, 2018 by 27.6 MB as a result of the increase in cash and cash equivalents by 0.7 MB, the decrease of trade and other receivables by 16.5 MB, decrease in inventory by 7.6 MB and increase in other current assets by 0.7 MB, and increase in non-current assets, Fixed deposits pledged as collateral, PPE , intangible asset, deferred income tax assets and other non-current assets by 0.5 MB, 47.9 MB, 1.4 MB and 0.5 MB respectively.

- **Liabilities**

As of December 31, 2019, the Company and its subsidiaries had a total liability of 282.1 MB which decreased by 29.2 MB from December 31, 2018 due to the decrease of bank overdraft and short-term borrowings by 13.0 MB, account payable and other payables by 21.0 MB, income tax payable by 3.8 MB and the increase in other current liabilities 0.6 MB and the increase in employee benefit obligations by 8.0 MB.

- **Shareholders' Equity**

As of December 31, 2019, the Company and its subsidiaries had total shareholder equity of 448.1 MB which increased from December 31, 2018 in amount of 56.8 MB due to profit from operation (including other comprehensive expense) 102.0 MB, the increased in other components of equity 0.4 MB and the dividend paid out 45.6 MB.

- **Cash Flow**

Based on the results for the year 2019, the company's cash flow as follows:

- Net cash flow from operating activities was 122.2 MB, decreased by 16.3 MB when compare with the year 2018 due to the increasing of Trade and other payables, Employee benefit paid and Corporate Income tax paid
- Net cash flows from the investing activities was 58.9 MB, increased by 54.6 MB when compare with the year 2018 due to the increase of fixed assets and intangible asset.
- Net cash flows from financing activities was 76.7 MB, decreased 100.8 MB when compare with the year 2018 due to the decrease in long-term loans of the financial institution and decrease in short-term financing loan.

**The company's strategy for the year 2020**

The Company targets to grow 10% in sales from 2019 by maintaining our market share in domestic market and improving our sales strategy as well as developing new products and driving to expand in export market. After the Company has expanded our reach to Latin America, Brazil, Mexico and Peru, we have studied the new market group in Africa, such as Egypt, Turkey etc. We will try to get the acceptance in our products from major customers, while maintaining and controlling in product cost position including managing Foreign Exchange more efficiency.

Moreover, the Company has operated to get product approval from Brand Owners. In the year 2019, one of our compound was listed in the approved list of a big brand of beverage company in China and also a global beverage brand.



UBIS (ASIA) PUBLIC COMPANY LIMITED

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ENCLOSURE 1

AUDITOR'S REPORT & FINANCIAL STATEMENTS



**UBIS (ASIA) PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2019**



## 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 2019, 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 2019;
- 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. I determine one key audit matter: Revenue recognition from sales of goods. This matter was 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 this matter.



Key audit matter	How my audit addressed the key audit matter
<p data-bbox="264 443 794 474"><b>Revenue recognition from sales of goods</b></p> <p data-bbox="264 506 842 568">Refer to Note 2.17 'Accounting policies - revenue recognition', to the financial statements.</p> <p data-bbox="264 600 842 748">The total revenue from the sales of goods for the year ended 31 December 2019 was Baht 911 million. This comprised local and export sales to many countries. The Group's sales were made in Thai Baht and foreign currencies.</p> <p data-bbox="264 779 842 1057">I focussed on the accuracy of revenue recognition and revenue cut-off particularly overseas sales, which was 58 percent of total revenues, because the points of revenue recognition are varies depending on the conditions of sale, shipment terms and the point at which the 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="866 506 1225 537">My audit procedures included:</p> <ul data-bbox="866 568 1476 1155" style="list-style-type: none"><li data-bbox="866 568 1476 689">• obtaining an understanding of and evaluating the design effectiveness of the system, process, and key controls for revenue recognition</li><li data-bbox="866 698 1476 779">• testing the key controls over the revenue cycle which cover ordering, approving, goods delivery, invoicing and cash collection processes</li><li data-bbox="866 788 1476 878">• examining sales transactions with invoices, delivery notes, bills of lading and other related shipping documents</li><li data-bbox="866 887 1476 1003">• recalculating the translation of foreign currency sale transactions and checking the exchange rate used for translation at the date of revenue recognition</li><li data-bbox="866 1012 1476 1155">• performing cut-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.</li></ul> <p data-bbox="866 1187 1476 1303">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 supporting evidence.</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  
20 February 2020

Ubis (Asia) Public Company Limited  
Statement of Financial Position  
As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	7,190,097	6,470,786	1,855,675	2,068,025
Trade and other receivables, net	8	282,948,967	299,450,971	304,081,375	317,612,892
Inventories, net	9	162,076,944	169,667,594	77,418,832	87,060,383
Other current assets	10	6,271,345	5,583,446	6,182,044	5,409,583
<b>Total current assets</b>		<b>458,487,353</b>	<b>481,172,797</b>	<b>389,537,926</b>	<b>412,150,883</b>
<b>Non-current assets</b>					
Fixed deposits pledged as collateral	27	911,200	412,000	911,200	412,000
Account receivable from void contract	28	-	-	-	-
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	228,946,162	180,980,799	202,055,203	153,739,022
Intangible assets, net	14	4,705,557	4,733,341	3,981,315	3,861,789
Deferred income tax assets	15	7,767,067	6,351,637	6,562,592	5,033,735
Other non-current assets		676,841	177,000	676,841	177,000
<b>Total non-current assets</b>		<b>271,843,327</b>	<b>221,491,277</b>	<b>403,023,621</b>	<b>352,060,016</b>
<b>Total assets</b>		<b>730,330,680</b>	<b>702,664,074</b>	<b>792,561,547</b>	<b>764,210,899</b>

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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdraft and short-term borrowings from financial institutions	17	120,371,692	133,337,563	104,433,655	106,950,890
Trade and other payables	16	119,012,378	139,935,465	224,814,366	248,033,084
Income tax payable		4,340,040	8,221,854	2,610,781	8,121,008
Other current liabilities		4,407,372	3,836,971	2,439,009	1,586,669
<b>Total current liabilities</b>		<b>248,131,482</b>	<b>285,331,853</b>	<b>334,297,811</b>	<b>364,691,651</b>
<b>Non-current liability</b>					
Employee benefit obligations	18	34,038,351	26,043,808	32,043,033	24,686,838
<b>Total non-current liability</b>		<b>34,038,351</b>	<b>26,043,808</b>	<b>32,043,033</b>	<b>24,686,838</b>
<b>Total liabilities</b>		<b>282,169,833</b>	<b>311,375,661</b>	<b>366,340,844</b>	<b>389,378,489</b>

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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
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					
Appropriated - legal reserve	20	22,800,000	22,800,000	22,800,000	22,800,000
Unappropriated		165,692,275	109,234,998	148,549,902	97,161,609
Other components of equity		<u>4,797,771</u>	<u>4,382,614</u>	-	-
<b>Equity attributable to owners of the parent</b>		<u>448,160,847</u>	<u>391,288,413</u>	<u>426,220,703</u>	<u>374,832,410</u>
Non-controlling interests		-	-	-	-
<b>Total equity</b>		<u>448,160,847</u>	<u>391,288,413</u>	<u>426,220,703</u>	<u>374,832,410</u>
<b>Total liabilities and equity</b>		<u>730,330,680</u>	<u>702,664,074</u>	<u>792,561,547</u>	<u>764,210,899</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 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenues from sales of goods		910,706,655	929,353,801	783,768,456	785,686,481
Cost of sales		(595,059,627)	(603,827,061)	(584,989,710)	(576,564,401)
<b>Gross profit</b>		<b>315,647,028</b>	<b>325,526,740</b>	<b>198,778,746</b>	<b>209,122,080</b>
Other income	21	5,568,686	7,819,164	73,596,011	65,745,294
Selling expenses		(91,735,270)	(88,001,339)	(63,842,221)	(60,077,831)
Administrative expenses		(89,133,610)	(79,800,278)	(79,000,599)	(68,921,399)
Other expenses		(15,228,758)	(10,520,376)	(13,586,181)	(9,079,783)
Finance costs		(3,867,266)	(8,282,441)	(2,851,919)	(6,195,456)
<b>Profit before income tax</b>		<b>121,250,810</b>	<b>146,741,470</b>	<b>113,093,837</b>	<b>130,592,905</b>
Income tax expense	23	(14,572,634)	(17,996,726)	(11,498,980)	(16,083,360)
<b>Net profit for the year</b>		<b>106,678,176</b>	<b>128,744,744</b>	<b>101,594,857</b>	<b>114,509,545</b>
<b>Other comprehensive (expense) income:</b>					
<b>Items that will not be reclassified</b>					
<b>subsequently to profit or loss</b>					
Remeasurements of employment benefit obligations	18	(5,773,331)	-	(5,758,208)	-
Income tax on items that will not be reclassified subsequently to profit or loss	15, 23	1,152,430	-	1,151,642	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(4,620,901)</b>	<b>-</b>	<b>(4,606,566)</b>	<b>-</b>

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 2019

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Other comprehensive income:</b>					
<b>Items that will be reclassified</b>					
<b>subsequently to profit or loss</b>					
Currency differences on translating financial statement		415,157	411,727	-	-
Total items that will be reclassified subsequently to profit or loss		415,157	411,727	-	-
<b>Other comprehensive (expense) income for the year, net of tax</b>		<b>(4,205,744)</b>	<b>411,727</b>	<b>(4,606,566)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>102,472,432</b>	<b>129,156,471</b>	<b>96,988,291</b>	<b>114,509,545</b>
<b>Profit attributable to:</b>					
Owners of the parent		106,678,176	128,744,744	101,594,857	114,509,545
Non-controlling interests		-	-	-	-
<b>Net profit for the year</b>		<b>106,678,176</b>	<b>128,744,744</b>	<b>101,594,857</b>	<b>114,509,545</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		102,472,432	129,156,471	96,988,291	114,509,545
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>102,472,432</b>	<b>129,156,471</b>	<b>96,988,291</b>	<b>114,509,545</b>
<b>Earnings per share</b>					
Basic earnings per share	24	0.47	0.56	0.45	0.50

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 2019

	Consolidated financial statements									
	Attributable to owners of the parent					Other components of equity				
	Issued and paid-up share capital (Note 19)	Premium on share capital (Note 19)	Retained earnings (deficits)		Translating financial statement	Total owners of the parent	Non-controlling interests	Total equity	Baht	Baht
			Appropriated - legal reserve (Note 20)	Unappropriated						
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance at 1 January 2018	227,999,991	26,870,810	22,800,000	(19,509,746)	3,970,887	262,131,942	-	262,131,942		
Changes in equity for the year	-	-	-	128,744,744	411,727	129,156,471	-	129,156,471		
Total comprehensive income for the year										
Closing balance at 31 December 2018	227,999,991	26,870,810	22,800,000	109,234,998	4,382,614	391,288,413	-	391,288,413		
Opening balance at 1 January 2019	227,999,991	26,870,810	22,800,000	109,234,998	4,382,614	391,288,413	-	391,288,413		
Changes in equity for the year										
Dividends	25	-	-	(45,599,998)	-	(45,599,998)	-	(45,599,998)		
Total comprehensive income for the year	-	-	-	102,057,275	415,157	102,472,432	-	102,472,432		
Closing balance at 31 December 2019	227,999,991	26,870,810	22,800,000	165,692,275	4,797,771	448,160,847	-	448,160,847		

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 2019

	Separate financial statements					Total equity Baht
	Note	Issued and paid-up share capital (Note 19) Baht	Premium on share capital (Note 19) Baht	Retained earnings (deficits)		
				Appropriated		
				- legal reserve (Note 20) Baht	Unappropriated Baht	
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>
Opening balance at 1 January 2019		227,999,991	26,870,810	22,800,000	97,161,609	374,832,410
Changes in equity for the year						
Dividends	25	-	-	-	(45,599,998)	(45,599,998)
Total comprehensive income for the year		-	-	-	96,988,291	96,988,291
Closing balance at 31 December 2019		<u>227,999,991</u>	<u>26,870,810</u>	<u>22,800,000</u>	<u>148,549,902</u>	<u>426,220,703</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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		121,250,810	146,741,470	113,093,837	130,592,905
Adjustments for:					
Unrealised losses on					
foreign currency translation		7,550,186	6,331,594	7,135,031	5,925,547
Doubtful debt		277,280	479,396	-	-
Loss on (reversal of) impairment of					
inventories	22	1,009,523	(3,964,167)	288,090	(2,296,037)
Depreciation and amortisation charge	13, 14, 22	10,043,184	10,086,865	8,008,352	8,284,332
Finance costs		3,867,266	8,282,441	2,851,919	6,195,456
Interest income	21	(90,112)	(139,456)	(44,355)	(72,249)
Dividend income	21, 26	-	-	(55,999,990)	(45,999,991)
Loss on disposal of assets		13,799	102,383	13,799	-
Employee benefit obligations	18	3,620,854	3,311,697	2,997,629	2,720,271
<b>Cash flows before changes in</b>					
operating assets and liabilities		147,542,790	171,232,223	78,344,312	105,350,234
Changes in operating assets and liabilities:					
- Trade and other receivables		9,244,721	(61,288,764)	6,551,515	(29,023,152)
- Inventories		6,581,127	4,739,666	9,353,461	4,609,296
- Other current assets		(687,899)	7,061,888	(772,461)	4,352,528
- Other non-current assets		(499,841)	(25,000)	(499,841)	(25,000)
- Trade and other payables		(20,459,980)	31,320,103	(23,046,077)	(74,405,503)
- Other current liabilities		570,401	916,563	852,340	385,809
<b>Cash provided by operating activities</b>		142,291,319	153,956,679	70,783,249	11,244,212
- Interest received		89,572	139,456	43,815	72,249
- Employee benefit paid	18	(1,399,642)	-	(1,399,642)	-
- Income tax paid		(18,717,447)	(15,538,389)	(17,386,422)	(13,592,576)
<b>Net cash provided by (used in)</b>					
operating activities		122,263,802	138,557,746	52,041,000	(2,276,115)

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 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Increase in restricted cash		(499,200)	-	(499,200)	-
Purchases of intangible assets		(1,105,561)	(334,151)	(1,105,561)	(334,151)
Purchases of equipment		(57,292,874)	(4,057,412)	(55,465,706)	(1,710,476)
Proceeds from disposal of equipment		-	83,326	-	-
Dividend received		-	-	55,999,990	95,999,982
<b>Net cash (used in) provided by investing activities</b>		<u>(58,897,635)</u>	<u>(4,308,237)</u>	<u>(1,070,477)</u>	<u>93,955,355</u>
<b>Cash flows from financing activities</b>					
Proceeds from short-term borrowings from financial institutions	17	320,414,630	283,847,483	293,827,807	202,672,382
Payments on short-term borrowings from financial institutions	17	(347,669,385)	(450,045,537)	(309,158,645)	(326,447,728)
Repayments on long-term borrowings from financial institution		-	(3,128,895)	-	(3,128,895)
Interest paid to financial institutions		(3,867,266)	(8,282,441)	(2,851,919)	(6,195,456)
Dividend paid	25	(45,599,998)	-	(45,599,998)	-
<b>Net cash used in financing activities</b>		<u>(76,722,019)</u>	<u>(177,609,390)</u>	<u>(63,782,755)</u>	<u>(133,099,697)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(13,355,852)</u>	<u>(43,359,881)</u>	<u>(12,812,232)</u>	<u>(41,420,457)</u>
Cash and cash equivalents at beginning of the year		(31,954,091)	11,485,580	(29,154,048)	12,346,199
Exchange loss on cash and cash equivalents		(213,721)	(79,790)	(213,721)	(79,790)
<b>Cash and cash equivalents at end of the year</b>		<u>(45,523,664)</u>	<u>(31,954,091)</u>	<u>(42,180,001)</u>	<u>(29,154,048)</u>
<b>Cash and cash equivalents at end of the year consist of</b>					
Cash and cash equivalents - cash at bank	7	7,190,097	6,470,786	1,855,675	2,068,025
Bank overdrafts	7, 17	(52,713,761)	(38,424,877)	(44,035,676)	(31,222,073)
		<u>(45,523,664)</u>	<u>(31,954,091)</u>	<u>(42,180,001)</u>	<u>(29,154,048)</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 2019

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Significant non-cash transactions

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

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Accounts payable - purchases of intangible assets	-	187,250	-	187,250
Accounts payable - purchases of equipment	327,712	544,335	138,281	64,440

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

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## 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, 6<sup>th</sup> Floor, Rama 3 Road, Bangpongpan, Yannawa, Bangkok, 10120

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

Factory: 586 Moo 4, Soi 13B, Bangpoo Industrial Estate, Sukhumvit Km.37 Road, Phraek Sa, Muang Samut Prakarn, Samut Prakarn, 10280.

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

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

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 20 February 2020.

## 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 Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions 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 New and amended financial reporting standards that are relevant

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019.

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Group adopted the new Thai Financial Reporting Standard (TFRS 15), Revenue from contracts with customers, on 1 January 2019 under the modified retrospective approach. The adoption of TFRS 15 impacted the Group for sales of goods and transport of goods to customer's locations.

At contract inception, the Group assesses and identified the performance obligations. Each performance obligation is a promise to transfer to the customer a good or delivery service that is distinct. The transaction price needs to be allocated to the distinct performance obligations based on the relative standalone selling price of the goods and other performance obligations. This is to ensure that revenue is recognised at the appropriate time and for the correct amount.

However, the adoption of TFRS 15 has not significantly impacted the financial statements as at 31 December 2018 and 31 December 2019.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

The new and amended financial reporting standards that will have impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRIC 23	Uncertainty over income tax treatments

## 2 Accounting policies (Cont'd)

### 2.2 New and amended financial reporting standards that are relevant (Cont'd)

#### 2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

##### c) Other new/amended standards (Cont'd)

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

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

### 2.3 Group accounting - Investment in subsidiaries

#### a) 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

#### b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.



## 2 Accounting policies (Cont'd)

### 2.4 Foreign currencies translation

#### (a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and 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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

#### (c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

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

### 2.5 Cash and cash equivalents

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

### 2.6 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

### 2.7 Inventories

Inventories are stated at the lower of cost and net realisable value .

Cost is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

## 2 Accounting policies (Cont'd)

### 2.8 Investment property

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

### 2.9 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group, capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, 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.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.10 Intangible assets

#### *Purchase of intangible assets*

Separately acquired intangible assets such as trademark is measured at historical cost.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

The assets with limited life are subsequently carried and cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Trademark	10 years
Computer software	5 years

Maintenance of computer software related costs are expensed as incurred.

### 2.11 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.



## 2 Accounting policies (Cont'd)

### 2.12 Long-term leases

*Long-term leases - where the Group is the lessee*

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

### 2.13 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial

liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 reporting date.

### 2.14 Current and deferred income tax

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

#### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

## 2 Accounting policies (Cont'd)

### 2.14 Current and deferred income tax

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.15 Employee benefits

#### *Short-term employee benefits*

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

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

#### *Defined contribution*

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.

#### *Retirement benefits*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated every 3 years by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

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

#### *Termination benefits*

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

### 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.



## 2 Accounting policies (Cont'd)

### 2.17 Revenues recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

#### *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 control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### *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 distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

### 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

##### 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 2019, outstanding balance of foreign currency forward contracts with maturity dates from 24 March 2020 to 2 July 2020 (2018: from 26 April 2019 to 28 June 2019) are as follows:

	Consolidated and separate financial statements	
	Asset Baht	Liabilities Baht
At 31 December 2018	6,169,296	3,436,319
At 31 December 2019	17,843,255	-



3 Financial risk management (Cont'd)

3.1 Financial risk factors (Cont'd)

3.1.1 Foreign exchange risk (Cont'd)

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

	Consolidated and separate financial statements	
	2019 Baht	2018 Baht
(Loss) gain on foreign currency forward contracts	(321,140)	16,711

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 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
<b>Assets as at 31 December 2018</b>			
Property, plant and equipment, net			180,980,799
Total assets			702,664,074

Most of segment revenues are recognised based on point in time (generally at the time of delivery).

The segment information for the year ended 31 December 2019 is as follows:

	Consolidated financial statements		
	Domestic Baht	Overseas Baht	Total Baht
Segment revenues	384,416,961	526,289,694	910,706,655
Segment gross profit	138,516,250	177,130,778	315,647,028
Selling and administrative expenses			(180,868,880)
Operating profit			134,778,148
Other income			5,568,686
Finance costs			(3,867,266)
Other expenses			(15,228,758)
Profit before income tax			121,250,810
Income tax expense			(14,572,634)
Net profit			106,678,176
<b>Assets as at 31 December 2019</b>			
Property, plant and equipment, net			228,946,162
Total assets			730,330,680

Most of segment revenues are recognised based on point in time (generally at the time of delivery).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	274,383	325,469	190,625	280,436
Deposits at banks - savings	6,915,714	6,127,917	1,665,050	1,771,189
Deposits at banks - current	-	17,400	-	16,400
<b>Total</b>	<b>7,190,097</b>	<b>6,470,786</b>	<b>1,855,675</b>	<b>2,068,025</b>

The average interest rate on saving bank deposits was 0.25% per annum (2018: 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash and cash equivalents	7,190,097	6,470,786	1,855,675	2,068,025
Bank overdrafts (Note 17)	(52,713,761)	(38,424,877)	(44,035,676)	(31,222,073)
<b>Total</b>	<b>(45,523,664)</b>	<b>(31,954,091)</b>	<b>(42,180,001)</b>	<b>(29,154,048)</b>

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables				
- third parties	271,608,527	287,172,869	155,778,693	178,175,725
- related parties (Note 26)	-	-	139,982,115	131,009,763
<u>Less</u> Allowance for doubtful debts	(339,375)	(854,785)	-	-
Trade receivables, net	271,269,152	286,318,084	295,760,808	309,185,488
Post-dated cheques	6,037,614	7,013,893	5,416,501	5,587,761
Prepayments	3,401,245	3,825,759	1,185,537	850,995
Other receivables	2,240,266	2,254,484	1,717,839	1,988,498
Others	690	38,751	690	150
<b>Total</b>	<b>282,948,967</b>	<b>299,450,971</b>	<b>304,081,375</b>	<b>317,612,892</b>

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current	208,429,086	206,285,811	179,682,926	184,333,950
Overdue				
Up to 3 months	49,440,042	72,004,120	56,283,595	84,377,130
3 - 6 months	7,206,204	6,129,537	46,119,433	13,619,998
6 - 12 months	5,642,175	1,810,503	12,108,626	24,489,856
Over 12 months	891,020	942,898	1,566,228	2,364,554
	271,608,527	287,172,869	295,760,808	309,185,488
<u>Less</u> Allowance for doubtful debts	(339,375)	(854,785)	-	-
Trade receivables, net	<u>271,269,152</u>	<u>286,318,084</u>	<u>295,760,808</u>	<u>309,185,488</u>

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 in which the collection is still ongoing.

9 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Raw materials	69,072,434	55,273,374	41,419,320	33,919,864
Work in process	4,027,876	4,065,272	2,998,676	3,026,735
Finished goods	66,915,597	80,915,045	27,584,312	35,906,060
	140,015,907	140,253,691	72,002,308	72,852,659
<u>Less</u> Allowance for impairment of inventories	(2,640,470)	(1,675,248)	(769,926)	(481,836)
Goods in transit	24,701,507	31,089,151	6,186,450	14,689,560
Inventories, net	<u>162,076,944</u>	<u>169,667,594</u>	<u>77,418,832</u>	<u>87,060,383</u>

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Value added tax receivables	5,842,214	4,513,713	5,842,214	4,513,713
Others	429,131	1,069,733	339,830	895,870
Total	<u>6,271,345</u>	<u>5,583,446</u>	<u>6,182,044</u>	<u>5,409,583</u>

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11 Investment in subsidiaries, net

The Group comprises of the subsidiaries listed below as at 31 December 2019 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	
			2019 %	2018 %	2019 Baht	2018 Baht
Ubis Primotech Company Limited	Thailand	Manufacture and distribute sealing compounds for food and beverage canning	99.99	99.99	159,999,970	159,999,970
Vita International Trading (Guangzhou) Company Limited	Republic of China	Distribute sealing compounds for food and beverage canning and lacquer	100.00	100.00	38,027,500	38,027,500
					198,027,470	198,027,470
<u>Less</u> Allowance for impairment of investment in subsidiary					<u>(38,027,500)</u>	<u>(38,027,500)</u>
Investment in subsidiaries, net					<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
	<u>                    </u>
<b>At 1 January 2019</b>	
Cost	28,836,500
Net book amount	<u>28,836,500</u>
<b>For the year ended 31 December 2019</b>	
Opening net book amount	28,836,500
Closing net book amount	<u>28,836,500</u>
<b>At 31 December 2019</b>	
Cost	<u>28,836,500</u>
Net book amount	<u>28,836,500</u>
Fair value	<u>45,900,000</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 15 August 2019. 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	Furnitures, fixtures and office equipment Baht	Machineries and equipment Baht	Vehicles Baht	Machinery and equipment under installation Baht		
<b>At 1 January 2018</b>								
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	
<b>For the year ended 31 December 2018</b>								
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	
<b>At 31 December 2018</b>								
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)

	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	
<b>At 1 January 2019</b>							
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
<b>For the year ended 31 December 2019</b>							
Opening net book amount	47,178,250	70,099,600	9,548,336	51,035,714	3,118,899	-	180,980,799
Additions	-	44,000	502,764	3,949,506	-	52,579,981	57,076,251
Transfers in (out)	-	1,310,223	106,000	2,554,100	-	(3,970,323)	-
Disposals and write-offs, net	-	-	-	(13,799)	-	-	(13,799)
Depreciation charge	-	(2,736,031)	(2,161,287)	(4,044,392)	(155,379)	-	(9,097,089)
Closing net book amount	47,178,250	68,717,792	7,995,813	53,481,129	2,963,520	48,609,658	228,946,162
<b>At 31 December 2019</b>							
Cost	47,178,250	82,786,498	19,607,018	76,722,491	8,321,972	48,609,658	283,225,887
Less Accumulated depreciation	-	(14,068,706)	(11,611,205)	(23,241,362)	(5,358,452)	-	(54,279,725)
Net book amount	47,178,250	68,717,792	7,995,813	53,481,129	2,963,520	48,609,658	228,946,162

Ubis (Asia) Public Company Limited  
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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	Machinery and equipment under installation Baht		
<b>At 1 January 2018</b>								
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	
<b>For the year ended 31 December 2018</b>								
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	
<b>At 31 December 2018</b>								
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	

Ubis (Asia) Public Company Limited  
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For the year ended 31 December 2019

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	Machinery and equipment Baht	Vehicles Baht	Building and assets under construction Baht		
<b>At 1 January 2019</b>								
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	
<b>For the year ended 31 December 2019</b>								
Opening net book amount	47,178,250	69,984,616	8,927,081	24,530,176	3,118,899	-	153,739,022	
Additions	-	44,000	486,997	2,439,553	-	52,568,997	55,539,547	
Transfers in (out)	-	1,310,223	106,000	2,554,100	-	(3,970,323)	-	
Disposals and write-offs, net	-	-	-	(13,799)	-	-	(13,799)	
Depreciation charge	-	(2,723,573)	(2,034,971)	(2,295,645)	(155,378)	-	(7,209,567)	
Closing net book amount	47,178,250	68,615,266	7,485,107	27,214,385	2,963,521	48,598,674	202,055,203	
<b>At 31 December 2019</b>								
Cost	47,178,250	82,653,980	18,544,943	42,738,622	8,321,972	48,598,674	248,036,441	
Less Accumulated depreciation	-	(14,038,714)	(11,059,836)	(15,524,237)	(5,358,451)	-	(45,981,238)	
Net book amount	47,178,250	68,615,266	7,485,107	27,214,385	2,963,521	48,598,674	202,055,203	



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

Depreciation expense of Baht 9,097,089 (2018: Baht 9,115,689) has been charged in cost of goods sold, selling expense and administrative expense in the consolidated financial statements of Baht 5,573,600 (2018: Baht 5,501,327), Baht 615,827 (2018: Baht 747,573) and Baht 2,907,662 (2018: Baht 2,866,789), respectively.

Depreciation expense of Baht 7,209,567 (2018: Baht 7,460,466) has been charged in cost of goods sold, selling expense and administrative expense in the separate financial statements of Baht 3,916,299 (2018: Baht 3,989,727), Baht 561,830 (2018: Baht 712,181) and Baht 2,731,438 (2018: Baht 2,758,558), respectively.

14 Intangible assets, net

	Consolidated financial statements			Total Baht
	Computer software Baht	Trademark Baht	Computer software under installation Baht	
<b>At 1 January 2018</b>				
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>
<b>For the year ended 31 December 2018</b>				
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>
<b>At 31 December 2018</b>				
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>
<b>For the year ended 31 December 2019</b>				
Opening net book amount	4,655,770	55,071	22,500	4,733,341
Additions	323,311	-	595,000	918,311
Amortisation charge	(936,332)	(9,763)	-	(946,095)
Closing net book amount	<u>4,042,749</u>	<u>45,308</u>	<u>617,500</u>	<u>4,705,557</u>
<b>At 31 December 2019</b>				
Cost	6,527,710	97,624	617,500	7,242,834
<u>Less</u> Accumulated amortisation	(2,484,961)	(52,316)	-	(2,537,277)
Net book amount	<u>4,042,749</u>	<u>45,308</u>	<u>617,500</u>	<u>4,705,557</u>

14 Intangible assets, net (Cont'd)

	Separate financial statements			Total Baht
	Computer software Baht	Trademark Baht	Computer software under installation Baht	
<b>At 1 January 2018</b>				
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>
<b>For the year ended 31 December 2018</b>				
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>
<b>At 31 December 2018</b>				
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>
<b>For the year ended 31 December 2019</b>				
Opening net book amount	3,784,218	55,071	22,500	3,861,789
Additions	323,311	-	595,000	918,311
Amortisation charge	(789,022)	(9,763)	-	(798,785)
Closing net book amount	<u>3,318,507</u>	<u>45,308</u>	<u>617,500</u>	<u>3,981,315</u>
<b>At 31 December 2019</b>				
Cost	5,402,962	97,624	617,500	6,118,086
<u>Less</u> Accumulated amortisation	(2,084,455)	(52,316)	-	(2,136,771)
Net book amount	<u>3,318,507</u>	<u>45,308</u>	<u>617,500</u>	<u>3,981,315</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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Deferred income tax assets:</b>				
Deferred tax asset to be recovered within 12 months	1,254,385	1,357,385	153,985	96,367
Deferred tax asset to be recovered after more than 12 months	6,512,682	4,994,252	6,408,607	4,937,368
Deferred income tax, net	<u>7,767,067</u>	<u>6,351,637</u>	<u>6,562,592</u>	<u>5,033,735</u>



15 Deferred income tax (Cont'd)

The movements of deferred tax assets is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	6,351,637	6,568,732	5,033,735	3,990,975
Credited/(tax charged) to profit or loss	263,000	(217,095)	377,215	1,042,760
Credited to other comprehensive income	1,152,430	-	1,151,642	-
At 31 December	7,767,067	6,351,637	6,562,592	5,033,735

	Consolidated financial statements		
	Allowance for impairment of inventories Baht	Employee benefit obligations Baht	Total Baht
<b>Deferred tax assets</b>			
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	1,357,385	4,994,252	6,351,637
At 1 January 2019	1,357,385	4,994,252	6,351,637
(Tax charged)/Credited to profit or loss	(103,000)	366,000	263,000
Credited to other comprehensive income	-	1,152,430	1,152,430
At 31 December 2019	1,254,385	6,512,682	7,767,067

	Separate financial statements		
	Allowance for impairment of inventories Baht	Employee benefit obligations Baht	Total Baht
<b>Deferred tax assets</b>			
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
At 1 January 2019	96,367	4,937,368	5,033,735
Credited to profit or loss	57,618	319,597	377,215
Credited to other comprehensive income	-	1,151,642	1,151,642
At 31 December 2019	153,985	6,408,607	6,562,592

The Group did not recognise deferred tax assets in respect of tax losses of subsidiary in Republic of China, amounting to Baht 17,127,933 (2018: Baht 18,872,231 which will be expired in 2023) which will be expired in 2024 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables				
- third parties	96,321,780	118,488,983	73,828,350	89,802,551
- related parties (Note 26)	-	-	130,903,568	140,287,693
Post-dated cheques	353,494	991,492	313,132	684,070
Other payables	3,827,231	3,901,369	1,797,788	1,724,961
Accrued expenses	16,964,207	12,323,752	16,692,168	11,512,849
Advances received	12,101	2,456,950	11,601	2,456,450
Retention	100,000	-	89,274	-
Others	1,433,565	1,772,919	1,178,485	1,564,510
<b>Total</b>	<b>119,012,378</b>	<b>139,935,465</b>	<b>224,814,366</b>	<b>248,033,084</b>

17 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bank overdrafts	52,713,761	38,424,877	44,035,676	31,222,073
Promissory notes	48,000,000	82,500,000	48,000,000	67,500,000
Trust receipts	19,657,931	12,412,686	12,397,979	8,228,817
<b>Total</b>	<b>120,371,692</b>	<b>133,337,563</b>	<b>104,433,655</b>	<b>106,950,890</b>

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance	94,912,686	261,110,740	75,728,817	199,504,163
Short-term borrowings received during the year	320,414,630	283,847,483	293,827,807	202,672,382
Short-term borrowings repaid during the year	(347,669,385)	(450,045,537)	(309,158,645)	(326,447,728)
<b>Closing balance</b>	<b>67,657,931</b>	<b>94,912,686</b>	<b>60,397,979</b>	<b>75,728,817</b>

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings:				
- at fixed rates	48,000,000	72,500,000	48,000,000	57,500,000
- at floating rates	72,371,692	60,837,563	56,433,655	49,450,890
<b>Total</b>	<b>120,371,692</b>	<b>133,337,563</b>	<b>104,433,655</b>	<b>106,950,890</b>

17 Borrowings (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2019 %	2018 %	2019 %	2018 %
Bank borrowings	3.10 - 4.10	3.50 - 4.50	3.10 - 4.10	3.50 - 4.50

18 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Statement of financial position: Retirement benefits	34,038,351	26,043,808	32,043,033	24,686,838
Profit or loss charge included in operating profit for: Retirement benefits	3,620,854	3,311,697	2,997,629	2,720,271
Remeasurement for: Retirement benefits	5,773,331	-	5,758,208	-

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	26,043,808	22,732,111	24,686,838	21,966,567
Current service cost	2,973,538	2,747,241	2,453,193	2,242,711
Interest expense	647,316	564,456	544,436	477,560
Benefits paid	(1,399,642)	-	(1,399,642)	-
	<u>28,265,020</u>	<u>26,043,808</u>	<u>26,284,825</u>	<u>24,686,838</u>
Remeasurements: Loss from change in actuarial assumptions	5,773,331	-	5,758,208	-
At 31 December	<u>34,038,351</u>	<u>26,043,808</u>	<u>32,043,033</u>	<u>24,686,838</u>



18 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated and separate financial statements	
	2019	2018
	%	%
Discount rate	1.71	2.41
Salary growth rate	6.00	5.00
Turnover rate of employee	1.43 - 17.19	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 9.20% - 13.10% (2018: 8.42% - 13.03%)	Increase by 10.66% - 15.51% (2018: 9.57% - 15.28%)
Salary growth rate	1%	Increase by 10.02% - 14.55% (2018: 10.77% - 16.38%)	Decrease by 8.86% - 12.61% (2018: 9.59% - 14.10%)
Turnover rate of employee	1%	Decrease by 6.90% - 12.25% (2018: 8.74% - 13.74%)	Increase by 5.76% - 11.26% (2018: 2.62% - 6.09%)

	Separate financial statements		
	Change in assumption	Impact on defined benefit obligations	
		Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 9.20% (2018: 8.42%)	Increase by 10.66% (2018: 9.57%)
Salary growth rate	1%	Increase by 10.02% (2018: 10.77%)	Decrease by 8.86% (2018: 9.59%)
Turnover rate of employee	1%	Decrease by 6.90% (2018: 8.74%)	Increase by 5.76% (2018: 2.62%)

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 14.14 years (2018: 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 2018					
Retirement benefits	-	-	9,335,534	148,062,708	157,398,242
Total	-	-	9,335,534	148,062,708	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 2019					
Retirement benefits	-	1,719,607	9,162,272	93,505,309	104,387,188
Total	-	1,719,607	9,162,272	93,505,309	104,387,188

	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

	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 2019					
Retirement benefits	-	1,719,607	9,162,272	75,310,920	86,192,799
Total	-	1,719,607	9,162,272	75,310,920	86,192,799

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 2018	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
Issue of shares	-	-	-	-	-
At 31 December 2019	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 (2018: 228,000,000 shares) with par value of Baht 1 per share (2018: 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	
	2019 Baht	2018 Baht	2019 Baht	2018 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Dividend income (Note 26)	-	-	55,999,990	45,999,991
Rental and services income	483,884	847,755	13,176,284	13,540,155
Commission income	1,200,441	1,307,903	1,200,441	1,307,903
Interest income	90,112	139,456	44,355	72,249
Others	3,794,249	5,524,050	3,174,941	4,824,996
Total	5,568,686	7,819,164	73,596,011	65,745,294

22 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Changes in finished goods and work in process	44,589,300	57,467,924	242,710,492	232,261,353
Raw material and consumables used	498,263,894	500,544,131	313,263,914	320,705,549
Employee benefit expenses	122,899,202	111,484,713	89,642,689	80,261,841
Transportation and sale department expenses	52,480,851	50,192,436	37,225,352	35,430,035
Consultant and professional fee	13,180,059	8,618,578	12,752,646	8,124,331
Utility expenses	12,031,738	11,953,556	9,125,101	8,691,689
Operating lease payment	3,704,444	3,027,844	3,895,788	3,051,288
Depreciation and amortisation (Note 13 and Note 14)	10,043,184	10,086,865	8,008,352	8,284,332
Loss on inventories destruction	-	4,210,516	-	115,300
Loss on (reversal of) impairment of inventories	1,009,523	(3,964,167)	288,090	(2,296,037)
Travelling expenses	9,739,367	10,504,228	6,285,816	7,232,158
Repair and maintenance cost	3,616,736	2,433,440	2,365,096	1,428,820
Loss from exchange rate	15,214,949	10,520,376	13,572,380	9,079,783
Others	4,384,018	5,068,614	2,282,995	2,272,972
Total	791,157,265	782,149,054	741,418,711	714,643,414



23 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax:				
Current tax on profits for the year	(14,835,634)	(17,779,631)	(11,876,195)	(17,126,120)
Deferred tax:				
Decrease (increase) in deferred tax assets (Note 15)	263,000	(217,095)	377,215	1,042,760
<b>Total income tax expense</b>	<b>(14,572,634)</b>	<b>(17,996,726)</b>	<b>(11,498,980)</b>	<b>(16,083,360)</b>

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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit before tax	121,250,810	146,741,470	113,093,837	130,592,905
Tax calculated at a tax rate of 20% (2018: 20%)	(24,250,162)	(29,348,294)	(22,618,767)	(26,118,581)
Tax effect of:				
Benefit from BOI regulation	9,879,039	9,722,029	-	-
Income not subject to tax	-	-	11,199,998	9,199,998
Expenses not deductible for tax purpose	(271,756)	561,579	(155,019)	733,911
Revenues that are granted income tax exemption or expenses that are deductible at a greater amount	76,950	386,931	74,808	101,312
Tax loss for which no deferred income tax asset was recognised	(6,705)	681,029	-	-
<b>Income tax</b>	<b>(14,572,634)</b>	<b>(17,996,726)</b>	<b>(11,498,980)</b>	<b>(16,083,360)</b>

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

	Consolidated financial statements					
	2019			2018		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	5,773,331	(1,152,430)	4,620,901	-	-	-
<b>Other comprehensive income</b>	<b>5,773,331</b>	<b>(1,152,430)</b>	<b>4,620,901</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Separate financial statements					
	2019			2018		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurement on retirement benefit obligations	5,758,208	(1,151,642)	4,606,566	-	-	-
<b>Other comprehensive income</b>	<b>5,758,208</b>	<b>(1,151,642)</b>	<b>4,606,566</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 24 Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Earnings (Baht)	106,678,176	128,744,744	101,594,857	114,509,545
Weighted average number of ordinary shares outstanding (Shares)	227,999,991	227,999,991	227,999,991	227,999,991
Basic earnings per share (Baht per share)	0.47	0.56	0.45	0.50

## 25 Dividends

At an Annual General Meeting held on 18 April 2019, the shareholders approved the payment of annual dividend from net profit for year ended date 31 December 2018 at Baht 0.20 per share, totalling Baht 45,599,998. The dividend has been paid on 14 May 2019.

## 26 Related party transactions

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

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

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

Name of related parties and persons	Country/Nationality	Relationships	Type of relationships
Ubis Primatch Company Limited	Thailand	Subsidiary	Direct shareholders
Vita International Trading (Guangzhou) Company Limited	Republic of China	Subsidiary	Direct shareholders
Thai Rubber Latex Group Public Company Limited	Thailand	Related party	Common-shareholders and directors
Golden Arrow Coating Co.,Ltd.	Thailand	Related party	Under common control
Mayor Resin Co.,Ltd	Thailand	Related party	Under common control

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.

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

26 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

Sales/purchase of goods and services and others

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Sales of goods - subsidiary	-	-	141,397,929	119,278,139
Purchase of goods - subsidiary	-	-	207,812,030	193,419,736
Dividend income - subsidiary	-	-	55,999,990	45,999,991
Rental and service income - subsidiary	-	-	12,692,400	12,692,400
Other income - subsidiary	-	-	2,952	35,081
Purchase of goods - related party (Common-shareholders and directors)	18,793,545	-	-	-
Purchase of goods - related party (Under common control)	1,115,243	-	1,115,243	-
Rental and service - related party (Under common control)	712,500	-	712,500	-
Purchase of assets - related party (Under common control)	2,771,300	-	2,771,300	-
Sales of goods - related party (Under common control)	6,634	-	6,634	-

Outstanding balances arising from sales/purchase of goods and services and others

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Receivables - subsidiaries	-	-	139,982,115	131,009,763
Payable - subsidiary	-	-	130,903,568	140,287,693
Payable - related party (Common-shareholders and directors)	2,615,705	-	-	-
Payable - related party (Under common control)	172,460	-	172,460	-

Key management compensation

Key management includes directors (executive and nonexecutive) and executives. The compensation paid or payable to key management is shown below:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Salary and other short-term employee benefits	29,202,442	28,984,690	27,379,229	27,176,809
Post-employee benefits	1,066,573	972,352	1,066,573	972,352
	<u>30,269,015</u>	<u>29,957,042</u>	<u>28,445,802</u>	<u>28,149,161</u>



## 27 Commitments

### Letters of guarantee

As at 31 December 2019, there was outstanding letter of bank guarantee of Baht 911,200 issued by a bank on behalf of the Company in the normal course of business (2018: Baht 412,000).

### Capital commitments

As at 31 December 2019 and 31 December 2018, capital expenditure contracted from construction of machinery contract for the new lacquer production at Bangpoo factory, but not recognised as liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Machinery and equipment	2,316,088	-	2,316,088	-
	<u>2,316,088</u>	<u>-</u>	<u>2,316,088</u>	<u>-</u>

### Operating lease commitments - Where the Company is the lessee

The Company 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	5,769,843	2,354,400	4,518,239	2,354,400
Later than 1 year but not later than 5 years	5,379,512	2,308,635	3,437,897	2,308,635
	<u>11,149,355</u>	<u>4,663,035</u>	<u>7,956,136</u>	<u>4,663,035</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 minimum production orders and maintains the proportion of lacquer containers complied with agreement. The contract will be effective for three years from 1 April 2017 to 31 March 2020.

## 28 Account receivable from void contract

In March 2017, the Company cancelled the Share Sale and Purchase Agreement for 800,000 ordinary shares of Family Corporation Co., Ltd. with RF Vision Co., Ltd. (the Seller). The Company is required to immediately transfer its investment to the Seller on receiving the full repayment of Baht 320 million.

The guarantee for the repayments comprises:

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

**28 Account receivable from void contract (Cont'd)**

Since then, management has tried to contact and has demanded repayments several times from the accounts receivable and the guarantor, but no progress was made. Management therefore decided to be prudent and set up related allowance in full for all outstanding amounts in June 2017. On 9 October 2017, the Company's attorney filed a lawsuit for breach of contract and guarantee, and to claim compensation for the defaulted receivables. The full amount claimed was Baht 320 million with interest at 7.5% per annum for the principal, starting from the date the lawsuit that was filed and continuing until full repayment is made to the Company.

On 12 September 2019, the Civil Court postponed the examination of witnesses because a potential buyer was likely to purchase all the shares of Family Corporation Co., Ltd. The Civil Court then set another date on 15 November 2019 for all parties to attend a hearing about the progress of the case.

On 3 December 2019, the Civil Court held witness examination of both the plaintiff and defendant. And on 13 February 2020, the Civil Court dismissed the lawsuit (Note 30).

**29 Promotional privileges**

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

**The promotional certificate No. 2363(5)/2555**

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

	2019 Baht	2018 Baht
Revenue from BOI promoted activities	215,941,032	215,170,755
Revenue from non-BOI promoted activities	76,182,826	57,013,324
Total	<u>292,123,858</u>	<u>272,184,079</u>

**30 Events occurring after the reporting date**

**Capital increase at the subsidiary**

At the Company's Board of Directors Meeting No.12/2019 held on 16 October 2019, the meeting approved to increase the capital of Vita International Trading (Guangzhou) Co., Ltd. the subsidiary company in China of USD 1,600,000 from the current paid-up capital USD 1,400,000 to USD 3,00,000 to support working capital and liquidity of the subsidiary company. On 12 December 2019, the capital increase already submitted to the Government, and the paid-up capital might be remit within Quarter 1 of 2020.

**Dividend declaration**

At the Company's Board of Directors Meeting no. 1/2020 held on 20 February 2020, the meeting have been approved a dividend from the annual performance of 2019 of Baht 0.25 per share (2018: Baht 0.20 per share) amounting to a total of Baht 56,999,998 (2018: Baht 45,599,998) and will present to Annual General Meeting of 2020.

**Account receivable from void contract**

At the Company's Board of Directors Meeting no. 1/2020 held on 20 February 2020, the Board of Directors has acknowledged the ruling from the Civil Court and approved for further appealing into the next step (Note 28).



# UBIS

**UBIS (ASIA) PUBLIC COMPANY LIMITED**

Head office : 807/1 6<sup>th</sup> Floor, Rama 3 Rd.,  
Bangpongpang, Yannawa, Bangkok 10120 Thailand.  
Tel : 66-(0)2683 0008 Fax : (0)2294 2013  
[www.ubisasia.com](http://www.ubisasia.com)

