

# Form 56-1 One Report/ Annual Report 2021



*Sense of Owner  
Team Work  
Accountability  
Role of Integrity*



บริษัท ยูเนียนไพโอเนียร์ จำกัด(มหาชน)  
Union Pioneer Public Company Limited.  
[www.unionpioneer.co.th](http://www.unionpioneer.co.th)

# Driving Business for Sustainability.

## UPF Commits to Creating a Prosperous Economy

**UPF's commitment to Social Stability**

**UPF's commitment to  
"Sustainable Environment."**

The company is committed to conducting stable business with sustainability management. The growth of the business must be focused along with social and environmental responsibility, the company establishes goal to prevent and mitigate potential impacts of the business activities on the social environment and take appropriate care of all stakeholders as well. The company incorporated the "Triple Bottom Line" into corporate strategy through the view of 3P: Profit, People, and Planet as well as integrated the United Nations Sustainable Development Goals (SDGs) as a guideline for the Company's goal.



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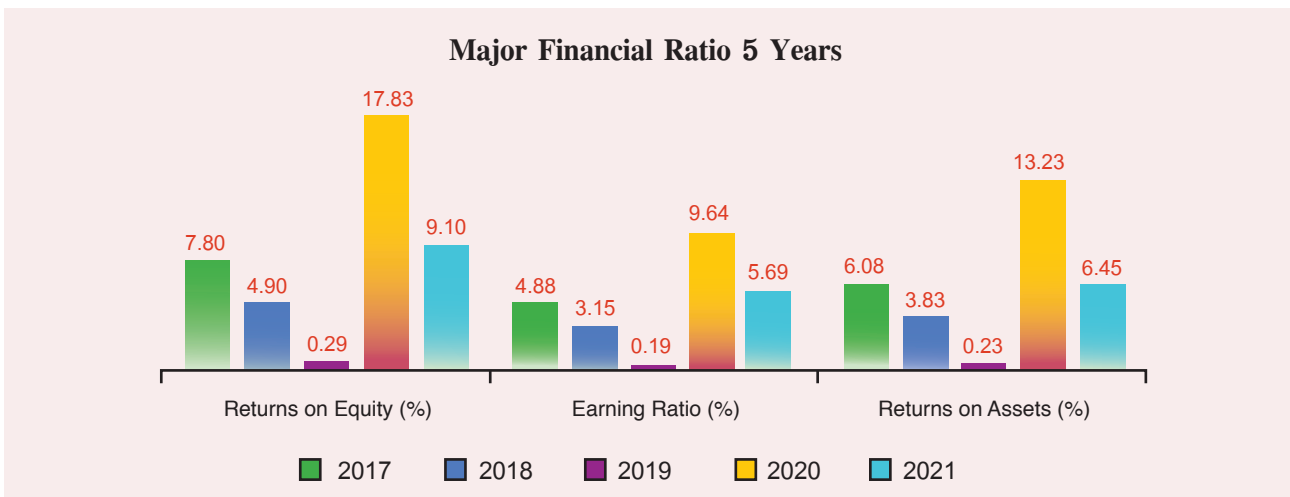
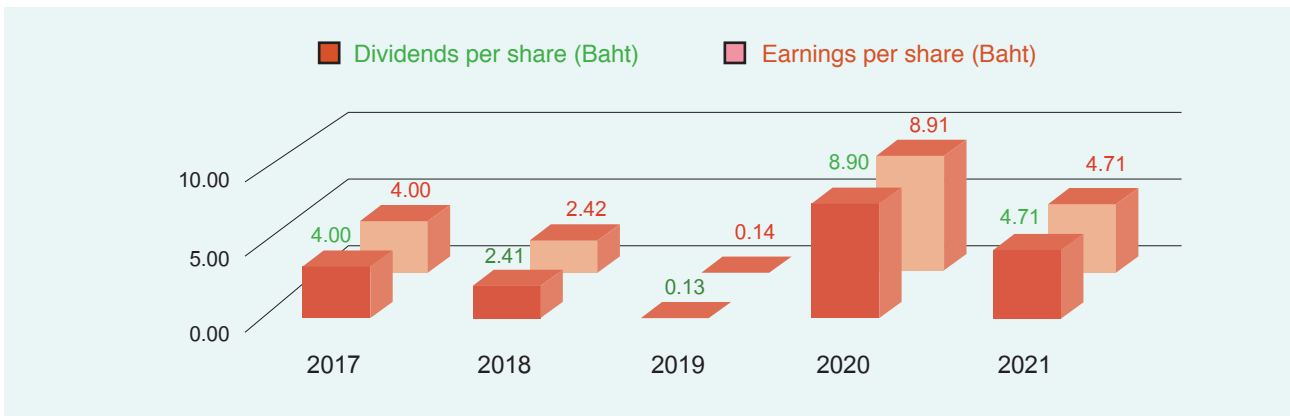
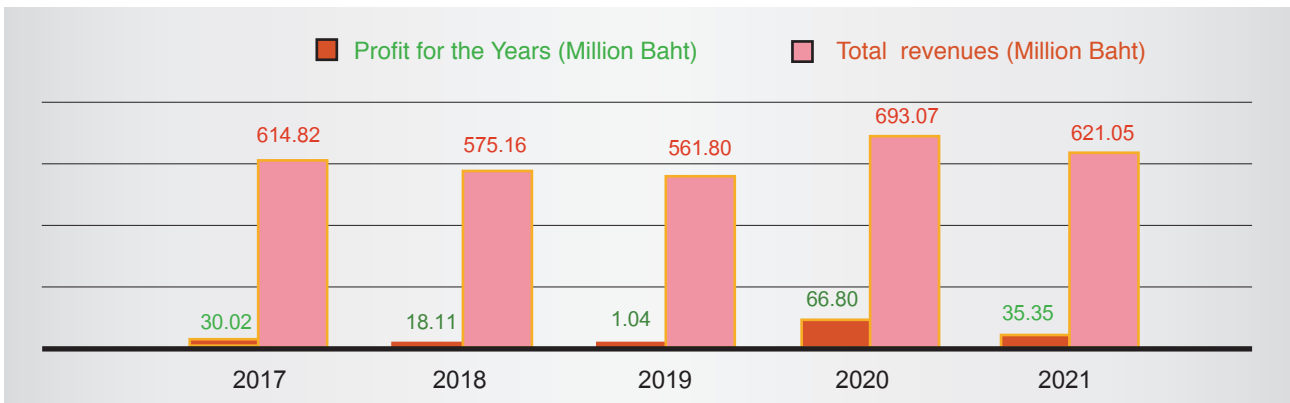
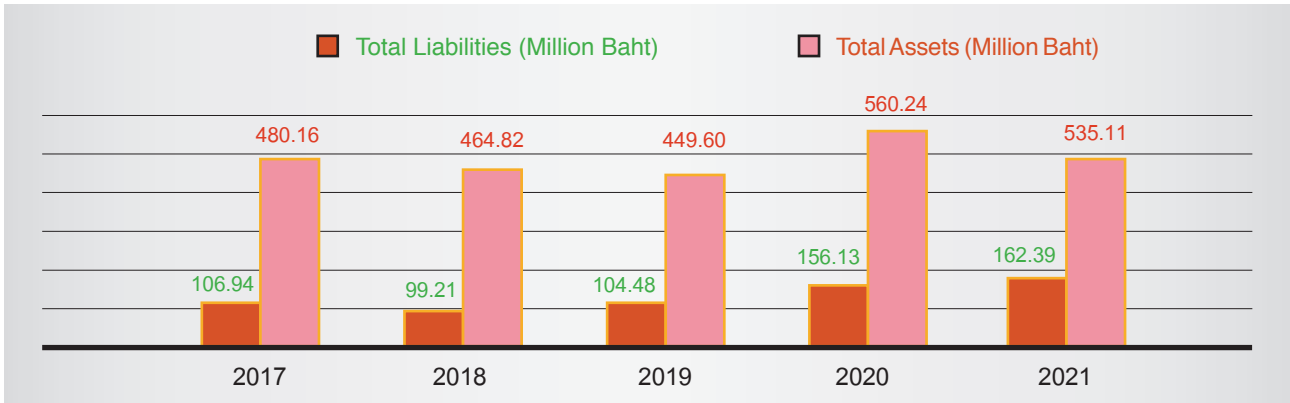
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# Summary Information for 5 Years

Auditor's Report unqualified opinion.

	2021	2020	2019	2018	2017
<b>Statement of comprehensive income</b>					
	Unit : Thousand Baht				
Sales and service income	605,123	679,643	549,897	560,272	596,497
Other Income	15,925	13,426	11,905	14,890	18,320
<b>Total revenues</b>	<b>621,048</b>	<b>693,069</b>	<b>561,802</b>	<b>575,162</b>	<b>614,817</b>
Total Costs and Expenses	576,935	611,516	563,208	554,342	579,706
Interest Expenses	-	-	-	-	-
Finance income	389	578	776	-	-
Finance cost	(1,540)	(1,182)	-	-	-
Income Tax revenue (expenses)	(7,614)	14,151	(1,672)	2,705	5,089
<b>Profit for the Year</b>	<b>35,348</b>	<b>66,798</b>	<b>1,042</b>	<b>18,115</b>	<b>30,022</b>
<b>Other comprehensive income</b>					
Other comprehensive income not to be reclassified to profit or (loss) in subsequent periods-net of income tax	-	(6,946)	(3,460)	4,278	-
Total comprehensive income for the year	35,348	59,852	(2,418)	22,393	30,022
Earnings per share (Baht)	4.71	8.91	0.14	2.42	4.00
Dividends per share (Baht)	4.71	8.90	0.13	2.41	4.00

	2021	2020	2019	2018	2017
<b>Statement of financial position</b>					
Current assets	414,406	439,655	352,682	373,412	383,696
Property, plant and equipment-net , Intangible assets	72,841	72,659	78,334	76,199	82,512
Right-of-use assets	30,537	26,237	-	-	-
Total Non-Current Assets	17,324	21,689	18,583	15,206	13,948
<b>Total Assets</b>	<b>535,108</b>	<b>560,240</b>	<b>449,599</b>	<b>464,817</b>	<b>480,156</b>
Total Liabilities	162,395	156,126	104,482	99,207	106,939
Registered, Issued and fully paid	75,000	75,000	75,000	75,000	75,000
Share premium	30,625	30,625	30,625	30,625	30,625
Retained Earnings: Allocated and Unallocated	267,088	298,489	239,492	259,985	267,592
Total Shareholders' Equity	372,713	404,114	345,117	365,610	373,217
<b>Total Liabilities and Shareholders' equity</b>	<b>535,108</b>	<b>560,240</b>	<b>449,599</b>	<b>464,817</b>	<b>480,156</b>



# Report of the Board of Directors

The impacts from the COVID-19 pandemic remained all over the world in the year of 2021 while Western countries had accelerated vaccination to its people that border reopening and having normal daily life for the majority of people were possible, resulting in a distinct recovery in textiles and fabric industries. Looking at Thai economy, consumption was still sluggish due to border closure and restriction on cross-province transportation. Even the disease control in Thailand had improved in the third and the fourth quarter by the accelerated vaccination and relaxing control measures from the government, domestic textiles and fabrics industries, which are the main market of the company, still got affected and not yet recovered as forecasted.

Regarding the company performance in 2021, the total revenue was Baht 621.05 million, decreased from 2020 by Baht 72.02 million or 10.39%, the international sale was Baht 383.29 million, decreased from 2020 by Baht 51.08 million or 11.80%, the domestic sale was Baht 221.83 million, decreased from 2020 by Baht 23.44 million or 9.56% and the net profit was Baht 35.35 million, decreased from 2020 by Baht 31.45 million or 47.08% with the earning per share of Baht 4.71.

On the trend for 2022, the global and Thai economy will gradually recover, continuing from 2021 due to better control of COVID-19. Still, there are risks to be cautious of on inflation, declining purchasing power and the new surge of Omicron that possibly cause negative impacts on the sales of textiles and fabrics again. The sales of elastic rubber, a raw material for surgical masks that was oversupplied in the bygone year of 2021, is expected to rebound and grow in international markets. Under the drastic change in economy and the spread of COVID-19, the company still persist in research and new product development to diversely respond to customers needs by offering quality products at reasonable price, increasing distribution channels to facilitate customers and providing heartfelt services with on-time delivery as well as improving manufacturing efficiency together with appropriately managing cost.

Realizing the significance of the anti-corruption activities in both public and private sectors, the company has determinedly promoted the implementation of codes of conduct and corporate governance in organization management to conduct business with transparency and sustainability in parallel with responsibilities to society and environment including fair treatments to all stakeholders.

The board of directors appreciates all contribution to the success of the company such as the shareholders and partners for incessant supports on the business, the management and employees for working in collaboration with full capacity that the business has continually prospered. Importantly, the company would like to express gratitude to every customer for consistent trusts on the products and services of the company. The company affirms to conduct business with prudence, transparency, verifiability without any involvement in corruption and disciplines in compliance with good corporate governance to bring sustainable growth to the company for the benefit to the shareholders.



**(Miss Dalad Saphthavichaikul)**

Chairman of the Board  
Union Pioneer PCL

# Business Overview



**“To be the global leader in manufacturing elastic rubber tape, elastic braid, and elastic webbing with recognized quality to the world market**



## Business Overview

UNION PIONEER PUBLIC COMPANY LIMITED

No.1, Soi Serithai 62, Khwaeng Minburi, Khet Minburi, Bangkok 10510

Homepage: [www.unionpioneer.co.th](http://www.unionpioneer.co.th)



**Initial registered capital:** 5,000,000 baht (Five million baht)

**Company limited registration no.** 1122/2516 dated October 08, 1973

**Listed on the Stock Exchange of Thailand** on April 21, 1978.

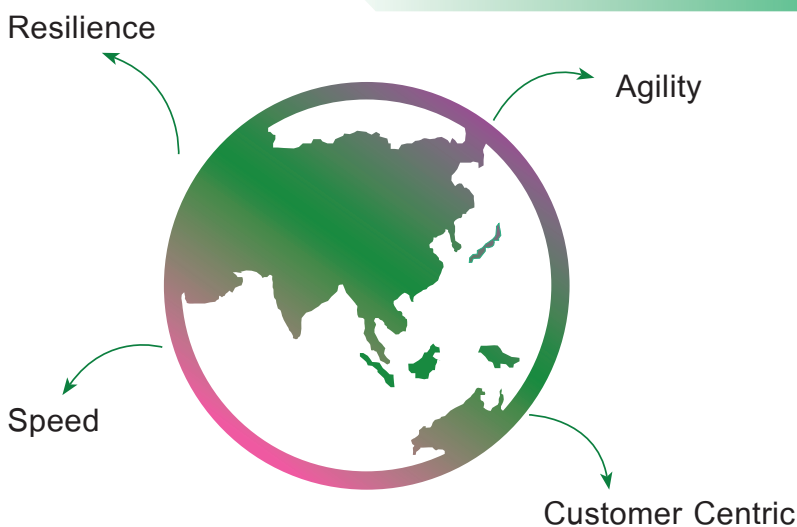
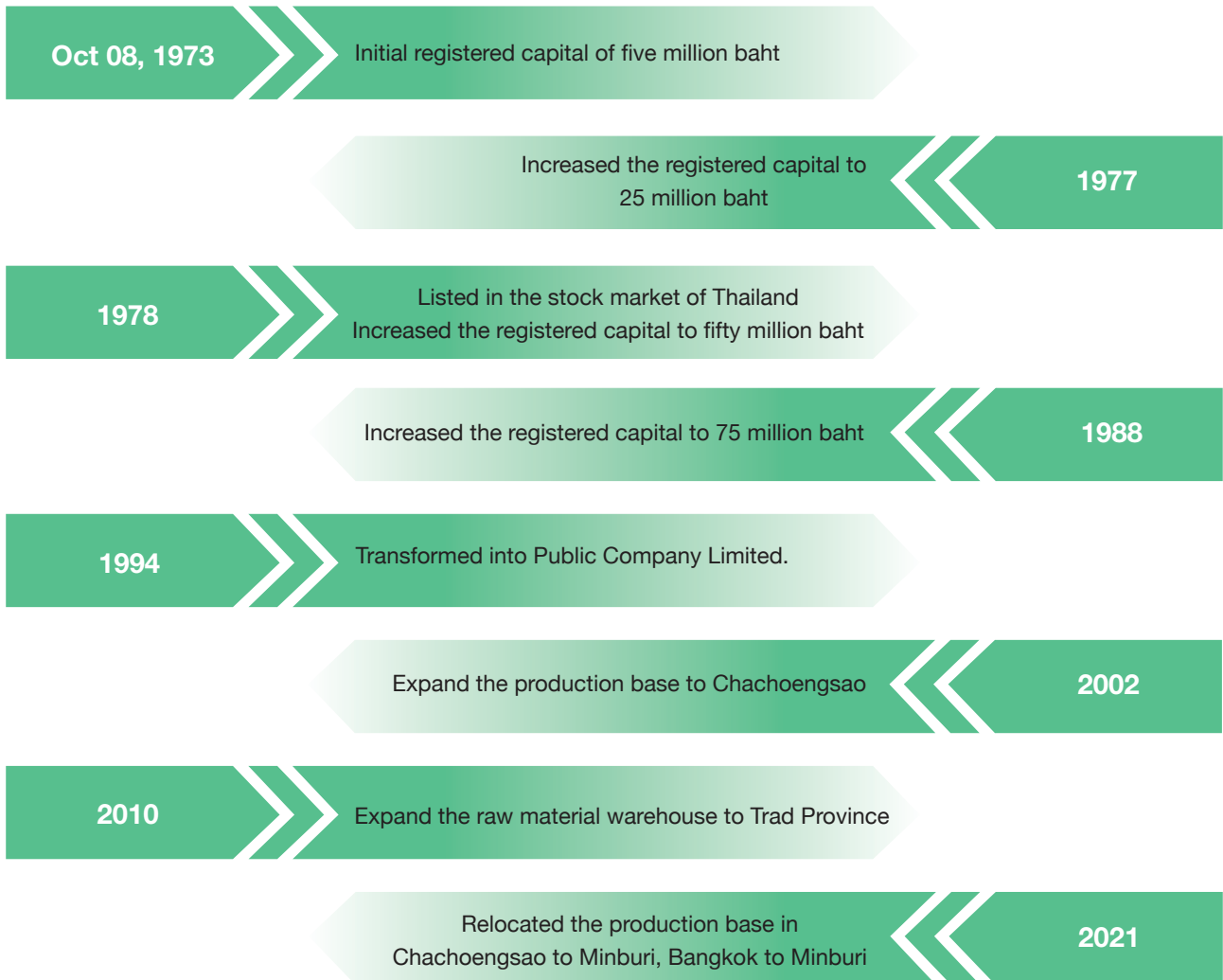
Registered as **“UNION PIONEER PUBLIC COMPANY LIMITED”** on March 30, 1994, with registration no. 0107 53700 1013

Paid-up Capital: 75,000,000 baht, of which 7,500,000 ordinary shares are held with a par value of 10.00baht per share

### Objective:

Operate a business in elastic rubber manufacturing such as elastic rubber tape, elastic braid, elastic webbing, elastic rubber for exercise and medical equipment.

# Major Incidents



**UPF**  
**Commit to**  
**develop good quality**  
**and safe products**

UPF is aware of the importance of adaptation to change during the persistent covid-19 pandemic 2019-2021. The company has emphasized flexibility and speedy service to meet customers' requirements, social care, and creating confidence for all stakeholders for further sustainable growth.

# Vision

To be the global leader in manufacturing elastic rubber tape, elastic braid, and elastic webbing with recognized quality to the world market.



# Mission

1. Generate continuous sales growth.
2. Produce good quality, safe products to consumers with an on-time delivery principle.
3. Strengthen the company's competitiveness through product research and development.
4. Develop human resources to be more competent.
5. Commit to managing internal operations to be more effective and efficient.
6. Consistently create an impression and satisfaction to customers.
7. Responsible for stockholders, employees, trade-partners, society and environment

# Core Values



In 2022, the company will adjust its vision, mission, and core values to better serve market requirements and business needs.

## Vision

To be the global leader in manufacturing and distributing innovative elastic products that meet the diverse need of the world market with sustainable development principles.”

## Mission

1. Generate continuous sales growth
2. Produce good quality, safe products to customers with an on-time delivery principle
3. Strengthen the company’s competitiveness through innovation
4. Develop human resources to be more competent.
5. Commit to managing internal operations to be more effective and efficient.
6. Consistently create an impression and satisfaction with customers.
7. Responsible for all groups of stakeholders

## Core Values

**S**

### **Sense of owner**

Performing duties with care. Protecting the company's interest by taking care of the assets, maximizing resource utilization, and not using company assets for personnel purposes.

**P**

### **– Performance Excellence**

To achieve the objective and goal, we must perform duties with commitment, dedication and continuous self-improvement, responsible for the assigned task, apply the information technology system to work and develop business excellency with a better working method and process improvement.

**I**

### **Innovation**

To achieve the company goal, we should possess innovative thinking, find new market opportunities through systematic innovation and integrate new technology innovation into systems and operations

**R**

### **– Responsibility for Stakeholder**

Responsibility for stakeholders means taking care of all groups of interested parties, including share holders, customers, business partners, creditors, competitors, employees, government agencies, communities, society and the environment. Considering the legal rights and agreements of all concerned parties with the company, supervise the stakeholder's benefit, prevent, rectify or remedy the direct or indirect impact of the company's operation with good corporate governance principle and carry out activities that would strengthen good relationships with each stakeholder group.

**I**

### **– Integrity & Ethics**

To conduct business and perform duties with honesty, comply with the company's business ethic, laws and regulations, good morals, fairness, transparency, equal treatment and non-discriminatory.

**T**

### **– Teamwork**

To perform duties with our best effort and efficiency, respect each other, provide constructive suggestions and collaborate closely in problem-solving.



## Important policies are disclosed in the “Good Corporate Governance Manual”

### Part IV Anti-Corruption policy are as follows:

- 4.1 Anti-Corruption Policy
- 4.2 Political Neutrality Policy
- 4.3 Charitable Contribution and Financial Support Policy
- 4.4 Giving or Receiving Gifts / Property/Benefit Policy
- 4.5 Publication of Anti-Corruption Policy
- 4.6 Report clues and complaints.

### Part V

- 5.1 Quality and Environment Policy
- 5.2 Safety and Health Policy
- 5.3 Energy Conservation Policy
- 5.4 Social Responsibility Policy
- 5.5 Anti-Drug Policy
- 5.6 Security Policy
- 5.7 Hearing Conservation Project Policy
- 5.8 Corporate Risk Management Policy
- 5.9 Information Technology System Control Policy
- 5.10 Human Resource Management Policy
- 5.11 Pregnant Employee Protection Policy
- 5.12 Communication Policy
- 5.13 Information Disclosure Policy
- 5.14 Use of Insider Information Policy

The Company has disclosed details of each policy on the Company’s website.



# Nature of Business

The Company's products are manufactured and distributed under the "Venus" trademark and OEM. The majority of the company's products are used as raw materials/components for different finished products, such as baby and adult diapers, garment and textile, medical devices, face masks, or other industries according to the customer's business nature.



## *Elastic for Disposable Diapers*

Elastic in this group is the rubber thread, used as elastic components in the rim of legs and waists for baby and adult disposable diapers. The company's rubber thread is produced from either natural rubber or synthetic rubber block with various sizes according to customer's usage and requirement.

## *Elastic for Garment and Textile*

Elastic is used as an apparel component to support and hold the garment in the right position, such as the rim of the legs and the waist of pants and swimwear. Elastic in this group includes rubber tape, elastic braid, elastic webbing & crochet, covering yarn and elastic for cloth facemask and disposable facemask.



## *Elastic for Medical Devices:*

- Elastic Bandage is used for protecting and treating muscle sprains and strains from routine activities and other recreations. It is widely used in the medical and sports profession.

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### ***Esmarch Bandages***

Esmarch bandage is used to control and exclude blood flow during surgical procedures, used primarily in minor operations on the hand and feet.



### ***Tourniquet***

A tourniquet is used to wrap the arm for blood drawing for laboratory testing or blood donation, it also can be used to stop bleeding from the accident.

### ***Non-sterile Conforming Bandage***

The non-sterile conforming bandage for secondary dressing application adjusts to body contours without restricting any movement.



### ***Elastic Bands for Exercise and Physical Therapy.***

Resistance bands are versatile strength training tools with various levels for workouts. It is recommended by physical therapists for the patient or older adults in prescribing specific exercises for recovery. It is small, light, and handy, can be used to work out at any place.

The company's products have been certified with OEKO-TEX STANDARD 100, Quality Management System: ISO 9001:2015, Environmental Management System ISO 14001:2015, Quality management systems for Medical Devices ISO 13485:2016 and Food and Drug Administration Thailand and the United States (FDA)

# Economic and Industrial Condition



## Market and Competition.

In 2021, the pandemic of coronavirus disease 2019 (COVID-19) in European countries had apparently improved after the majority of the population was vaccinated. Restrictions on indoor events and mass gatherings were eased, workers began to return to the office, people were back to normal life; the garment and textile industry has been gradually recovered from late 2020.

The pandemic situation in Asia, including Thailand, showed a better sign in late 2020. But the status became more severed from the Delta variant, the Thai government imposed strict measures to curb the pandemic that reduced mobility and negatively affected consumption and business sentiment. Although some measures were lifted after that, the economic recovery is still below the expectation. In addition, rising infection rates driven by the faster spreading of the Omicron variant of Covid-19 lead to global economic uncertainty.

Even though there is still a severe pandemic of COVID-19, sharply increased facemask production from both existing and new factories in the year 2020 caused supply over demand. Many factories were forced to shut down due to competitive disadvantage in cost compared with China manufacturers, resulting dramatically reduction of ear-loop demand.

The Sustainable Development Goal (SDGs) is regarded as a Global Goal that provides a framework to be implemented in addressing the social, economic, and environmental dimensions of sustainable development. Many regions and countries have established the requirement and guidelines of SDGs on the trade policy to some industries. They are expected to expand the coverage to more industries shortly. Thus to export products to those countries, we have to carry out activities in accordance with their SDGs goal and requirement accordingly.

The Elastic market in the year 2021 has decreased due to an oversupply of elastic for mask production. Still, the gradual recovery of other industries benefited and supported the company's business as a whole, causing the overall picture not to shrink severely.

## Key Competitive Strategies

Rapid Adaptation in responding to a highly volatile global market is still the critical competitive strategy that the company implemented in 2021. Expanding business into new regions and Sustainable Development Goals (SDGs) will be an important competitive strategy for the company's long-term business operation.

## Customers' Characteristics

The company's main customers are manufacturers and brand owners of disposable diapers, underwear, and swimwear that have been in contact for a long time and have a good relationship. The company continues to focus on collaborating with customers in product development, delivery systems, and other operation management to maximize the benefit of the supply chain.

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

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### Target Customer Segment.

- 1) Manufacturers and brand owners of disposable diapers, underwear and swimwear.
- 2) Contract manufacturers that produce for brand owners.
- 3) Small manufacturers and consumers via company's wholesalers and retailers in domestic and foreign countries
- 4) Companies that sell medical supplies and equipment.
- 5) Face mask manufacturer.

### Distribution

1. The company manufactures and distributes directly to factories that have the potential in purchasing. The company also has wholesalers and retailers channels to facilitate small factories that cannot order in large quantities.
2. Our main export markets are the America, Asia, and Europe.



### Industry Trend and Competitive Condition 2022

The emergence of Omicron coronavirus variants and the rise in global inflation bring uncertainty over the global economic recovery.

Manufacturers have to bear higher production costs while facing the difficulty of passing the cost onto the consumer as consumer purchasing power has reduced from higher inflation. To achieve the business target, manufacturers have to find ways to cost-saving without lowering the overall output and quality.

Running a business based on the Sustainable Development Goals will be an important strategy for the company to maintain existing markets and expand into new markets.

## Product Procurement

Although the company's products vary in style, color, and usage, the primary raw materials are similar, such as natural rubber, synthetic rubber, rubber chemical, elastic threads, yarns, and dyes. All these raw materials have been selected from domestic and foreign production sources that possess quality and environmental management in the production process and comply with international human rights principles of fair and equitable employment.

### Raw materials:

Natural rubber or Natural latex is our primary raw material used in the production process; it comes from the milky fluid in the bark of the rubber trees. The Thai government promotes rubber plantations in all regions of the country. As a result, the production volume is enough for domestic consumption and exportation.

Although natural rubber's harvest time is seasonal and prices fluctuate according to the futures market, the company can efficiently manage the cost and inventory with a natural rubber reservation policy. To prevent any shortage of natural rubber raw material, the company has the policy to procure the natural rubber from subsidiary of Saha Union group, which possess its plantation and processed factory in Trad and Chanthaburi province and other domestic manufacturers.

The company has prepared backup suppliers with domestic choices for other raw materials, especially those imported from foreign countries. As a result, the company still has sufficient raw material for production during supply chain disruption from the covid-19 pandemic.

Proportion of domestic purchasing Year 2021	77.50 %
Proportion of foreign purchasing Year 2021	22.50%

### Impacts of technology changes on the material used.

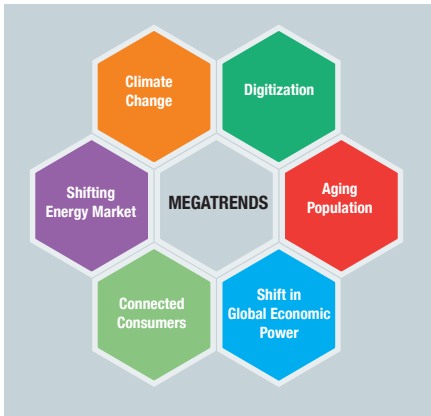
Most of the company's products are used as raw materials in the garment and textile manufacturing industry, and there are no significant changes in those technologies. But the environmental impact of greenhouse gas emissions from textile waste, agriculture, production, and transportation results in more stringent requirements on chemical and raw material standards. Garment and Apparel companies are looking for raw materials which are renewable, degradable, reusable, safe for consumers, and environmental-friendly.

The production quantity over the past three years are as follows:

Actual production quantity	Unit	2021	2020	2019
Elastic Rubber, Elastic Braid, Elastic Webbing.	Thousand Kgs	3,378	3,882	2,955

**Product research and development**

The company is committed to researching and developing quality products as one of the core operating principles to meet international standards.

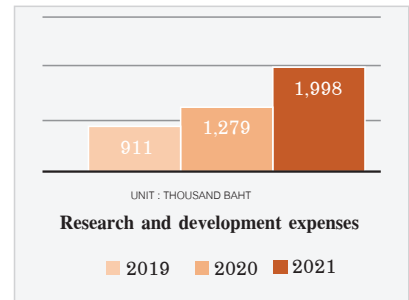


เครดิต : Victoria Scarborough, American Coatings Association

COVID-19 pandemic has accelerated digital technology adoption and transformation and increased awareness of environmental concerns, sustainable consumption, and social responsibilities.

Many organizations have been more proactive in reducing environmental impacts, such as using clean energy instead of fossil energy and selecting renewable and degradable materials. Besides from producing better quality and safe products conform to ISO-9001:2015, ISO 13485:2016, OEKO-TEX standard 100, the company has cooperated with internal departments and external organizations to integrate innovation in the production process for better world products as follows:

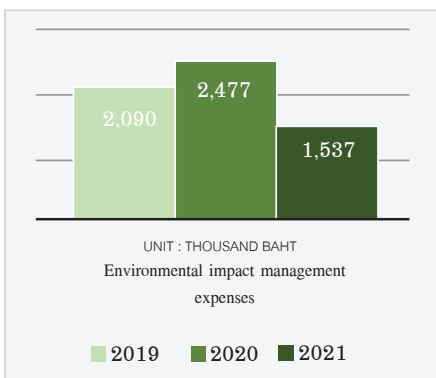
1. Project of recycling waste rubber from production process into a useable raw material.
2. Project of developing degradable elastic rubber
3. Project of increase usage proportion of renewable raw material



**Environmental impact management.**

The company’s factory is located in Bang Chan Industrial Estate, which has the requirements and laws of the Industrial Estate Authority of Thailand (“IEAT”) to control overall operations, including the environmental impact process. The company has strictly complied with industrial land usage conditions, Factory Act requirements, and ISO14001:2015 certified.

The waste products from the production process have been managed by an authorized waste management company certified by the Department of Industrial Work.



The company has estimated and controlled environmental quality by S.P.S. Consulting Service Co., Ltd., an external accredited private analytical laboratory registered and licensed by the Department of Industrial Works. The environmental measurements and collecting samples have been done to analyze the following matters: atmospheric noise levels, chimney air quality, business air quality, enterprise heat level and wastewater quality analysis. The results of the measurements are within the standards prescribed by law. The external organization that receives environmental measures will prepare a report on the company s environmental quality audit results and analysis

results. The company will then submit to the relevant government agencies such as the Department of Industrial Works, the Office of Labor Protection and Welfare, etc.

The company’s business operations are not project-based or high-value piecework that takes time to deliver. Therefore, there are no jobs that haven’t been delivered.

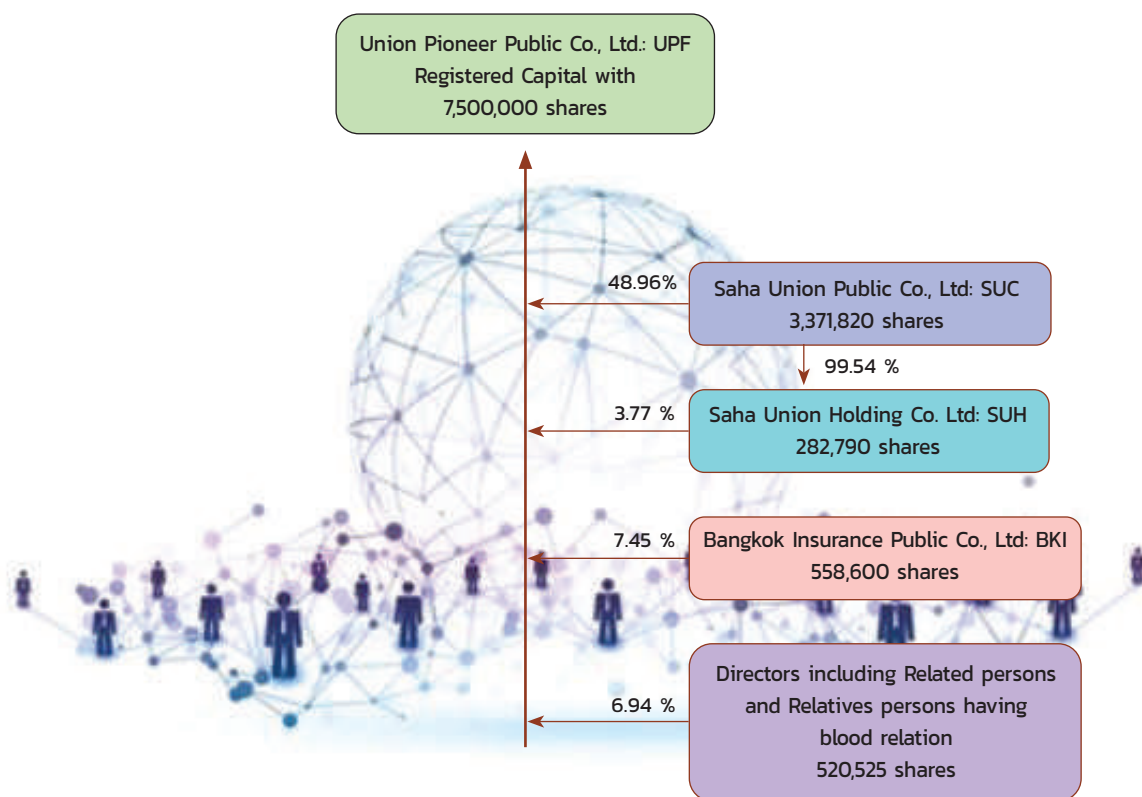
## Assets in Business Operations.

Main fixed assets as of December 31, 2021

Asset type	Ownership	Net Value (Million baht)	Obligation
1. Land 15 rai 2 ngan 72 sq.m.	Company-owned	6.17	No obligation
2. Buildings			
2.1 Office and factory five buildings	Company-owned	4.04	No obligation
2.2 Partial land lease and factory building	Lease from Union Zojirushi Co., Ltd.	0.63	The leasing period is effective for one year.
2.3 Land lease and building for warehouse.	Lease land from Thai Rubber Enterprise Co., Ltd. Warehouse building is company-owned.	5.98	The land leasing period is effective three years.
3. Machinery and Equipment.	Company-owned	55.86	No obligation
Total 1. 2. 3.		72.68	
Intangible assets are computer programs software copyright.	Company-owned	0.16	No obligation

The company does not have subsidiaries, associates, patent assets, concession, collateral property, and any obligation. The Company does not have any business restructuring, and no new property appraisals were made during the past accounting period

# Shareholding Structure of the Group



## Relationship with Major Shareholder and the Shareholder Information

The Company's Major shareholder is Saha-Union Public Company Limited (SUC) which holds 52.73% of the Company's shares including related persons and is located at 1828 Sukhumvit Road, Kwaeng Phra Khanong Tai, Khet Phra Khanong, Bangkok 10260

The Company has transactions with major shareholder and companies in the Saha-Union Group. Most of these transactions occurred in normal business transactions, such as purchasing-selling goods and raw materials by gathering the purchasing quantities of raw materials for better bargaining power. Such related transactions are mainly for the best benefit of the Company with no conflict of interest. The details of the related transactions in 2021 are shown at the topic "Related Transactions"

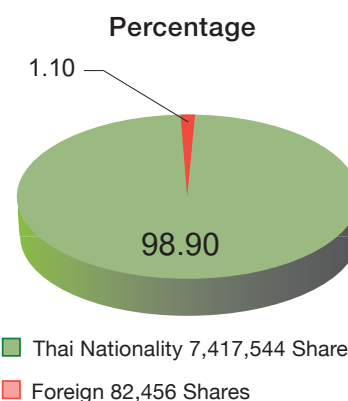
The Company has no cross-shareholding with major shareholder. There is no subsidiary company and associated company. There is no shareholding in other companies and no a pyramid shareholding structure.

For the past 3 years, there has been no significant change of Control Authority in the Company. The Company has no associated company and subsidiary.

## Capital Structure and Dividend Policy

The Company has the details of its capital structure as of December 31, 2021, as following

Registered Capital	75,000,000.00	Baht
Paid-Up Capital	75,000,000.00	Baht
Ordinary Share	7,500,000	Shares
@ Par Value	10.00	Baht



### Shareholders

The number of shareholders at the book closing date on March 31st, 2021.

### Proportion of ordinary shares held by Non-Strategic Shareholder

on the book closing date equal to 32.81% of the total issued shares of the Company

### Other Securities Issuance

- (1) The Company does not have any convertible securities. There are no other securities which are not ordinary shares.
- (2) The Company does not issue other securities and does not offer any debt securities e.g. debentures, bill etc.

List of the top 10 major shareholders as of the book closing date arranged by company Thailand Securities Depository Co., Ltd. as follows:

No.	Shareholders	Ultimate Shareholders	No. of Shares	% of Total Shares
1.	1.1 Saha Union Public Company Limited	Darakananda Group	3,671,820	48.96
	1.2 Saha Union Holding Company Limited	Saha Union Public Company Limited	282,790	3.77
2.	Bangkok Insurance Public Company Limited		558,600	7.45
3.	Mr. Sumate Darakananda		491,365	6.55
4.	Mr. Nithiphan Darakananda		448,575	5.98
5.	Kasikorn Bank Public Company Limited		224,000	2.99
6.	MARUE NISSAN CO., LTD.		78,000	1.04
7.	Mr. Parinya Leamthai		70,400	0.94
8.	Mrs. Sumporn Krairerg		64,450	0.86
9.	Mr. Waranon Boonchananantakood		55,000	0.73
10.	Mr. Weerapat Poonsakudomsin		45,700	0.61

Direct and Indirect Shareholding of directors and executives, spouses, minor children as at  
December 31, with two-year comparison

Name – Surname	Position	Number of shares In 2020	Number of shares In 2021	Number of shares Increasing (Decreasing)	Shareholding %
1. Miss Dalad Sapthaivichaikul Spouse Minor child	Chairman	- - -	- - -	- - -	- - -
2. Mrs. Nuntawan Sakuntanaga Spouse Minor child	Independent director/Chairman of Audit Committee	- - -	- - -	- - -	- - -
3. Mr.Wanchai Rattanawong Spouse Minor child	Independent director/Audit Committee/Chairman of Nomination and Remuneration	- - -	- - -	- - -	- - -
4. Mr. Komon lamwatcharin Spouse Minor child	Managing Director	- - -	- - -	- - -	- - -
5. Mr. Chutindhon Darakananda Spouse Minor child	Director	3,840 - -	3,840 - -	- - -	0.05 - -
6. Mrs. Chantorntree Darakananda Spouse Minor child	Director	- 20,000 -	- 20,000 -	- - -	- 0.27 -
7. Mr. Vacharaphong Darakananda Spouse Minor child	Director/Nomination and Remuneration Committee	- - -	- - -	- - -	- - -
8. Mr. Nanthiya Darakananda Spouse Minor child	Director	- - -	- - -	- - -	- - -
9. Mr. Kollatat Tangchitkul Spouse Minor child	Independent director/Audit Committee/Nomination and Remuneration Committee	- - -	- - -	- - -	- - -
Mr. Sikavej Sopaphan Spouse Minor child	Human Resource Manager	- - -	- - -	- - -	- - -
Mr. Wiwat Jongkonrat Spouse Minor child	Accounting & Finance Manager (who has the highest responsibility in accounting and finance)	- - -	- - -	- - -	- -- -
Mrs. Sureeporn Chompunutyanyong Spouse Minor child	Sales & Marketing Manager	- - -	- - -	- - -	- - -
Miss Warunee Khumtong Spouse Minor child	Quality Assurance Manager	- - -	- - -	- - -	- - -

The shareholding of the directors is both for direct ownership of shares and indirect one such as shares held by their spouse and minor children, as 0.32% (\* including related persons).

For the past year, none of the Company's directors has held more than 25 percent of the total issued shares of the Company. Moreover, the Company has measures to prevent the trading of shares using inside information in a manner that violates / does not comply with the rules of the SET and the SEC.

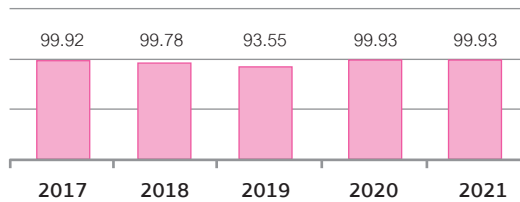
### Dividend Payment Policy

Depending on the performance of the Company, at a rate not less than 1/3 of the annual net profit, after deducted accumulated loss (if any), from the separate financial statement of the company.”

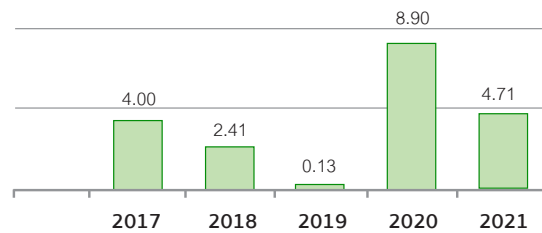
The Board of Directors' Meeting No. 3/2022 on 16th March 2022 resolved to approve the annual dividend payment of 2021 to the Annual General Meeting of Shareholders on 20th April 2022 at the rate of 4.71 Baht per share



Dividend Payout Ratio  
(Percentage) in 2017-2021



Dividend Payment Information (Baht)  
for the past 5 years (in 2017-2021)



Investors can learn more about the Company from;

The Company's annual registration statement (56-1 One Report) can be found at SET

or at the Company's website.





# Risk Management

UPF realizes on the importance of sustainable risk management to have confidence in achieving goals for stakeholders. The Company uses the risk management framework according to the international standards of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) to be appropriately applied for success throughout the organization. The Company has set a risk management policy to cover all organizational activities in order to drive it as integral part of the work culture in the organization.

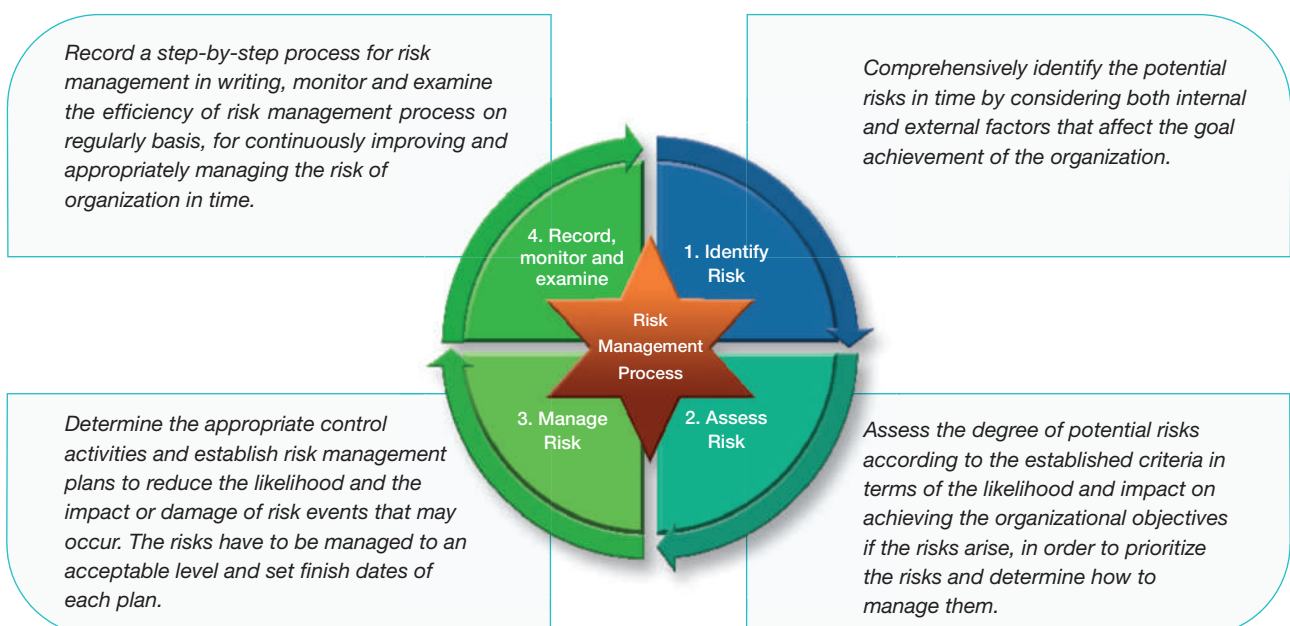
## Risk Management

Board of Directors assigned the Managing Director to appoint the Risk Management Sub-Committee for setting the measures to manage risks at a controllable and acceptable level by continuous monitoring on the effectiveness and evaluation of risk management by;

- Assigning the highest responsible person at the operational level for risk management, namely Mr. Wanaphong Kanacharoen, Manager of Braid Production Section.
- Assigning the highest responsible person of the internal audit of the organization by reviewing the internal control system and the risk management system, namely Mr. Natphawat Thomwan, Manager of Internal Audit Section which is independent from Risk Management Sub-Committee.

Last year, the Company encouraged Risk & Opportunity Management Course for the Chairman of the Audit Committee, and Risk Management Course on accounting and finance systems for the highest responsible person on accounting and finance, including preparing a risk management training plan to employees in 2022.

Risk Management Approaches to control and manage risks effectively for driving and prioritizing the effective risk mitigation, to implement on critical risk management as well as to continuous monitor and quarterly report to the Board of Directors.



# Business Risk Factors

## 1) Risk from economic conditions

In 2021, The Western nations have more accelerated vaccinations for their people so that they can help control the COVID-19 pandemic, and open their countries for returning to their normal daily lives, resulting to an increase in people's consumption and spending, clear recovery in fabrics and textiles industries in Asia for exporting to the European and American markets, continuing from the end of 2020. On the other hand, the COVID-19 pandemic severely spread in Asian countries, including Thailand. As a result, the governments of each country have to use strict measures to control this pandemic, and the countries which just recovered in the end of 2020, begun to slow down again. Despite of relaxing control measures, the economic situations could not recover as forecasted as well as it was found the Omicron, the new variant of COVID-19, in November, resulting to raised concerns that it would have strict control measures, affecting whether returning to sluggish on economic situations or not, and being difficult to predict when the global economy will recover to normal levels.

Global market expansion is an important strategy to mitigate the impact of the COVID-19 pandemic in the future. Therefore, for high potential in global market competition, the Company still has to continuously develop various aspects such as increasing efficiency, research and development, risk management, etc.

## 2) Risk from exchange rate fluctuations

The Company closely tracked down causes of various factors and took actions for getting positive effect and avoiding negative effect. Making forward contract with the bank and matching the currency received with the currency to be paid is the way the Company to manage to lower the risk of exchange rate fluctuation and help for revenue and cost projection.

## 3) Risk from rubber price fluctuation

The important factor that causes the fluctuation in natural rubber price is unbalanced of supply and demand in the world market, which continuously occurred in the past years including weather condition which affected supply of latex.

The company managed risk from the fluctuation of rubber price by reserving the quantity of raw materials to suffice in production for at least 6 months in order to specify the cost and products' price that is not extremely affected by the fluctuation of rubber price in the world market. The company will order the natural rubber in the harvest season in order to get the best price.

## 4) Emergency Risk

The Company realizes on the danger and the importance of preventing on the COVID-19 pandemic, which is a new important risk for every business. The Company has informed all employees to know the measures and guidelines that the Company has set according to the measures and recommendations of the Center for COVID-19 Situation Administration (CCSA), by preparing an emergency plan in case finding anyone who is at higher risk of contracting COVID-19, in order to manage the mentioned risk.

For employees and related persons to be informed and adhered to throughout the specified period, the Company has established a Business Continuity Planning (BCP) that defines the steps and clear operating procedures throughout the organization to support and restore the operations to normal situation when there are events cause the abnormal operation to the set plan. All employees have to be aware of the roles and duties of each operation to ensure that normal operations can run continuously without interruption causing business damage

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## 5) Risk from personal data protection law

The Company always realizes on the changes in the emerging business environment, especially the risks concerning the use of personal data in accordance with the Personal Data Protection Regulation Act (PDPA) B.E. 2562 (2019), therefore, operating guidance related to personal data have been established for operating the personal data of all stakeholder groups of the Company in accordance with the established law, together with communication, knowledge and supervision for personal data concerns as guidance, such as;

- Notification of Privacy Policy
- Requesting permission to use information according to the rights of the data subject
- Collection of user data only as necessary under applicable legal regulations in Thailand.
- Implementation/Transfer
- Managing when data leakage
- Data destruction, etc.

# Driving Business for Sustainability.

## Sustainability Management Policies and Goals

The company is committed to conducting stable business with sustainability management. The growth of the business must be focused along with social and environmental responsibility, the company establishes goal to prevent and mitigate potential impacts of the business activities on the social environment and take appropriate care of all stakeholders as well. The company incorporated the “Triple Bottom Line” into corporate strategy through the view of 3P: Profit, People, and Planet as well as integrated the United Nations Sustainable Development Goals (SDGs) as a guideline for the Company’s goal.



## Stakeholders Impact Management in Business Value Chain.

### Stakeholder participation in the business value chain

The company operates business with good governance principles, respecting all stakeholders’ rights and strengthening each group’s cooperation according to the role and duties. The company considers positive, negative, direct, and indirect impacts to create equal satisfaction for all stakeholders.

The following table shows six key stakeholder groups’ expectations, the company’s expectation management, and communication and engagement channels

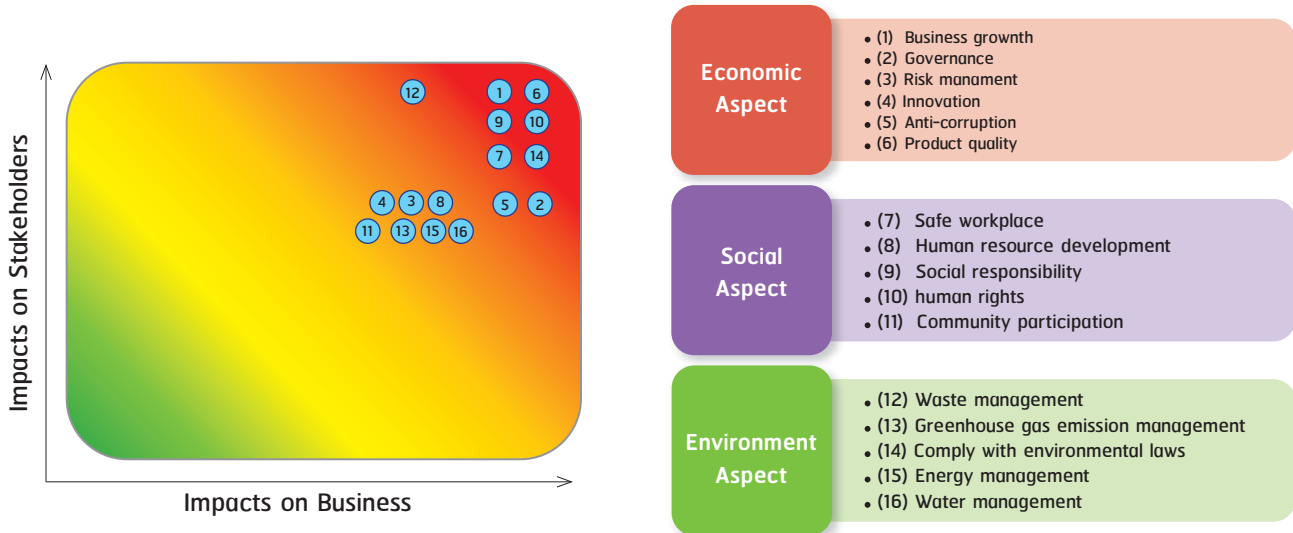
Stakeholder	Stakeholder’s expectation	Expectation Management	Communication and Engagement channels
Shareholders	<ol style="list-style-type: none"> <li>1. Good corporate governance</li> <li>2. Protection of rights and equality.</li> <li>3. Equal treatment of Shareholders</li> <li>4. Good and consistent return on investment.</li> <li>5. Good business operating performance and sustainable business operation.</li> <li>6. Careful risk management</li> <li>7. Transparency of information</li> </ol>	<ol style="list-style-type: none"> <li>1. The company operates the business with good corporate governance principles.</li> <li>2. The company promotes and facilitates the exercise of shareholder rights.</li> <li>3. The company is aware of and gives importance to basic shareholder s rights.</li> <li>4. The company treats shareholders equally and fairly.</li> <li>5. The company pays dividends appropriately and consistently according to the actual performance.</li> <li>6. The company operates the business with sustainable management principles.</li> <li>7. The company manages risk with comprehensive aspects appropriately.</li> <li>8. The company discloses transparent, reliable, accurate, and complete information for decision-making.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company hosts the annual general meeting of the shareholders.</li> <li>2. The company discloses information through the Stock Exchange of Thailand system and the company website. Website:www.unionpioneer.co.th</li> <li>3. The company has assigned a person in charge of Investor relations to answer the inquiries.</li> <li>4. The company reports the quarterly and annual performance results.</li> </ol>

Stakeholder	Stakeholder's expectation	Expectation Management	Communication and Engagement channels
<b>Customer/ Consumer</b>	<ol style="list-style-type: none"> <li>1. Supply products in variety, meet customer needs, safe and high quality, and have a reasonable shelf-life.</li> <li>2. Products are produced with social and environmental responsibility concerns.</li> <li>3. Ease of access through a variety of distribution channels</li> <li>4. Availability and speedy supply of products.</li> <li>5. Proper price</li> <li>6. Customer confidentiality</li> <li>7. Service readiness before, during, and after product delivery.</li> <li>8. Operate business with integrity, transparency, fairness, and no corruption.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company produces quality products up to the standard, which concerns consumer safety and after-sales service.</li> <li>2. The company uses eco-friendly raw materials in production.</li> <li>3. The company has a customer complaint channel and corrective action procedure.</li> <li>4. The company operates with integrity and fairness and does not violate customer/consumer rights.</li> <li>5. The company does not receive bribes in any form directly or indirectly from the customers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Visits customers to introduce new product series and listen to customers' needs and suggestions.</li> <li>2. Conduct a customer satisfaction survey.</li> <li>3. Organize activities and events to reach customers such as Trade Exhibition</li> <li>4. Have a concise channel to handle customer complaints and suggestions.</li> <li>5. Being able to reach company and product information at Website: <a href="http://www.unionpioneer.co.th">www.unionpioneer.co.th</a></li> <li>6. Report quarterly and annual performance on the website.</li> </ol>
<b>Trade partners/ Creditors</b>	<ol style="list-style-type: none"> <li>1. Fair Trade</li> <li>2. Equitable Treatment.</li> <li>3. Good governance management</li> <li>4. Sustainable supply chain management</li> <li>5. Ability to support business operation.</li> <li>6. Collaborate with partners in product development.</li> <li>7. On-time debt settlement.</li> <li>8. Strictly comply with the terms of the contract.</li> <li>9. Operate business with integrity, transparency, fairness, and no corruption.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company treats trade partners/creditors fairly and equally.</li> <li>2. The company cooperates with trade partners/creditors who comply with production and safety standards and are environmentally friendly.</li> <li>3. The company keeps the confidentiality or trade information of business partners and creditors.</li> <li>4. The company develops mutual understanding and relationships in exchanging information and collaborates to value-added product development.</li> <li>5. The company does not accept any benefits other than stipulated in the agreement.</li> <li>6. The company complies with the agreement and settles the debt as specified.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company communicates and brainstorms for constructive product development.</li> <li>2. The company visit trade partners to listen to comments and suggestion.</li> <li>3. The company provides an anti-corruption policy to trade partners.</li> <li>4. The company conducts a supplier satisfaction survey (twice a year).</li> <li>5. The company reports quarterly and annual performance on the website.</li> </ol>
<b>Competitors</b>	<ol style="list-style-type: none"> <li>1. Operate business and compete with transparency, fairness, and according to the rules.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company operates businesses with integrity and fair competition.</li> <li>2. The company does not destroy competitors' reputations by slander.</li> <li>3. The company does not violate intellectual property/copyrights.</li> <li>4. The company does not solicit competitors secrets with an inappropriate and unethical method.</li> </ol>	<ol style="list-style-type: none"> <li>1. Being members' associations related to the rubber industry.</li> </ol>

Stakeholder	Stakeholder's expectation	Expectation Management	Communication and Engagement channels
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Fair compensation and compliance with the economic situation.</li> <li>2. Good labor practice.</li> <li>3. Career opportunity and advancement.</li> <li>4. Capability and knowledge development for job improvement and life enhancement.</li> <li>5. Safe workplace environment.</li> <li>6. Work-Life balance</li> </ol>	<ol style="list-style-type: none"> <li>1. The company provides compensation appropriate to relevant knowledge and skills.</li> <li>2. The company values employees with equal treatment and no discrimination at all levels.</li> <li>3. The company promotes the knowledge and skill development of employees.</li> <li>4. The company promotes a happy, healthy and safe working environment.</li> <li>5. The company respects human rights, the fundamental right of not disclosing employees' data to unrelated parties.</li> <li>6. The company provides communication channels to employees for suggestions and complaints related to work.</li> </ol>	<ol style="list-style-type: none"> <li>1. Communicate and exchange ideas via Company Line Group.</li> <li>2. Suggestion box</li> <li>3. E-mail: md_upf@unionpioneer.co.th ac_upf@unionpioneer.co.th</li> <li>4. Hotline to Managing Director</li> <li>5. Public relations board</li> <li>6. Seminars and Socializing activities of special events.</li> <li>7. Welfare committee meeting</li> <li>8. Performance appraisal assessment</li> </ol>
<b>Community, Social and Environment</b>	<ol style="list-style-type: none"> <li>1. Operate a business that does not affect the community or manage impacts resulting from business.</li> <li>2. Manage waste products from business operations efficiently.</li> <li>3. Participate in community activities.</li> <li>4. Comply with law and regulation.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company regularly organizes activities to establish understanding and trust with the community.</li> <li>2. The company has preventive and corrective measurements to manage the operational impacts that affect the community.</li> <li>3. The company administers the environmental management system to be consistently effective. Control the environmental measurement result following the rules and regulations.</li> <li>4. The company promotes and educates employees awareness of environmental protection.</li> <li>5. The company supports environment and energy conservation activities by producing and consuming eco-friendly products</li> </ol>	<ol style="list-style-type: none"> <li>1. Community Relation Activities (participation in community activities)</li> <li>2. Website: www.unionpioneer.co.th</li> <li>3. The company reports quarterly and annual performance on the website</li> <li>4. Factory visit.</li> <li>5. Annual inspection and measurement.</li> <li>6. Telephone and Email</li> <li>7. Complaint Channel.</li> </ol>

## Priority Assessment.

To manage sustainable development effectively and efficiently, the company has conducted year 2021 sustainability assessment covering opportunities and risks in three dimensions as economic, social and environmental, with a summary as below:



## UPF Commits to Creating a Prosperous Economy.

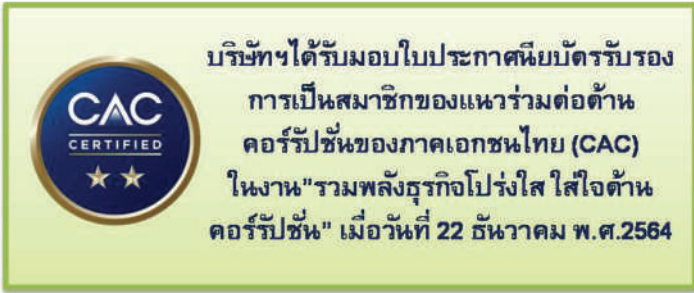
For more than 48 years with Thai society, the company has manufactured and supplied elastic products at affordable prices under the brand “Venus.” The company has continuously adapted to past crises and can maintain the business’s ability with sustainable growth until now.



The company has been selected as ESG100.  
from Thai Pat Institute for three years  
2016, 2017 & 2021

To develop a sustainable business, the company has committed to operating a profitable business under ethical business principles and good corporate governance. The company has communicated to our business partners aware of the “Good corporate governance” and “Anti-Corruption policy,” announced the intention of aiming toward Collective Action Coalition Against Corruption: CAC) in the Year 2021

The company has been selected as one of the listed companies in ESG100 for 2021 from Thai Pat Institute, reflecting its transparent management in line with the environment, social, and governance (ESG) to ensure product security and value creation sustainability to all stakeholders. This is the 3rd year we have been selected



The company has committed to producing consistent quality elastic products from the beginning of the raw material selection and stringent production process, aiming to reduce customer complaints and increase customer satisfaction.

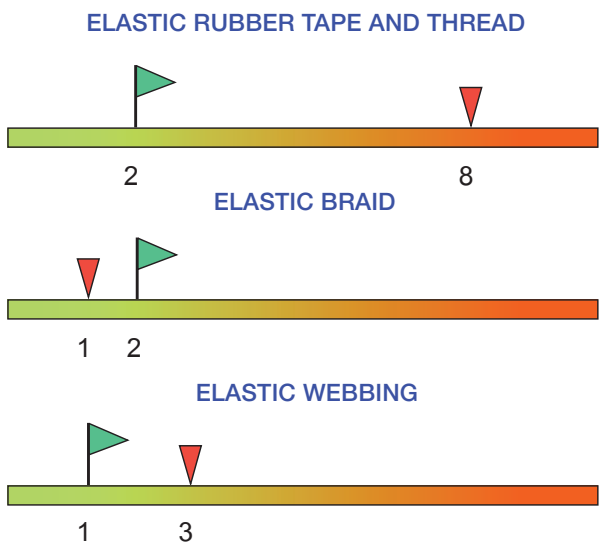
**YEAR 2021 ASSESSMENT RESULT**

**CUSTOMER SATISFACTION**

**90%**

TARGET YEAR 2021 NOT LESS THAN 85%

**The year 2021: Numbers of customer complaints.**



Good quality and safe products are the primary issues the company pays attention to. The company has sent samples of three product categories, including elastic rubber tape and thread, elastic braid and elastic webbing, to test OEKO-TEX STANDARD 100 CLASS I and confirmed all three types of products are free from residues that affect babies, which is the most stringent required level.

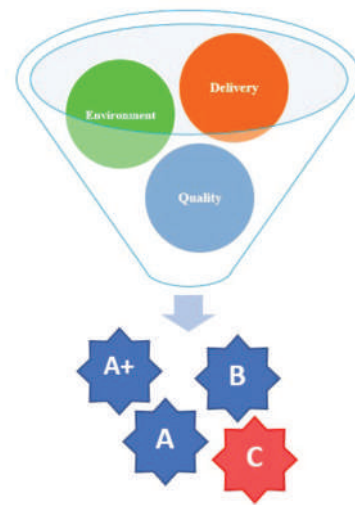
## Collaborate with Business Partner in Potential Development.



The company's proficiency is enhanced by a reasonable price and suppliers' on-time delivery. The company treats suppliers equally with partner assessment under three dimensions; quality/service, delivery, environment. The company evaluates trade partners twice a year then grades A+, A, B, and C accordingly.

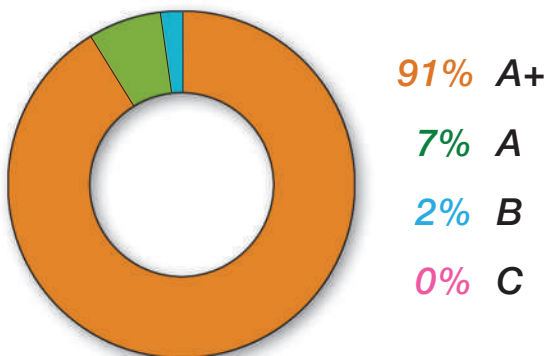
Trade partners who do not meet the criteria will

receive a C grade, and the company will review and visit partners who got C grades for two consecutive years to get the solution.

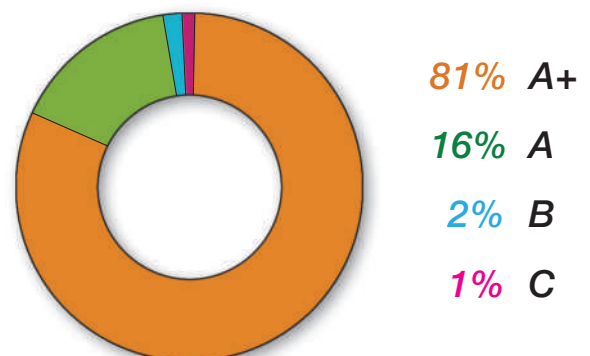


## Trade Partners' Performance Evaluation Result Year 2021

1<sup>st</sup> Evaluation result



2<sup>nd</sup> Evaluation result



The company and its trade partners have a good business relationship, collaborate in developing good quality and safe raw materials with integrity, transparency and in accordance with business ethics and regulations.

**Build Product Strength thru Innovation  
Create Competitive Strength through  
Innovation to meet customers' needs.**

The company realizes that innovative product development would drive the company to be more competitive and sustainable in the long term. For the past year, the company has developed products that pass the biocompatibility of cytotoxic test levels required by the customers.



In addition to in-house research and development, the company collaborates with outside institutes such as Rubber Research Technology (RTEC) of Mahidol University and Natural Metal and Material Technology center (NTEC) for innovative product development.

**UPF's commitment to Social Stability**

The company operates the business with integrity, ethics, and transparency. It takes care of employees' and communities' quality of life by producing safe and eco-friendly products.



**Consumer**

Innovative development for good quality and safe products to consumers."



**Employee**

" Create safe workplace, constructive relationship ,skill and knowledge development"



**Society and Community**

Develop overall sustainability to community and society"

To create business growth and long-term sustainability, the company has developed good quality and safe products for consumers, promoted employees' knowledge and skills, and cared for the community and society.





## Consumer

“Create innovative products with quality and safety to consumers.”

Target: Deliver 100% good quality and safe products to the consumer.

The company is committed to developing good quality and safe products to satisfy customers' needs of all target groups.

The company has sent products to test the safety that does not irritate the

user's skin with OEKO-TEX STANDARD 100 CLASS I and confirmed all products are free from residues that affect babies, which is the most stringent level.



## Employee

“Building a happy relationship, Developing human resource skills, and creating a safety corporate culture.”

Employees are the essential contributors to the organization's operation. The company focuses on developing a happy workplace and family life, providing skills and knowledge development for career growth and a safe workplace.



### Happy workplace principles

Target: Happy mind, happy life, and Happy Family.

Due to the Coronavirus outbreak (COVID-19), employees are more precautionous in prevention; the company has educated employees to protect themselves by strictly following the below instruction.

- All employees must go through temperature screening before starting working.
- All employees must always wear a mask.
- Encourage cleaning hands frequently and installing alcohol throughout the factory area.
- All employees must implement social distancing at least 1.5meter.
- Collaborate with hospital of having active COVID-19 inspection by RT-PCR and ATK test every month.
- Arrange transportation for employees to get an injection of COVID-19 vaccine, 100% of employees received 2nd vaccine shot.
- High-risk employees will be quarantined and coordinated to the hospital for further treatment until they recover.

The company has assisted the employees in reducing their burden by allocating welfare to employees as much as possible.



**Activities**

- Covid-19 screening
- Covid-19 vaccination.
- Promote exercise.



**Activities**

- Blood donation.
- Donation for flood victim.



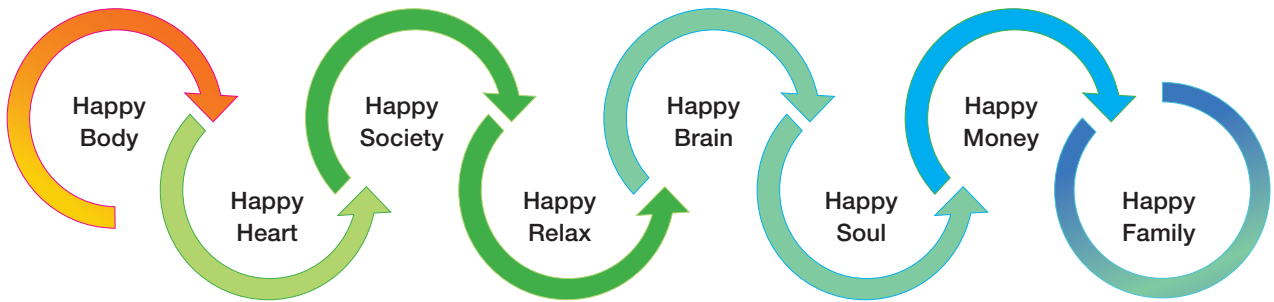
**Activities**

- Library
- Knowledge and skill training.



**Activities**

- Budget-friendly food
- Saving and credit cooperation
- Budget dormitory



**Activities**

- Food for medical personnel.

**Activities**

- Provide relax area for employees

**Activities**

- Importance Buddhist day.

**Activities**

- Participate in employee's important events.



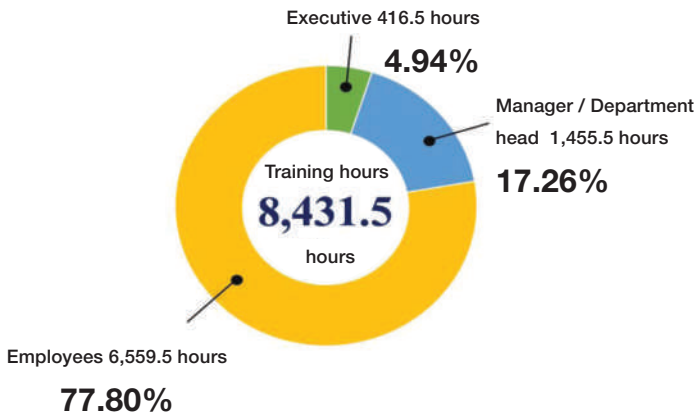
**Promote employees' skills and abilities.**

Target: Training to educate employees at all levels

The company has supported employees learning to learn from the library where they can borrow books to read at home and encourage more online seminars; during the COVID-19 pandemic, the in-house training courses include critical and creative thinking courses and on-the-job training courses for all employees.

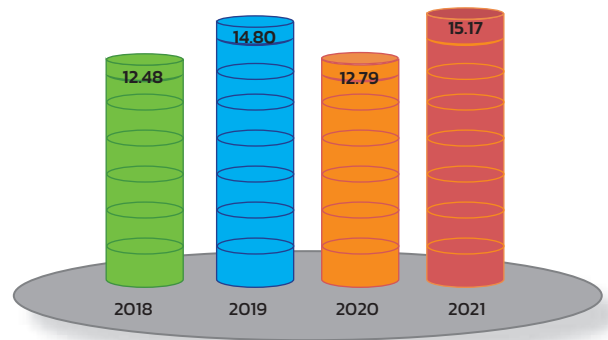


**Performance year 2021 :  
Training hours**



**Training hours per person**

Target year 2021: more than 15 hours

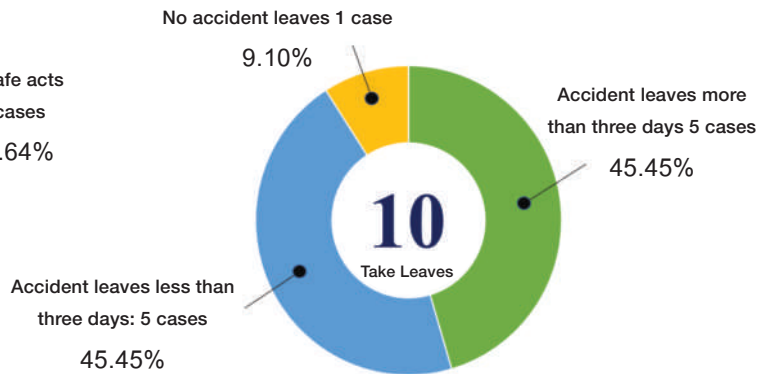
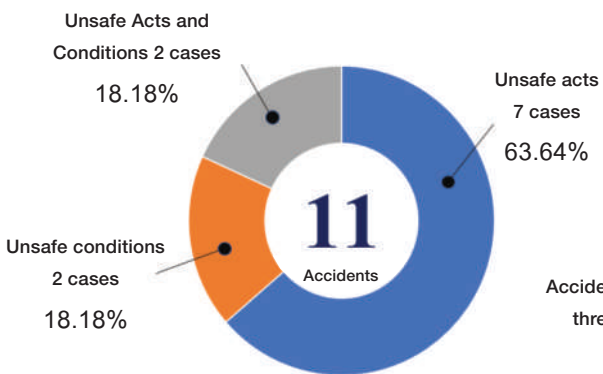


**Safety Workplace**

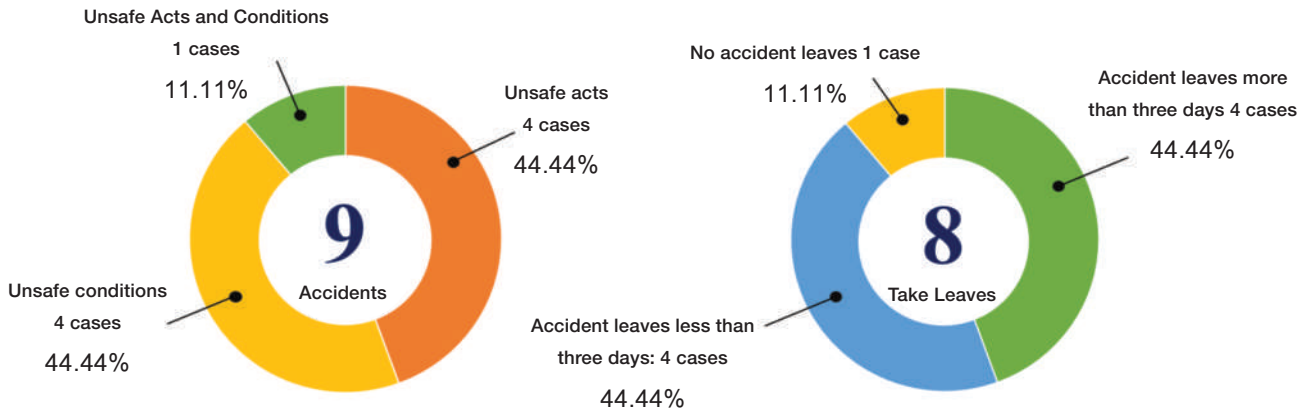
Target: 0% accident.

The company is committed to ensuring the safe workplace of employees at all levels, reducing the number of accidents to zero, implementing annual environmental measurements of light intensity, heat, noise, and conducting hearing conservation projects in noisy areas

**Accident Statistics Year 2020**



## Accident Statistics Year 2021

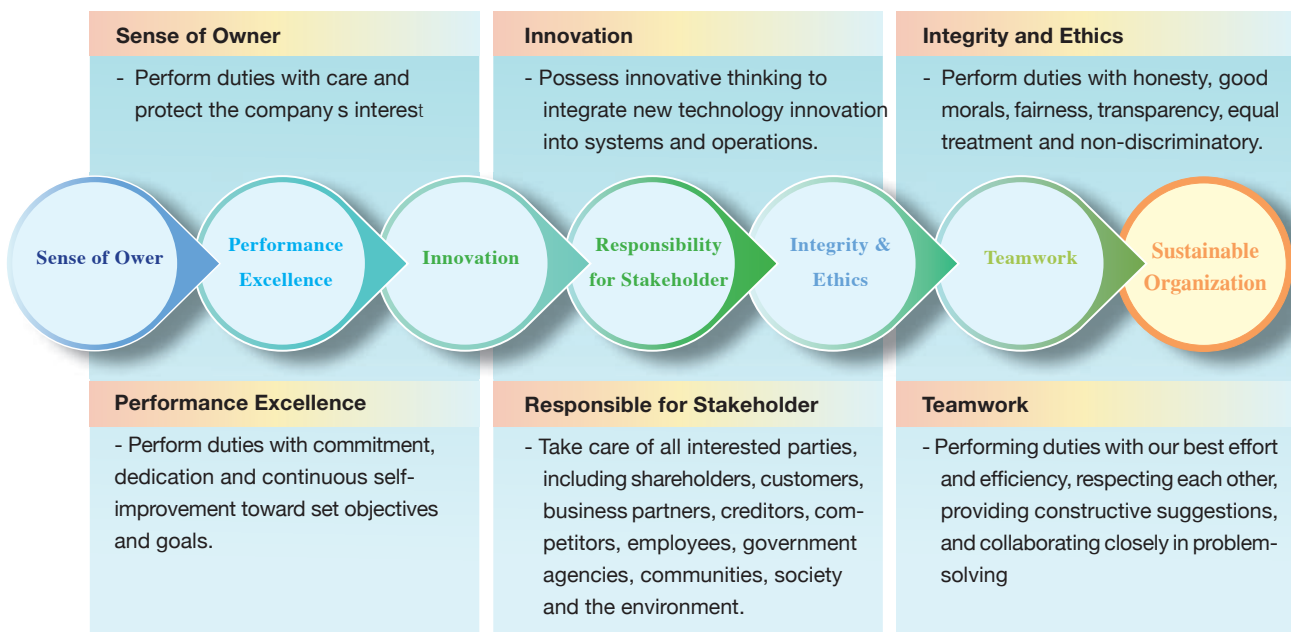


**Actions being taken in the event of accidents:** The company's occupational safety and health committee group comprised of professional safety officers, supervisors, and department heads would conduct a meeting to analyze the root cause of the accidents, conclude measurement to prevent the accident happen again, provide a training course to increase the awareness of employees to achieve the goal of zero accidents at workplace.

### Equal treatment and no discrimination of employees

Employees at all levels are treated fairly as they are essential contributors in driving the company toward sustainable growth in business operation. The company has been developed and nurtured the same values to employees for achieving the mission being set. In the meantime, the company also pays attention to work-life balance, being treated equally without discrimination in gender, age, nationality, race, ethnicity, social status, religion, political party, marital status, disability, pregnancy, and congenital disease. The company also supports upskill and knowledge learning for advancement in career paths.

### Core Value: Driving for Sustainability





## Good Labor Practice

Employees are the company's most valuable resource that drives the company toward success; the company has paid attention to safety workplace and take care of employees according to the human rights principle.

The company is fully aware that standard living cost has been higher due to the coronavirus 2019 outbreak; the company then have compensated employees at all levels with fair compensation and many benefits to employees such as an annual bonus, a savings cooperative for retirement, provident fund, affordable food court, marriage subsidy, maternity gift, welfare benefits to help employees and cremation clubs for employees and their families, etc.



## Society and Community

“Build benefit to community and society for sustainability.”

The company realizes that operating a business to be steady and sustainable should get along with taking care of the surrounding society and community. The company has promoted community's income distribution and a better standard of living by hiring local workers from the surrounding community, fosters the employees to be generous, sacrifice, sharing and open-handed through CSR activities such as educational activities, activities of supporting medical equipment to public health, activities of supporting foods to medical personal, activities of supporting disaster victim and activities of promoting sustainable cultural traditions in the community.



Attend the Worship Celemony of Thao Maha Phrom Shrine at Bangchan community

## Corporate Social Responsibilities Activities (CSR) Year 2021



Contribution to school and Minburi community on National Children day



Provide books to Minburi Youth Center to promote knowledge learning.



UPF Blood Donation Activities



Donate funds to purchase COVID-19 patient care equipment at Vejkarunrat Hospital



Provide corrugated cardboard for COVID-19 patients' beds together with Tesco Lotus and SCGPackaging



Release EM (Effective Microorganism) to clean canal in front of the company on Environmental

## Corporate Social Responsibilities Activities (CSR) Year 2021



Donate high flow oxygen aerator to Nopparat Ratchathani Hospital



Donation to flood victim at Thai Red Cross Society



Food support for medical personnel at Nopparat Ratchathani Hospital



Food support for medical personnel at the vaccination service point, Kasem Bundit University, Romkloa.



Donate rice and dry food to Bangchan Community in COVID-19 fighting



Donation to Bam Pen Nuer Temple and Bam Pen Tai on Buddhism Day.

## UPF's commitment to "Sustainable Environment."

With the limited availability of natural resources, the company is fully aware of the necessity of maximizing the utilization of the raw material with improvement in the production efficiency and reducing the pollution generated from the company's operation.

The company has nurtured the employees awareness of environment and energy conservation value thru activities as below:

### Water Management.

The company realizes the value of water utilization, reduce the environmental impact with efficient water management, partial of used water will be reused in the rubber washing process, un-reused water will be treated with activated sludge process before release, the company conducts monthly water quality inspection, and the measurement result is lower than the standard value required by law. The company's employees have joined together in pouring EM (effective microorganism) into the canal to clean the water on World Environment Day.



### Water Management Performance Result Year 2021: Water consumption per unit of production.

Target: units per metric ton of production.



**Waste Management.**

Industrial waste products and agricultural chemical applications are significant causes of land contamination. To reduce waste disposal to landfills from both office operation and factory production process, the company has implemented “Kaizen activities” to improve the production efficiency and ultimately achieve the “waste reduction goal.” The company uses waste disposal contractors that can apply fuel blending system of mixing waste with heat content to be renewable energy. The company sells waste products to recycling facilities for further process into other usable products and manages waste according to 3R principles of Reduce, Reuse, and Recycle, educates employees to properly manage waste by separating each type of waste into general waste, recycled waste, and hazardous waste accordingly.



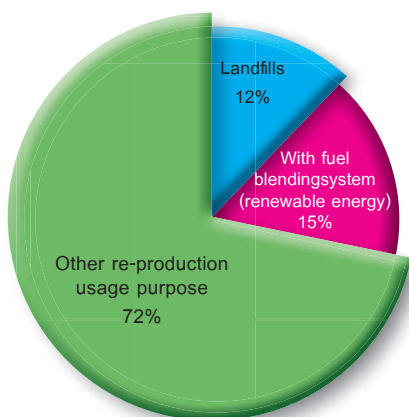
facilities for further process into other usable products and manages waste according to 3R principles of Reduce, Reuse, and Recycle, educates employees to properly manage waste by separating each type of waste into general waste, recycled waste, and hazardous waste accordingly.

**Waste Reduction Activities Year 2021:**

- Reduce covering yarn’s waste at warping process from 14.98% to 6.09%, down 8.89% per year.
- Reduce rim cutting at the calendering process from 3.63% to 3.04%, down 0.59%
- The application of electronic documentation reduces paper waste.

**Waste Management Performance Year 2021: % of waste disposal to landfill.**

Target: % of waste disposal to landfill 0%



**Air Management.**

The company is fully aware of the PM2.5 and greenhouse effects from industrial pollutant emission; the company has implemented a preventive action by installing a bag filter at the cyclone to vacuum the dust inside the process before releasing the air outside. At every point, our annual air quality inspection value has passed the standards prescribed by law.

***In 2021, the company started collecting Carbon Footprint information and set a goal to Reduce Greenhouse Gas Emissions by 10% by 2030.***



### **Energy Management.**

Industry and manufacturing rely heavily on energy. The company has improved the work process, improved machine efficiency, and looked for new technology to reduce energy consumption and waste. The company has nurtured energy conservation awareness among all employees in the workplace and at home.

### **Energy Conservation Activities Year 2021:**

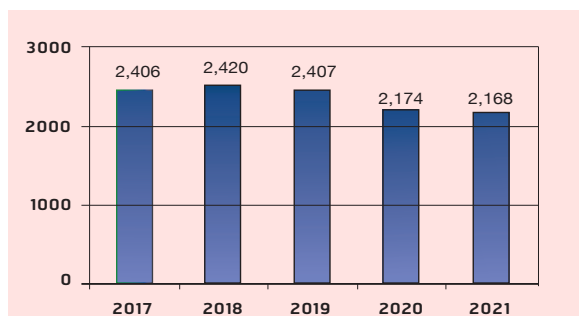
- Improve the heat conduction of rollers in the calendering process to the steam boiler, being able to reduce energy consumption 70,200KWh per month
- Use a new cold feed extruder machine with an inverter system to be more energy efficient.
- An ongoing project of replacing factory's light bulbs with LED
- An ongoing project of replacing damaged air conditions with energy-saving ones (label no.5)



### **Energy management performance Year 2021: Electricity consumption per unit of production.**

Target: 2360 kWh per metric ton production

**Note:** The Company maintained year 2021's target as of 2020 (Electricity consumption per unit of production incrementally decreased in the year 2020 while the production output recorded higher than usual. Therefore, the company would like to prove if the production output came to normal, whether the company will be able to reduce the electricity consumption to achieve the goal).





## Tax Policy

Union Pioneer Public Company Limited is committing to sustainable business growth. The company strictly adheres to good corporate governance principles, business ethics and complies with all relevant laws and regulations. The Company ensures that its management of taxes is carried out fairly and transparently. With

the responsibility to all the stakeholders, we realize the importance of being a good taxpayer that proper tax payment can contribute to society's sustainability.

### Guidelines

1. Use tax incentives for maximum efficiency under legal requirements, including compliance with government officials and related organizations' financial and tax disclosure regulations.
2. Submit the tax within the time specified by law, manage the payments or request tax returns for the organization's highest liquidity.
3. Study and consider tax implications regularly, considering the company's best interests if a new tax law is enacted or a new transaction occurs.
4. Carry out tax planning, study law and regulation to implement correctly and entirely by the rules, procedures, and conditions stipulated.
5. Appoint a party responsible for overseeing tax matters. Coordination with government agencies about tax matters must be done through the designated responsible party to ensure that all relevant information will be timely submitted, reduce the risk of tax disputes including providing company's operation information based on facts upon request or call for an inspection from a government agency.
6. Provide knowledge and understanding of tax laws to the person in charge, so that they can implement correctly and entirely by stipulated rules, procedures and conditions.

### Tax Risk Management

To perform tax duties effectively and ensures compliance with tax law and regulation, the company has implemented important tax risks management as below:

1. Assess and analyze tax implications if laws or regulations change, set operation guidelines to comply with tax law and regulation, ask for opinions and suggestions from relevant government agencies of any doubts to ensure the careful management of tax.
2. Set process of preparing and paying taxes accurately and on time, proceed with accounting record completely, regularly review tax calculation, have recorded the tax data and report systematically and appropriately.
3. Promote and encourage training and tax knowledge to relevant employees regularly.
4. Establish tax compliance review, coordinate with internal and external auditors on tax-related risks or damages.
5. Report important tax issues to the management and the board through the chief executive of the accounting and finance department.

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## Tax Report

The company has set a tax policy to supervise the operation and tax benefit application entirely and correctly. To achieve maximum efficiency of tax implementation, the company also complies with financial and tax information disclosure regulations to the government and all stakeholders. The company believes that good tax practice contributes to a country's overall economic and social development.

In 2021, the company's effective tax rate was 19.71 percent, lower than the statutory tax rate (20 percent) because it is entitled to exemption of tax and duties follows:

Royal Decree no.437	Employee training expenses
Royal Decree no 642 695	Investment in new machinery
Royal Decree no 663	Donation to school and hospital
Royal Decree no. 733	Purchase of ATK (COVID-19) testing kits for employees



## Management Discussion and Analysis

### Business Overview

In 2021, the whole world has been affected by the coronavirus disease 2019 (COVID-19) pandemic, continuing from 2020, but the overall situation has gradually improved. The Western nations have accelerated vaccinations for their people so that they can open their countries and they can go back to their normal daily lives, resulting to fabrics and textiles industries in foreign countries have clearly recovered. However, the customers who ordered elastic bands to produce N-95 surgical masks, postponed their orders due to overstock problem. For Thai economic situation, the consumption was still sluggish due to the country's lockdown and restriction on cross-province transportation. Although in the 3rd and 4th quarters, the pandemic control situation in Thailand had improved from social acceleration for vaccines, including relaxing control measures from the government, domestic fabrics and textiles industries, which are the main market of the company, still got affected and did not recover as forecasted, resulting to the overall operating results of the Company decreasing from the year 2020

### Business Operating Results and Profitability

Transaction	For the Year ended 31 <sup>st</sup> December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2021	2020	Amount	%
Total Revenues	621.05	693.07	(72.02)	(10.39)
Costs and Expenses	576.93	611.52	(34.59)	(5.66)
Profit (Loss) -Net	35.35	66.80	(31.45)	(47.08)

In 2021, the Company had revenue from sales at 605.12 million baht decreasing from the year 2020 by 74.52 million baht or 10.97%. It was divided to export sale decreasing from the previous year by 51.08 million baht or 11.80 % due to a decreasing elastic demand for N-95 surgical mask production, domestic sale decreased by 23.44 million baht or 9.56 % due to economic slowdown from the coronavirus 2019 (COVID-19) pandemic, other income increased by 2.50 million baht or 18.62%. from receiving a refund of export expenses paid in advance on behalf of the customer, and cost of sales decreased by 34.59 million baht or 5.66% due to lower sales.

According the Company's financial statements, the net profit was 35.35 million baht or 5.69% of total revenue when comparing with the year 2020 which was net profit of 66.80 million baht or 9.64% of total revenues. The profit was decreased by 31.45 million baht with the earning per share of 4.71 baht, mainly due to lower sales and higher main material cost on natural rubber price

### Significant Financial Ratios

#### Debt to equity ratio

In 2021, the Company had a debt to equity ratio of 0.44 times, higher than in 2020 at 0.39 times, indicating that the debt ratio is still low when comparing with the equity.

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### Return on Equity (ROE)

According to the Company's financial statements, the net profit was 35.35 million baht, representing a return on equity of 9.10%, lower than that of 2020 with the return on equity ratio of 17.83%.

Liquidity Ratio was 5.44 times, decreasing from 2020 which was 5.88 times due to a decrease in current assets from government bond maturity during the period.

Inventory turnover was 2.90 times, decreasing from 2020, which was 3.44 times due to lower cost of sales and lower inventory level.

### **Asset Management**

As of 31st December 2021, the Company's financial position was analyzed from changes in the assets, liabilities and shareholders' equity as follows;

Transaction	For the Year ended 31 <sup>st</sup> December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2021	2020	Amount	%
Total Assets	535.11	560.24	(25.13)	(4.49)
Total Liabilities	162.40	156.13	6.27	4.02
Total Shareholders' Equity	372.71	404.11	(31.40)	(7.77)

### Assets

The Company's total assets at year ended 2021 was 535.11 million baht, with the proportion of the asset consisting of current assets at 77.44%, property, plant and equipment at 13.58% and other assets at 8.98% when compared to the year 2020 which was decreased by 25.13 million baht or 4.49%. The main changing transaction was from lower investment in 3-Month government bonds which was amounted to 9.99 million baht as of year ended 2021, declined from 2020 at 66.66% due to maturity during the year.

### Trade and Other Receivable

As of 31st December 2021, trade accounts receivable and other receivables shown the value as the net realized gain amounting to 170.75 million baht, increased by 45 million baht or 35.79% from the year 2020. Most customers have no any problem for getting a debt settlement. For some debtors were overdue with their term payment, the Company set the net unrealized values at 0.02 million baht.

### Liabilities

The Company's total liabilities were 162.40 million baht, increased by 6.27 million baht or 4.02%, from last year, mainly due to the change in lease liabilities in accordance with the Financial Reporting Standard No. 16, regarding lease agreements.

### Shareholders' Equity

The Company had shareholders' equity of 372.71 million baht, decreased by 31.40 million baht or 7.77% because the Company had lower net profit from operations comparing to last year.

### **Liquidity and Capital Sufficiency**

#### Analysis of Changes in Capital.

As of 31st December 2021, Cash and cash equivalents amounted to 53.76 million baht decreased by 51.08 million baht for the year 2020, which the details of the acquisition and uses of cash in the year 2021 as follow;

Transaction	For the Year ended 31 <sup>st</sup> December (Unit: Million Baht)	
	2021	2020
Cash Flow from (used in) operating activities	22.60	78.30
Cash Flow from (used in) investing activities	(3.22)	(49.10)
Cash Flow from (used in) financing activities	(70.46)	(4.61)
Cash and cash equivalents at the beginning of year	104.84	80.24
Cash and cash equivalents at the end of year	53.76	104.83

- Net cash from operating activities decreased due to lower operating result of the Company.
- Net cash used in investing activities decreased due to the amount the Company got back after holding the government bonds until maturity.
- Net cash used in financing activities decreased due to the increase in the annual dividend payment of last year.

### Liability and Off-Balance-Sheet Management

The Company disclosed in Note 24 of the financial statements and the consolidated financial report as of 31st December 2021 was summarized below.

- Last year there were no any special transactions or transactions came from the abnormal operations.
- There was no significant change after the date specified in the latest financial statement that may affect the financial status and operating results of the Company.
- There was no effect from the shareholding restructure of group companies to the operating results of the Company.
- The Company had no guarantee for outsiders or any obligation in project investment or other similar obligations that may effect to its operation.

### Factors Affecting Business Operation in the Future

Business operations in 2022: the global and Thai economic outlook will gradually recover, continuing from 2021, due to better control of the Coronavirus Disease 2019 (COVID-19) pandemic. However, there are risks to be cautious of on inflation, declining purchasing power and the new surge of Omicron that possibly cause negative impacts on the sales of fabrics and textiles again. The sales of elastic rubber, a raw material for surgical masks that was oversupplied in 2021, is forecasted to rebound and grow in international markets. However, in the economic situation that has changed greatly both in terms of technology and consumer behavior with the corona virus 2019 pandemic, the Company still committed to research and develop new products to diversely respond to customers needs by offering quality products at reasonable price, increasing distribution channels to facilitate customers and providing heartfelt services with on-time delivery, including improving manufacturing efficiency and appropriately managing cost.

In addition, the Company affirms to conduct business with corporate governance, code of conduct, transparency and responsibilities to society and environment for sustainability to the organization and all stakeholders against all forms of corruption. For risk management, the Risk Management Committee is composed of the executives and the team workers who are responsible in each division, considered in specifying the frameworks, policies and reviewing the methods of the Company's risk management to cover and comply with the economic condition, society and environment, by having meeting and tracking the risk management results, to find out that they are controlled and managed in the acceptable levels.

## Board of Directors' responsibility for Financial Reporting

The Board of Directors is responsible for the Company's the financial statements and information as listed in the annual report. Such financial statements are prepared in accordance and consistency with the Accounting Standards for Publicly Accountable Entities. The aforementioned financial statements are generated in accordance with generally accepted accounting/ standards by implementing the appropriate accounting policies on consistency basis, with carefully consideration, including adequately disclosing the essential information in the Notes of financial statements that the independent auditors give unconditional comments on the independent auditors' report.

The Board of Directors has maintained an appropriated and efficient internal control system to ensure that the account recordings are correct, complete, and sufficient to protect the Company's interests, to devise protection against fraud or other suspicious activities.

The Board of Directors has appointed the Audit Committee who are the Independent Directors, are also Non-Executive Directors. They are responsible for the quality of the financial statements and internal control system. For the views of the Audit Committee are reported in the Audit Committee's report in the Company's Annual Report.

The Board of Directors confidants that the good corporate governance, risk management and internal control system of the Company are satisfactory to ensure reasonably the credibility of the Company's financial statements as of 31st December 2021 that are revealed the financial position and operating results correctly and appropriately in the significant matters.

On behalf of the Board of Directors  
Union Pioneer Public Company Limited.



**(Miss Dalad Saphavichaikul)**  
Chairman



**(Mr. Komon lamwatcharin)**  
Managing director

## General Information and Other Significant Information

### General Information and Other References

#### Securities Registrar



Thailand Securities Depository Company Limited (TSD)  
The Stock Exchange of Thailand Building,  
1st Floor, Tower B (next to the Chinese Embassy)  
No. 93, Ratchadaphisek Road, Kwaeng Din Daeng, Khet Din Daeng,  
Bangkok 10400  
Telephone (66)2 009 9000 Fax : (66)2 009 9991  
Call center (66)2 009 9999 <http://www.set.or.th/tsd>

#### Auditors

Mrs. Poonnart Powcharoen, Certified Public Accountant, Registration No. 5238  
(1st year in auditing) or  
Mr. Krisada Lertwana Certified Public Accountant Registration No. 4958  
Ms. Wilailak Laohasrisakul, Certified Public Accountant, Registration No.6140

EY Office Company Limited, Floor 33, Lake Ratchada Building  
No. 193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110  
Telephone (66)2 264 0777, (66)2 264 9090 Fax (66)2 264 0789

The aforementioned auditors are the authorized auditors who are approved by Securities & Exchange Commission (SEC), are independent and have no interest and no relationship with the Company, its directors, executives or major shareholders that may cause any conflict of interest with the Company over the past 3 years.

### Other Significant Information

- The Company doesn't have any other information that may affect significantly to the investors' decision.

The Company does not issue and offer new ordinary shares or issue transferable subscription rights to the general public.

### Legal Dispute

In 2021, the Company had no legal disputes that negatively affected the Company's assets more than 5% of the shareholders' equity as of the fiscal year end, and no disputes that significantly affected business operation of the Company, as well as no lawsuits caused by the normal business of the Company (According to the Notification of the Capital Market Supervisory Board No. Tor.Jor. 44/2556 Re: Rule, Conditions and Procedures for Disclosures regarding Financial Position and Operating Results of the Securities Issuers)

In addition, the Company did not have any disputes related to employment or corruption and business operations that significantly affect society and environment in any way.



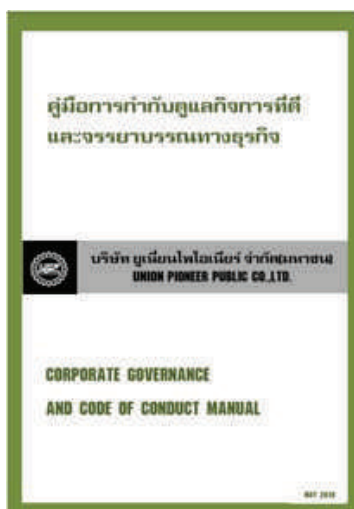
**Secondary Market**

The Company has no securities listed on the Stock Exchange in foreign countries.

**Financial institutions that the Company regularly contacts (in case debt securities issuances)**

The Company does not have any operations in relation to this matter.

## Corporate Governance



The Board of Directors recognizes the importance of good corporate governance, commits to conducting business with transparency, verification and adhered to running the business with morality without corruption and taking into consideration of stakeholders.

According to the board's meeting no. 5/2019 on 22nd May 2019, the board reviewed and approved the good corporate governance principles version 2012 (CG principles) and the new code of conduct; which is an integration of social, environmental issues and corporate governance (Environmental, Social and Governance: ESG). The principles of good corporate governance year 2017 (CG Code), criteria for the survey of corporate governance of Thai listed companies (CGR) and the quality assessment criteria for the annual general meeting of shareholders (AGM) have been applied to supervise, monitor and review in organization development for an ethical, transparent and verifiable management system which build confidence for shareholders, investors, and all stakeholders. The Board will consider applying the guidelines that have not been implemented once a year. (Code 1.4.1,1.4.2,3.5.1) (Code 1.2.3,1.2.4)

The Board of Directors' Meeting no. 11/21, held on November 24, 2021, reviewed to improve the good corporate governance policy and the company's code of conduct manual, including monitoring and evaluating the policy implementation to ensure that it has been deployed to suit the business.

### Overview of Corporate Governance Policy and Practice

The Board ensures that good corporate governance principles and business ethics knowledge will be disseminated to employees at all levels; directors, executives and all employees through communication in each department, including focus on creating awareness for employees thru orientation, explaining the principles and guidelines for all employees' understanding and used as a guideline for operations.

### Policies and Practices relating to the Board of Directors

The board has established a good corporate governance policy and provided manual of disclosing information relating to good corporate governance guidelines, management practices, roles and duties of board of directors, roles and responsibilities of chairman, obligations and duties of managing director, sub-committees, the nomination of directors, directors remuneration, independence of board of directors from management, directors development, evaluation of directors performances and internal control, including monitoring and evaluating the policy implementation once a year.

*Details are disclosed in Section Corporate Governance Structure and Section Corporate Governance Performance Report.*

### Policy and Practice relating to Stockholders and Stakeholders

The company adheres to conduct the business under good corporate governance principles considers transparency, ethics and all groups of stakeholders to grow sustainably. In the past year, the board has consistently supported the company's compliance with the stock exchange of thailand's principle of good corporate governance for listed companies. The structure and guidelines of good corporate governance are divided into five parts as follows:

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## 5 Principles of Good Corporate Governance

- Principle 1: Rights of shareholders (CG Code 8)
- Principle 2: Equitable treatment of shareholders (CG Code 8, 6)
- Principle 3: Role of stakeholders (CG Code 4, 5, 7)
- Principle 4: Disclosed information and transparency (CG Code 4, 5, 6, 7)
- Principle 5: Responsibilities of the Board of Directors (CG Code 1, 2, 3, 4, 6)

### Principle 1: Rights of shareholders (CG Code 8)

The Board of Directors realized the right of the shareholders according to the mandatory law, take care and treat shareholders equally, protect fundamental rights such as the right to buy, sell and transfer shares, receive dividends, receive company information, attend shareholders meetings, voting rights, rights of appointing a proxy to participate in the meeting on his behalf, expressing opinion and asking questions in shareholder's meeting and right to propose agenda to be included in the meeting, etc.

The company has encouraged all groups of shareholders to exercise their rights by establishing guidelines as follows (CG Code 8.1.1)

#### Taking care rights of each shareholder

- Encourage shareholders to exercise their rights without violating or depriving other shareholders' rights.
- The right to receive the company's information sufficiently and timely.
- Facilitate and encourage shareholders including institutional investors to attend the meeting and exercise their right to vote at the shareholder's meeting.
- The right to approve the election of the auditor and set the audit fees.

#### 1) Before shareholder meeting

The company holds annual shareholders' meetings and follows the Securities and Exchange Commission (SEC) guidelines.

The company encourages shareholders to propose matters and submit questions in advance for the board's consideration, criteria for question submitting was from October 1st, 2020 until December 31st, 2020, at least five months before the shareholders' meeting or three months before the end of the accounting period. The prescribed criteria has been disseminated on the company's website. (CG Code 8.1.2, 8.1.5)



In 2021, the company held the annual general meeting of shareholders in the meeting room on the 9th floor. Saha-Union Public Company Limited, Headquarters Building, Head Office No. 1828 Sukhumvit Road, Phra Khanong Tai Subdistrict, Phra Khanong District, Bangkok 10260. The Company closed the register book to collect names under Section 225 of the Securities and Exchange Act B.E. 1992 on March 31, 2021

#### 2) Invitation of Shareholders' meeting and related documents. (CG Code 8.1.3)



Thailand Securities Depository Co., Ltd. (TSD), the company's registrar, submits invitation of shareholder's meeting, annual report, Proxy form B and C to shareholders. Meeting documents both in Thai and English versions had submitted to shareholders on April 05, 2021, at least 14 days in advance, published on the company's website on March 19, 2021, more than 30 days before the shareholder's meeting date, advertised in newspaper to inform date, time, place and meeting agenda three consecutive days before meeting date during 5-7 April 2021.

### 3) Annual General Meeting of Shareholders.

In 2021, the company held an annual general meeting of shareholders on April 21, 2021; with seven out of nine directors attending the meeting, two absent directors were quarantined and monitored for COVID-19. The meeting was transparent and consistent with the excellent practice of holding the shareholders' meeting of the listed company. An independent proxy Ms. Nichamon Chulcharoen, from Shaha Phatana Inter-Holding Co., Ltd, has witnessed vote counting.



The company has provided guidelines to facilitate and encourage all groups of shareholders to attend the shareholders meeting, strictly follow the government directions on COVID-19 preventive measurement and practice.

- The company has applied electronic technology and barcode system with shareholders meeting such as registration and vote counting.
- The company's registration officers prepared stamps in advance to facilitate shareholders and proxies, encouraged shareholders and proxies to use ballots for every agenda, ballots are separated for each agenda. Before starting the meeting, the chairman informed the shareholders of the voting method and vote counting in each agenda according to the Company's Articles of Association.
- The vote counting has been based on the majority resolution of shareholders who attend the meeting and exercise their votes. Unless otherwise required by the law, the vote-counting result will be announced after the end of the session of each agenda.
- The meeting agenda has been specified as an agenda for acknowledgment or approval, including divided into topics such as in the agenda relating to directors and has separated the election of directors and approval of remuneration for each agenda (CG Code 8.2.8)
- Agenda for the election of directors were to be in details such as name-surname, age, education, experience, date starting the position as director, training on duties and skills, years of directorship, with/without interest in many ways with the company, types of directors to be nominated, number of shareholding including meeting attendance in the previous year.
- Propose the shareholders to determine the remunerations for the directors who were already approved by the Nomination and Remuneration Committee of the company

The company provides the shareholder the right to ask questions and concerns, expressing opinions within a reasonable time on each agenda. Importance questions and answers are recorded in the meeting minutes for shareholders who do not attend the meeting. Without notifying the shareholders in advance, the chairman will proceed with meeting according to the agenda, will not add agenda or change order of agenda, will not consider matters other than those specified in the notice.

### 4) After the Annual General Meeting of Shareholders.

- Disclosure of meeting resolution: After the meeting, the company discloses the shareholder's annual general meeting resolution, including voting results, notified in a newsletter to the Stock Exchange of Thailand and on the company's website.
- Minutes of Annual General Meeting of Shareholders: The company has recorded the minutes of meeting accurately and thoroughly, each agenda includes essential information such as details

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of the number of shares, the proportion of shareholders attending the meeting in person and by proxy, list of directors and managements attending the meeting, procedure and voting method, meeting resolution, voting results in each agenda, including shareholders' inquiries, clarification, and opinion proposed at the meeting. The company submitted the minutes of the annual general meeting of shareholders to the Stock Exchange of Thailand on April 28, 2021, which was within 14 days after the meeting date (CG Code 8.3.2) The company has disclosed minutes of the meeting on the company's website for shareholders verification and submitting to the ministry of commerce within the legal time requirement.

## **Principle 2 Equitable Treatment of Shareholders**

The Board of Directors is aware of all groups of shareholders; whether they are major or minor, individual or institutional, foreign or domestic, the company provides them with equal rights for the highest benefit of shareholders as below:

### **1) Protection of Shareholders' right**

The company emphasizes the importance of treating the shareholders equally and fairly; for the Annual General Meeting of Shareholders of the previous year, the Company has set the principles as below:

- Propose matters in the meeting agenda and propose questions in advance. According to last year 2021 s minutes of meeting, no shareholders raised any matters to be included in the meeting agenda.
- Shareholders who cannot attend the meeting can appoint an independent director to represent their rights. The company has specified relevant information of independent directors such as name, surname, type of directors, age and address. Independent directors who are to be retired by rotation will not be presented as a proxy to prevent with / without interest issues. The proxy letters form B and C are attached with the sent-out annual general meeting of shareholders invitations; shareholders can choose any form of a proxy letter to determine their voting direction. The company has prepared stamp duty for proxy form attachment at the registration point.
- Provide rights to shareholders with one share one vote principle.
- No agenda added other than those specified in the invitation letter for the annual general meeting of shareholders

**Prevention of the use of inside information is in the section of Business Ethics.**

### **Directors' interest**

Establish guidelines and procedures for reporting on interest and securities holding as below:

- 1.) The Board of Directors supervise and manage transaction that may contain with/without interest, as well as provide guidance and procedures to make such transactions follow the process of operation and disclosure of information as required by general trade condition and law for the maximum benefit of the company and shareholders, The stakeholders should not participate in the decision. (CG Code 6.3.2)
- 2.) Before considering the agenda, directors must report their interests and stock holding following the rules, conditions, and procedure specified. The director that has a with/without interest in the agenda under consideration will not attend the meeting or abstain from voting. (CG Code 6.3.3)
- 3.) To prevent any transfer benefits arising from "connected transaction" between the company and persons who may have a conflict of interest, the company must propose a "connected transaction" to the audit committee for consideration and comment, then present it to the board of directors and the shareholders

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meeting for further review and approval. If the audit committee does not have expertise in related “connected transactions,” the company will allow the auditor to give an opinion and be used in the decision of the audit committee and the Board of Directors. (CG Code 6.3)

- 4.) In the past year, no directors and executives have violated/do not comply with asset trading rules according to the regulations of the Stock Exchange of Thailand / the Security Exchange Commission, Thailand.

### **Principle 3 Role of Stakeholders.**

The Board of Directors has established guidelines of the company’s operations related to stakeholders such as shareholders, employees, customers, business partners, creditors, competitors, community and society. The company must treat all stakeholders equally and fairly according to the agreement, legal rights and human rights that conform to good corporate governance principles. Established guidelines are as below:

Additional information on each topic can be found on pages 46-56 of the Corporate Governance and Code of Conduct Manual

1) *Roles to Shareholders*. The company is striving to develop business with a stable and sustainable financial position with operating return on business to increase the value of shares for shareholders.

2) *Roles to Trade Partners and Creditors* The company has dealt with dealers, contractors and partners accordingly to the procurement process without any special preferential treatment. The company has established guidelines to deal with trade partners and creditors as below:

***Trade Partners:*** The Board of Directors has established guidelines to treat all business partners equally and fairly. The regulations in procurement and selection of vendor/contractor/consultants are based on maximizing the company’s benefit, with transparency, bias-free, auditable, and employees are strictly prohibited from receiving any benefit.

***Creditors:*** In the past year, the company has complied with a commitment to creditors, treated all creditors per trade agreement, had no default payment and never received any benefit.

3.) *Roles to Customer* The company is committing to develop better products and services continually, collaborate with the customer to develop and research good quality products that meet customer needs, provide fast and reliable service, do not take any advantage of customers, develop eco-friendly and safe products, maintain customer’s confidentiality and do not misuse customers’ information, develop customer’s satisfaction by having a concise channel to handle customer complaints and suggestions and being able to implement the action promptly.

4) *Roles to Competitors* The company operates the business with integrity, fair competition, within rules of good competition, and trade regulation. The company does not solicit competitors’ secrets with an inappropriate and unethical method.

5) *Roles to employees* The company has human resource management policy that encourages all levels of the employee to work with their knowledge and fully maximize their ability, provide compensation reasonably, equally, and appropriately, has welfare by regulated requirements such as social security and compensation fund, additional welfare to enhance the quality of life, retirement fund, provident fund, and other benefits as below:

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(1) Hearing Conservation, measured with the following actions

All executives, supervisors, employees, and related parties must support the hearing conservation project and give an opinion for improving the safety of working conditions. Health surveillance of loud noise by surveying the area, putting a hearing protection sign to wear the earplug and indicating noise levels with the sound map.

- Health surveillance of hearing by testing on hearing capability of staff by a certified external organization.

(2) Fire evacuation training: The fire evacuation training was implemented only one time in the past year as Thailand's 3rd COVID-19 wave in early 2021 prohibited large numbers of people from gathering. But ease of COVID-19 by the end of the year allowed the company to arrange fire evacuation drills as required by law.

(3) The company emphasizes taking care of the employee's health by encouraging all employees to have annual health check-ups arranged by the company.

(4) In the past year, the company has conducted environmental training sessions as below:

- Establishment of an environmental management system
- Selection of solar power generation for industrial plants  
Corporate carbon footprint calculation and reports
- Business operations with ESG in Process (ESG: Environmental, Social, and Governance).
- Business risk should not ignore and greenhouse gas report
- Creative design for eco-friendly packaging
- ISO14001 refreshment
- ESG showcase and ESG disclosure in one report  
Thai energy direction towards the CO<sub>2</sub> reduction target
- Biotechnology for new S-Curve business
- Smart Electronics system for electronic waste management.

(5) The company adheres that business success must accompany employee safety. A safe working environment is a fundamental right that every employee can get equally. All executives and employees are assigned to take care of their own department's safety determined by the safety policy, occupational health and working environment. Additional information can be found on page 67 of the Corporate Governance and Code of Conduct manual on the company's website. The company has established the "Occupational Safety, Health and Environmental Committee" and "5S committee" to represent all employees to improve and implement the safety project for better working life.

The company has disclosed information and statistics rate of the accident year 2021 under safety workplace topic on Driving business for sustainability article.

(6) The company still operates the policy on supporting the employees' health promotion program, collaborates with Nopparat Hospital in reducing NCDs Non-Communicable diseases, which caused by the effect of the employees' lifestyles such as alcohol, smoking, lack of exercise, consuming an excess of salty-sweet foods, stress and carried out a policy on escorting pregnant employees by giving the importance on exemplary health conservation and works which will not be dangerous for the mother and their child (fetus).

6) Roles to Society, Community and Environment. The company realizes that business sustainability should go along with responsibility to society, community and environment. The company has summarized "CSR in process" and "CSR after process" on the topic of "Driving Business for Sustainability."

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7) Role to the Government. In 2021, the company paid tax in full amount within the time specified by the law. The company supports the government policies in protecting the nation's benefits by complying with all legal requirements, including withholding tax, company's income tax, value-added tax, customs duty, signboard tax, building tax and stamp duty. The company also complies with other factory requirements such as fuel and environment control requirements, labor law, safety and occupational health law. The company also set up additional tax policies, including tax benefits and tax management.

The company has established the "Anti-Corruption Policies" with additional information that can be found on pages 57-63 of the Corporate Governance and Code of Conduct Manual.

#### **Principle 4 Information Disclosure and Transparency.**

The Company has disclosed important financial and non-financial information accurately, completely, transparently and timely in accordance with the regulatory requirement. The shareholders and stakeholders can reach information easily and equally for an investment decision. The board has prepared the board's responsibility on financial reports together with auditor's report (CG Code 7.1) in Thai and English version through various channels such as the Stock Exchange of Thailand's notification system and company's website

#### **Maintain Financial Reliability and Information Disclosure.**

The Board of Directors has taken care of preparing financial reports and important information disclosure. The company has assigned Accounting and Finance Department Manager as the highest responsible person in the accounting and finance department and Investor relations. Accounting Section Manager responsible to control and supervise all accounting transactions. The above-mentioned persons in charge possess qualifications, knowledge, and experience according to job specifications stipulated in the Management details.

In the past year, the company has disclosed financial statements, financial status analysis, and operation results (Management Discussion and Analysis) every quarter to the Securities and Exchange Commission and Stock Exchange of Thailand office. The auditors have certified the company's financial statements without any conditions; there is no late delivery or amended history. Disclosed issues are as below:

- 1) Disclose information according to accounting periods which are financial information and non-financial information via the SET Link of the SET and on the company's website for the shareholders, investors, and regulators to acknowledge the information completely, timely, and be able to use them for consideration thoroughly and fairly. (CG Code 7.1.4)
- 2) Disclose the shareholders' structure transparently.
- 3) The company's management will bring important "connected transactions" to the board or shareholders' meeting for approval. Disclosures show related parties' name lists of connected transactions, relationships, nature of transaction, conditions, value, and connected transaction reason. In the past year, all connected transactions belonged to ordinary business transactions. (CG Code 6.3)
- 4) Disclosure of audit and other service fees, considered by the audit committee. Details are on the topic "Auditor's Remuneration."
- 5) Disclosure of the role and duties of committees and sub-committees includes the management structure, interest disclosure, and frequency of each director's attendance compared to meetings being held throughout the year in Form 56-1 (One report).

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6) The company has disclosed the remuneration of directors and senior management, reflecting each individual's duties and responsibilities, including the form or nature of the compensation. The nomination and remuneration committee has considered directors' remuneration compared to comparable companies listed on the stock exchange of Thailand that are in the same industries. More information is in the summary of the remuneration of all committees. Information is disclosed on the company's website as below (CG Code 7.6):

1. Company's vision and mission.
2. Nature of company's business
3. Financial statement and reports on financial position and performance of current and previous years.
4. Submit and disclose the annual registration statement Form 56-1 (One Report) to the supervisory authority within three months from the end of the accounting period. The information can be downloaded from the website of the Stock Exchange of Thailand and on the Company's website.
5. Disclosure of resolutions to the shareholders meeting shall be done one day after the meeting, the resolution consists of the date, time, place, agenda of the shareholders meeting, directors' opinions and closing date of the share registration book.
6. Disclose invitation to the shareholders meeting and related documents on the company's website 30 days in advance of meeting date.
7. Submit and disclose the minutes of the shareholders' meeting to the stock exchange of Thailand within 14 days after the meeting date, also on the company's website.
8. Company's policies, good corporate governance and code of conduct manual.
9. Company's rules and regulations.

Investor Relation:	Mr. Wiwat Jongkonrat Accounting and Finance Manager (CFO)
Tel no.:	02-517 0105 till 8 ext. 211
E-mail:	wiwat@unionpioneer.co.th

The company has published the person in charge and contact channel through Investor Relation Information on Company's website.

#### **Principle 5 Board of Directors' Responsibilities.**

##### **1. Duties and Responsibilities of the Board of Directors. (CG Code 1.3)**

The Board of Directors has duties to perform in accordance with the law, objectives, company's rule, and resolution of shareholders' meeting, has a vital role in formulating policy, vision, company strategies, including supervising, monitoring, and auditing management's operation, assess the operating performance with planned one, define corporate governance policy, business ethics, important business policy and supervise the management operates the business effectively and efficiently for the best benefit of the company.

Additional information can be viewed at section corporate governance structure and board's important information.

##### **2. Board of Directors' Meeting.**

Details are disclosed in the section report on Governance Performance.

##### **3. Directors' Remuneration**

Determination of the director's remuneration structure, consideration of remuneration, other compensations, remuneration criteria, details of each director's remuneration, meeting attendance of directors in and board performance assessment in the past year are all disclosed in Section Governance performance report.

#### 4. Knowledge Development for Directors and Executives.

- 1) The company promotes and supports directors to attend training courses related to director's performance improvement, such as the DCP, DAP course of IOD, etc as well as supports to have a better understanding of laws, rules, standards and risks related to current business operation. Information on training and knowledge development of the company's directors are disclosed in the annual report (CG Code 3.8.2, 3.8.3, 3.8.4)
- 2) The company has provided an orientation to new directors in accordance with the stock exchange of Thailand's guidelines within one month after holding the position. The management department would provide important information to new directors including objective, goal, vision, mission, corporate value and nature of business as guidelines of good corporate governance principle. (CG Code 3.8.1)
- 3) The board has formulated a succession plan for company's senior management positions to prevent business operation interrupt. The managing director reports the results of the succession plan to the board at least east once a year (CG Code 4.1.3)

Courses of the Thai Institute of Directors Association (Thailand Institute of Directors: IOD)

AACP-Advanced Audit Committee Program

DCP-Director Certification Program

ACP-Audit Committee Program

DDE-Director Diploma Examination

BFI -Boardroom Success through Financing & Investment

ELP - Ethical Leadership Program

BMD-Boards that Make a Difference

FN-Finance for Non-Finance Director

BNCP - Board Nomination and Compensation Program

FSD-Financial Statements for Directors

CDC-Chartered Director Class

RCC-Role of the Compensation Committee

DAP-Director Accreditation Program

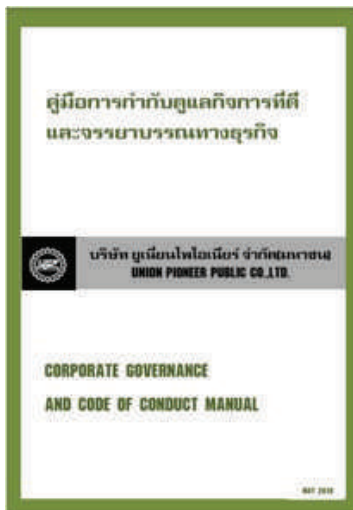
ROM-Risk & Opportunity Management

In 2021, there are two training courses for Directors.

Board of Directors' training information relating to the roles, duties and skills of being a director

Courses	Miss Dalad Saphavichaikul	Mrs.Nuntawan Sakuntanaga	Mr.Wanchai Rattanawong	Mr.Komon lamwatcharin	Mr.Chutinthon Darakananda	Mrs.Chantomtree Darakananda	Mr.Vacharaphong Darakananda	Mr. Nanthiya Darakananda	Mr.Kollatat Tangchitkul
AACP	-	-	17/2014	-	-	-	-	-	25/2017
ACP	10/2005	43/2013		-	-	-	-	-	-
BFI	-	7/2019		-	-	-	-	-	-
BMD	-	9/2019		-	-	-	-	-	-
BNCP	-	-	5/2018						
CDC	-	-		-	-	-	7/2013	-	-
DAP	-	-	110/2014	163/2019	17/2004	5/2003	2/2003	2/2003	113/2014
DCP	9/2001	166/2012	201/2015	-	-	-	69/2006	212/2015	-
DDE	4/2001	-		-	-	-	19/2006	-	-
ELP	13/2018	*21/2021*		-	-	-	-	-	-
FN	1/2001	-		-	-	-	-	-	-
FSD	-	31/2016		-	-	-	-	-	-
RCC	-	-		-	-	-	15/2012	-	-
ROM	-	*1/2021 *		-	-	-	-	-	-

# Code of Conduct



The Company is committed to conducting business with integrity, transparency, accountability and fairness to all related parties. The board has set the “Code of Conduct” as the company’s business operations guideline and established “business ethic” as a work practice for directors, executives and employees to follow. The chairman of the Audit Committee has attended the Ethical Leadership Program training in the past year.

The company has focused and encouraged employees to comply with business ethics. The following actions are considered to violate the company’s code of conduct.

- Not comply with the code of business conduct and ethic.
- Recommend, encourage or support others not to comply with the code of conduct.
- Neglecting to ignore any violations or non-compliance with the code of conduct
- Not cooperating or obstructing to investigate the facts of violation or non-compliance with the Code of Business Conduct.

According to company regulation by the human resource department, actions that violate the code of conduct will be subjected to punishment and may be subject to penalties if the act is an offense under the law.

## 1. Prevention of conflict of interest.

The company has established policy and guidelines on the prevention of conflict of interest, as can be seen below:

- Do not perform anything contrary to the company’s business interest directly or indirectly; cause the company to lose benefit, receive lesser benefit than it should be, or share benefit from the company.
- With regard to the connected transaction policy, comply with the rules of the capital market supervisory board and the disclosure of information and operation of the listed companies in the stock exchange of Thailand, as well as regulation, law, notification and orders.
- Do not do anything directly or indirectly compete with the company’s business.
- Not seeking personal business benefit with the company, such as selling products and services to the company.

## 2. Use of inside information.

The company established the measurement to prevent the use of inside information that has not been disclosed to the public or make use of the information for personal or other benefits (CG Code 7.5.1) can be found in Section 5, Clause 5.14, internal information policy, pages 84-85 and section 2.3, preventing the use of insider information, pages 20-21 of the good corporate governance manual as a guideline for related persons.

- 
- 1) It is strictly prohibited to disclose or use the company's confidential information for personal or other benefits.
  - 2) Do not disclose inside information and documents to outsiders; make use of that information for personal or their associate s benefits, such as trade secrets, production formulas, production techniques.
  - 3) Do not use not yet publicly disclosed information for oneself or others' benefits or take any action that may cause a conflict of interest with the company.
  - 4) Prevent the use of inside information in trading of company security. The secretary arranges a schedule in advance each year to inform the directors and executives the date that they should avoid trading company securities that 14 days before the disclosure of the quarterly and annual financial statements until 24 hours after the disclosure of such information to the Stock Exchange of Thailand (SET).
  - 5) The company's managing director and four executives under managing directors (as defined by the securities and exchange commission) are obliged to report changes in their securities holdings, including spouse and underage children (according to the notification of the office of the securities and exchange commission no.Sor Chor. 38/2018 subject: preparation report on changes in securities holdings) annually or when there is a change. The company secretary will keep this report and send a copy to the chairman of the audit committee within seven working days from the date of receiving.
  - 6) Disclose the number of shares held by each director in the previous and current year in Form 56-1 and the annual report. In the past year, no offenses committed by the directors and senior management, and employees involved in the use of inside information were shown.

### **3. Anti Corruption (CG Code 6.4)**

Union Pioneer Public Company Limited has announced the anti-corruption policy; more details can be found in the good corporate governance handbook and code of conduct principle no. 3.5, pages 49-50 and part 4, pages 57-63, including practices relevant to employees and all groups of stakeholders through various channels, focusing on nurturing good operating practices, increasing all forms of anti-corruption awareness and creating an organizational culture under good corporate governance and compliance with business ethics. To build confidence and meet the expectations of all stakeholder groups, the company also encourages business partners and customers to support anti-corruption in all forms to build trust with all stakeholders, to be part of development in our nation's society, economy and fair business practice.

On December 22, 2021, the company received certification as a member of the Thai Private Sector Collective Action Against Corruption (CAC)

### **4. Whistleblowing Guideline and Procedure**

To ensure that complaints, suggestion and whistleblowing being reported from employees or all group of stakeholders will be effectively handled with transparency, honesty, fairness, confidentiality, and timely, the company has a clear policy as follow:

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1) Stakeholders and employees can report wrongdoing or complaints to directors, company secretaries or the internal audit office directly at the contact address by letter or E-mail address

Whistleblowing or complaint channel:

- Email : ac\_upf@unionpioneer.co.th to the audit committee  
: md\_upf@unionpioneer.co.th to the company's managing director
- Letter : Audit committee  
Union Pioneer Public Company Limited.  
No.1, Soi Serithai 62, Khwaeng Minburi, Khet Minburi, Bangkok 10510
- Complaint box : Drop the complaint into the red box in front of the Saha Union's security guard station at Bang Chan
- Telephone : Hotline 0-2-517-0105-8 ext. 111 to Managing director

2) Upon receiving a complaint or whistleblowing, the recipient shall consider information or evidence for validity, if the information is valid and is affected or potentially affected to the company, the issues will be further registered, investigated, concluded with a corrective action plan.

3) The company will inform the director of the investigation results. The company is ready to protect employees or stakeholders who provide information and assist the victim of misconduct and fraud from any kinds of threats or unfair acts.

#### **5. Measures and guidelines for protecting employees, complainants or whistleblowers**

According to the company's management process and guidelines for protection, the company will not disclose the name of complainants or whistle-blowers, keep them as confidential information of the company for their own protection in order not to cause trouble to them and set up a fact-checking committee to consider transparency and fairness to whistleblowers

In 2021, the Company has taken action to promote "Ethics within the Organization" for all employees to know and learn about the principles of good corporate governance and business ethics. including important policies through communication channels such as

- 1) Create an online system for employees through scanning QR CODE to view the information, which can be accessed at any time, whether they are located inside or outside the company.
- 2) Public relations through online media, the company's line application group
- 3) Public relations boards in each area of the Company
- 4) Through meetings for executives to communicate to their subordinates such as production line's morning talk.
- 5) Communicate via the company's broadcast during break time for all employees to be informed and operate under the framework of ethics, morality, honesty which create a foundation for the company to grow sustainably.

## Major Changes and Developments of Policies, Practices and Corporate Governance in the past year

The company believes in and realizes that conducting business with good corporate governance is vital for efficient and sustainable operation and creating long-term value for shareholders and stakeholders. The company has provided an excellent transparent, auditable internal management and control system, respected the right of shareholders and equitable treatment of shareholders, maintained financial credibility, disclosed information entirely and timely during the year 2020 – 2021. The company received the performance assessment from vari-

**Ranking - Listed Companies**

Please enter search criteria

Issuer: UNION PIONEER PUBLIC COMPANY LIMITED

Symbol: upf

Assessment Type:  CG Score  AGM Level  Thai-CAC  THSI

**Sustainability Development by Industry ( 1 record(s) found)**

Symbol	Company Name	CG Score <sup>1/</sup>	AGM Level <sup>2/</sup>	Thai CAC <sup>3/</sup>	THSI <sup>4/</sup>	Sector
UPF	UNION PIONEER PUBLIC COMPANY LIMITED	4	4	Certified	n/a	SET - FASHION

<sup>1</sup> CG Score 2020 from Thai Institute of Directors Association (IOD)

(Guideline for results presentation)

<sup>2</sup> AGM Level 2021 from Thai Investors Association

<sup>3</sup> Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 24, 2021) are categorised into:

- companies that have declared their intention to join CAC, and
- companies certified by CAC.

<sup>4</sup> The Stock Exchange of Thailand: the record of listed companies with corporate sustainable development "Thai sustainability Investment 2021" included:

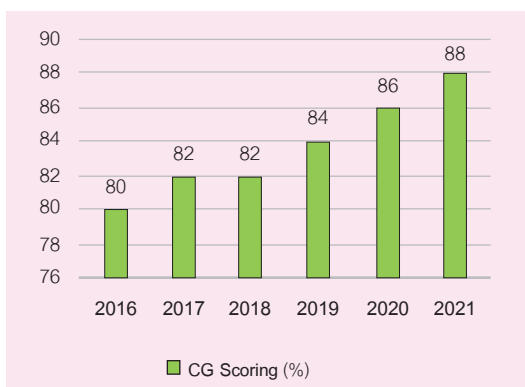
- SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)
- SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

Last updated on 30 January 2022



### Corporate Governance Practices Assessment Report of Listed Companies -CGR Year 2021

The company has maintained an excellent, high-level standard for six consecutive years



The board has regularly reviewed the company's good corporate governance practices, monitored CG improvement and best practices to apply with the company's business accordingly.

In the past year, the Company received a 4-star rating on corporate governance of Thai listed companies (CGR) from the Thai Institute of Directors Association (IOD), supported by the Stock Exchange of Thailand.

## Thai Private Sector Collective Action Against Corruption (CAC)



The Company has been certified as a member of the Thai Private Sector Collective Action Against Corruption from 30 June 2020 to 30 June 2023



The Company has been recognized by ThaiPat Institute as one of the listed companies in the ESG100 for the years 2016, 2017, and 2021 as a listed company with outstanding environmental, social and governance performance.

### Compliance with Good Corporate Governance principles in other matters

The company has applied good corporate governance principles for listed company year 2017.

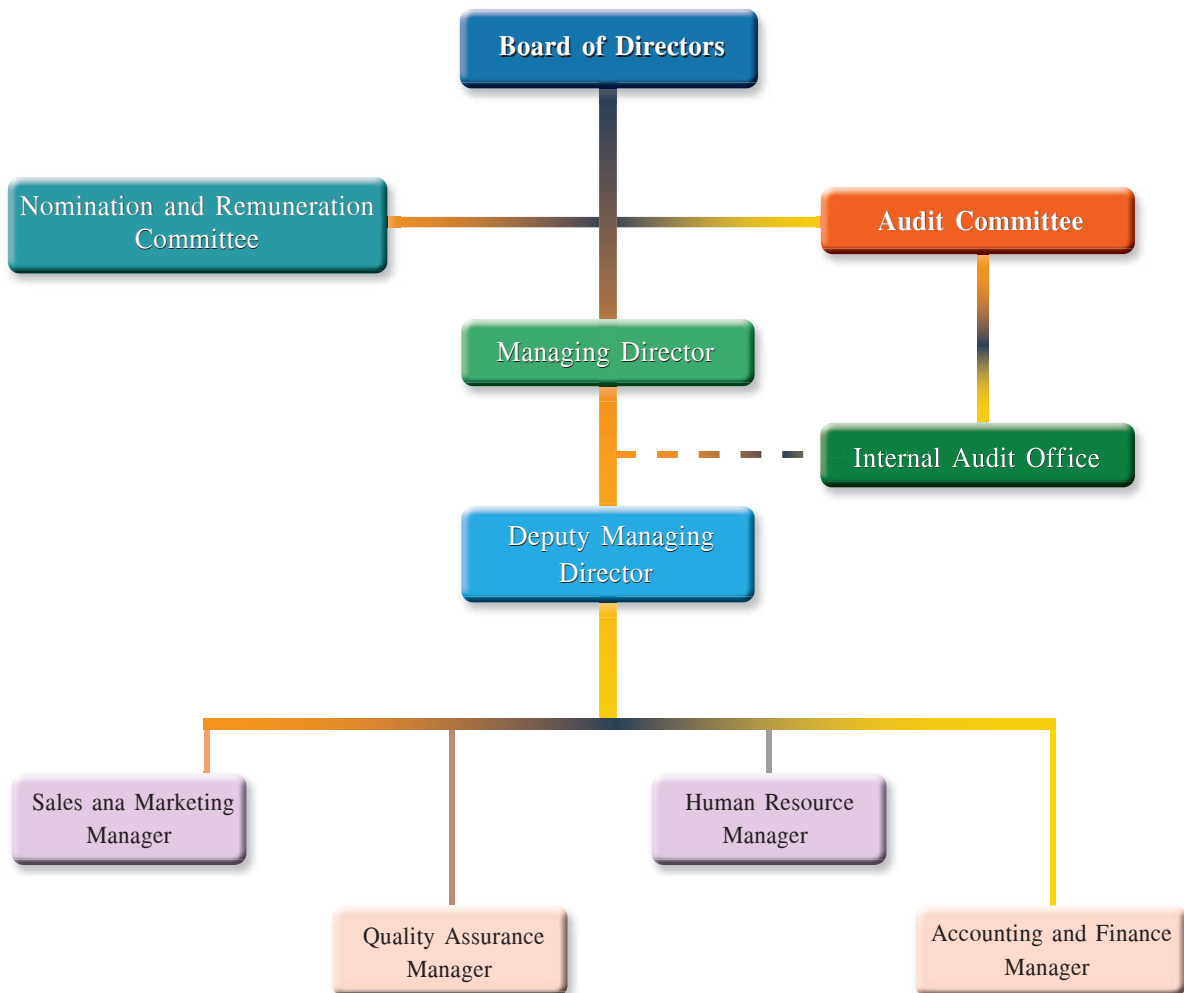
However, in the year 2021, there were still some issues that the company was unable to cover in the following area

Unimplemented issues	Alternative measures/reasons
1. The chairman of the board should be an independent director	The chairman of the board is a non-executive director who possesses business knowledge, experience and good leadership skills. In addition, the board has clearly defined the roles and responsibilities of the chairman and managing director. The board balances the authorization between management and governance by having three independent directors out of nine directors. It emphasizes the benefit of the company, shareholders and all stakeholders.
2. The board of directors should consist of more than half of the independent director	The structure of the board consists of three independent directors out of the total of 9 directors <ol style="list-style-type: none"> <li>1. The chairman and the managing director are not the same person.</li> <li>2. The chairman of the board is not a member of the executive committee, nomination and remuneration committee, or being assigned to have administrative responsibilities. In addition, in the year 2021, the Board has agreed, as proposed by the nomination committee, that the current composition and qualification of the board is appropriate and efficient in the performance of duties of the board.</li> </ol>
3. Each independent director shall not take the position for more than nine consecutive years from the day of the appointment	The board does not strictly specify the most extended number of consecutive terms for independent directors and sub-committees as the continuation of the independent directors and sub-committee are more beneficial to the company; directors who hold the position continuously are people who have knowledge, abilities, experience and have a good understanding of the nature of business operations, have freedom to express their opinions and suggestions that are useful to the company, do not relate to major shareholders or do not have authority in controlling or not being persuaded or dominated by the management. They have the qualifications of an independent director according to the SEC and the SET regulations.
4. Determination of the most extended number of consecutive terms for independent directors and sub-committees.	
5. The nomination and remuneration committee is an independent director as a whole.	The nomination and remuneration committee consists of three members, with at least two independent directors and the chairman of the nomination and remuneration committee is an independent director.

# Corporate Governance Structure and Significant Information about the Board of Directors, Sub-committees, Executives, Staffs, etc

## Corporate Governance Structure

Union Pioneer Public Company Limited gives precedence to compliance with good corporate governance principles, and the rules of the Securities and Exchange Commission of Thailand for the employees at all levels in the organization from the board of directors, sub-committees, executives and staffs. This is considered as an important system for corporate governance with chain of command, by supporting, reviewing, independence, including the separation of duties, according to the management structure.



## Board of Directors



### Miss Dalad Saphavichaikul

Chairman  
Age 65 years

#### Education

- Master's Degree in Computer Science, University of Illinois at Urbana – Champaign, U.S.A.
- Bachelor's Degree (First Class Honor) in Economics, Chulalongkorn University

#### IOD's Training

- Director Certification Program (DCP) Class 9/2001
- Director Diploma Examination Class 4/2001
- Finance for Non-Finance Director (FN) Class 1/2001
- Audit Committee Program (ACP) Class 10/2005
- Ethical Leadership Program (ELP) Class 13/2018

#### Family relations between directors and executives: None

#### Experiences

- 1999 – 2007 Executive Director and Vice President, Saha-Union Public Company Limited
- 1999 – 2011 Director, Saha-Union Public Company Limited
- 2004 – 2017 Director, Computer Union Co., Ltd.
- 2011 – May 2014 Director, Union Plastic Public Company Limited
- 2012 – May 2012 Director, Union Pioneer Public Company Limited
- 2012 – 2016 President, Saha-Union Public Company Limited
- 2012 – July 2019 Chairman of the Risk Management Committee, Saha-Union Public Company Limited
- May 2014 – June 2020 Director, The Royal Hotel Co., Ltd.
- May 2015 – May 20, 2020 Chairman, Union Textile Industries Public Company Limited
- 2017 Vice Chairman, Saha-Union Public Company Limited

#### Current Positions

##### Listed Companies

- 2018 – Present Chairman, Saha-Union Public Company Limited
- May 2014 – Present Chairman, Union Plastic Public Company Limited
- June 2012 – Present Chairman, Union Pioneer Public Company Limited

##### Saha-Union Group Companies

- 2012 – Present Chairman, Union Nifco Co., Ltd.
- 2013 – Present Chairman, Union Zojirushi Co., Ltd.  
Chairman, Union Micronclean Co., Ltd.  
Chairman, Union Stainless Steel Products Co., Ltd.
- March 2014 – Present Chairman, Union Thai-Nichiban Co., Ltd.
- 2017 – Present Chairman, Computer Union Co., Ltd.
- Present Chairman and Director, Other Companies in Saha-Union Group

##### Other Companies

- 1989 – Present Director, Processing Center Co., Ltd.
- August 2015 – Present Director, Sukhumvit 62 Medical Limited
- December 2017 – Present Vice Chairman, Navavej International Hospital Public Company Limited

#### Years of Directorship

10 years (since 1 January 2012)



**Mrs. Nuntawan Sakuntanaga**

Independent Director / Chairman of the Audit Committee

Age 63 years

**Education**

- M.B.A., in Marketing and International Business  
UNIVERSITY OF WISCONSIN at MADISON, USA
- B.Ac., in Finance and Banking CHULALONGKORN UNIVERSITY

**IOD's Training**

- Ethical Leadership Program (ELP), Class 21/2021
- Risk and Opportunity Management, Class 1/2021 (IOD organized with AWC)
- Boards that Make a Difference (BMD), Class 9/2019
- Boardroom Success through Financing & Investment (BFI), Class 7/2019
- Financial Statements for Directors (FSD), Class 31/2016
- Audit Committee and Continuing Development Program (ACP), Class 43/2013
- Director Certification Program (DCP), Class 166/2012

**Other Training**

- Corporate Governance Program for Directors and Executives of State Enterprises and Public Organization, Public Director Institute (PDI) Class 12/2013

**Family relations between directors and executives:**                      **None**

**Experiences**

- October 2013 - 2015                      Director General, Department of International Trade Promotion, Ministry of Commerce
- July 2014 – April 2020                      Independent Director / Chairman of the Corporate Governance Committee, PTT Public Company Limited
- October 2015                      Director General, Department of Intellectual Property, Ministry of Commerce
- October 2016                      Director General, Department of Internal Trade, Ministry of Commerce
- October 2017– September 30, 2018                      Permanent Secretary, Ministry of Commerce

**Current Positions**

**Listed Companies**

- January 2020 - Present                      Independent Director / Chairman of the Audit Committee, Union Pioneer Public Company Limited

**Saha-Union Group Companies**

- None -

**Other Listed Companies**

- 18 September 2018 – Present                      Independent Director / Chairman of the Corporate Governance Committee, Asset World Corp Public Company Limited

**Other Companies / Institutions**

- April 2019 – Present                      Chairman, The Gem and Jewelry Institute of Thailand (Public Organization)
- 11 May 2019 – Present                      Director, The Securities and Exchange Commission, Thailand

**Years of Directorship**

2 years (since 1 January 2020)

**Years of Independent Directorship**

2 years (since 1 January 2020)



**Mr. Wanchai Rattanawong**

Independent Director / Audit Committee /  
Chairman of the Nomination and Remuneration Committee  
Age 58 years

**Education**

- Ph.D. (Manufacturing Engineering) Swinburne University of Technology, Melbourne, Australia
- M.Eng. (Computer Integrated Manufacturing) Swinburne University of Technology, Melbourne, Australia
- Master of Education (Physics) M.Ed. (Physics) Srinakharinwirot University (Prasarnmitr)
- Bachelor of Education (Physics) B.Ed. (Physics) Srinakharinwirot University (Bang Saen)

**IOD's Training**

- Director Accreditation Program (DAP) Class 110/2014
- Director Certification Program (DCP) Class 201/2015
- Advanced Audit Committee Program (AACCP) Class 17/2014
- Board Nomination and Compensation Program (BNCP) Class 5/2018

**Family relations between directors and executives:** None

**Experiences**

- 2012 – 2015  
Dean, Faculty of Engineering University of the Thai Chamber of Commerce (UTCC)  
Director of the Institute of Research and Development Logistics,  
Thai Chamber of Commerce University (UTCC)
- 2016 – 2018  
Senior Vice President for Corporate Capacity Development,  
University of the Thai Chamber of Commerce (UTCC)
- 2017 – 2018  
Director, Bangkok Mass Transit Authority

**Current Positions**

**Listed Companies**

- 2021 – Present  
Independent Director / Audit Committee / Chairman of the Nomination and  
Remuneration Committee,  
Union Pioneer Public Company Limited

**Saha-Union Group Companies**

- None -

**Other Listed Companies**

- 2014 – Present  
Independent Director / Audit Committee, PTG Energy Public Company Limited
- 2015 - Present  
Independent Director / Chairman, Sonic Interfrigt Public Co., Ltd.

**Other Companies**

- 2017 – Present  
Director, LRDI (Thailand) Co., Ltd.

**Other Positions**

- 2018 – Present  
Director of the Institute of Research and Development Logistics,  
University of the Thai Chamber of Commerce (UTCC)

**Years of Directorship**

1 year (since January 1, 2021)

**Years of Independent Directorship**

1 year (since January 1, 2021)



**Mr. Komon lamwatcharin**

Managing Director

Age 64 years

Education

- Bachelor's degree, Faculty of Economics, Thammasat University)

**IOD's Training**

- Director Accreditation Program (DAP) Class 163/2019

**Family relations between directors and executives:** None

**Experiences**

- 1992 - 2008 Sales Manager, Saha-Union Public Company Limited (Bangchan Branch)
- 2009 – 2019 Sales and Marketing Manager, Union Pioneer Public Company Limited
- 2012 – 2014 Assistant Managing Director, Union Pioneer Public Company Limited
- 2014 – 2019 Deputy Managing Director, Union Pioneer Public Company Limited

**Current Positions**

**Listed Companies**

- January 2020 – Present Managing Director, Union Pioneer Public Company Limited

**Saha-Union Group Companies**

- None -

**Other Companies**

- None –

**Years of Directorship**

2 years (since 1 January 2020)



## Mr. Chutindhon Darakananda

Director

Age 62 years

### Education

- Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Industrial Engineering, Stanford University, U.S.A

### IOD's Training

- Director Accreditation Program (DAP) Class 17/2004

**Family relations between directors and executives:** Elder brother of the husband of Mrs. Chantorntree Darakananda, Elder brother of Mr. Vacharaphong Darakananda

### Experiences

- December 1990 – 2006 Director, Saha-Union Public Company Limited
- 1992 – February 2017 Vice Chairman, Venus Thread Co., Ltd.
- 1993 – 2007 Director, Union Textile Industries Public Company Limited
- 2001 – March 2009 Director, Union Pioneer Public Company Limited
- 2002 – January 2018 Director, Union Energy (China) Co., Ltd.
- 2007 – 2012 Vice Chairman / Managing Director, Union Thread Industries Co., Ltd.
- May 2014 – February 2017 Vice Chairman / Managing Director, Union Industries Corp., Ltd.
- March 2017 – February 2018 Vice Chairman (Investments in China), Saha-Union Public Company Limited
- January 2019 – January 2020 Director, The Royal Hotel Co., Ltd.
- January 2019 – January 2020 Vice Chairman, The Royal Hotel Co., Ltd.
- January 2019 – January 2020 Managing Director, The Royal Hotel Co., Ltd.

### Current Positions

#### Listed Companies

- January 2011 – Present Nomination and Remuneration Committee, Saha-Union Public Company Limited
- 2013 – Present Vice Chairman, Saha-Union Public Company Limited
- February 2013 – Present Director, Union Textile Industries Public Company Limited
- May 2017 – Present Director, Union Pioneer Public Company Limited

#### Saha-Union Group Companies

- 2013 – Present Director, Union Garment Co., Ltd.
- 2013 – Present Director, Union Micronclean Co., Ltd.
- November 2015 – Present Director, Union Zojirushi Co., Ltd.
- March 2017 – Present Director, Venus Thread Co., Ltd.
- May 2017 – Present Director, Union Nifco Co., Ltd.
- February 2018 – Present Chairman, Union Spinning Mills Co., Ltd.
- February 2018 – Present Chairman / Managing Director, Union Business Management Co., Ltd.
- February 2018 – Present Chairman / Managing Director, Union Thread Industries Co., Ltd.
- February 2018 – Present Chairman / Managing Director, Union Industries Corp., Ltd.
- March 2018 - Present Chairman, The Royal Hotel Co., Ltd.
- November 2018 – Present Chairman, Saha Union Holding Co., Ltd.
- Present Chairman, Vice Chairman and Director, Other Companies in Saha-Union Group

#### Other Companies

- April 2017 – Present Director, Sukhumvit 62 Medical Limited
- December 2017 - Present Director, Navavej International Hospital Public Company Limited

### Years of Directorship

5 years (since May 2017)



### **Mrs. Chantorntree Darakananda**

Director

Age 58 years

#### Education

- Doctor of Medicine, Chulalongkorn University
- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

#### IOD's Training

- Director Accreditation Program (DAP) Class 17/2004

**Family relations between directors and executives:** Younger sister in law of Mr. Chutindhon Darakananda, Elder sister in law of Mr. Vacharaphong Darakanada

#### Experiences

- 1990 – February 2017 Director, Ladphrao Hospital Public Company Limited
- 1994 – 2008 Deputy Managing Director, Union Industries Corp., Ltd.
- 2002 – 2008 Deputy Managing Director, Union Thread Industries Co., Ltd.
- 2002 – 2009 Director, Saha-Union Public Company Limited
- 2002 – 2014 Director, Union Textile Industries Public Company Limited
- 2009 – March 2017 Director, Pro-Lab Co., Ltd.
- 2013 – September 2014 Deputy Managing Director, Venus Thread Co., Ltd.
- September 2014 – 2016 Deputy Managing Director, Union Zip Co., Ltd.
- 2013 – September 2014 Director, Saha-Union Public Company Limited
- September 2014 – 2016 Executive Vice President, Saha-Union Public Company Limited

#### Current Positions

##### Listed Companies

- June 2014 – Present Director, Union Plastic Public Company Limited
- January 2015 – Present Director, Union Textile Industries Public Company Limited
- May 2015 – Present Nomination and Remuneration Director, Union Textile Industries Public Company Limited
- April 2015 – Present Director, Union Pioneer Public Company Limited
- 2017 – Present President, Saha-Union Public Company Limited

##### Saha-Union Group Companies

- April 2015 – Present Director, Computer Union Co., Ltd.
- Director, Union Zojirushi Co., Ltd.
- Director, Union Nifco Co., Ltd.
- Director, Union Rubber Products Corp., Ltd.
- Director, Thai Rubber Enterprise Co., Ltd.
- Director, Union Stainless Steel Products Co., Ltd.
- Director, Union Thai-Nichiban Co., Ltd.
- Director, Union Zip Co., Ltd.
- Director, Other Companies in Saha-Union Group

##### Other Companies

- August 2015 – Present Director, Sukhumvit 62 Medical Limited
- December 2017 – Present Director, Navavej International Hospital Public Company Limited

#### Years of Directorship

6 years 9 months (since April 2015)



**Mr. Vacharaphong Darakanada**

Director / Nomination and Remuneration Committee

Age 56 years

**Education**

- Bachelor's Degree in Physics, Harvey Mudd College, California, U.S.A.

**IOD's Training**

- Director Accreditation Program (DAP) Class 2/2003
- Director Certification Program (DCP) Class 69/2006
- Director Diploma Examination Class 19/2006
- Role of the Compensation Committee (RCC) Class 15/2012
- Chartered Director Class (CDC) Class 7/2013

**Family relations between directors and executives:** Younger brother of Mr. Chutindhon Darakananda, Younger brother of the husband of Mrs. Chantorntree Darakananda

**Experiences**

- Assistant Manager, Venus Thread Company Limited
- 1990 – May 2013 Director, Computer Union Co., Ltd.
- 1999 – 2000 General Manager, Saha-Union Public Company Limited. (Sriracha Operation)
- 2001 – December 2006 Director, Union Textile Industries Public Company Limited
- 2007 – 2008 Director, Union Thai-Nichiban Co., Ltd.
- 2007 – 2011 Director, Union Zojirushi Co., Ltd.
- 2007 – March 2014 Managing Director, Union Technology (2008) Public Company Limited
- May 2014 – March 2017 Director, The Royal Hotel Co., Ltd.

**Current Positions**

**Listed Companies**

- February 1992 – Present Director, Saha-Union Public Company Limited
- April 1999 – Present Director, Union Pioneer Public Company Limited
- April 2000 – Present Director, Union Plastic Public Company Limited

**Saha-Union Group Companies**

- May 2007 – Present Director, Union Stainless Steel Products Co., Ltd.
- 2007 – Present Director, Thai Rubber Enterprise Co., Ltd.
- Director, Union Rubber Products Corp., Ltd.
- 2008 – Present Director, Union Nifco Co., Ltd.
- 2009 – Present Managing Director, Union Thai-Nichiban Co., Ltd.
- 2012 – Present Managing Director, Union Zojirushi Co., Ltd.
- September 2015 – Present Director / Acting Managing Director, Union Stainless Steel Products Co., Ltd.
- Present Director, Other Companies in Saha-Union Group

**Other Companies**

- None -

**Years of Directorship**

22 years 8 months (since 28 April 1999)



**Mr. Nanthiya Darakananda**

Director

Age 53 years

Education

- Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Applied Physics, University of California, Davis, U.S.A.

**IOD's Training**

- Director Accreditation Program (DAP) Class 2/2003
- Director Certification Program (DCP) Class 212/2015

**Family relations between directors and executives:** Cousin of Mr. Chutindhon Darakananda and Mr. Vacharaphong Darakanada

**Experiences**

- 1996 – September 2013 Director, Union Button Corp., Ltd.

**Current Positions**

**Listed Companies**

- April 1993 – Present Director, Union Pioneer Public Company Limited
- April 1996 – Present Director, Saha-Union Public Company Limited
- April 1998 – Present Director, Union Plastic Public Company Limited

**Saha-Union Group Companies**

- None -

**Other Companies**

- June 2019 - Present Director, Winnergy Medical Public Company Limited

**Years of Directorship**

28 years 8 months (since 22 April 1993)



**Mr. Kollatat Tangchitkul**

Independent Director / Audit Committee /

Nomination and Remuneration Committee

Age 38 years

**Education**

- Master of Science in Technology Management, University of Illinois at Urbana-Champaign, Illinois, U.S.A. (2009)
- Bachelor of Business Administration International Business Management Program, Assumption University (2006)

**IOD's Training**

- Director Accreditation Program (DAP) Class 113/2014
- Advanced Audit Committee Program (AACP) Class 25/2017

**Family relations between directors and executives:** None

**Experiences**

- 2010 – 2012 Sales & Marketing, Global Sales Executive, Kuehne & Nagel (Thailand) Company Limited
- 2007 – 2009 Sale & Marketing, USA Trade Sales Representative, NYK Line (Thailand) Company Limited

**Current Positions**

**Listed Companies**

- 2014 – Present Independent Director, Union Pioneer Public Company Limited
- 2017 – Present Audit Committee, Union Pioneer Public Company Limited
- January 2020 – Present Nomination and Remuneration Committee, Union Pioneer Public Company Limited

**Saha-Union Group Companies**

- None -

**Other Companies**

- 2004 – Present Director, Niyom Service Company Limited
- Present Director, CargoFast Company Limited

**Years of Directorship**

8 years (since 1 January 2014)

**Years of Independent Directorship**

8 years (since 1 January 2014)

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## Mrs. Chadaporn Jiemsakultip

Company Secretary

Age 59 years

### Education

- Bachelor's Degree in Business Administration (Management), Sukhothai Thammathirat Open University
- Certificate in Business Administration (Accounting), Vocational College, Bangkok Technical Campus, (Current Named Rajamangala University of Technology Krungthep (RMUTK)), Bangkok

### Training

- CGR Workshop 2019 "Enhancing Good Corporate Governance based on CGR Scorecard", Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) Class 27/2008, Thai Institute of Directors (IOD)
- Effective Minute Taking (EMT) Class 11/2008, Thai Institute of Directors (IOD)
- Fundamental Practice for Corporate Secretary (FPCS 28), Thai Listed Companies Association
- Smart Disclosure Program (SDP), The Stock Exchange of Thailand
- CSR for Corporate Sustainability (Preliminary Course) (P01)
- CSR Reporting
- Sustainability Risk and Materiality Analysis (S04)
- CSR Evaluation and Data Management (S05)
- Sustainability Reporting (S06) SR Center and Sustainable Business Development Institute, The Stock Exchange of Thailand
- Customs Professional Program, The Customs Department

Family relations between directors and executives: None

### Experiences

- July 2008 - 2013 Assistant to the Company Secretary, Saha-Union Public Company Limited

### Current Positions

- January 2009 - Present Company Secretary, Union Textiles Industries Public Company Limited
- January 2014 - Present Company Secretary, Saha-Union Public Company Limited
- January 2016 - Present Company Secretary, Union Plastic Public Company Limited
- January 2016 - Present Company Secretary, Union Pioneer Public Company Limited

Years of Secretary Position 5 years

## Roles and Responsibilities of the Company Secretary

The Company Secretary has the duties according to the law section 89/15 and 89/16 under the Securities and Exchange Act (No.4) B.E.2008 effective on 31st August 2008, with responsibility, awareness and trustworthy thus taking the position according to the laws, objective and company's regulations, resolutions of the Board of Directors, including resolutions of the shareholders. The Company disclosed the information concerning educational background, experience and duties and responsibilities at the resume of Company Secretary and Chief Compliance Officer of the Company.

Roles and Responsibilities of the Company Secretary, as required by laws

1. Prepare and keep the documents listed below:
  1. Registry of Boards
  2. Documents on invitation of board of meeting, board of meeting report and the Company's annual report.
  3. Documents on invitation of meeting of shareholders, shareholder meeting reports.
2. Keep and secure the documents with the interest from the directors and executives and send the documents according to the law section 89 /14 to the chairman to verify within 7 days from the date that the documents were received.
3. Act according to the requirement of Capital Market Supervisory Board

Moreover, the Company Secretary also has other duties as assigned by the Company or the Board of Directors as listed below:

- Be a Chief of Compliance Unit to give advice on lawsuits and regulations related and actions with, should be taken to supervise and operate the activities of the board of directors as the law.
- Action on arranging the general board of director meeting and shareholder meetings.  
Coordinate within the company to act according to the board of directors and meeting of shareholders resolution

- Corporate in-charge of such as The Stock Exchange of Thailand, The Securities and Exchange Commission (S.E.C) and to supervise the disclosure of information and to report the information to the public correctly and completely according to the law.
- Provide orientation, significant documents/information to the newly appointed directors, cooperated with directors to have necessary training courses for directors or specific committees.
- Perform any duties as assigned by the Company.

## Independence of the Board of Directors and Management

### 1. Separating the Position of Chairman of the Board and Managing Director

Board of Directors encourages the good corporate governance by determining that the Chairman of the Board of Directors is not the same person with the Managing Director, as well as clearly segregating the authority and roles according to the approval authority procedure and operation after passed approval of the Board of Directors, so that the Board of Directors can independently check and balance the operation of the Management.

### 2. Balance of the Authorities of the Board

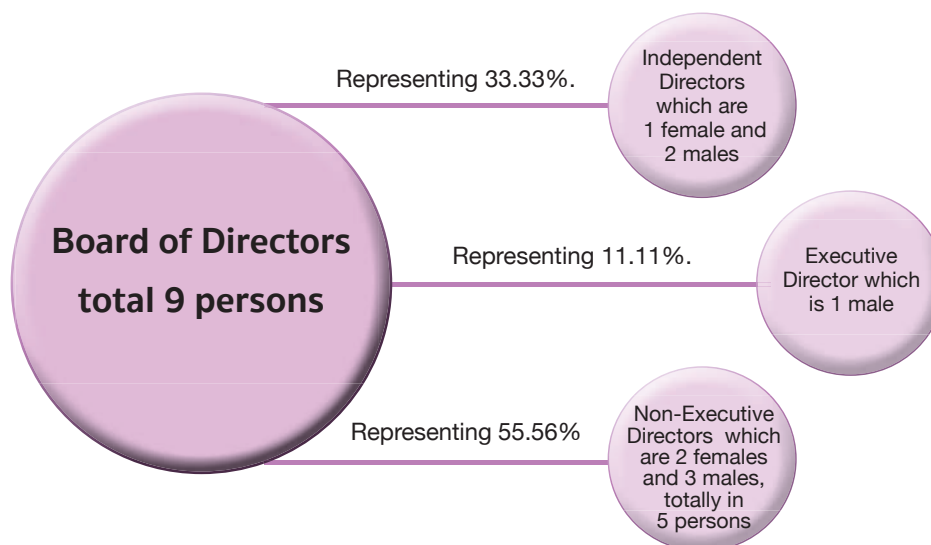
Board of Directors appropriately provides the Board of Directors composition and clearly segregation of roles, duties and responsibilities between the Board of Directors and the Management. All directors are independent in expressing their opinions on the Company's operations with honesty and integrity, protection the interests of the Company without controlling as well as being responsible for the performance of duties under the laws, rules the Company, as well as the resolutions of the Board of Directors' meeting and the Shareholders' Meeting

### Composition of the Board of Directors (CG Code 3.1.4)

The Board of Directors consists of 9 directors, who have various qualifications in terms of professional skills, experience, knowledge, abilities and specific characteristics necessary to achieve the Company's main objectives and goals, gender and age, etc., including having qualifications not prohibited under the Public Limited Act and the law on Securities and the Stock Exchange. (CG Code 3.1.1)

The Board of Directors is independent in decision-making on operations and drives the Company to grow and achieve sustainable economic, social and environmental goals.

There is a clear management structure, balance and auditability. There is a clear segregation of roles and duties. and the responsibilities between the Board of Directors and the management.



List of the names of Board of Directors on 31st December 2021

Name-Surname	Position	Type of Director	Authorized Director	Assignment Start Date
1. Miss Dalad Saphavichaikul	Chairman of the Board	Non-Executive	✓	2012/1/1
2. Mrs. Nuntawan Sakuntanaga	Chairman of the Audit Committee	Independent	-	2020/1/1
3. Mr. Wanchai Rattanawong	Audit Committee Chairman of the Nomination and Remuneration Committee	Independent	-	2021/1/1
4. Mr. Komon lamwatcharin	Managing Director	Executive	✓	2020/1/1
5. Mr. Chutindhon Darakananda	Director	Non-Executive	✓	2017/5/24
6. Mrs. Chantorntree Darakananda	Director	Non-Executive	✓	2015/4/22
7. Mr. Vacharaphong Darakananda	Director/ Nomination and Remuneration Committee	Non-Executive	✓	1999/4/28
8. Mr. Nanthiya Darakananda	Director	Non-Executive	✓	1993/4/22
9. Mr. Kollatat Tangchitkul	Audit Committee Nomination and Remuneration Committee	Independent	-	2014/1/1

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

According to the rules and regulation of Company, the Board of Directors has the authority to make decisions and control the operations of the Company, except the following matters required the approval by the Shareholders' Meeting before operating.

In this regard, the directors or persons who may have conflicts or have interests, have no right to vote on this matter.

1. Matters required by law to have resolutions of the Shareholders' Meeting
2. Connected transaction with a large transaction size (20 million baht or 3% of net tangible assets – NTA, whichever is higher)
3. Acquisition or disposal of important assets with a transaction size of more than 50% but not more than 100% (calculated as type of assets)

### Duties and responsibilities of the Board (CG Code 1.4.1)

1. Perform duties with responsibility, caution and honesty including having to comply with laws, objectives, company regulations as well as the resolution of the shareholders meeting except in matters that need to be approved by the shareholders meeting before proceeding, such as matters that the law requires the resolution of the shareholders' meeting, related transactions and significant asset trading according to the rules of the Stock Exchange of Thailand or as specified by other government agencies. (CG Code 1.3.1)

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2. Determine policies, plans and strategies of the company, consider and approve important matters relating to the operations of the company, such as financial goals, budgets, and supervise the management to operate in accordance with the policies, plans and strategies that are effectively and efficiently defined.
  3. Consider and approve the assessment of the adequacy of the Company's internal control system on an annual basis and prepare a report on the responsibility of the Board of Directors towards financial reports, as disclosed in the annual report and Form 56-1.
  4. Provide clear channels for reporting clues, process after receiving complaints and measures to protect the whistleblower, as details are in topic "Anti-Corruption Policy" on page 62-63
  5. Supervise and control the operation to comply with the laws, regulations and the guidelines of the regulatory agencies related companies, with no action on violation of the official rules. The Board of Directors shall carry out their duties with care and skill thorough practice.
  6. Control the operation to be in accordance with good corporate governance under morality that is "Virtue, Quality and Benefits." As well as being a part in specifying the standard regulations of good conduct in the workplace. These ethic policies were posted in a conspicuous place. It is noticeable and conveyed to a concrete practice of all employees. The Company had tracked the performance and related matters in accordance with the ethic policy on regularly. (CG Code 1.2.3)
  7. Specify the measurement and policies about the conflict of interest, in case the company (if any) doing any kind of transactions with major shareholders, directors, executives and any individual related to the mentioned parties. These measurement and policies must be followed as the general conditions of trading and will be same as common parties by considering the maximum benefits of the company.
  8. Specify the policies in case the company approved the transactions that dealt with related person in a long-term commitment (if any) such as selling and buying products, etc. It will be performed according to the conditions that have been agreed on for all of the time that have been committed with the company.
  9. Provide a reliable accounting system, financial reporting and auditing including the accurate preparation of financial reports at the end of the accounting period of the company to show the financial status and operating results in the past year to be true, complete and accurate according to generally accepted accounting standards and be audited by the company's auditor before presenting to the shareholders meeting for consideration and approval.
  10. Arrange an internal controlling system and internal audit in work operation, financial reports and operation in accordance to regulations and policies.
  11. Establish the office of Internal Audit, which is a division within the company, is independent in the performance of duties. It is responsible for the internal audit by reporting the results of the audit report directly to the Audit Committee and the Managing Director.
  12. Appoint the Risk Management Committee, which have the responsibility in analyzing and managing risk in order to specify the preventive measurement in risk management to be in an acceptable level, and continuously monitored the effectiveness and efficiently of risk management. The Audit Committee reports this progress to the Board of Directors every quarter.
  13. Continuously develop knowledge and ability to perform work and attend training or participate in courses related to the performance of directors' duties or seminars that are continuously increasing knowledge of work performance.

**Responsibilities of the Chairman** are as follows (CG Code 3.2.3)

1. Supervise, monitor and ensure that the duty of the Board is efficient and achieve the objectives and main goals of the Company.
2. Ensure that all directors are involved in promoting ethical corporate culture and good corporate governance.
3. Set the board meeting agenda by discussing with the managing director and having measures to ensure that significant issues are included in the meeting agenda.
4. Allocate sufficient time for the management to propose enough matters for directors to carefully discuss significant issues, to encourage the directors to express their opinions carefully and freely.

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5. Strengthen the good relationship between executive directors and non-executive directors, and between the board and management.

### **Responsibilities of the Managing Director**

1. Be responsible for the Company management in accordance with the resolutions of the Board of Directors, and other responsibilities as assigned by the Board of Directors.
2. Approve and sign on expenditures documents under the credit limit according to the rules of approval signing with determined credit limit.
3. Be responsible for ensuring that the Company has accurate accounts and financial reports that are fully disclosed.
4. Be responsible for the actual counting of inventory and proper inventory control.
5. Be responsible for monitoring debtor's repayment and controlling outstanding debts according to the debt repayment schedule.
6. Prepare an annual budget plan with a target return.
7. Conclude the operating results report including presenting the monthly and quarterly financial statements to the Board of Directors.
8. Perform any various matters that have been approved by the Board of Directors..

### **Term of Office of the Board of Directors**

1. Determine the directors holding positions for 3 years
2. In each annual ordinary meeting, one-third of the total number of the board members will be at the end of their terms. If the number of the board cannot be exactly divided, the closet number to one-third will suffice.
3. The director who has to resign in the first year and second year after the company's registration will need to draw lots. In the following year, the director with the longest position has to resign. The director who expires from the term of office can be nominated for the position in the board again.
4. Other than expire from the term of office, the director terminated from the following reasons:
  - He/she pass away.
  - He/she resigned from the board.
  - Lack qualifications and posed a prohibit characteristics which defined by law.  
The shareholders vote of not less than three-quarters of the overall votes in the shareholders meeting and have the overall stocks not less than half of the total shares of the overall voting at the shareholders' meeting.
  - He/she was dismissed by the court order.
5. The director who resigned from the Board, need to submit the resignation letter to the company. The resignation will be effective from the day the letter has been submitted

### **Appointment of Directors of the Board**

1. In selection on the Board of Directors, the persons who have been nominated are already considered by the Nomination and Remuneration Committee who recruited the appropriated qualified persons, will be proposed to the Board of Directors for approval prior proposing to the shareholders at the Annual General Meeting for further selected at director selection agenda. The implementation of the articles of association as follows.
  - 1) One shareholder has one vote per one share
  - 2) In the directors' election, the method in electing is either done by elected one individual director or to elect one group of director, until the number of directors are completed the requirement, with the respect to the resolution of the shareholders' meeting. But in each vote, the shareholder must vote with total existing votes as the topic 1), all votes can not be separated and given to any persons or groups.
  - 3) The voting in the directors' election will use majority vote, if the number of votes are equal, the chairman of the meeting will be the arbiter.

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The 28th Annual General Meeting of Shareholders held on 21st April 2021 resolved to extend the terms office of the directors of the Board for another term with the following directors:

1. Mr. Wanchai Rattanawong
2. Mrs. Chantorntree Darakananda
3. Mr. Komon lamwatcharin

For the past 5 years, directors, executives and authorized persons has complied with the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546 by;

- (1) No act of dishonesty or gross negligence
- (2) No disclosure or disseminating the false information or concealing factual information that should be disclosed in significant matters which may affect the decision making of shareholders, investors or related persons.
- (3) There is no unfair act or taking advantage of investors in securities or derivatives trading. or having or having been involved in or supported such action.

### Sub-committees

The Board of Directors has appointed directors who are knowledgeable and appropriate expertise to serve as sub-committees in various fields to assist in the corporate governance of the Company, by studying the details and the scope of work which each sub-committee is responsible to increase the operating efficiency of the Board of Directors, because they can consider and discuss issues with more specific details. Sub-committees will regularly report each meeting results to the Board of Directors' meeting for acknowledgment and report the annual performance over the past year to the shareholders.

At present, there are 2 Sub-committees of the Company as follows:

- **Audit Committee** (CG Code 6.2.1)

#### Qualifications and Composition of the Audit Committee:

1. The Audit Committee is composed of the independent directors according to the definition of the Company, who are appointed by the Annual General Meeting of the Company or the Board of Directors which appointed one of them acting as the Chairman of Audit Committee.
2. Not being the director assigned by the Board of Director to make decision on the operations of the Company, Parent Company, Subsidiary Company, Associated Company, Same Level Subsidiary Company, Major Shareholder or the Authorized persons of the Company.
3. Not being the director of the Parent Company, Subsidiary Company or Same Level Subsidiary Company which are listed company only.
4. The Audit Committee has to consist of at least three directors, with Mrs. Nuntawan Sakuntanaga, the Chairman of the Audit Committee Mrs. Nuntawan Sakuntanak, Chairman of the Audit Committee who have knowledge and sufficient experience to review the reliability of financial statements.
5. The Audit Committee has to have other qualifications, as prescribed by the Securities and Exchange Commission (SEC), in addition to the qualifications and specific characteristics of the Audit Committee, and the Independent Director as well.

Term of Service: The office term of Audit Committee is 3 years. The Audit Committee members who vacate upon the expiration of the office term, may be re-appointed. When the Audit Committee member is vacant as a result of reason other than the end of office term, the Board of Directors shall appoint any person with fully qualifications to be the Audit Committee member in order for the number of committee members to be fully size as prescribed by the Board of Directors. This person will be the Audit Committee member for the remaining office term of the resigned audit committee only.

No.	Name-Surname	Qualification	Position
1	Mrs. Nuntawan Sakuntanaga	Independent Director	Chairman of the Audit Committee
2	Mr. Wanchai Rattanawong	Independent Director	Audit Committee
3	Mr. Kollatat Tangchitkul	Independent Director	Audit Committee

The Board of Directors has established an internal audit office which is a section within the Company under a chain of command of the Audit Committee, operates according to the audit plan and reviews the internal control system. The Audit Committee quarterly summarizes the audit results of the Internal Audit Office to the Board of Directors' meeting for acknowledgment.

The Internal Audit Manager of the Company is Mr. Nattpawatch Thomwan appointed as the Secretary of the Audit Committee.

With the resolution of the Board of Directors' meeting No. 12/2020 on 23rd December 2020 approved the use of the audit committee regulations instead of the regulations on 15th November 2017.

**Charter of the Audit Committees with Duties and Responsibilities (CG Code 6.2.2, 7.1.2) as following;**

1. Review the Company's financial statement to ensure its' accuracy and adequacy to be in accordance with accounting standard.
2. Review that the Company has an appropriate and effective internal control system and internal audit system and consider the independence of the internal audit unit, as well as approve the appointment, rotate or dismiss an internal audit manager.
3. Review that the Company complied with the Securities and Exchange Act, regulations of SET and other related regulations concerning with the business operation of the Company.
4. Nominate, select, terminate the employment of appropriate independent authorized auditor to act as the Company's auditor and propose remuneration for that individuals. In addition, attending the meeting with the auditor without management party of the company at least once a year.
5. Examine that all connected transactions and other transactions with a conflict of interest have been complied with laws and regulations of SET to ensure that all transactions are reasonable and will generate the best benefits for the Company.
6. Review the correctness of reference documents and self-assessment on anti-corruption of the Company according to Thai Private Sector Collective Action Coalition against Corruption (CAC).
7. Provide the Audit Committee report in the annual report of the Company. The mentioned report shall be signed by the chairman of the board and should at least comprise with the information listed below:
  - (1) Opinion on the accuracy, completeness and credibility of the Company's financial report.
  - (2) Opinion on the adequacy of the company's internal control system and risk management system.
  - (3) Opinion on the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand or other laws which related to the Company's business.
  - (4) Opinion on the suitability of the Company's external auditors.
  - (5) Opinion on the transaction that might have a conflict of interests.

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- (6) Frequency of the audit committee meetings and the attendances of each committee.
  - (7) Opinion or overall observations that the Audit Committee received from the operation as the charter or the regulations of the Audit Committee.
  - (8) Other transactions that the shareholders and investors should be aware of within the scope of authorities which has been assigned by the Board of Directors.
8. Inform the executives to resolve the errors that have been detected and also quickly solve those errors.
  9. Follow up and evaluate the performance in which the audit committee seen as important.
  10. Other operations that have been assigned by the Company's Board of Directors.

- **Nomination and Remuneration Committee**

: is composed of three directors who have been appointed by the Board of Directors, consisting of two-third of independent directors, representing 66.67 percent, for the transparency and independence in operating their duties. Chairman of the Nomination and Remuneration Committee is an Independent Director and is not the Chairman of the Board of Directors. (CG Code 3.3.1, 3.4.1)

Mrs. Chadaporn Jiemsakultrip, Company Secretary, is assigned to be the Secretary of the Nomination and Remuneration Committee.

No	Name-Surname	Qualification	Position
1	Mr. Wanchai Rattanawong	Independent Director	Chariman of the Nomination and Remuneration Committee
2	Mr. Kollatat Tangchitkul	Independent Director	Nomination and Remuneration Committee
3	Mr.Vacharaphong Darakananda	Director	Nomination and Remuneration Committee

**Duties and Responsibilities of the Nomination and Remuneration Committee:**

1. Determination on criteria and methods for nominating the Board of Directors. (CG Code 3.3.2)
2. Duties in recruiting and select the qualify individuals and propose the name to be nominated as new director to the shareholders' meeting for approval as a Director. (CG Code 3.3.2)
3. Specify method of remuneration for directors. (CG Code 3.4.2)
4. Determine the remuneration and its forms for directors and propose to the Board meeting for consideration. (CG Code 4.3)
5. Specify criteria and methods for recruiting suitable person to be a Managing Director. (CG Code 4.1.1)
6. Review criterias and methods for nominating directors to propose to the Board of Directors prior to the selection of directors who complete their terms. In case the Nomination Committee nominates current directors, they will also consider the performance of such directors. (CG Code 3.3.3)

## The Details of Executives

Chief Executive Officers of the Company have the authority to perform the operation under policy, strategy and objective determined by the Board of Directors.

Moreover, they have responsibility in expenditure controls and investments on the scope of work as the approval of the Board of Directors in the annual plans, operate in compliance with human resources policy, resolve problems or any conflicts affecting the organization, and maintain efficient communication to related persons.

- There is a clear definition on the duties and responsibilities of the Board of Directors and the Executive Committee. Chairman of the Board is not the same person as the Managing Director and has no relationship with the executive committee in order to separate their roles.
- There is a clear segregation of responsibilities between the Board of Directors and the Executive Committee, resulting to no intervention on their duties and responsibilities.
- There is a clear definition on the authorities of the Executive Committee at each level in writing by strictly separating the responsibilities whether the approval, accounting transaction record and asset protection for rechecking and balancing.
- Chief Executive Officers of the company have never been employees or partnerships of EY Office Limited which the Company had been using the service for auditing for the past 2 years

Name – Surname	Position
1) Mr. Komon lamwatcharin	Managing Director
2) Mr. Wiwat Jongkonrat	Accounting & Finance Division Manager (who has the highest responsibility in accounting and finance)
3) Mr. Sikavej Sopaphan	Human Resource Manager
4) Mrs. Sureeporn Chompunutyanyong	Sales & Marketing Manager
5) Miss Warunee Khumtong	Quality Assurance Manager

Note: According to the Notification of the Securities and Exchange Commission No. KorChor. 17/2551, the definition of “executive” means a director, a manager, or the next four executives succeeding the manager, a person holding equivalent position to the fourth executive, including a person holding the position of manager or equivalent in accounting or finance departments

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## 1. Mr.Wiwat Jongkonrat

Age: 42 Years

Position: Accounting & Finance Manager (Appointed on January 1st, 2017)

Chief Financial Officer (CFO) (Appointed on January 1st, 2017)

Education:

- Bachelor's Degree, Business Administration (Accounting), Rajamangala Institute of Technology
- Master's Degree, Economics, Ramkhamhaeng University

Proportion of shareholding: None

Family relations between directors and executives: None

Training in 2021:

### Dharmniti Seminar & Training Company Limited

- Cost data analysis for accountants to get profits  
(Online training, 6 hours of CPD in accounting)
- Financial Analysis to analyze the business situation and improve performance.  
(Online training, 6 hours of CPD in accounting)
- Risk management of financial accounting systems.  
(Online training, 6 hours of CPD in accounting)
- Prepare for economic factors. Financial and accounting issues that affect listed companies  
(Online training, 6 hours of CPD in accounting)

### Stock Exchange of Thailand

- Corporate Sustainability Strategy (CSS) Class 2/2021  
(Online training, 60 hours of CPD in other fields)
- Sustainability Reporting by Industry, Class 6 (RE02)  
(Online training, 6 hours of CPD in other fields)

Experience:

- 2013 – 2014 Internal Audit Supervisor, Union Pioneer Public Company Limited
- 2015 – 2016 Internal Audit Section Manager, Union Pioneer Public Company Limited

Current Position:

- 2017-Present Accounting & Finance Manager, Union Pioneer Public Company Limited and appointed as a Chief Financial Officer (CFO)

### Opinion of the Audit Committee regarding training courses and work experience of the Chief Financial Officer (CFO)

For the training courses of the Chief Financial Officer (CFO) the Audit Committee considers that such courses are consistent and beneficial to the company and the number of training hours of such courses is according to the Federation of Accounting Professions.

For the work experience of the Chief Financial Officer (CFO), the Audit Committee considers that such experience is directly beneficial to the business operation and the duration of such work is in accordance with the announcement.

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## 2. Mr. Sikavej Sopaphan

**Age:** 42 Years

**Position:** Human Resources Manager (Appointed on January 1st, 2016)

**Education:**

- Bachelor's degree of Engineering Program (Chemical Engineering), Kasetsart University
- Master's degree of Business Administration (General Management), Ramkhamhaeng University
- Master's degree of Human Resource and Organization Development, National Institute of Development Administration

**Proportion of shareholding:** None

**Family relations between directors and executives:** None

**Experience:**

- 2007-2009 Assistant Environment and Safety Manager, Union Pioneer Public Company Limited
- 2010-2011 Assistant Human and Resource Section Manager, Union Pioneer Public Company Limited
- 2012-2015 Human and Resource Section Manager, Union Pioneer Public Company Limited

**Current Position:**

- 2016-Present Human Resources Division Manager, Union Pioneer Public Company Limited

## 3. Mrs. Sureeporn Chompunutyanyong

**Age:** 49 Years

**Position:** Sales and Marketing Manager (Appointed on September 2<sup>nd</sup>, 2019)

**Education:**

- Bachelor's Degree, Faculty of Business Administration (International Business Management), Assumption University.
- Master's Degree, Business Administration (General Management), Assumption University.

**Family relations between directors and executives:** None

**Experience:**

- 1994-2003 Export Marketing Manager, Pan Asia (1981) Co., Ltd.
- 2004-2012 General Manager Value, Pharma Co.Ltd
- 2013-2018 Part time Lecturer, Rajamangala University of Technology Thanyaburi

**Current Position:**

- 2019-Present Sales and Marketing Manager, Union Pioneer Public Co.,Ltd.

## 4. Miss Warunee Khumtong

**Age:** 45 Years

**Position:** Quality Assurance Manager (Appointed on January 1<sup>st</sup>, 2019)

**Education:**

- Bachelor's Degree, Science in Chemical Engineering, Chulalongkorn University
- Master's Degree, Business Administration (Innovation Management), Ramkhamhang University

**Family relations between directors and executives:** None

**Experience:**

- 2001-2009 Research and Development Supervisor , Union Pioneer Public Co., Ltd.
- 2010-2011 Assistant Quality Assurance Section Manager, Union Pioneer Public Co., Ltd.
- 2012-2018 Quality Assurance Section Manager, Union Pioneer Public Co., Ltd

**Current Position:**

- 2019-Present Quality Assurance Division Manager, Union Pioneer Public Co., Ltd.

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**Miss Punnee Jitadkanont**

Age: 61 Years

Position: Accounting Section Manager (Appointed on June 2<sup>nd</sup>, 2014)

Chief Accountant (Appointed on January 1<sup>st</sup>, 2017)

**Education:**

- Bachelor's Degree, Business Administration (Accounting), Sukhothai Thammathirat Open University
- Bachelor's Degree, Business Administration (General Management), Sukhothai Thammathirat Open University

Proportion of shareholding: None

Family relations between directors and executives: None

**Training in 2021:****Stock Exchange of Thailand**

- Summary of significant issues on TFRS for PAEs on 2021  
(Online training, 6 hours of CPD in accounting)
- Corporate Sustainability Strategy (CSS) Class 2/2021  
(Online training, 60 hours of CPD in other fields)
- Preparing for Sustainability Disclosure according to One Report (RE01)  
(Online training, 3 hours of CPD in other fields)
- Sustainability Reporting by Industry, Class 6 (RE02)  
(Online training, 12 hours of CPD in other fields)

**Thai Institute of Directors Association**

- "CGR Workshop2023" Criteria, Year 2023  
(Online training, 6 hours of CPD in other fields)

**Federation of Accounting Professions under royal patronage**

- Public discussion on "Draft Amendment Anti- Money Laundering Law"  
(Online training, 2 hours of CPD in other fields)

**Thai Listed Companies Association**

Development on Information Disclosure to Integrated Report  
(Online training, 1.3 hours of CPD in other fields)

**EY Office Company Limited**

- Analysis on the Risks of being audited regarding Transfer Pricing.  
(Online training, 1.3 hours of CPD in accounting)
- Sustainability, ESG and a company's reporting  
(Online training, 1.3 hours of CPD in other fields)

**Experience:**

- 2002 – 2009 Accounting Supervisor, Union Pioneer Public Company Limited
- 2010 – 2014 Assistant Accounting Section Manager, Union Pioneer Public Company Limited

**Current Position:**

- 2014 – Present Accounting Section Manager, Union Pioneer Public Company Limited
- 2017 – Present Chief Accountant, Union Pioneer Public Company Limited

**Opinion of the Audit Committee regarding training courses and work experience of the Chief Accountant**

For the training courses of the Chief Accountant, the Audit Committee considers that such courses are consistent and beneficial to the company and the number of training hours of such courses is according to the Federation of Accounting Professions. She has the qualifications and conditions of being an accountant in accordance with the rules prescribed in the Notification of the Department of Business Development.

For the work experience of the chief accountant, the Audit Committee considers that such experience is directly beneficial to the business operation and the duration of such work is in accordance with the announcement

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## Remuneration Policy of Executive Director and Executives

The Board of Directors has established the remuneration structure which is the motivation for the managing directors, chief executives, and every level of employees to work consistently with the purposes and the Company's benefit in long term by;

- Considering the appropriate proportion of salary, other short-term benefits such as bonuses and long-term benefits such as provident fund paid to employees when retirement in addition to retirement pension. (if working until retirement)

Determining the remuneration policy from the remuneration level of a comparable business in the similar industry, as well as the operating performance of the Company.

The Company has a policy regarding the criteria for annual performance assessment which all levels of personnel are aware of.

## Total remuneration of executive directors and executives

The remuneration of Managing Director and Executives is in accordance with the principles and policies that have been determined by the board of directors, which will be considered from the operation results of the company, including duties and responsibilities and the performance of each executive. The remuneration for the 5 executives such as salary, bonus and social securities in the total amount of 6,901,566.52 Baht (6,381,466.50 Baht in the previous year).

Besides salary and bonus as mentioned, the company had paid the 5 executives in form of provident fund as in 3 percent of the salary in year 2021 total of 104,976.00 Baht managed the fund by BBL Asset Management Co., Ltd. (96,336.00 Baht in the previous year).

The Company does not have a program to offer the warrants issued to purchase ordinary shares to executives and employees (ESOP).

## The Details of Employees

### Personnel Structure

The Company has 540 employees as of 31<sup>st</sup> December 2021.



In 2021, the Company employed 5 disable persons and paid contributions under Section 34 to the Fund for Promotion and Development of the Quality of Life of Disable Persons for 1 person at the amount of 114,245.00 baht.

In 2021, the employee turnover rate of the Company is 2.10%.

The Company has reviewed and planned the annual manpower rate for sufficient and appropriate personnel preparation to the work quantities forecasted in each year.

For the past three years, there has been no significant change in the number of employees of the Company and there is no labor dispute.

### Total Employee Compensation

In 2021, the Company paid compensation to employees totaling 156 million baht, which included salary and wages, subsidies, resignation allowances. Social Security Contribution Provident fund contributions, gratuity, compensation fund contributions

### Personnel Development

The Company has a plan to develop personnel to have knowledge and expertise in working by surveying the training needs of employees (Training Needs), recruiting courses that will provide knowledge of work-related, and has an annual training plan which will help develop personnel and help increase operational efficiency.

Last year, the Company encouraged and supported the Company's Managing Director and executives to receive training and development in order to increase their knowledge and experience in various fields that are beneficial and applied to their operations as follows. (CG Code 4.1.4) as following;

Items	Executives who have developed knowledge with Total training hours-courses in 2021	Number of hours
1	Enterprise Risk Management	15
2	Risk Management on Exchange Rate and Support on SMEs working in international trade.	12
3	International standard ISO 9001 : 2015	6
4	International Standard ISO 13485 : 2016	6
5	International Standards ISO 14001 & ISO 45001	6
6	The new HRP grid : Human responsibility in production	6
7	The first step towards business sustainability	60
8	Ccommunication for organizational development to be the leader in the digital era	4
9	Advanced data analysis with Data Science	3
10	Prepare Thai entrepreneurs to enter the future industry with the BCG Model	18

Items	Executives who have developed knowledge with Total training hours-courses in 2021	Number of hours
11	Personal Data Protection Act and its implementation	6
12	3 Key points for employee management	4
13	Personal Data Protection Knowledge for Small and Medium Enterprises	3
14	Know first, prepare first for the Industry and business of Medical Device	3
15	Insights into trade opportunities in foreign markets	13
16	Safety officer at work at management level	6.5
17	How to communicate to understand people in the organization by D-I-S-C thinking	3
18	Mini Smart Leader	3
19	Leader Shift	8
20	Planning and production control	5.5
21	Incentive compensation in crisis situations	3
22	HR How to Manage PDPA (Learning by Doing)	6.5
23	Thai Labor Standards (TLS 8001 : 2020)	6
24	Chemical storage	6
25	Risks that businesses should not ignore and greenhouse gas reporting	3
26	Sustainability Reporting by Industry	18
27	Management strategies during the COVID-19 crisis	3
28	European Green Deal trend, important issues Thai exporters need to know	4
29	Sustainable Supply Chain Management	6
30	Antigen Test Kit:ATK screening for COVID-19 in industrial plants	3
31	Thai energy direction towards the CO2 reduction target	3
32	Summary of Accounting Standards and Financial Reporting Standards (Updated in 2021)	
33	Auditing of accounting and financial transactions to prevent and manage frauds in the organization	6.5
34	Corporate fraud investigation with jurisprudence	6.5
35	Personal Data Protection Act for Accounting and Finance	6.5
36	Opportunity and Sustainability of Industrial Sector	3
37	Trends of key standards and the circular economy towards sustainable development	4
38	Transformational Leadership	7
39	Cost Reduction Technique	3
40	Biotechnology expands the New S-Curve business	4.5
41	ESG risk analysis and GHG accounting	6
42	Cost data analysis to the profits for accountants	6.5
43	Financial Analysis to analyze business situations and improve performance	6.5
44	Risk management of accounting and finance systems	6.5
45	The Future of Thai economy	15
46	Adjust the Business to the Future	30
47	HR How to manage PDPA	4
48	Prepare for economic factors, Financial and accounting issues affecting Listed Companies	3.5

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### Human Resource Management Policy

The Company considered all employees as essential and valuable resources, which leads to success, growth and secured sustainable developments; as for selecting individuals that were qualified and suitable for each career fields. Human resources development in management, academically and in organization culture including creating good working atmosphere and environment and safety was essential, therefore the guidelines have been established as follows:

1. Manages human resources to conform and support with the policies, vision, missions, business goals and strategies of the Company.
2. Systematizes and organizes human resources management accompanied with stipulating rules and regulations to be clear, transparency, fairly, following with the same guideline within the Company.
3. Specifies all commanders to manage human resources under their own department according to the system and guidelines determined by the Company.
4. The Company specifies all employees to carry out their duties willingly and dedicate for achievement in work with their skill, knowledge, capability by retaining Code of Conduct, Core Value and operation regulation of the Company.
5. The Company strictly treats the employees according to the International Human Rights as standard giving equality to every employee without discrimination on gender, nationality, ethnic, social class, religion, belief, social status, disability, pregnancy and chronic illness along with laws and regulation related to the employees.
6. The Company has no policy in employing child labors (“Child” means any person under the age of 15 or under the age of compulsory graduation or under the legal minimum employment age, which ever is highest). For recruitment and selection, the Company considers qualifications, abilities, and experience suitable for the required position to fulfill the manpower planning for each department. If the Company employs workers under the age of 18 (Child Labor), the Company will notify the government agencies and prescribe to work in safety place or as required by law, including not allowed to work in the night shift, overtime and holiday working.
7. The Company has no compulsory labor policy and does not encourage forced labors by forcing to work overtime, holding the insurance money or the documents insured in any work. Every procedure should be made and conduct willingly by the employees, only by which they agreed and signed for the agreement.
8. The Company has no policy to employ illegal foreign workers. For employing foreign workers the Company will provide fair treatment like Thai workers in all respects and there is absolutely no discrimination, no coercion or seizure of passports or work permits of all foreign workers.
9. The Company considers to pay wages, compensation and welfare to employees not less than those required by law. There is no policy to punish employees by deducting wages.
10. The Company does not support the use of violence or inhumanity, including sexual harassment, sexual abuse, severe punishment, mental or physical intimidation or verbal abuse against employees or even threats to do.
11. The Company promotes and encourages employees to develop their skill, knowledge, ability through training and development course both in-house training and outsourcing frequently and thoroughly, providing opportunity for career path by competency of each employee.
12. The company provides reasonable and fair remuneration management based on the knowledge, ability, experience, responsibility and performance of each employee.

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13. The company sets up processes of appointment, migration, evaluation including fair rewards and punishment to employee equally with equitably, honesty on the fundament of knowledge, ability and appropriation including the action or performance of that employee.
  14. The Company aim to establish the relationship between the employees and organization by emphasizing that all the employees within the organization as family; for employees to be delighted, secure in work, having good health and good quality of life.
  15. The Company provides facilities for employees and makes them emphasize on saving in advance for retirement by setting up Credit Union and provident fund for employees.
  16. The Company respects on the rights of employees in collective negotiating and does not forbid the free association of employees in the absence of law prohibiting the association of this nature. Both supporting the association and negotiating freely, it will be based on the terms of collective negotiating and protecting the employees and their representatives who join the association independently and equitably.
  17. The Company provides rights for employees to vote for electing representatives of the employees to take part in meeting sessions or to negotiate with the company by which each individuals holds 1 vote per person.
  18. The Company encourages participation of employees by hearing out opinions and suggestions from employees in every level equally.
  19. The Company provides rights for employees to make petition in case human right violations or they were treated unfairly according to the system and method specified, insure actions for complainers that their complaints will be kept secret by arranging channels for petition as following;
    - Complaint box (red box) installed at various places in the Company
    - Email : md\_upf@unionpioneer.co.th to Managing Director or  
ac\_upf@unionpioneer.co.th to Audit Committee
    - Letter to Audit Committee  
Union Pioneer Public Company Limited  
No. 1 Soi Serithai 62, Khwang Minburi, Khet Minburi, Bangkok 10510
    - Hotline directly to Managing Director: +66-2517-0105-8 ext. 111

#### **Relationship between management and trade union (if any)**

Although the Company has not established a trade union, there is an election of the Welfare Committee at the workplaces for a term of 2 years in accordance with Section 97 of the Labor Protection Act B.E 2541 (1998), where all routine employees have the right to apply and elect the Welfare Committee at the workplace, that is elected by an employee committee to conducts election for transparency.

## Other Significant Information

### Investor Relations



The Company provides opportunities for shareholders and investors to communicate and inquire about news and important information for their rights and understanding on the Company's business. The Company's investor relations acting as a representative of the Company in communicating with shareholders and providing convenience to investors and general securities analysts equally, through the following channel;

Mr. Wiwat Jongkonrat, Accounting and Finance Manager (CFO)  
 Telephone no : (66)2 517-0105 to 8 ext. 211 or Fax no.: (662) 517-1016  
 E-Mail : [wiwat@unionpioneer.co.th](mailto:wiwat@unionpioneer.co.th)

### Chief Financial Officer

Mr. Wiwat Jongkonrat since 1st January 2017

### Chief Accountant

Ms. Punnee Jidtadkanont since 1st January 2017

### Head of Internal Audit Office, Staff of the Company

Mr. Nattpawatch Thomwan since 1st September 2016

### Company Secretary, Chief Compliance Office

On 18<sup>th</sup> November 2015, a meeting of the Board of Directors of the Company resolved to appoint Mrs. Chadaporn Jiemsakultip served as Company Secretary, effective on 1st January 2016. She was assigned to be Chief Compliance Officer, who is responsible for providing legal advice and various related rules and practices in relation to the supervision of the Board of Directors activities to be in accordance with the law.

Telephone no. : (66)2 311-5111 ext. 7688 or Fax no.: (66)2 311-6867  
 E-Mail : [aor.sahaunion@gmail.com](mailto:aor.sahaunion@gmail.com)

### Auditor s Remuneration

According to the Public Company Act and Article 51 of the Company's Articles of Association stipulates that the annual general meeting of shareholders determines the amount of audit fees of the Company annually. In 2021, the AGM resolved to determine the remuneration as follows:

(1) The Company paid the auditor's remuneration to EY Office Limited which is the auditing office that the auditors are affiliated with. The Company does not pay the audit fee directly to the auditor or the person/business related to the auditor.

	2021	2020	2019	2018	2017
Quarterly Review	100,000	100,000	100,000	100,000	100,000
Total value of 3 quarters	300,000	300,000	300,000	300,000	300,000
Yearly Audit	810,000	810,000	780,000	700,000	700,000
Annual Total	1,110,000	1,110,000	1,080,000	1,000,000	1,000,000

(2) The Company did not pay other service fees to the auditors.



## Important Corporate Governance Performance Report

### Board of Directors' performance in the past year.

In the past year, the board has continuously monitored business operations to comply with good corporate governance policies and practices, including equitable treatment of shareholders, taking care of employees, non-discrimination, anti-corruption, environmental health and safety care, etc. The company has implemented according to guidelines with performance evaluation report summarized in five sections as below:

1. Rights of shareholders
  - 1.1 The Right to receive share certificates and rights from selling or transferring shares
  - 1.2 The right to attend the shareholders' meeting
  - 1.3 The right to consider the remuneration of directors
  - 1.4 The Right to appoint an auditor and set up auditor services remuneration.
2. Equitable treatment of shareholders, protection for the rights of shareholders.
  - 2.1 The right to propose matters to be included in the agenda and submit inquiries about the company in advance.
  - 2.2 Facilitating the appointment of the proxy
3. Role of Stakeholders
  - 3.1 Shareholders
  - 3.2 Business partners and creditors
  - 3.3 Customers
  - 3.4 Competitors
  - 3.5 Employees
  - 3.6 Community, Society and Environment
  - 3.7 Government Sector
4. Disclosure and Transparency
  - 4.1 Shareholding Structure
  - 4.2 Reporting of securities holdings of directors and executives, both directly and indirectly
  - 4.3 Report on with/without interest of directors
  - 4.4 Disclosure on the use of inside information and confidentiality
  - 4.5 Connected Transaction and Related Transaction.
  - 4.6 Communication channels
  - 4.7 Investor Relations
5. Responsibilities of the Board of Directors in the past year
  - There was no unfair connected transaction that subjects to official agency alerts investors to use discretion in making decisions

The company did not have any unusual securities trading behavior by the directors actions or executives who have been convicted and declared guilty by the SEC

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Additional follow-up guidelines for Good Corporate Governance Practices are as below:

**Nomination, Development and Performance assessment of Board of Directors.**

**Independent Directors**

The current board of directors consists of three independent directors. The independent directors must not act as executives; they are independent of the management and shareholders, do not have a business relationship with the company which may limit their independent opinion, and must have qualifications as specified in the notification of the Capital Market Supervisory Board.

**Independent Directors Definition according to the minimum requirements of the SEC**

- 1) Holding shares not over one percent of the total shares with voting right of the applicant for license, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant for license, however, it includes shareholding by related persons of the independent director also.
- 2) Not being or has been a director with management participation on employees, consultant with regular salary or authorized person of the applicant for license, holding company, subsidiary, affiliation, subsidiary in the same level, major shareholder or of authorized person of the applicant for license, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited characteristics do not include that of civil service or consultant of government body holding major shareholding or authorized person of the applicant for license.
- 3) Not being a person of whole blood or registration stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including the spouse of the offspring of the management, major shareholder, authorized person or person designated to be management or authorized person of the applicant for license or subsidiary.
- 4) Not have or has been in business relation with the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant for license, in the manner that may obstruct the independent exercise of discretion including in not being or has been a significant shareholder or authorized person of the person with business relationships with the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, except relieved from aforesaid characteristics at not less than two years before the date of submission for permission from the Office. The business relation in paragraph one includes trade transactions in a normal business, rent or lease on items related to asset or service or in giving or receiving financial assistance through acceptance or lending, guarantee, granting asset as debt security including similar behavior resulting in the applicant or contract party with debt burden to be settled with another party from 3% of net tangible asset of the applicant or from twenty million baht up, as which amount is lower. However, the debt burden calculation shall be in value calculation on related items as announced by the Securities Exchange Commission on Rules of Related Items, by mutatis mutandis. But the consideration of such debt burden shall include debt burdens incurred at one previous year before the date of business relationship with the same person.
- 5) Not being or has been the auditor of the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant in attachment, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office.

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- 6) Not being or has been any professional provider which includes legal consulting or financial consulting with service fee over two million baht a year from the applicant, holding company, subsidiary, affiliation, major shareholder or authorized person of the applicant, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic at not less than two years before the date of submission for permission from the Office.
  - 7) Not being a director appointed to be the agent of the director of the applicant, major shareholder or shareholder with relation with the major shareholder.
  - 8) Not operating similar or significant competitive business to the business of the applicant or subsidiary or not being a significant partner in the partnership or directorship with management participation on employees, a consultant with regular salary or holding shares over one percent of the total shares with voting right in other company, operating a business similar or competing with business of the applicant or subsidiary.
  - 9) Not having other characteristics that will hinder free independent opinion in relation to the operation of the applicant.

After the appointment to be an independent director with the characteristics as stated in paragraphs one (1) to (9), the independent director may be assigned from the committee to make decisions on the business operation of the applicant, holding company, subsidiary, affiliation, subsidiary of the same level, major shareholder or authorized person of the applicant under the method of collective decision.

#### **Nomination of the Directors and Executives.**

The nomination and remuneration committee sets the recruiting policy and selection criteria of directors and executives before providing recommendations to the Board of Directors and shareholders. The policy and criteria will be according to the company's regulations, rules, and good corporate governance. The new applicant should have various professional skills and experience to enhance the diverse qualification of the structure of the board of directors, which will benefit the company's business. In the meantime, conflict of interest is an issue to be considered in applicant selection.

The consideration criteria are as below:

- 1) Having qualifications conforms to the Public Limited Act, the Securities and Exchange Act, rules of the Securities and Exchange Commission, laws of the Stock Exchange of Thailand, and the Company's corporate governance principles.
- 2) Having knowledge, capabilities, independence, ability to perform duty with caution and honesty (Duty of care and duty of loyalty), able to fully devote time to the company, mature and with proper qualification, good mental and physical health, be explicit, creative and courage to express an opinion at meetings, or be a reputable businessman that possesses the experience and good ethics.
- 3) Having at least one of the critical competencies such as company business, accounting and finance, strategic management, good corporate governance, laws, and regulations.

#### **Board of Directors' Performance Assessment**

The board of directors performance has been assessed regularly individually and collectively once a year. The sub-committee will be assessed on a collective basis regularly once a year. The assessed results will be gathered by the secretary of the sub-committees and company secretary, then reported the entire committee to review their performance, issues, and obstacles that have arisen in the past year, which lead to the development and improvement of the Board of Directors performance according to good corporate governance principle. The annual performance assessment result will be disclosed in the annual report. (CG Code3.7.2)

### The assessment of the Board of Directors' performance on a collective basis

Assessment Principle	Assessment Process
<p>The assessment is comprised of 6 main topics according to the guidelines of the Stock Exchange of Thailand as below:</p> <ol style="list-style-type: none"> <li>1) Structure and qualification of the board.</li> <li>2) Roles, duties, and responsibilities of the board.</li> <li>3) Board meeting</li> <li>4) Performance duties of the board</li> <li>5) Relationship with management</li> <li>6) Self-development of directors and development of executives.</li> </ol>	1. The collective basis assessment will be done regularly once a year.
	2. The company secretary would summarize and submit the collective board performance assessment result to the nomination and remuneration committee for consideration and be used to resolve and increase the efficiency in work.
	3. The nomination and remuneration committee would submit the collective performance assessment result and improvement guideline for operational efficiency to the board

In the past year, the average collective assessment score is 95.93

### The assessment of the Board of Directors' performance on an individual basis

Assessment Principle	Assessment Process
<p>The assessment is comprised of 3 main topics according to the guidelines of the Stock Exchange of Thailand as below</p> <ol style="list-style-type: none"> <li>1) Structure and qualification of the board.</li> <li>2) Roles, duties, and responsibilities of the board.</li> <li>3) Board meeting</li> </ol>	1. The individual basis assessment will be done regularly once a year.
	2. The company secretary would summarize and submit the individual board performance assessment result to the nomination and remuneration committee for performance assessment consideration and be used to resolve and increase the efficiency in work.
	3. The nomination and remuneration committee would submit the performance assessment result and improvement guideline for operational efficiency to the board.

In the past year, the average individual self-assessment score is 97.22

### The assessment of the Sub-committees performance

#### Nomination and Remuneration committees' performance on a collective basis

Assessment Principle	Assessment Process
The assessment is comprised of 3 main topics according to the guidelines of the Stock Exchange of Thailand as below 1) Structure and qualification of nomination and remuneration committee. 2) Roles, duties and responsibilities of nomination and remuneration committees. 3) Nomination and remuneration committees meeting.	1. The company secretary shall send the self-assessment form to all members of the nomination and remuneration committees regularly once a year.
	2. The company secretary would compile the result of each member and summarize them to the nomination and remuneration committees and the board of directors.
	3. The nomination and remuneration committee would consider the performance evaluation with the board of directors and provide improvement suggestions to increase performance efficiency

In the past year, the collective self-assessment of nomination and remuneration performance scores is 88.24

#### The assessment of Audit Committee performance on an individual basis

Assessment Principle	Assessment Process
The assessment comprises four main topics, three are according to the Stock Exchange of Thailand guidelines, and the other one is the audit committee report being submitted to boards. 1) Structure and qualification of the audit committee. 2) Audit committee meeting 3) Role, duty, and responsibility of audit committee 4) Audit committee report	1. The collective audit committee assessment will be done regularly once a year. The audit committee secretary would propose the assessment issue in the 4th quarter AC meeting of every year.
	2. The audit committee secretary summarizes and proposes the assessment result in every annual s 1st quarter AC meeting.

In the past year, the individual self-assessment performance score was 96.63

## The Board of Directors' Meeting.

- 1) The date and time of the board meeting are set in advance as every Wednesday of the 3rd week of the month throughout the year, documents and meeting agenda will be sent to the directors at least five business days in advance so that the directors will have sufficient time to allocate meeting schedule and study the information. (CG Code 3.9.1 &3.9.4)
- 2) The chairman allocates sufficient time for various matters consideration, provides directors opportunities to express their opinions freely based on one director having one vote. The board also pays attention to conflicts of interest management with prudence, fairness, and transparency. Directors who have a conflict of interest in the matter being considered must not participate in the decision-making of such matters. (CG Code 6.3.2 ,6.3.3)
- 3) The Company's management also attends the board meeting to provide useful information and acknowledge the policy to implement accordingly.
- 4) Non-executive directors should meet, as necessary, among themselves without the management team to discuss their concerns or consider of any interesting management issues. (CG Code 3.9.7)
- 5) Chairman and managing director consider and select issues to be included in the board meeting agenda. In addition, directors can propose interesting issues for consideration and be added to the meeting agenda.
- 6) Chairman has allocated sufficient time for directors to carefully discuss important issues, including encouraging all directors to express their opinions on various issues. freely
- 7) Chairman, managing director and all of the directors attend the meeting every time unless traveling abroad or on other missions
- 8) Company's executive management should attend the board meeting every time to provide additional details on accounting and finance or other related issues.
- 9) The secretary of the board is responsible for preparing the minutes of the meeting proposing them in the next board meeting for approval as the first agenda; the managing director can request to amend the minutes of the meeting
- 10) In the past year, The Board of Directors has monitored and supervised the management to implement the company s strategy through the performance report meeting and the company s operating results every month

### Meeting attendance of the Board of Directors year 2021

Name-Surname	Position	With / Without interest	No. of attendance		%
			Shareholder Meeting	Board of director Meeting	
1. Miss Dalad Saphavichaikul	Chairman of the Board	None	1/1	12/12	100
2. Mrs. Nuntawan Sakuntanaga	Independence Director	None	1/1	12/12	100
3. Mr. Wanchai Rattanawong	Independence Director	None	-*	12/12	100
4. Mr. Komon lamwatcharin	Managing Director	None	1/1	12/12	100
5. Mr. Chutindhon Darakananda	Director	None	1/1	12/12	100
6. Mrs. Chantortree Darakananda	Director	None	1/1	12/12	100
7. Mr. Vacharaphong Darakananda	Director	None	1/1	12/12	100
8. Mr. Nanthiya Darakananda	Director	None	-*	4/12	33.33
9. Mr. Kollatat Tangchitkul	Independence Director	None	1/1	12/12	100

Average of the Board

**92.59**

-\* Directors who did not attend the Annual General Meeting of Shareholders was in quarantine and isolation for COVID-19

## Remuneration of Directors and Executives

1. The board supervises the appropriate compensation structure in accordance with performance evaluation results.
2. The board establishes a motivative compensation structure for the managing director, senior management and all employee levels to perform their duties in accordance with the company objective, goal and long-term business interest, includes.
  - 2.1 Appropriate ratio of salary and bonus.
  - 2.2 Compensation policy is in accordance with labor law and similar business size.
  - 2.3 Establish and communicate the assessment criteria and policy to the relevant person.
3. The board communicates the performance assessment criteria to the managing director in advance; the assessment will be done at least once a year, together with remuneration approval.
4. The board considers and approves the aspect and criteria of senior executives' performance assessment and remuneration structure, follows up with the managing director to assess the senior executive according to the aspect and criteria mentioned earlier
5. The board supervises the aspect and criteria of the whole organization's performance assessment.

### Remuneration of Board of Directors.

The company has considered the board's remuneration to be in line with the listed company which has the same size industry, congruence with the company's performance, duty and responsibilities of each director.

Remuneration for each director position in the year 2021 is equal to the year 2020

### Other remuneration.

In addition to the meeting allowance and remuneration in cash, The Company does not provide any other remuneration and benefits to the directors.

Remuneration payment criteria of each committee in Year 2021

Monetary compensation No other remuneration and benefit	2564 (Per month: Baht)	2563 (Per month: Baht)
Board of Directors: Meeting allowance paid monthly		
- Chairman of the Board of Director	8,000	8,000
- Executive Director	8,000	8,000
- Non-Executive Director	8,000	8,000
- Independence Director	8,000	8,000
Audit Committee: Compensation paid monthly		
- Chairman of the Audit Committee	11,000	11,000
- Member of the Audit Committee	10,000	10,000
Nomination and Remuneration Committee	(Per time : Baht)	(Per time : Baht)
: Meeting allowance paid per attendance		
- Chairman of the Nomination and Remuneration Committee	6,000	6,000
- Member of the Nomination and Remuneration Committee	6,000	6,000

Summary table of the remuneration of the three committees according to the resolution of the 28<sup>th</sup> Annual General Meeting of Shareholders held on April 21, 2021, within the limit of not more than 1,500,000.00 baht.

Name – Surname	Position	The remuneration year 2021(Baht)			
		Board's meeting allowance	Audit committee s remuneration	Nomination and remuneration s meeting allowance	Total
1. Miss Dalad Saphaivichaikul	Chairman	96,000	-	-	96,000
2. Mrs. Nuntawan Sakuntanaga	Independence Director/ Chairman of Audit Committee	96,000	132,000	-	228,000
3. Mr. Wanchai Rattanawong	Independence Director / Audit Committee / Chairman of Nomination and Remuneration Committee	96,000	120,000	6,000	222,000
4. Mr. Komon lamwatcharin	Managing Director	96,000	-	-	96,000
5. Mr. Chutindhon Darakananda	Director	96,000	-	-	96,000
6. Mrs.Chantorntree Darakananda	Director	96,000	-	-	96,000
7. Mr.Vacharaphong Darakananda	Director / Nomination and Remuneration Committee	96,000	-	6,000	102,000
8. Mr. Nanthiya Darakananda	Director	96,000	-	-	96,000
9. Mr. Kollatat Tangchitkul	Independence Director / Audit Committee / Nomination and Remuneration Committee	96,000	120,000	6,000	222,000
	<b>Total</b>	<b>864,000</b>	<b>372,000</b>	<b>18,000</b>	<b>1,254,000</b>

**Supervision of subsidiary and associated company:** The company does not have subsidiary and associated company.

**Prevention of conflicts of interest and the use of inside information:** Details were disclosed in Section “Business Ethics”

## Performance Report of the Audit Committee

In 2021, the Audit Committee held a meeting with the EY Office Limited, the Company's external certified public accountants who audited the Company's financial reports of the year 2021, commented that

- Overall internal control system of the Company was on a satisfactory level. There was no significant impact on the auditor's opinion in the financial reports and no additional remarks about internal control issues.
- Each directors considered and approved the sufficiency evaluation results on risk management and internal control system of the Company every year. For efficient operation at the management and operational levels, the Company has established the rules and procedures to be appropriate, clear, concise, but not redundant with specific operational authority at each level of the organization. Segregation of duties between operators and assessment controllers is required to appropriately recheck and balance each other.

The Company has a financial reporting system proposed to the executives for monitoring the operational effectiveness. There is an asset custody system to control and verify the identity of the assets. There is an internal audit office responsible for auditing the Company's operation systems and financial activities to ensure that the Company complies with the regulations, policies, procedures, and other relevant laws effectively. The Internal Audit Office has been assigned duties by the Audit Committee with annual work plans and specific tasks as needed, on monitoring the results and corrections as suggested by the Audit Committee and reporting the audit results to the Audit Committee and directly reporting it to the executives in urgent case for prompt correction and improvement. Internal Audit Office of the Company is also independent in reporting the results of the audit.

### Opinion of the Audit Committee

The Audit Committee has no different opinion from the Board of Directors' opinion. The key performance of duties of the Audit Committee are summarized as follows:

## Report of the Audit Committee



### Dear shareholders

The Audit Committee of the Union Pioneer Public Company Limited consists of 3 independent members with Mrs. Nuntawan Sakuntanaga as the chairman, Mr. Wanchai Rattanawong and Mr. Kollatat Tangchitkul as the Committee members. In 2021, the Audit Committee had 6 meetings with full attendance as follows.

Name of The Committee Member		Position	Numbers of Attendance/ Total Meetings
Mrs. Nuntawan	Sakuntanaga	Chairman of the Audit Committee	6/6
Mr. Wanchai	Rattanawong	Auditing Committee Member	6/6
Mr. Kollatat	Tangchitkul	Auditing Committee Member	6/6

The duties of the Audit Committee can be mainly summarized as follows.

### 1. Reviews of financial reports

In cooperation with the management, the internal audit office and the auditor, the Audit Committee has reviewed the quarterly and yearly financial reports for 2021 including the connected and related transactions or the transactions that may lead to conflicts of interests. Inquiries were made to the certified public accountant about accuracy and completeness of the financial reports, adjustments that may impact the financial reports, the adequacy and appropriateness of the accounting methods, the scopes of audit, the accuracy, the adequacy and the completeness of the information disclosure as well as the independency of the certified public accountant. This is to ensure that the preparation of the financial reports complied with all relevant regulations, Generally Accepted Accounting Principles (GAAP) and the regulations of the Stock Exchange of Thailand.

### 2. Reviews of internal controls and internal audits

The Audit Committee has approved the annual internal audit plan and quarterly reviewed the internal control system. This is to ensure that the company has sufficiently and appropriately established an efficient internal control and internal audit system in accordance with the international standards. The Audit Committee has also instructed the internal audit office to follow up on the assigned tasks to confirm that the management has made improvements as suggested by the internal audit office within the specified timeline. In addition, the Audit Committee has provided beneficial suggestions to increase efficiency of the internal audit system.

### 3. Reviews of risk management

Together with the management, the Audit Committee has quarterly reviewed efficiency and effectiveness of the risk management program, including the plan and the direction to manage the risks that impact company's operation. The Audit Committee has also provided suggestions to improve risk dimensions to be inclusive and responsive to changes as well as recommendations on practices in risk management to accommodate the events occurred out of expectation.

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#### **4. Reviews of compliance with the securities and exchange law, the regulations of the Stock Exchange of Thailand and the laws in relation to the businesses of the company**

The Audit Committee has regularly reviewed and monitored the compliance with the securities and exchange law, the regulations of the Stock Exchange of Thailand and the laws in relation to the businesses of the company which the Audit Committee is of the view that the company has strictly complied with the securities and exchange law, the regulations of the Stock Exchange of Thailand and the laws in relation to the businesses of the company.

In 2021, there have been 3 enactments of laws in relation to the businesses of the company. 1) Ministerial Regulation, issued in accordance with the Safety, Occupational Hygiene and Workplace Environment Act B.E. 2554, on the prescribing of standard for administration and management in hazardous places from falls from height and slopes, scatters, falls, collapses and falls into storages or containers B.E. 2564, publicized in the Government Gazette on 2 March 2021, 2) Notification of the Ministry of Public Health: the criteria and procedure to produce, import, export and hold in possession of medical equipment B.E. 2564, publicized in the Government Gazette on 8 June 2021 and 3) Ministerial Regulation of the Ministry of Labor on the prescribing of standard for administration and management of occupational safety, health and environment at workplace for works involving machine, crane and boiler B.E. 2564, publicized in the Government Gazette on 6 Aug 2021. The Audit Committee has inquired the management about the compliance which the company has already abided by the laws.

#### **5. Auditor selection**

The Audit Committee has altogether considered the qualification and the proposed remuneration by taking into account creditability of services and consultancy on accountings, auditing standards as well as timely certification of financial reports, then agreed to propose the board of directors the nomination of the auditor from EY Co., Ltd. to the shareholders to be the auditor of the company with the auditing fees of Baht 1,140,000 (Baht One Million One Hundred and Forty Thousand) for 2021. Furthermore, the Audit Committee has jointly held a meeting with the certified public accountant, without the attendance of the management, to independently consult the observations and opinions of the auditor.

#### **6. Reviews of connected transactions or transactions that may lead to conflicts of interests**

The Audit Committee has reviewed and inquired the auditor about the connected transactions or transactions that may lead to conflicts of interests including the disclosure of those transactions. By doing so, the Audit Committee has found that the company has complied with the standards and regulations of the Securities and Exchange Commission while considering the benefits of the company and disclosed the information completely and adequately.

#### **7. Reviews of compliance with the anti-corruption measures**

The Audit Committee has reviewed the internal audit measures and the governance on the compliance with the anti-corruption policy. Also, the Audit Committee has supervised the internal audit office to inspect the internal control system to ensure that the company has sufficiently and appropriately complied with the anti-corruption policy, which the company has performed as follow.

7.1) Organized the test on the understanding of business ethics and anti-corruption for the management, then evaluated the result to review and improve business ethics and raise awareness about the anti-corruption in all manners.

7.2) Organized the internal audit department to perform the duty in reviewing the company's performance according to the anti-corruption policy, the internal control system and the internal audit to ensure that

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the performance of each business unit is efficient and compliant with laws, work processes, manuals of good corporate governance and business ethics.

7.3) Organized the training through an orientation for new employees to understand the good corporate governance, the business ethics and the anti-corruption policy of the company.

7.4) Created an atmosphere for employees to be aware of anti-corruption via internal communication such as intranet within the company, publicity on the company's publication board and distribution of the manuals on good corporate governance, business' ethics and anti-corruption policy on the company's website.

## **8. Reports of performances**

The Audit Committee has regularly reported its performance to the board of directors every quarter by providing beneficial opinions and suggestions for the administration of the management. With references to the suggestions, the management has appropriately revised and improved accordingly.

## **9. Self-evaluation**

The Audit Committee has conducted the self-evaluation on its individual performance in accordance with the charter of the Audit Committee and the best practice guideline for the Audit Committee. The result has shown that the Audit Committee has performed its duties according to its scope of responsibilities and the best practice guidance of the Audit Committee as determined by the Stock Exchange of Thailand.

In summary, the Audit Committee has performed its duties and responsibilities as determined in the charter of the Audit Committee by utilizing knowledges, capabilities, prudence and cautiousness with adequate independency. The Audit Committee has provided opinions and suggestions for the benefits of the company and all stakeholders. The Audit Committee is of the view that the company has prepared the financial reports in conformity with GAAP standards, appropriately established the internal control system and complied with the law, the regulations of the Stock Exchange of Thailand or other laws in relation to businesses of the company in accordance with the principles of the good corporate governance for the ultimate benefits and sustainable growth of the company.

On behalf of the Audit Committee

*N. Sakuntanaga*

(Mrs. Nuntawan Sakuntanaga)

Chairman of the Committee

Union Pioneer Public Company Limited

## Sub-Committees' Performance Summary Report Nomination and Remuneration Committee



**Dear Shareholders,**

Union Pioneer Public Company Limited well acknowledges that the board of directors has a critical role in governing and driving the organization to success, hence, the process for nominating an appropriate person and setting remuneration is one of the significant processes that must be properly proceeded in compliance with the principle of the good corporate governance. As a result, to achieve the above objectives, the board of directors had appointed the Nomination and Remuneration Committee to shortlist, select and propose knowledgeable individuals with proficiency and appropriate qualification to perform the duties in the position of directors as well as high - level executives and propose policies, guidelines and schemes of remuneration for the board of directors and the sub-committees.

The Nomination and Remuneration Committee of the Union Pioneer Public Company Limited consists of 3 members with Mr. Wanchai Rattanawong as the chairman of the Nomination and Remuneration Committee, Mr. Kollatat Tangchitkul (Independent Director) and Mr. Vacharaphong Darakananda (Director) as the committee members. In the year of 2021, the Nomination and Remuneration Committee had organized meetings in a total of 1 times with the details on attendance of each committee member as follows

Name of The Committee Member	Position	Numbers of Attendance/ Total Meetings
Mr.Wanchai Rattanawong	Chairman of the Nomination and Remuneration Committee/ Independent Director	1/1
Mr. Kollatat Tangchitkul	Nomination and Remuneration Committee Member/ Independent Director	1/1
Mr. Vacharaphong Darakananda	Nomination and Remuneration Committee Member/ Director	1/1

All committee members had fully attended meetings all the time except the committee member who has a stake in an agenda will not be present in a meeting room and deprived of voting rights in that particular agenda. The committee had considered significant matters as follows.

1. Shortlisting and selecting an individual with appropriate qualification to propose the board of directors considering the nomination to the general meeting of shareholders for the appointment of director, replacing the director retiring from completion of service.
2. Shortlisting and selecting an individual with appropriate qualification to propose the board of directors considering the appointment to be a director, replacing the resigning director.
3. Considering the designation of the amount and the scheme of remuneration for the board of directors and sub-committees to propose the board of directors getting an approval at the general meeting of shareholders.

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4. Organizing an orientation for the newly appointed director to understand roles, duties and responsibilities including policies and characteristics of company's businesses as well as other information beneficial for performing the duties.
  5. Assessing the performance of the Nomination and Remuneration Committee, reporting the annual assessment to the board of directors for acknowledgement and summarizing the self-evaluation result of the Nomination and Remuneration Committee in 2021 with the average point of 88.24%

In the process of shortlisting and selecting an individual, to propose the board of directors and the general meeting of shareholders in the year of 2021 to consider an appointment of a director, the Nomination and Remuneration Committee had considered the qualification of the individual according to the specified nomination principles and methodologies of a director, whose qualification must be qualified without any restriction as prohibited by laws, complied with the regulations of the Securities and Exchange Commission as well as the Stock Exchange of Thailand and in line with the principles of the good corporate governance of the listed company regarding the structure of the board of directors including being a knowledgeable individual with proficiency and independency as well as possessing skills, profession and occupational expertise that are necessary and beneficial for the company's businesses.

On the determination of the amount and scheme of remuneration, the Nomination and Remuneration Committee had fairly and reasonably considered and revised the remuneration amount every year by comparing with other listed companies having similar business size and/or in related industries and other factors in all aspects such as liabilities, duties, scopes of responsibilities, performances, company's financial status and the overall economy.

In the bygone year, the Nomination and Remuneration Committee had performed duties as assigned with prudence, completeness, transparency, fairness and independency for the ultimate benefits of the company, shareholders and all stakeholders.

On behalf of the Nomination and Remuneration Committee



(Mr. Wanchai Rattanawong)

Chairman of the Nomination and Remuneration Committee

Union Pioneer Public Company Limited



### Sufficiency and Suitability of the Company's Internal Control System

- The Board of Directors assigned the Audit Committee with a duty and responsibility in checking the suitability and effectiveness of the company's internal control system and risk management system, created by the management level to ensure that the internal control system of the company is adequate in lowering the risk for the business management, be able to protect the company's asset lost or being used by other party without authority in working position, making the employees act according to the laws and regulations related and help financial report accurate and credible.
- The Risk Management sub-committee will consider the framework for risk management, policy in risk management including looking after and review the risk management of the Company including team whom are responsible in each department by holding the meeting together and tracking the result might happen in order to find ways to solve and manage the risk to stay in suitable level, as well as supervising to practice accordance to the policy consistently.
- The Audit Committee checked the suitability and the effectiveness of the Company's internal control system and internal audit and the risk management by considering the internal auditor by considering together with internal auditor. Considering with the internal audit, concluding that the Company has already practiced internal audit process properly and have evaluated new control by using COSO (The Committee of Sponsoring Organizations of the Treadway Commission) according to the requirement of the Securities and Exchange Commission, **including 5 parts** as following: (CG Code 6.2)

#### **1. Internal Audit in Organization**

The Company managed a suitable organization structure for operation and internal controls which covered in finance & accounting sections, operations and personnel management, including actions according to the laws under the government authorities and regulations of the company, also stipulating authorities on financial permission distinctly.

#### **2. Risk Assessment**

The Company established a risk management sub-committee, specified risk management policy, evaluated and followed with risk management results in every possible way and quarterly reported the Audit Committee.

#### **3. Operation Control**

The Company held an operating manual which covered the company's system to control various implementations on credibility of information, asset protection and Information Technology (IT) system of the Company.

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#### **4. Information Technology (IT) and Communication System**

The Company emphasized the Information Technology System and enough records of information, operation and decision of the manager as well as development and improvement in IT system to pertinent accuracy and to fulfill implementation regularly.

#### **5. Follow up system**

The Company had a tracking system for operation in management level and operation level by which the management committee had compared the operating results with clearly objective determined and appointed the way to reach the goal objectives. At the same time the company has an internal audit office which takes actions in certitude as well as giving advice for the internal operation of the organization governance, risk management and good appropriate internal control.

#### **Evaluation on internal control deficiencies**

The Company annually evaluated the internal audit systems. No deficiency that had significance to the internal audit system, was found because there were controllers to control the practice as the system indicated.

#### **Head of Internal Audit Office**

In the Audit Committee Meeting No. 3/2016 held on 4th August 2016, Mr. Nattpawatch Thomwan was appointed as the head of the Company's internal audit office, to perform duties as the Secretary of the Audit Committee, effective on 1st September 2016, due to having qualification and experience in the internal audit, attending training courses related to internal audit operations and understanding on business operations of the Company. Therefore, these are reasons why he is appropriate to be in charge of such position. The qualifications for the head of the internal Audit Office are shown in attachment 3.

#### **Appointment, Removal and Transfer of the Head of the Internal Audit Office**

Appointment, removal and transfer of the head of the internal audit office are considered and approved by the Audit Committee.

## Inter – Transactions

The Company emphasized on approving the inter-transactions or related transactions or any transactions that may have a conflict of interest. The guidelines are as follows;

**For approving the Inter-transactions** or related transactions or any transactions that may have a conflict of interest, Directors and the management could not attend for consideration on this approval, including;

1. Directors and executives sign off the certificate annually to express that they will not perform anything related to conflict of interest to the company or disclose the confidence information to use with their personal benefit, causing the loss to the Company.
2. Prohibit on the mentioned information disclosure to customer, supplier, service provider, competitor or third parties, except the information used to communicate normally or detail for public.
3. The nature of inter-transactions is transactions occurred in the normal trade terms as reasonable market price mechanism such as purchasing on materials, etc. There are utilities service, prices that are calculated on the basis of relevant expenses and fair usage accepted by both parties.
4. Last year the Company had no securities offering forms or draft prospectuses, then no comment from the directors and the third parties on this.
5. Necessity and reasonableness of inter-transaction; Group Companies has a policy to set up a division for sourcing the raw material within group companies, and to gain the bargaining power of price and quantity. Inter-transactions are done as necessity and reasonableness for the benefit of the company.
6. Inter-transaction Approval Procedure; to propose to the Audit Committee for consideration according to the size of transaction; small, medium, large for considering on the power-operated. For normal transaction, assuming as if third parties, there is a procedure of the common transaction at market price which the Board has already approved the action principle of inter- transaction. The authorized persons for approval have no interest in that transaction, have tracking of cash transferring (receiving and payment), setting the due date payment of each transaction and keeping the practice as standard procedure.
7. Trend of Future Inter-transactions are the transactions which carry out in accordance with the normal trade, use the trade policy as market price mechanism of the business. There is no any benefit transferring between the Company and the related companies or persons.
8. Last year there was no special transaction, then there was no any opinion of directors, third party or independent experts.
9. Entering Inter-Transaction, Inter-Transactions have been done appropriately. The rental price is fair and is acceptable to both parties and does not affect or have conflict with interests of the Company in business transaction. However, the consideration and approval of each type of transaction has been complied with regulations of the Stock Exchange of Thailand and the SEC. In addition, in the past, if there was inter-transaction which was considered as a related transaction, the Company would propose it to the Audit Committee to consider before presenting to the Board Meeting further. In the past, independent directors had no different opinions from the Board of Directors. The Company disclosed complete information in accordance with relevant regulations through electronic media of the Stock Exchange of Thailand.
10. The Company does not have inter-transactions in the forms of financial assistance such as loan, credit guarantees, etc.
11. Last year the Company didn't do any types of inter-transactions that violated or did not comply with the rules for related transactions of the Stock Exchange of Thailand.

## Transactions with third parties

The Company has a policy to treat all stakeholders and the guidelines for all stakeholder's groups. The Company proceeds the business operation under the scope of competition law with fair trading, considers the fair and appropriated price by realizing on the reasonable price, quality and service that the Company received, and can give the appropriate reason when being audited.

## Inter-Transactions between Union Pioneer Public Company Limited and the persons who may have led to the conflict of interest in 2021

Related companies and Type of relationship	Type of Transaction	Value of significant transactions (Baht)	Pricing Policy	Reasonability and Necessity of Inter-Transaction
1. Saha Union Public Co., Ltd. - major shareholder - having mutual directors	1. Pay dividend	32,679	1. From the AGM no. 28/2021	1. As the announced payment rate
	2. Purchasing materials	8,339	2. Comparing with market prices	2. Total purchasing volume for bargaining power
	3. Factory Rent	2,888	3. As contractual price	3. Location using as manufacturing factory
	4. Account Payable	1,798		4. Be outstanding balance as at 31st December 2021
2. Thai Rubber Enterprise Co., Ltd. - having mutual directors	1. Land Rent	30	As contractual price	1. Location using for natural rubber storagee
3. Union Thread Industries Co., Ltd. - having mutual directors	1. Land Rent	263	As contractual price	1. Location using as manufacturing factory
4. Union Zojiroshi Co., Ltd.	1. Certain part of land and building	528	As contractual price	1. Location using as manufacturing factory
	2. Service Income	510		
5. Union Rubber Products Corp., Ltd. - having mutual directors	1. Purchasing raw materials	61,118	Able to compare with market prices	1. To control the product quality, with common transactions at market price 2. Be outstanding balance and accrued expenses as at 31st December 2021
	2. Account Payable	8,008		
6. Union Zip Co., Ltd. - having mutual directors	1. Purchase raw materials	11,678	Comparing with market prices	1. Common transactions at market price 2. Be outstanding balance as at 31st December 2021
	2. Service Income	3,612		
7. Union Plastic Public Co., Ltd. - having mutual directors	1. Purchase raw materials	850	Comparing with market prices	1. Common transactions at market price
	2. Service Income	684		
8. Union Thai-Nichiban Co., Ltd. - having mutual directors	1. Purchase raw materials	626	Comparing with market prices	1. Common transactions at market price
	2. Service Income	758		
9. Union Stainless Steel Products Co., Ltd - having mutual directors and shareholders	1. Purchase raw materials	468	Comparing with market price	1. Common transactions at market price
Total of Inter-Transaction in 2020		134,837		

Shareholders or investors can view historical information in the topic, Inter-Transactions, in Form 56-1 One Report on the Company's website at



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**Attachment 1**

**Disclosure of Information  
in the Organization Structure**

**Details of Directors and Executives**

**Person Assigned to be the Highest Responsibility  
in Accounting and Finance**

**Person Assigned to be Directly Responsible  
in the Supervision of Accounting**

**Company Secretary**

## Attachment 2

### Tenure of Board of Directors, Management, Authorized Directors and Independence Directors/Audit Committee

Name-Surname	Union Pioneer Public Company Limited.				Saha Union Public Company Limited.
	Board of Directors	Management	Autorized Directors	Independent Director/Audit Committee	
1. Miss Dalad Saphavichaikul	X		✓		X
2. Mrs.Nuntawan Sakuntanaga				// , ///	
3. Mr.Wanchai Rattanawong				// , ///	
4. Mr.Komon lamwatcharin	XXX	✓	✓		
5. Mr.Chutindhon Darakananda	/		✓		XX
6. Mrs.Chantorntree Darakananda	/		✓		A
7. Mr.Vacharaphong Darakananda	/		✓		/
8. Mr. Nanthiya Darakananda	/		✓		/
9. Mr.Kollatat Tangchitkul				// , ///	
10. Mr.Wiwat Jongkonrat		✓			
11. Mr. Sikavej Sopaphan		✓			
12. Mrs. Sureeporn Chompunutyanyong		✓			
13. Miss Warunee Khumtong		✓			

Remark : A President X Chairman XX Vice Chairman XXX Managing Director  
/ Director // Independent Director /// Audit Committee

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## Attachment 3

### Details of the Head of the Internal Audit Unit

#### Mr. Nattpawatch Thomwan

Age 39 years

Position: Manager of Internal Audit section and Secretary of the Audit Committee

#### Education:

- Master Degree of Science Program on Corporate Governance, Chulalongkorn University
- Bachelor Degree of Administration Accounting, Rajamangala University of Technology Bangkok
- Diploma Degree of Internal Auditing Education Partnership (IAEP) The Institute of Internal Auditors: IIA

Shareholding in the Company: None

Family Relations with Other Directors: None

#### Training Courses in 2021:

##### Dharmniti Seminar and Training Co., Ltd.

- Summary of accounting standards and the revised financial reporting standards for the year 2021
- Forensic Accounting: Investigate corporate fraud with “Forensic Accounting Science.”
- Audit of accounting-financial transactions to prevent and manage corruption in the organization
- PDPA for Accounting and Finance: Personal Data Protection Act for Accounts-Finance.

##### Beyond Training Co., Ltd.

- 3 Keypoint for Employee Management (Online)

##### Institute for Human Empowerment, The Federation of Thai Industries.

- HCBI Talk EP.2: LEADERSHIP (Online Seminar)

Work Experience 5 years

#### Current Position:

- September 2016 – present Internal Audit Manager and Secretary of Audit Committee, Union Pioneer Public Company Limited

#### Responsibilities

- Take actions as chief for “internal auditor” who is responsible according to policies of internal audit office, which were approved by the Audit Committee
- Take actions as secretary of the Audit Committee, who arranges the audit meeting and prepares the documents of meeting agendas and minutes

Opinion of the Audit Committee regarding the qualification of the Internal Audit Manager (in case of being the company’s employee)

The Audit Committee had an opinion on the operation of the manager of the internal audit section that he worked well and accurately according to the required laws, including having the knowledge and ability to operate job duties effectively.

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## Attachment 3 (continue)

### Details of the Chief of Compliance Unit

**Mrs. Chadaporn Jiemsakultip**

Age 59 years

**Position:** Company Secretary and Chief of Compliance Unit

**Education:**

- Bachelor's Degree in Business Administration (Management), Sukhothai Thammathirat Open University
- Certificate in Business Administration (Accounting), Vocational College, Bangkok Technical Campus, (Current Named Rajamangala University of Technology Krungthep (RMUTK)), Bangkok

**Responsibilities**

- Provide legal advice and rules and practices in relation to the supervision of the Board of Directors' activities to be in accordance with the law.
- Perform other duties assigned by the Board of Directors.

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**Attachment 4**

**Assets used in business operation  
Details are disclosed in the topic.  
product procurement**

**The company does not have property appraisal  
and property revaluation in the past year.**

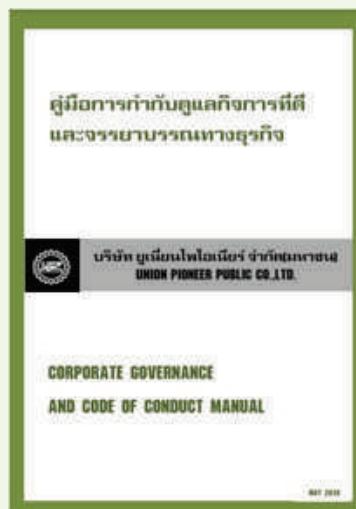
**Attachment 5**

**Corporate Governance Policy and Practice  
Business Ethics**

**including Important Policies**

**-Full version-**

**On Company's website**



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**Attachment 6**

**Audit Committee Report**

**Details are disclosed in  
“Duty of Audit Committee Report”**

**Attachment 7**

**Nomination and Remuneration Committee Report**

**Details are Disclosed in  
“Sub-Committees’ Performance Summary”**

**Attachment 8**

**Committees’ Responsibility on Financial Report**

**Details are Disclosed in “Management Analysis  
and Explanation.**

## Independent Auditor's Report

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To the Shareholders of Union Pioneer Public Company Limited

### Opinion

I have audited the accompanying financial statements of Union Pioneer Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Pioneer Public Company Limited as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance to my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

### Revenue recognition

The amount of sales is significant to the financial statements (97% of total revenues). In addition, the Company has a large number of customers, both domestic and export, and overseas sales are made under differing terms, meaning that recognition of revenue from sales is made under a variety of conditions. Therefore, I draw attention to the timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales transactions to assess whether revenue recognition was consistent with the conditions and incoterms, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period
- Reviewing credit notes that the Company issued after the period-end.

- 
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### **Other Information**

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

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

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

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- 
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



**Poonard Paocharoen**  
Certified Public Accountant (Thailand)  
No.5238

EY Office Limited  
Bangkok: 23 February 2022

## Statements of Financial position

(Unit: Baht)

As at 31 December 2021	Note	2021	2020
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	53,760,110	104,835,061
Trade and other receivables	8	170,751,350	125,748,054
Inventories	9	170,744,341	174,775,653
Derivatives assets	26	86,449	1,775,950
Other current financial assets	10	15,988,594	29,963,645
Other current assets		3,075,374	2,556,316
<b>Total current assets</b>		414,406,218	439,654,679
<b>Non-current assets</b>			
Other non-current financial assets	11	5,170,485	5,196,256
Property, plant and equipment	12	72,681,692	72,465,031
Advance payment for purchase of equipment		-	4,408,200
Right-of-use assets	14	30,537,007	26,236,695
Intangible assets		159,473	194,303
Current tax assets		-	788,188
Deferred tax assets	19	12,152,879	11,296,803
<b>Total non-current assets</b>		120,701,536	120,585,476
<b>Total assets</b>		535,107,754	560,240,155

The accompanying notes are an integral part of the financial statements.

## Statements of Financial position (Continued)

(Unit: Baht)

As at 31 December 2021	Note	2021	2020
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	13	69,878,107	66,503,965
Income tax payable		2,406,262	5,266,759
Current portion of lease liabilities	14	2,488,852	2,446,641
Derivatives liabilities	26	1,005,876	-
Other current liabilities		453,091	533,553
<b>Total current liabilities</b>		76,232,188	74,750,918
<b>Non-current liabilities</b>			
Lease liabilities - net of current portion	14	29,955,681	24,255,682
Provision for long-term employee benefits	15	56,207,486	57,119,446
<b>Total non-current liabilities</b>		86,163,167	81,375,128
<b>Total liabilities</b>		162,395,355	156,126,046
<b>Shareholders' equity</b>			
<b>Share capital</b>			
Registered			
7,500,000 ordinary shares of Baht 10 each		75,000,000	75,000,000
Issued and fully paid up			
7,500,000 ordinary shares of Baht 10 each		75,000,000	75,000,000
Share premium		30,625,000	30,625,000
Retained earnings			
Appropriated - statutory reserve	16	18,834,366	18,834,366
Unappropriated		248,253,033	279,654,743
<b>Total shareholders' equity</b>		372,712,399	404,114,109
<b>Total liabilities and shareholders' equity</b>		535,107,754	560,240,155

The accompanying notes are an integral part of the financial statements.

# Statements of comprehensive Income

(Unit: Baht)

For the year ended 31 December 2021	Note	2021	2020
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales and service income	17	605,122,751	679,643,337
Other income		15,924,674	13,425,352
<b>Total revenues</b>		621,047,425	693,068,689
<b>Expenses</b>			
Cost of sales		500,403,093	539,870,104
Selling and distribution expenses		37,032,304	38,071,166
Administrative expenses		34,956,953	32,225,966
Other expenses		4,542,920	1,348,641
<b>Total expenses</b>		576,935,270	611,515,877
<b>Profit from operating activities</b>		44,112,155	81,552,812
Finance income		389,484	577,919
Finance cost		(1,539,536)	(1,181,812)
<b>Profit before income tax expenses</b>		42,962,103	80,948,919
Income tax revenue (expenses)	19	(7,613,813)	(14,150,819)
<b>Profit for the year</b>		35,348,290	66,798,100
<b>Other comprehensive income:</b>			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss		-	(8,682,243)
Less: Income tax effect		-	1,736,449
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(6,945,794)
<b>Other comprehensive income for the year</b>		-	(6,945,794)
<b>Total comprehensive income for the year</b>		35,348,290	59,852,306
<b>Earnings per share</b>	20		
Basic earnings per share		4.71	8.91

The accompanying notes are an integral part of the financial statements.

## Statements of changes in shareholders' equity

	For the year ended 31 December 2021				(Unit: Baht)
	Issued and paid-up share capital	Share premium	Retained earnings Appropriated statutory reserve	Unappropriated	
Balance as at 1 January 2020	75,000,000	30,625,000	18,834,366	220,777,437	345,236,803
Profit for the year	-	-	-	66,798,100	66,798,100
Other comprehensive income for the year	-	-	-	(6,945,794)	(6,945,794)
Total comprehensive income for the year	-	-	-	59,852,306	59,852,306
Dividend paid (Note 23)	-	-	-	(975,000)	(975,000)
<b>Balance as at 31 December 2020</b>	<b>75,000,000</b>	<b>30,625,000</b>	<b>18,834,366</b>	<b>279,654,743</b>	<b>404,114,109</b>
<b>Balance as at 1 January 2021</b>	<b>75,000,000</b>	<b>30,625,000</b>	<b>18,834,366</b>	<b>279,654,743</b>	<b>404,114,109</b>
Profit for the year	-	-	-	35,348,290	35,348,290
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	35,348,290	35,348,290
Dividend paid (Note 23)	-	-	-	(66,750,000)	(66,750,000)
<b>Balance as at 31 December 2021</b>	<b>75,000,000</b>	<b>30,625,000</b>	<b>18,834,366</b>	<b>248,253,033</b>	<b>372,712,399</b>

The accompanying notes are an integral part of the financial statements.

(Unit: Baht)

## Cash flow statement

2021

2020

For the year ended 31 December 2021

### Cash flows from operating activities

Profit (loss) before tax	42,962,103	80,948,919
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	27,236,753	26,405,524
Allowance for doubtful accounts (reversal)	35,539	(14,121)
Write-off bad debt	98,713	-
Reduction of value of inventories to net realisable value	1,296,796	43,113
Gain on sales of building improvements and equipment	(406,554)	(284,267)
Written off of building improvements and equipment	74,006	-
Gain on sales of equipment	(671,813)	-
Long-term employee benefit expenses	3,946,849	7,733,346
Unrealised (gain) on exchange	(5,458,639)	1,594,339
Losses (gain) on derivatives	2,695,377	(1,344,050)
Finance income	(389,484)	(577,919)
Finance cost	1,539,536	1,181,812
Profit from operating activities before changes in operating assets and liabilities	72,959,182	115,686,696
Operating assets (increase) decrease		
Trade and other receivables	(39,688,112)	3,651,748
Inventories	2,734,516	35,353,293
Other current assets	269,130	(656,030)
Other non-current financial assets	(39,942)	(26,836)
Operating liabilities increase (decrease)		
Trade and other payables	2,639,931	11,040,746
Other current liabilities	(80,462)	121,879
Provision for long-term employee benefits	(4,858,809)	(7,501,176)
Cash flows from operating activities	33,935,434	86,963,734
Cash paid for income tax	(11,330,386)	(8,661,369)
<b>Net cash flows from operating activities</b>	<b>22,605,048</b>	<b>78,302,365</b>

The accompanying notes are an integral part of the financial statements.

## Cash flow statement (Continued)

(Unit: Baht)

2021

2020

For the year ended 31 December 2021

Cash flows from investing activities		
Interest income	464,400	473,903
Decrease (increase) in other current financial assets	13,975,051	(29,963,645)
Acquisitions of building improvements and equipment	(9,374,992)	(11,344,995)
Acquisitions of intangible assets	(89,520)	(22,600)
Proceeds from sales of building improvements and equipment	593,677	403,271
Prepayment for equipment	(8,790,576)	(8,650,523)
<b>Net cash flows used in investing activities</b>	<b>(3,221,960)</b>	<b>(49,104,589)</b>
<b>Cash flows from financing activities</b>		
Cash paid for lease liabilities	(2,168,503)	(2,458,797)
Interest paid	(1,539,536)	(1,171,203)
Dividend paid	(66,750,000)	(975,000)
<b>Net cash flows used in financing activities</b>	<b>(70,458,039)</b>	<b>(4,605,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(51,074,951)</b>	<b>24,592,776</b>
Cash and cash equivalents at beginning of year	104,835,061	80,242,285
<b>Cash and cash equivalents at end of year</b>	<b>53,760,110</b>	<b>104,835,061</b>
<b>Supplemental cash flows information</b>		
Non-cash transactions		
Purchase of equipment for which payments have yet to be made	1,238,145	503,934
Transfer prepayment to equipment	13,198,776	6,970,323
Increase in right-of-use assets from lease agreements	31,843,584	-
Decrease in right-of-use assets due to lease modification and cancellation	23,261,058	-
Decrease in lease liabilities due to lease modification and cancellation	23,932,871	-

The accompanying notes are an integral part of the financial statements.

# Notes to nancial statements

For the year ended 31 December 2021

## 1. Corporate information

Union Pioneer Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, which is incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of finished elastic products. The registered address of the Company is No.1 Soi Serithai 62, Kweang Minburi, Khet Minburi, Bangkok.

## 2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 3. New financial Reporting standards

### a. Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

### b. Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company’s financial statements.

## 4. Significant accounting policies

### 4.1 Revenue and expense recognition

#### *Sales of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts to customers.

#### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

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#### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

#### **4.3 Inventories**

Finished goods, semi-finished products and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (under the first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

#### **4.4 Property, plant and equipment and depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	- 20 years
Building improvements	- 5 years, 10 years and 20 years
Machinery and equipment	- 3 years and 5 years
Furniture and fixtures	- 3 years and 5 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is including in profit or loss when the asset is derecognised.

#### **4.5 Leases**

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease

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liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	-	10 years
Buildings	-	10 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **4.6 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

### **4.7 Foreign currencies**

The Company's financial statements is presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

### **4.8 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

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## 4.9 Employee benefits

### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

### **Post-employment benefits**

#### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

#### *Defined benefit plans*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and resignation fund plan. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

Defined benefit liability (asset) is the present value of the defined benefit obligation less the fair value of plan assets which are available to pay the employee benefits obligation directly.

Plan assets are assets held by a long-term employee benefit fund. They are not available to the Company's creditors and cannot be returned to the Company. The Company measures the fair value of plan assets by using market price and in case that plan assets are debt instruments in active market, the Company measures them by using quoted price.

## 4.10 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## 4.11 Income Tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.12 Financial instruments**

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### ***Financial assets at amortised cost***

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### ***Financial assets at FVTPL***

Financial assets measured at FVTPL which are derivatives, are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

##### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

##### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

##### **Impairment of financial assets**

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVT-

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PL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.13 Derivatives**

The Company uses derivatives, such as forward currency contracts to hedge its foreign currency risk.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### **4.14 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### Depreciation of plant and equipment

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment (if any) and to review estimate useful lives and residual values when there are any changes.

### Leases

#### *Determining the lease term with extension options - The Company as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

#### *Estimating the incremental borrowing rate - The Company as a lessee*

The Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2021	2020	Pricing policy
<u>Transactions with parent company</u>			
Purchases of raw materials	8	6	Cost plus margin of parent company
Rental expenses	3	3	Contract price
<u>Transactions with related companies</u> (related by common shareholders)			
Sales of finished goods	12	17	Cost plus margin
Purchases of raw materials	63	82	Cost plus margin of related companies

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)	
	2021	2020
<u>Trade and other receivables - related parties (Note 8)</u>		
Related companies (related by common shareholders)	3,819	4,327
Total trade and other receivables - related parties	<u>3,819</u>	<u>4,327</u>
<u>Trade and other payables - related parties (Note 13)</u>		
Parent company	1,798	341
Related companies (related by common shareholders)	8,493	7,991
Total trade and other payables - related parties	<u>10,291</u>	<u>8,332</u>
<u>Directors and management's benefits</u>		

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below

	(Unit: Thousand Baht)	
	2021	2020
Short-term employee benefits	8,261	7,750
Post-employee benefits	183	(10)
Total	<u>8,444</u>	<u>7,740</u>

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2021	2020
Cash	27	21
Bank deposits	28,757	24,883
Short-term bonds	24,976	79,931
Total	<u>53,760</u>	<u>104,835</u>

As at 31 December 2021, bank deposits in saving accounts and short-term bonds carried interests between 0.05 and 0.42 percent per annum (2020: between 0.13 and 0.46 percent per annum).

## 8. Trade and other receivables

	(Unit: Thousand Baht)	
	2021	2020
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	3,692	3,832
Past due		
Up to 3 months	-	364
Total trade receivables - related parties	<u>3,692</u>	<u>4,196</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	112,821	95,463
Past due		
Up to 3 months	45,291	22,929
3 - 6 months	2,016	51
6 - 12 months	-	39
Over 12 months	19	98
Total	<u>160,147</u>	<u>118,580</u>

	(Unit: Thousand Baht)	
	2021	2020
Less: Allowance for expected credit losses	(159)	(123)
Total trade receivables - unrelated parties, net	159,988	118,457
Total trade receivables - net	163,680	122,653
<u>Other receivables</u>		
Other receivables - related parties	127	131
Other receivables - unrelated parties	6,944	2,964
Total other receivables	7,071	3,095
Total trade and other receivables - net	170,751	125,748

## 9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Finished goods	47,362	40,246	(2,420)	(1,048)	44,942	39,198
Semi finished products	10,697	12,516	(419)	(483)	10,278	12,033
Work in process	11,204	9,436	(2)	(13)	11,202	9,423
Raw materials and chemicals	87,647	91,999	-	-	87,647	91,999
Packing materials	6,438	6,210	-	-	6,438	6,210
Spare parts and factory supplies	3,096	3,473	-	-	3,096	3,473
Raw materials in transit	7,141	12,440	-	-	7,141	12,440
Total	173,585	176,320	(2,841)	(1,544)	170,744	174,776

## 10. Other current financial assets

The balance as at 31 December 2021, represented investments in fixed deposits and government bonds which are measured at amortised cost and carried interest between 0.40 and 0.50 per annum.

## 11. Restricted investments/ Other non-current financial assets

This represents investments in government bonds which are pledged as collateral to secure electricity use which are measured at amortised cost and carried interest 0.55 and 0.60 per annum.

## 12. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Building and building improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
As at 1 January 2020	6,173	107,672	666,992	14,925	17,386	957	814,105
Additions	-	540	14,720	571	1,971	112	17,914
Disposals	-	-	(7,082)	-	(1,197)	-	(8,279)
Transfers	-	-	957	-	-	(957)	-
As at 31 December 2020	6,173	108,212	675,587	15,496	18,160	112	823,740
Additions	-	1,122	18,718	537	925	2,006	23,308
Disposals /write-off	-	(8,774)	(16,412)	(525)	(1,825)	-	(27,536)
Transfers	-	-	112	-	-	(112)	-
As at 31 December 2021	6,173	100,560	678,005	15,508	17,260	2,006	819,512
<b>Accumulated depreciation:</b>							
As at 1 January 2020	-	92,293	615,228	13,880	14,666	-	736,067

(Unit: Thousand Baht)

	Land	Building and building improvements	Machinery and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
Depreciation for the year	-	3,124	18,863	524	857	-	23,368
Depreciation on disposals	-	-	(7,082)	-	(1,078)	-	(8,160)
As at 31 December 2020	-	95,417	627,009	14,404	14,445	-	751,275
Depreciation for the year	-	3,189	18,218	486	937	-	22,830
Depreciation on disposals /write-off	-	(8,700)	(16,397)	(525)	(1,653)	-	(27,275)
As at 31 December 2021	-	89,906	628,830	14,365	13,729	-	746,830
<b>Net book value:</b>							
As at 31 December 2020	6,173	12,795	48,578	1,092	3,715	112	72,465
As at 31 December 2021	6,173	10,654	49,175	1,143	3,531	2,006	72,682
<b>Depreciation for the year:</b>							
2020 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)							23,368
2021 (Baht 22 million included in manufacturing cost, and the balance in selling and administrative expenses)							22,830

As at 31 December 2021, certain plant and equipment items had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 685 million (2020: Baht 685 million).

### 13. Trade and other payables

(Unit: Thousand Baht)

	2021	2020
Trade payables - related parties	10,169	8,005
Trade payables - unrelated parties	26,513	21,083
Other payables - related parties	122	327
Other payables - unrelated parties	32,965	36,274
Advance receipts from customers	109	815
Total trade and other payables	69,878	66,504

### 14. Leases

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms 1 years with extension options.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Land	Buildings	Total
1 January 2020	2,667	26,484	29,151
Depreciation for the year	(266)	(2,648)	(2,914)
31 December 2020	2,401	23,836	26,237
Additions	15,922	15,922	31,844
Depreciation for the year	(1,011)	(3,271)	(4,282)
Adjustments due to lease modification	(1,902)	(20,927)	(22,829)
Cancellation	(37)	(396)	(433)
31 December 2021	15,373	15,164	30,537

**b) Lease liabilities**

(Unit: Thousand Baht)

	2021	2020
Lease payments	42,513	32,700
Less: Deferred interest expenses	(10,068)	(5,998)
Total	32,445	26,702
Less: Portion due within one year	(2,489)	(2,446)
Lease liabilities - net of current portion	29,956	24,256

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	2021	2020
Balance at beginning of year	26,702	29,150
Additions	31,844	-
Accretion of interest	1,540	1,182
Repayments	(3,708)	(3,630)
Adjustments due to lease modification	(23,485)	-
Cancellation	(448)	-
Balance at end of year	32,445	26,702

The maturity of lease payment's as at 31 December 2021 and 2020 based on contractual undiscounted cash flows are as bellow

(Unit: Thousand Baht)

	2021	2020
With in 1 year	4,254	3,630
1 - 5 years	17,017	18,150
Over 5 year	21,242	10,920
Total	42,513	32,700

**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

	2021	2020
Depreciation expense of right-of-use assets	4,282	2,914
Interest expense on lease liabilities	1,540	1,182

**d) Others**

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 3.7 million (2020: Baht 3.6 million).

**15. Provision for long-term employee benefits**

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	2021	2020
Present value of defined benefit obligation	74,740	75,243
Fair value of plan assets	(18,533)	(18,124)
Net defined benefit liability	56,207	57,119

Changes in present value of defined benefit obligation and fair value of plan assets are as follows:

	(Unit: Thousand Baht)	
	2021	2020
<b>Defined benefit obligation at beginning of year</b>	75,243	68,685
Included in profit or loss:		
Current service cost	3,731	2,943
Interest cost	748	1,506
Transferred employees from a related company	251	48
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumption changes	-	19
Financial assumption changes	-	7,493
Experience adjustments	-	1,170
Benefits paid during the year	(5,233)	(6,621)
<b>Defined benefit obligation at end of year</b>	<u>74,740</u>	<u>75,243</u>

	(Unit: Thousand Baht)	
	2021	2020
<b>Fair value of plan assets at beginning of year</b>	18,124	20,480
Change in fair value	532	(3,284)
Contribution by the Company	1,326	1,332
Paid during the year	(1,449)	(404)
<b>Fair value of plan assets at end of year</b>	<u>18,533</u>	<u>18,124</u>

Plan assets comprise bank deposits, government bonds, and equity and debt instruments in active market.

The Company expects to pay Baht 11 million of long-term employee benefits during the next year.

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2020: 11 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2021	2020
Discount rate	1.4	1.4
Salary increase rate	3.5 - 5.0	3.5 - 5.0
Employee turnover rate	0 - 30	0 - 30

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are

	(Unit: Million Baht)			
	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5.4)	5.8	(5.7)	6.0
Salary increase rate	6.7	(6.0)	6.3	(5.6)
Employee turnover rate	(0.1)	0.1	(0.1)	0.1

## 16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

However, under the Company's Articles of Association, the Company is required to set aside to a statutory reserve at least 10 percent of net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 25 percent of the registered share capital. The Company has already set aside a full statutory reserve.

## 17. Sales and service income

Revenue from sales and service income mainly comprises revenue from distribution of elastic products and revenue from shipping service as the Company has an obligation to ship goods sold to customers in accordance with conditions of contracts.

## 18. Expenses by nature

Significant expenses by nature are as follow:

	(Unit: Thousand Baht)	
	2021	2020
Salary and wages and other employee benefits	165,139	172,643
Depreciation and amortisation	27,237	26,405
Loss from exchange rate	4,543	-
Rental expenses from operating lease agreements	242	54
Travelling expenses	153	-
Raw materials and consumables used	269,384	291,320
Changes in inventories of finished goods, semi finished products and work in progress	(7,065)	440
Purchases of finished goods and raw materials	8,385	9,287

## 19. Income tax

Income tax expense for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	2021	2020
<b>Current income tax:</b>		
Current income tax charge for the year	8,470	13,928
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(856)	223
<b>Income tax (revenue) expense reported in profit or loss</b>	<b>7,614</b>	<b>14,151</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows.

	(Unit: Thousand Baht)	
	2021	2020
Deferred tax on actuarial (gain) loss	-	(1,736)
	-	(1,736)

The reconciliation between accounting profit (loss) and income (revenue) tax expense is shown below.

	(Unit: Thousand Baht)	
	2021	2020
Accounting profit before tax	42,962	80,949
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by applicable tax rate	8,592	16,190

Effects of:

Non-deductible expenses	67	54
Additional expense deductions allowed	(1,102)	(2,210)
Others	57	117
Total	(978)	(2,039)
Income tax (revenue) expense reported in profit or loss	7,614	14,151

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	2021	2020
<b>Deferred tax assets</b>		
Allowance for diminution in value of inventories	568	309
Provision for long-term employee benefits	11,019	11,250
Unrealised loss from forward contracts	201	-
Lease	382	93
Total	12,170	11,652
<b>Deferred tax liabilities</b>		
Unrealised gain from forward contracts	(17)	(355)
Total	(17)	(355)
Net	12,153	11,297

## 20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 21. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the manufacture and distribution of finished elastic products. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Revenues from external customers based on locations of the customers are as follows:

(Unit: Thousand Baht)

	2021	2020
Revenues from external customers		
Thailand	225,005	248,500
United States	235,924	272,912
Others	144,194	158,231
Total	605,123	679,643

### Major customer

For the year 2021, the Company had revenue from a major customer in amount of Baht 107 million (2020: Baht 100 million).

## 22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund which is managed by BBL Asset Management Company Limited, will be paid to the employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 3 million (2020: Baht 3 million) were recognised as expenses..

## 23. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2019	Annual General Meeting of the shareholders on 22 April 2020	975,000	0.13
Total for 2020		975,000	0.13
Final dividends for 2020	Annual General Meeting of the shareholders on 21 April 2021	66,750,000	8.90
Total for 2021		66,750,000	8.90

## 24. Commitments and contingent liabilities

### 24.1 Capital commitments

As at 31 December 2020, the Company had capital commitments of approximately Baht 7 million, relating to the acquisition of machinery (2021: None).

### 24.2 Guarantees

As at 31 December 2021, there was outstanding bank guarantee of Baht 1 million issued by a bank on behalf of the Company to guarantee contractual performance (2020: Baht 1 million).

## 25. Fair value hierarchy

As at 31 December 2021 and 2020, the Company had the assets and liabilities that were measured at fair value was disclosed using different levels of inputs as follows::

(Unit: Million Baht)				
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	1	-	1

(Unit: Million Baht)				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	2	-	2

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## 26. Financial instruments

### 26.1 Derivatives

(Unit: Thousand Baht)

	2021	2020
<b>Derivative assets</b>		
Derivative assets not designated as hedging instruments	86	1,776
<b>Total derivative assets</b>	86	1,776
<b>Derivative liabilities</b>		
Derivative liabilities not designated as hedging instruments	1,006	-
<b>Total derivative liabilities</b>	1,006	-

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 to 12 months.

### 26.2 Financial risk management

The Company's financial instruments principally comprise cash and cash equivalents, investments in government bonds, trade and other receivables, trade and other payables, and derivatives. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit Risk**

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks, other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### **Trade receivables**

The Company manages the risk by adopting appropriate credit control policies and procedures including receiving advance payment for goods from new customers and retail customers. Outstanding trade receivables are regularly monitored. In addition, the Company does not have high concentrations of credit risk since it has a large customer base in various industries. The Company therefore does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### **Financial instruments and cash deposits**

The credit risk on debt instruments and derivatives is limited because the counterparties are government and banks with high credit-ratings assigned by international credit-rating agencies.

#### **Market risk**

There are two types of market risk comprising currency risk and interest rate risk.

#### **Foreign currency risk**

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign currency forward contracts and matching the currency received with the currency to be paid. In addition, balances of financial assets and liabilities denominated in foreign currencies which were not hedged by foreign exchange forward contracts were not significant. The foreign currency risk is then expected to be minimal

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**Interest rate risk**

Since most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate and are classified as short-term, the interest rate risk is expected to be minimal.

**Liquidity risk**

As at 31 December 2020, the Company's carrying value of current financial liabilities was Baht 69 million while carrying value of current financial assets was Baht 261 million. The Company has access to sufficient sources of funding. As a result, the Company has assessed the liquidity risk to be low.

**26.3 Fair values of financial instruments**

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumption used by the Company in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables and trade and other payables, their carrying amounts in the statement of financial position approximate their fair value.
- b) For investments in government bonds, the fair value is generally derived from quoted market prices as announced by the Thai Bond Market Association.
- c) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, and yield curves of the respective currencies. The Company had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

**27. Capital management**

The primary objective of the Company's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Company's debt-to-equity ratio was 0.44:1 (2020: 0.39:1)..

**28. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.



**บริษัท ยูเนียนไพโอเนียร์ จำกัด(มหาชน)**  
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