

SAHA-UNION ANNUAL REPORT 2012

40th Years of Integrity Quality and Service

SAHA-UNION PUBLIC CO.,LTD.
Annual Report 2012



SAHA-UNION PUBLIC CO.,LTD.

40 Years in Business

Saha-Union Group began the operations in 1961 as a manufacturer and a distributor of zipper under “VENUS” trademark. The Company later expanded to other textile businesses and is now a leading manufacturer and distributor of integrated textile products. The Company has further expanded to other businesses with more potential and diversity, establishing other companies over time.

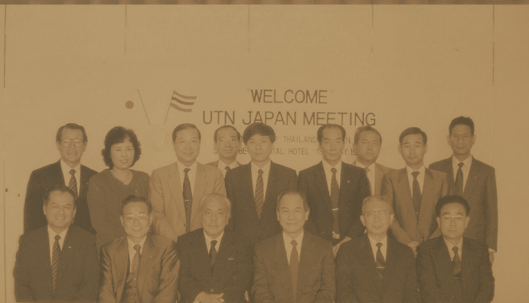
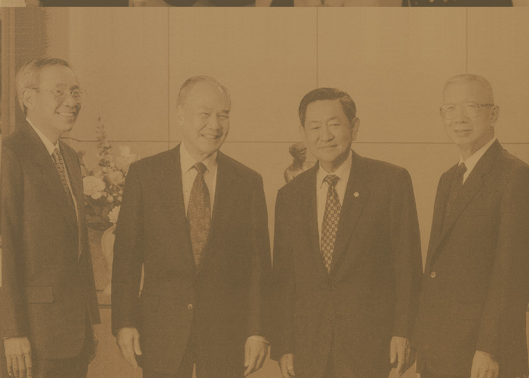
Saha-Union Group is a leader in international trades. It was one of the first four companies to received international trade investment promotion from BOI in 1978, becoming a key player to Thailand's economic development and success in export business. It was one of the Thai Export Winner in 1994, received a certificate from the government and also received Prime Minister Best Export Award in 1996.

Saha-Union Co., Ltd. (SUC) was established in 1972 as a central body of administration and financial management for the companies under Saha-Union Group, with the registered capital of 30 million Baht. SUC was a private company which become a listed company on the Security Exchange of Thailand (now, Stock Exchange of Thailand) in 1975, and became Saha-Union Public Company Limited in 1994, which currently had the registered capital of 3,000 million Baht.

Since the very beginning to 2012 along the 40 years in business, Saha-Union Public Company Limited has pioneered in different business investments. With our pride, Saha-Union Group, as a Thai enterprise, has been operational with good management and morals, outstanding in quality, benefiting Thai society. Today, Saha-Union Group has overcome obstacles no matter in economy, finance, or marketing, and is now able to grow strong in the business and obtain success. It has become a thriving company which is highly acclaimed as one of Thailand's leading business and industry company groups and is prepared to take steps forward. We never cease to explore new business opportunity, so as to expand our ever-growing income base.



40th
Years
SAHA-UNION PUBLIC CO.,LTD.



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(Unit : Million Baht)			
Saha-Union Public Company Limited (Consolidated)	2012	2011	2010
Total revenues	10,507.4	9,889.4	11,567.6
Revenues from sales and services	9,332.8	8,755.4	10,141.1
Gross profit	951.6	797.3	1,490.5
Profit for equity holders of the Company	1,229.2	738.1	1,813.0
Total assets	23,247.6	22,007.2	19,051.3
Total liabilities	5,672.1	5,104.3	3,105.8
Total shareholders' equity	17,575.6	16,902.9	15,945.4
Earning ratio (%)	11.70%	7.46%	15.67%
Earnings per share (Baht)	4.24	2.55	6.25
Book value per share (Baht)	55.69	53.13	49.86
Net asset value per share (Baht)	55.69	53.13	49.86
Return on assets (%)	5.43%	3.60%	9.55%
Return on equity (%)	7.79%	4.94%	12.98%
Debt to equity ratio (Times)	0.35	0.33	0.21
(Unit : Million Baht)			
Saha-Union Public Company Limited	2012	2011	2010
Revenues	2,232.7	2,910.2	4,307.3
Sales and service income	1,075.1	1,824.3	3,022.4
Export sales	470.4	457.3	502.9
Local sales	604.7	1,367.0	2,519.5
Gross profit	13.3	20.6	227.1
Profit for equity holders of the Company	1,016.3	760.3	1,307.8
Earnings per share (Baht)	3.39	2.53	4.36
Dividend per share (Baht)	1.50	1.50	1.75
Book value per share (Baht)	40.80	38.39	37.47

BOARD OF DIRECTORS' REPORT

SAHA-UNION PUBLIC COMPANY LIMITED



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In 2012, Saha-Union Public Company Limited will celebrate its 40th anniversary. On this occasion, the Board of Directors of the Company wishes to thank all shareholders, customers, trade partners and all stakeholders for their continuing trusts and supports for the Company. Thank all executives and employees whose determinations to serve the Company to the best of their abilities have driven the Company to its good operating results, stability and gloriously moving ahead.

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In 2012, although Thai economy enjoyed a 6.4% growth, the export sector however was struck by an over-anticipated slowdown of world economy from unresolved public debts in Europe, the precarious United States' economy, the downturn of the People's Republic of China's economic expansion and the low expansion of the Japanese economy. All the above factors affected worldwide purchasing power. The governments of many countries issued varied monetary and financial measures to stimulate the economies, yet the uncertainty of economic recovery still persisted. The rates of exchange were therefore widely fluctuated.

Thailand, on the contrary, spurred by governmental economic revitalizing programs and production expansions to meet the rushing domestic demands, saw the strong growth in both local consumption and investment opportunities.

Although the businesses felt the pressures of global economic slowdown, Saha-Union Group tried to make proper adjustments and administrations to lower costs of manufacturing, modify the manufacturing processes for better efficiency. We always made investment expansions, quality improvements, product distinctions in order to raise the values of goods and services. We exercised great cares in handling the finance, product quality, punctual delivery and upholding business ethics. All these qualities had long implanted the confidence the customers had in the Company that resulted in a better performance than 2011 and beyond the result originally forecasted.

A closer analysis of the businesses is as follows:

Textile was most affected by the European and U.S. economic slumps. Purchasing orders were declining and becoming unsteady. Strong price rivalries and fluctuating raw material prices perplexed cost

control measures. The 2013 future looks bleak due to rising wage and highly pessimistic electricity charges.

Plastic, Rubber, Metal, Trading, Energy and Real Estate Mostly registered better results than expected. The future is optimistic if Thai and worldwide economies do not worsen.

Chemical Although not yet profitable, strong endeavors in productivity developments to reduce costs coupling with new market expansions render a promising 2013 future.

In 2012, Saha-Union registered the following 2 major changes

- In the last quarter, the Board of Directors decided to sell the investments in Jiangsu-Union Cogeneration Group Co., Ltd. and Huanan-Union Spring Cogeneration Co., Ltd., both cogenerating thermal plants and Yixing-Union Biochemical Co., Ltd., a citric acid plant. Due to the fact that the Chinese economy was in decline and the Chinese government was pressing for more and stricter pollution control schemes. Inevitably, it would magnify the investment burden, production costs which unstabilizing future return on investment.
- Zhejiang-Union Property Co., Ltd. was established with RMB 100,000,000 investment. Saha-Union and its affiliates held 35% share of the Company. Zhejiang-Union Property Co., Ltd. will engage in real estate development projects involving commercial, residential and parking building on 7,669 square meters piece of land in Shaoxing, Zhejiang Province.

In 2012, the separate financial statements of Saha-Union Public Company Limited recorded a total assets of Baht 13,098 million which was Baht 915 million above 2011. Total liabilities stood at Baht 859

million, an increase of Baht 194 million over 2011. Net profit was Baht 1,016 million or Baht 3.39 per share. The high profit was part of dividend payable, received after Saha-Union Public Company Limited had sold its investments in power plants in the People's Republic of China.

The consolidated financial statements registered total assets of Baht 23,247 million, Baht 1,240 million above 2011. Total liabilities were Baht 17,575 million, an increase of Baht 673 million over 2011. Share of net profit for the Company's shareholders was Baht 1,229 million.

In 2012, Saha-Union Public Company Limited will celebrate its 40th anniversary. On this occasion, the Board of Directors of the Company wishes to thank all shareholders, customers, trade partners and all stakeholders for their continuing trusts and supports for the Company. Thank all executives and employees whose determinations to serve the Company to the best of their abilities have driven the Company to its good operating results, stability and gloriously moving ahead.

The Board of Directors hold steadfast resolutions

- to conduct business with corporate social responsibilities awareness in order to benefit all participating parties.
- to promote the Company's solid growths with loyalty, care and thoughtfulness in order to yield sound return to our Shareholders always.



Mr. Panas Simasathien

Chairman

BOARD OF DIRECTORS

SAHA-UNION PUBLIC COMPANY LIMITED



Mr. Panas Simasathien
Chairman



Mr. Sompop Amatayakul
Vice Chairman (Audit and Evaluation of Domestic Business) / Chairman of the Audit Committee / Independent Director and Chairman of the Nomination and Remuneration Committee



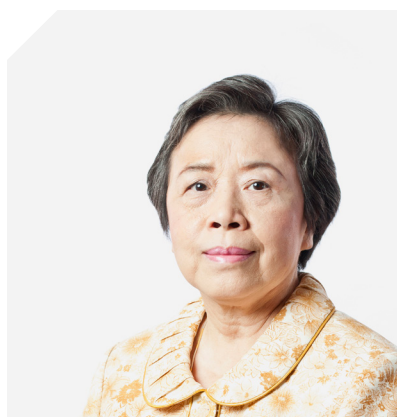
Miss Sriwarin Jirapakkana
Vice Chairman
(Finance and Investments)



Mr. Chutindhon Darakananda
Vice Chairman (Investments in China) and Nomination and Remuneration Director



Mrs. Araya Arunanondchai
Audit and Independent Director/
Nomination and Remuneration
Director



Miss Pakinee Prerttitumrong
Audit and Independent Director



Mr. Chakchai Panichapat
Independent Director/Advisor



Mr. Yanyong Tangchitkul
Independent Director



Miss Dalad Sapthavichaikul
President



Mr. Thitivat Suebsaeng
Director



Mr. Aksomprasit Darakananda
Director



Mrs. Pinijporn Darakananda
Kasemsap
Director



Mr. Bovornrat Darakananda
Director



Mr. Vacharaphong Darakananda
Director



Mr. Nantiya Darakananda
Director

BOARD OF DIRECTORS

SAHA-UNION PUBLIC COMPANY LIMITED



Mr. Panas Simasathien
Chairman

Age 80 years

Education

- Ph.D. in Accounting, University of Illinois, U.S.A.
- M.S. in Accounting, University of Illinois, U.S.A.
- B.A. (Cum Laude) in Business Administration, Claremont Men's College, California, U.S.A.
- Certificate of Accountancy, Thammasat University

IOD's Training

- Director Certification Program (DCP) Class 2/2000

Experiences

- 1972 – 1978 Director General, Comptroller-General's Department
- 1978 – 1982 Director General, Revenue Department
- 1982 – 1992 Permanent Secretary, Ministry of Finance
- 1982 – 1992 Chairman, Krung Thai Bank Public Company Limited
- 1992 Minister of Finance
- 1993 – 1995 Chairman, the Electricity Generating Authority of Thailand (EGAT)
- May 2001 – January 2011 Chairman, Computer Union Co., Ltd.
- April 2007 – January 2011 Vice Chairman, Union Textile Industries Public Company Limited
- January 2007 – January 2011 Vice Chairman, Saha-Union Public Company Limited
- December 2008 – January 2011 Chairman, Union Technology (2008) Public Company Limited
- December 2009 – January 2011 Chairman, Union Plastic Public Company Limited

Current Positions

Saha-Union Group Companies

- January 2011 – Present Chairman, Saha-Union Public Company Limited

Other Companies

- Chairman, Siam Speciality Co., Ltd.
- Vice Chairman and Executive Chairman, Siam Piwat Co., Ltd.
- Director, Siam Cement Public Company Limited
- Director, Ladawan Capital Co., Ltd.

Other Positions

- Chairman, The National Economic and Social Development Board (NESDB)
- Chairman, Council of State Group 12, the Council of State

Years of Directorship 19 years



Mr. Sompop Amatayakul

Vice Chairman (Audit and Evaluation of Domestic Business) / Chairman of the Audit Committee
Independent Director and Chairman of the Nomination and Remuneration Committee

Age 72 years

Education

- Honorary Doctorate's Degree in Accounting, Thammasat University
- Honorary Doctorate's Degree in Business Administration, the National Institute of Development Administration (NIDA)
- Master's Degree in Business Administration (Management), University of the Thai Chamber of Commerce
- Bachelor's Degree in Business Administration, University of the Thai Chamber of Commerce
- Faculty of Commerce and Accountancy, Thammasat University, 3rd Year Student

IOD's Training

- Director Accreditation Program (DAP) Class 75/2008

Experiences

- 1994 – 1996 President, Saha-Union Public Company Limited
- 1996 – 1997 Deputy Minister, Ministry of Industry
- Chairman, Bangkok Metropolitan Bank Public Company Limited
- Chairman, State Railway of Thailand
- General Manager, IBM (Thailand) Co., Ltd.
- 1999 – January 2011 Independent Director, Union Textile Industries Public Company Limited
- 1999 – January 2011 Independent Director, Union Plastic Public Company Limited
- 2000 – January 2011 Independent Director, Union Pioneer Public Company Limited
- 2000 – January 2011 Chairman of the Audit Committee/ Independent Director, Union Technology (2008) Public Company Limited

Current Positions

Saha-Union Group Companies

- January 2006 – Present Chairman of the Nomination and Remuneration Committee, Saha-Union Public Company Limited
- December 2007 – Present Vice Chairman (Audit and Evaluation of Domestic Business) Chairman of the Audit Committee/Independent Director, Saha-Union Public Company Limited

Other Companies

- Chairman, Audit Committee, Esso (Thailand) Public Company Limited
- Executive Chairman, B.B Business Management Co., Ltd.

Years of Directorship 14 years

Years of Independent Directorship 7 years
(since January 2005)



Miss Sriwarin Jirapakkana
Vice Chairman
(Finance and Investments)

Age 65 years

Education

- Master's Degree in Management, SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree in Accounting, Chulalongkorn University
- Management Information System organized by International Labour Organization
- Dynamic Management for International Executives Program, International Management Development Department of Syracuse University, U.S.A.

IOD's Training

- Director Accreditation Program (DAP) Class 18/2004

Experiences

- 1999 – 2004 Chairman, Union Thai-Nichiban Co., Ltd.
- 1999 – 2004 Chairman, Union Zojirushi Co., Ltd.
- 1999 – 2006 Chairman, Union Plastic Public Company Limited
- 1999 – 2007 President, Saha-Union Public Company Limited
- 1999 – April 2012 Chairman, Union Nifco Co., Ltd.
- 1999 – May 2012 Chairman, Union Pioneer Public Company Limited
- 2002 – 2006 Managing Director, Union Textile Industries Public Company Limited
- 2005 – April 2012 Director, Union Thai-Nichiban Co., Ltd.
- 2007 – 2010 Vice Chairman, Union Plastic Public Company Limited
- 2011 Chairman, Union Plastic Public Company Limited

Current Positions

Saha-Union Group Companies

- 1999 – Present Vice Chairman, Union Industries Corp., Ltd.
- 1999 – Present Vice Chairman, Union Thread Industries Co., Ltd.
- 2005 – Present Director, Union Zojirushi Co., Ltd.
- 2007 – Present Chairman, Union Textile Industries Public Company Limited
- 2008 – Present Vice Chairman, Saha-Union Public Company Limited
- 2011 – Present Chairman, Union Zip Co., Ltd.
- 2011 – Present Chairman, Venus Thread Co., Ltd.
- 2012 – Present Director, Union Plastic Public Company Limited
- April 2012 – Present Director, Union Nifco Co., Ltd.
- June – December 2012 Director, Union Pioneer Public Company Limited
- Chairman and Director, Other Companies in Saha-Union Group

Years of Directorship 19 years



Mr. Chutindhon Darakananda
Vice Chairman (Investments
in China) and Nomination
and Remuneration Director

Age 53 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

Experiences

- 1993 – 2007 Director, Union Textile Industries Public Company Limited
- 1993 – 2007 Director, Union Pioneer Public Company Limited
- 2001 – March 2009 Director, Union Energy (China) Co., Ltd.

Current Positions

Saha-Union Group Companies

- 1992 – Present Vice Chairman, Union Spinning Mills Co., Ltd.
- 1992 – Present Vice Chairman, Venus Thread Co., Ltd.
- 1997 – Present Director, Saha Union Holding Co., Ltd.
- 1997 – Present Director, Union Business Management Co., Ltd.
- 2002 – Present Vice Chairman/Managing Director, Union Thread Industries Co., Ltd.
- 2002 – Present Vice Chairman/Managing Director, Union Industries Corp., Ltd.
- 2007 – Present Vice Chairman, Saha-Union Public Company Limited
- January 2011 – Present Nomination and Remuneration Director, Saha-Union Public Company Limited
- Director, Other Companies in Saha-Union Group

Years of Directorship 22 years

BOARD OF DIRECTORS

SAHA-UNION PUBLIC COMPANY LIMITED



Mrs. Araya Arunanondchai
Audit and Independent Director
Nomination and Remuneration
Director

Age 69 years

Education

- Bachelor's Degree in Accounting, Thammasat University
- Certificate, The Joint State - Private Sector Regular Course, National Defence College (Class 377)
- Certificate of Leadership Program, Capital Market Academy (CMA) Class 11

IOD's Training

- Director Accreditation Program (DAP) Class 32/2005
- Chairman 2000 Class 4/2001

Experiences

- 1968 – 1979 Director, Budget Department, Thai Farmers Bank Public Company Limited
- 1982 Vice President, Saha-Union Corp., Ltd.
- 1984 – 2010 Director, Chiangmai Night Bazaar Co., Ltd.
- Chairman, Union Securities Co., Ltd.

Current Positions

Saha-Union Group Companies

- 1999 – Present Audit and Independent Director, Saha-Union Public Company Limited
- January 2006 – Present Nomination and Remuneration Director, Saha-Union Public Company Limited

Other Companies

- 1986 – Present Executive Chairman, Rajburi Sugar Co., Ltd.
- Executive Chairman, Tipamas Co., Ltd.
- Executive Chairman, Rajburi Etanol Co., Ltd.

Years of Directorship 19 years

Years of Independent Directorship 7 years
(since January 2005)



Miss Pakinee Prerttiumrong
Audit and Independent Director

Age 63 years

Education

- Bachelor's Degree in Economics, Thammasat University

IOD's Training

- Director Accreditation Program (DAP) รุ่น 2/2003

Experiences

- 1983 – April 2008 Director, Union Industries Corp., Ltd.
- 1994 – April 2008 Director, Union Thread Industries Co., Ltd.
- 1999 – March 2011 Audit and Independent Director, Union Technology (2008) Public Company Limited

Current Positions

Saha-Union Group Companies

- 1994 – Present Director, Venus Button Co., Ltd.
- 1996 – Present Director, Union Button Co., Ltd.
- 1998 – Present Audit and Independent Director, Saha-Union Public Company Limited

Years of Directorship 14 years

Years of Independent Directorship 7 years
(since January 2005)



Mr. Chakchai Panichapat
Independent Director/Advisor

Age 74 years

Education

- Master's Degree in Electrical Engineering, University of Texas, Austin, Texas, U.S.A.
- Bachelor's Degree in Electrical Engineering (2nd Honors), Chulalongkorn University

IOD's Training

- Director Accreditation Program (DAP) Class 5/2003
- Finance for Non-Finance Director (FND) Class 19/2005
- Director Certification Program (DCP) Class 72/2006
- Role of the Compensation Committee (RCC) Class 3/2007
- Audit Committee Program (ACP) Class 25/2009

Experiences

- Deputy Secretary General, The Board of Investment
- 2000 – March 2009 Director, Union Energy Co., Ltd.

Current Positions

Saha-Union Group Companies

- October 2000 – Present Independent Director/Advisor, Saha-Union Public Company Limited

Other Companies in SET

- 1998 – Present Chairman, Nomination and Remuneration Committee, Independent Director and Audit Committee Member, Kang Yong Electric Public Company Limited
- 1999 – Present Chairman, Audit Committee, Independent Director and Nomination and Remuneration Committee, City Recreation and Sports Public Company Limited
- 2002 – Present Chairman, Nomination and Remuneration Committee, Independent Director and Audit Committee Member, Central Pattana Public Company Limited
- 2006 – Present Directors and Executive Director, Amata Corporation Public Company Limited

Other Companies

- 2006 – Present Chairman, Magnecom Precision Technology Public Company Limited
- Chairman, Precipar Co., Ltd.
- Chairman, Amata Water Co., Ltd.
- Chairman, Amata Vietnam Co., Ltd. (Registered in Vietnam)
- Director, Amata Hong Kong Co., Ltd. (Registered in Hong Kong)
- Director, San Miguel Beer (Thailand) Limited
- Director, San Miguel Marketing (Thailand) Limited
- Director, Thai San Miguel Liquor Co., Ltd.

Years of Directorship 12 years

Years of Independent Directorship 7 years
(since January 2005)



Mr. Yanyong Tangchitkul
Independent Director

Age 60 years

Education

- Bachelor's Degree in Economics, Thammasat University
- Master's Degree in Business Management (Honor), the National Institute of Development Administration (NIDA)
- Management Development Program, Indiana University, U.S.A.

IOD's Training

- Director Accreditation Program (DAP) Class 79/2009

Experiences

- March 2009 – January 2011 Audit and Independent Director, Union Pioneer Public Company Limited

Current Positions

Saha-Union Group Companies

- September 2009 – Present Independent Director, Saha-Union Public Company Limited

Other Companies

- 1980 – Present Managing Director, Niyom Service Co., Ltd.

Years of Directorship 3 years

Years of Independent Directorship 3 years
(since September 2009)

BOARD OF DIRECTORS

SAHA-UNION PUBLIC COMPANY LIMITED



Miss Dalad Sapthavichaikul
President

Age 56 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

- Awarded Diploma by passing the Examination of Australian IOD Year 2001
- Director Certification Program (DCP) Class 9/2001
- Finance for Non-Finance Director (FND) Class 1/2003
- Audit Committee Program (ACP) Class 10/2005

Experiences

- 1999 – 2007 Executive Director & Assistant Managing Director, Saha-Union Public Company Limited

Current Positions

Saha-Union Group Companies

- 1993 – Present Managing Director, Uni-Fibre Co., Ltd.
- 1995 – Present Director, Union Textile Industries Public Company Limited
- 2004 – Present Managing Director, Computer Union Co., Ltd.
- 2007 – Present Managing Director, Saha Union Holding Co., Ltd.
- 2009 – Present Director, Union Zojirushi Co., Ltd.
- 2009 – Present Director, Union Spinning Mills Co., Ltd.
- 2011 – Present Director, Union Plastic Public Company Limited
- 2011 – Present Director, Union Thai-Nichiban Co., Ltd.
- 2011 – Present Director, Union Micronclean Co., Ltd.
- 2012 – Present President, Saha-Union Public Company Limited
- April 2012 – Present Chairman, Union Garment Co., Ltd.
- April 2012 – Present Chairman, Union Universe Co., Ltd.
- April 2012 – Present Chairman, Union Nifco Co., Ltd.
- April 2012 – Present Director, Union Stainless Steel Products Co., Ltd.
- May 2012 – Present Chairman, Union Pioneer Public Company Limited
- Chairman and Director, Other Companies in Saha-Union Group

Other Companies

- 1989 – Present Director, Processing Center Company Limited

Years of Directorship 13 years



Mr. Thitivat Suebsaeng
Director

Age 59 years

Education

- Ph.D. in Chemistry, Marquette University, U.S.A.
- M.Sc. in Inorganic Chemistry, Chiangmai University
- B.Sc. in Chemistry, Chiangmai University

IOD's Training

- Director Accreditation Program (DAP) Class 21/2004

Experiences

- 1990 – 1991 Head of Departments, Chemistry, Faculty of Science, Ramkhamhaeng University
- 2004 – 2009 Director, 7 Power Plants in China
- 2008 – December 2011 President, Saha-Union Public Company Limited
- April 2008 – December 2011 Director, Union Pioneer Public Company Limited
- April 2008 – April 2012 Chairman, Union Universe Co., Ltd
- January 2010 – December 2011 Managing Director, Union Plastic Public Company Limited

Current Positions

Saha-Union Group Companies

- 2002 – Present Director, Union Energy (China) Co., Ltd.
- 2007 – Present Chairman, Union Zojirushi Co., Ltd.
- 2007 – Present Chairman, Union Stainless Steel Products Co., Ltd.
- 2007 – Present Chairman, Union Thai-Nichiban Co., Ltd.
- 2007 – Present Director, Union Nifco Co., Ltd.
- March 2008 – Present Chairman, Union Micronclean Co., Ltd.
- March 2008 – Present Director, Union Textile Industries Public Company Limited
- April 2008 – Present Director, Union Rubber Products Co., Ltd.
- June 2008 – Present Director, TenCate-Union Protective Fabrics Asia Limited
- August 2008 – Present Director, Union Technology (2008) Public Company Limited
- March 2009 – Present Director, Yunnan Energy Luliang-Union Power Co., Ltd.
- January 2012 – Present Chairman, Union Plastic Public Company Limited
- January 2012 – Present Director, Saha-Union Public Company Limited
- April 2012 – Present Director, Union Universe Co., Ltd.
- April 2012 – Present Director, Union Garment Co., Ltd.

Years of Directorship 9 years



Mr. Aksornprasit Darakananda
Director

Age 51 years

Education

- Bachelor's Degree in Chemical Engineering, Georgia Institute of Technology, U.S.A.

IOD's Training

- Director Certification Program (DCP) Class 5/2001
- Awarded Diploma by passing the Examination of Australian IOD Year 2001

Experiences

- 1991 – March 2009 Director and Executive Director, Union Energy (China) Co., Ltd.
- 1993 – February 2009 Managing Director, Union Industries Corp., Ltd.
- 1999 – January 2010 Director, Union Textile Industries Public Company Limited
- 1999 – January 2010 Director, Union Plastic Public Company Limited
- 2002 – February 2009 Managing Director, Union Thread Industries Co., Ltd.
- 2003 – March 2009 Director, Union Kotec Molds Co., Ltd.
- March 2008 – April 2012 Director, Union Thai-Nichiban Co., Ltd.
- 2001 – 2012 Director, Chiangmai Night Bazaar Co., Ltd.

Current Positions

Saha-Union Group Companies

- 1994 – Present Director, Saha-Union Public Company Limited
- 1994 – Present Managing Director, Union Energy Co., Ltd.
- 1999 – Present Director, Union Spinning Mills Co., Ltd.
- 1999 – Present Director, Saha Union Holding Co., Ltd.
- 1999 – Present Director, Union Zojirushi Co., Ltd.
- 2000 – Present Director, Thai Rubber Enterprise Co., Ltd.
- 2001 – Present Director, Union Technology Co., Ltd.
- 2005 – Present Managing Director, Venus Thread Co., Ltd.
- March 2009 – Present Director, Union Industries Corp., Ltd.
- March 2009 – Present Director, Union Thread Industries Co., Ltd.
- Managing Director, Union Zip Co., Ltd.
- Director, Union Rubber Products Corp., Ltd.
- Director, Other Companies in Saha-Union Group

Others

- Executive Director and Director, The Federation of Thai Industries

Years of Directorship 24 years



Mrs. Pinijporn Darakananda Kasemsap
Director

Age 50 years

Education

- 1985 – 1991 University of California, San Francisco (Doctor of Pharmacy)
- 1981 – 1985 University of California, Davis (B.S. in Chemistry)
- 1978 – 1981 The Katharine Branson School (High School)
- 1969 – 1978 Mater Dei Institute

IOD's Training

- Director Accreditation Program (DAP) Class 92/2011

Experiences

- 1984 – 1991 Deputy Manager, Geary Pharmacy (U.S.A.)
- 1991 – 1996 Deputy Manager of the Export Sales Department, Union Thread Industries Co., Ltd.
- 1996 – 2005 Managing Director, Venus Kids Co., Ltd.

Current Positions

Saha-Union Group Companies

- 1995 – Present Director, Union Thread Industries Co., Ltd.
- 1995 – Present Director, Union Industries Corp., Ltd.
- 1995 – Present Director, Union Spinning Mills Co., Ltd.
- 1996 – Present Manager, Uni-Agro Co., Ltd.
- 2008 – Present Deputy Managing Director, International Investment Projects, Saha-Union Investment (China) Co., Ltd.
- 2009 – Present Director, Union Zip Co., Ltd.
- 2009 – Present Director, Venus Thread Co., Ltd.
- December 2010 – Present Director, Saha-Union Public Company Limited
- March 2011 – Present Director, Thai Rubber Enterprise Co., Ltd.
- April 2011 – Present Director, Saha Union Holding Company Limited
- April 2011 – Present Director, Union Equity Co., Ltd.
- April 2011 – Present Director, Union Multi-Capital Co., Ltd.
- 2012 – Present Managing Director, Union Property Co., Ltd.

Years of Directorship 2 years

BOARD OF DIRECTORS

SAHA-UNION PUBLIC COMPANY LIMITED



Mr. Bovornrat Darakananda
Director

Age 49 years

Education

- Master's Degree in Electrical and Management Engineering, Massachusetts Institute of Technology, U.S.A.
- Bachelor's Degree in Electrical and Management Engineering, Massachusetts Institute of Technology, U.S.A.

IOD's Training

- Director Accreditation Program (DAP) Class 18/2004

Experiences

- 1993 – December 2006 Director, Union Textile Industries Public Company Limited
- 1993 – December 2006 Director, Union Pioneer Public Company Limited
- 1994 – December 2006 Director and Executive Director, Union Energy Co., Ltd.
- 1996 – 2009 Director and Manager, Union Energy (China) Co., Ltd.
- Vice President, Saha-Union International (Georgia) Inc.
- General Manager, Saha-Union Investment (China) Co., Ltd.

Current Positions

Saha-Union Group Companies

- 1994 – Present Director, Saha-Union Public Company Limited
- 1997 – Present Director, Union Thread Industries Co., Ltd.
- 1997 – Present Director, Union Industries Corp., Ltd.
- 2001 – Present Managing Director, Union Spinning Mills Co., Ltd.
- 2001 – Present Director, Venus Thread Co., Ltd.
- 2001 – Present Director, Union Zip Co., Ltd.
- 2011 – Present Director, Union Textile Industries Public Company Limited
- April 2011 – Present Director, Saha Union Holding Co., Ltd.
- Director, Other Companies in Saha-Union Group

Years of Directorship 21 years



Mr. Vacharaphong Darakananda
Director

Age 47 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
- Awarded Diploma by passing the Examination of Australian IOD Year 2006
- Role of the Compensation Committee (RCC) Class 15/2012

Experiences

- Assistant Manager, Venus Thread 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 – January 2012 Director, Union Zojirushi Co., Ltd.

Current Positions

Saha-Union Group Companies

- 1988 – Present Director, Union Industries Corp., Ltd.
- 1990 – Present Director, Union Thread Industries Co., Ltd.
- 1990 – Present Director, Computer Union Co., Ltd.
- 1992 – Present Managing Director, Union Technology Co., Ltd.
- 1994 – Present Director, Saha-Union Public Company Limited
- 1994 – Present Director, Union Spinning Mills Co., Ltd.
- 1994 – Present Director, Venus Thread Co., Ltd.
- 2000 – Present Director, Computer Union System Co., Ltd.
- 2007 – Present Director, Union Plastic Public Company Limited
- 2007 – Present Director, Union Pioneer Public Company Limited
- 2007 – Present Managing Director, Union Technology (2008) Public Company Limited
- 2007 – Present Director, Thai Rubber Enterprise Co., Ltd.
- 2007 – Present Director, Union Rubber Products Corp., Ltd.
- 2008 – Present Director, Union Nifco Co., Ltd.
- 2009 – Present Managing Director, Union Thai-Nichiban Co., Ltd.
- April 2011 – Present Director, Union Micronclean Co., Ltd.
- April 2011 – Present Director, Union Construction Co., Ltd.
- January 2012 – Present Managing Director, Union Zojirushi Co., Ltd.
- Director, Other Companies in Saha-Union Group

Years of Directorship 20 years



Mr. Nantiya Darakananda
Director

Age 44 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

Experiences

- 1993 – April 2008 Director, Union Industries Corp., Ltd.
- 1993 – April 2008 Director, Union Thread Industries Co., Ltd

Current Positions

Saha-Union Group Companies

- 1993 – Present Director, Union Pioneer Public Company Limited
- 1996 – Present Director, Saha-Union Public Company Limited
- 1996 – Present Director, Union Button Corp., Ltd.
- 1998 – Present Director, Union Plastic Public Company Limited

Other Companies

- 1994 – Present President, Venus Technology Co., Ltd.
- 1997 – Present Director, Star Edu Co., Ltd.
- 2005 – Present President, Venus Gas Technology Co., Ltd.
- 2008 – Present President, 168 Power Co., Ltd.
- 2008 – Present President, Star Energy Co., Ltd.
- 2009 – Present President, V2 Logistics Co., Ltd.

Years of Directorship 16 years

Related Person

Mr. Chutindhon Darakananda
Mr. Aksomprasit Darakananda
Mrs. Pinijpom Darakananda Kasemsap
Mr. Bovornrat Darakananda
Mr. Vacharaphong Darakananda

Relationship

└ Brothers
and sister

IOD'S ACCREDITATION AND CERTIFICATION TRAINING PROGRAM OF THE BOARD OF DIRECTORS

ABOUT THE RESPONSIBILITY AND SKILLS OF BEING THE DIRECTOR

Name	Thai Institute of Directors Certification Programs (Thailand Institute of Directors : IOD)					Extension Program
	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FND)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCC)	Awarded Diploma by passing the Examination of Australian IOD
	No./Year	No./Year	No./Year	No./Year	No./Year	Year
Mr. Panas Simasathien	-	2/2000	-	-	-	-
Mr. Sompop Amatayakul	75/2008	-	-	-	-	-
Miss Sriwarin Jirapakkana	18/2004	-	-	-	-	-
Mr. Chutindhon Darakananda	17/2004	-	-	-	-	-
Mrs. Araya Arunanondchai	32/2005	-	-	-	-	-
Miss Pakinee Prertitumrong	2/2003	-	-	-	-	-
Mr. Chakchai Panichapat	5/2003	72/2006	19/2005	25/2009	3/2007	-
Mr. Yanyong Tangchitkul	79/2009	-	-	-	-	-
Miss Dalad Saphthavichaikul	-	9/2001	1/2003	10/2005	-	2001
Mr. Thitivat Suebsaeng	21/2004	-	-	-	-	-
Mr. Aksornprasit Darakananda	-	5/2001	-	-	-	2001
Mrs. Pinijpom Darakananda Kasemsap	92/2011	-	-	-	-	-
Mr. Bovornrat Darakananda	18/2004	-	-	-	-	-
Mr. Vacharaphong Darakananda	2/2003	69/2006	-	-	15/2012	2006
Mr. Nantiya Darakananda	2/2003	-	-	-	-	-

BOARD STRUCTURE AND COMPANY EXECUTIVES

SAHA-UNION PUBLIC COMPANY LIMITED

Board of Directors

Mr. Panas Simasathien	Chairman
Mr. Sompop Amatayakul	Vice Chairman (Audit and Evaluation of Domestic Business) / Independent Director
Miss Sriwarin Jirapakkana	Vice Chairman (Finance and Investments)
Mr. Chutindhon Darakananda	Vice Chairman (Investments in China)
Mrs. Araya Arunanondchai	Independent Director
Miss Pakinee Prerttitumrong	Independent Director
Mr. Chakchai Panichapat	Independent Director / Advisor
Mr. Yanyong Tangchitkul	Independent Director
Miss Dalad Saphavichaikul	Director and President
Mr. Thitivat Suebsaeng	Director
Mr. Aksornprasit Darakananda	Director
Mrs. Pinijporn Darakananda Kasemsap	Director
Mr. Bovornrat Darakananda	Director
Mr. Vacharaphong Darakananda	Director
Mr. Nantiya Darakananda	Director
Mrs. Sirinun Sansanakom	Company Secretary

Audit Committee

Mr. Sompop Amatayakul	Chairman of the Audit Committee
Mrs. Araya Arunanondchai	Director
Miss Pakinee Prerttitumrong	Director

Nomination and Remuneration Committee

Mr. Sompop Amatayakul	Chairman of the Nomination and Remuneration Committee
Mrs. Araya Arunanondchai	Director
Mr. Chutindhon Darakananda	Director

Risk Management Committee

Miss Dalad Saphavichaikul	Chairman of the Risk Management Committee
Mr. Thitivat Suebsaeng	Director
Mr. Vacharaphong Darakananda	Director
Mrs. Srinual Sombatpraiwan	Director and Secretary

Executives

Miss Dalad Saphavichaikul	President
Mrs. Srinual Sombatpraiwan	Account and Finance Department Manager

DIRECT INVESTMENT OF SAHA-UNION IN GROUP COMPANIES

AS AT 31 DECEMBER 2012

Group of Business	Company's Name	Registered Capital (Baht)	Paid-up Capital (Baht)	Paid-up per share (Baht)	Investment %	Investment per share (Baht)	
	Saha-Union Public Company Limited	3,000,000,000	3,000,000,000	10.00			
Textile Business	Shanghai Saha-Union Thread Industry Co., Ltd.	RMB 23,500,000	RMB 23,500,000		45.000	4.72	
	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	US\$ 4,000,000	US\$ 4,000,000		37.000	38.58	
	Shanghai Saha-Union Spinning Mill No.7 Co., Ltd.	RMB 128,000,000	RMB 128,000,000		40.000	4.85	
	Union Textile Industries Public Company Limited	600,000,000	600,000,000	10.00	49.882	10.73	
	Union Garment Co., Ltd.	50,000,000	50,000,000	100.00	99.987	140.71	
	Union Spinning Mills Co., Ltd.	200,000,000	200,000,000	100.00	25.000	93.13	
	Union Micronclean Co., Ltd.	5,000,000	5,000,000	10.00	25.001	10.00	
	Union Universe Co., Ltd.	7,500,000	7,500,000	100.00	49.865	100.31	
Plastic, Rubber and Metal Business	Union Pioneer Public Company Limited	75,000,000	75,000,000	10.00	48.958	14.46	
	Union Plastic Public Company Limited	250,000,000	250,000,000	10.00	49.521	19.02	
	Union Zojirushi Co., Ltd.	300,000,000	300,000,000	100.00	51.000	100.43	
	Union Stainless Steel Products Co., Ltd.	40,000,000	40,000,000	100.00	98.000	133.70	
	Union Rubber Products Corp., Ltd.	20,000,000	20,000,000	100.00	99.997	80.56	
	Thai Rubber Enterprise Co., Ltd.	32,000,000	32,000,000	100.00	50.693	105.90	
	Union Thai-Nichiban Co., Ltd.	15,000,000	15,000,000	100.00	40.273	318.92	
	Union Nifco Co., Ltd.	100,000,000	100,000,000	100.00	30.002	105.18	
Trading Business	Computer Union Co., Ltd.	100,000,000	100,000,000	100.00	97.732	103.65	
Energy Business	Jiashan-Union Cogeneration Co., Ltd.	US\$ 10,640,000	US\$ 10,640,000		56.928	41.45	
	Jiangsu-Union Cogeneration Group Co., Ltd.	US\$ 60,000,000	US\$ 60,000,000		40.000	45.57	
	Shangyu Hangzhou-Union Cogeneration Co., Ltd.	RMB 200,000,000	RMB 200,000,000		25.000	5.15	
	Huanan - Union Spring Cogeneration Co., Ltd.	RMB 65,000,000	RMB 65,000,000		30.769	4.83	
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	US\$ 24,658,660	US\$ 24,658,660		40.000	42.30	
	Yunnan Energy Qujing-Union Power Co., Ltd.	US\$ 28,080,000	US\$ 28,080,000		45.192	37.91	
Investment Business and Others	Taixing Union Zond Chemicals Co., Ltd.	US\$ 27,930,000	US\$ 27,930,000		23.845	32.88	
	Yixing-Union Biochemical Co., Ltd.	US\$ 24,600,000	US\$ 24,600,000		15.000	36.64	
	Jiangsu Zhonglian-Union Carpet Co., Ltd.	RMB 56,915,779	RMB 56,915,779		25.000	4.51	
	Jiashan-Union Development Co., Ltd.	US\$ 41,000,000	US\$ 41,000,000		39.000	33.69	
	Saha-Union International Ltd.	HK\$ 330,000,000	HK\$ 330,000,000		99.985	476.22	
	Saha-Union Investment (China) Co., Ltd.	US\$ 45,000,000	US\$ 45,000,000		100.000	34.95	
	Saha-Union International Taipei Ltd.	TWD\$ 5,000,000	TWD\$ 5,000,000		10.000	19.30	
	Union Technology (2008) Public Company Limited	120,000,000	120,000,000	4.00	93.072	4.30	
	Saha-Union Holding Co., Ltd.	1,200,000,000	1,200,000,000	100.00	99.540	100.00	
	Venus Shoes Co., Ltd.	72,000,000	72,000,000	100.00	76.000	80.42	
	Union Printing Co., Ltd.	30,000,000	30,000,000	10.00	94.735	10.37	
	Union Equity Co., Ltd.	160,000,000	160,000,000	10.00	99.794	10.01	
	Union Technology Co., Ltd.	100,000,000	100,000,000	10.00	100.000	10.00	
	Union Energy Co., Ltd.	3,200,000	3,200,000	10.00	99.258	10.00	
	Union Energy (China) Co., Ltd.	15,400,000	15,400,000	100.00	99.997	100.00	
	Texport International Co., Ltd.	12,500,000	12,500,000	100.00	85.200	116.04	
	Union Human Resources Development Co., Ltd.	1,000,000	250,000	2.50	99.998	2.50	
	Union Shoes Co., Ltd.	24,000,000	24,000,000	24.00	61.697	35.67	
	Union Construction Corp., Ltd.	200,000,000	200,000,000	100.00	2.373	111.25	
	Uni-Fibre Co., Ltd.	120,000,000	120,000,000	100.00	25.667	100.00	
	Uni-Agro Co., Ltd.	65,000,000	65,000,000	100.00	30.000	104.95	
	Union Thread Industries Co., Ltd.	200,000,000	200,000,000	10.00	24.898	10.41	
	Union Industries Corp., Ltd.	150,000,000	150,000,000	100.00	24.900	116.01	
	Union Sime Darby (Thailand) Co., Ltd.	4,000,000	4,000,000	100.00	18.950	91.58	
	Union Button Corp., Ltd.	85,000,000	85,000,000	100.00	10.714	143.92	

	SU Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value (Baht)	Registration Date	Nature of Business
		40.80	40.00		10 Aug. 1972	Investment, distribution of raw materials and products manufactured by group companies and the rental of property and real estate.
	49,950,403.03	2.67	2.67	28,279,039.16	5 Aug. 2003	Contract manufacture and distribution of textile products
	57,096,200.00	17.76	17.76	26,283,673.25	20 Jun. 2003	Thread-dyeing services
	248,254,963.09	4.03	4.03	206,170,365.69	16 Jan. 2006	Spinning
	321,180,863.41	13.50	13.10	392,072,520.00	21 Mar. 1977	Manufacture and distribution of textiles
	70,344,917.52	189.55	189.55	94,760,814.21	26 Apr. 1974	Manufacture and distribution of garments
	46,563,324.78	141.88	141.88	70,941,984.96	4 Jun. 1971	Manufacture and distribution of thread
	1,250,405.30	77.47	77.47	9,683,951.48	24 Jan. 1996	Manufacture and distribution of anti-electrostatic and dust clothing
	3,751,380.06	1,867.01	1,867.01	69,824,388.90	7 Mar. 1968	Distributor of Grand Slam shirts
	53,084,046.25	49.34	55.00	201,950,100.00	8 Oct. 1973	Manufacture and distribution of elastic products
	235,432,531.30	24.51	37.75	467,349,907.50	3 Jan. 1969	Contract manufacture of plastic products, manufacture and repair of molds
	153,658,538.14	259.83	259.83	397,542,023.33	18 Aug. 1986	Manufacture and distribution of vacuum bottles
	52,411,447.56	234.92	234.92	92,087,621.78	16 Dec. 1988	Manufacture and distribution of stainless steel kitchenware
	16,110,854.50	29.03	29.03	5,805,213.16	24 Mar. 1971	Manufacture and distribution of rubber products
	17,179,605.10	158.53	158.53	25,716,672.27	9 Jul. 1970	Rubber estates
	19,266,000.00	2,497.22	2,497.22	150,857,159.80	21 Jun. 1973	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape
	31,556,005.62	430.72	430.72	129,225,011.71	3 Nov. 1988	Manufacture and distribution of plastic parts and molds
	101,298,610.18	174.72	174.72	170,760,411.50	18 Nov. 1982	Computer dealer
	251,073,479.62	47.92	47.92	290,260,956.97	15 Aug. 1994	Power generation
	1,093,794,541.30	74.33	74.33	1,783,883,473.08	25 Dec. 1994	Power generation
	257,480,749.43	7.79	7.79	389,485,666.42	19 Nov. 2002	Power generation
	96,601,733.55	7.68	7.68	153,579,473.39	29 Oct. 2007	Power generation
	417,270,553.54	31.38	31.38	309,486,579.63	2 Jul. 1995	Power generation
	481,017,485.86	28.00	28.00	355,299,392.61	12 Jan. 1995	Power generation
	218,957,706.00	24.21	24.21	161,251,800.91	29 Aug. 2007	Manufacture of Phthalic anhydride & Fumaric acid and associated products
	135,219,149.08	42.00	42.00	154,961,988.91	12 Dec. 2000	Manufacture of citric acid
	152,218,399.07	14.68	14.68	494,969,285.32	21 May 2007	Manufacture of automobile carpet
	538,703,100.00	32.46	32.46	518,960,507.65	22 Sep. 2009	Real estate
	1,571,303,051.88	491.65	491.65	1,622,215,359.26	18 Aug. 1972	Investment and other
	1,572,809,060.01	42.26	42.26	1,901,803,353.26	25 Feb. 1995	Investment
	385,917.66	52.30	52.30	1,045,969.73	8 Nov. 1984	Investment
	120,056,495.54	7.38	7.38	206,160,422.61	17 Mar. 1982	Rental services
	1,194,478,806.88	55.94	55.94	668,169,321.95	14 Nov. 1989	Investment
	44,006,626.43	38.38	38.38	21,000,403.14	29 Sep. 1988	Dormitory rental and services
	29,465,812.50	4.83	4.83	13,730,497.79	10 Jul. 1970	Rental services
	159,770,484.00	18.77	18.77	299,768,193.90	31 May 1989	Investment
	100,000,016.36	13.13	13.13	131,261,896.40	22 Jun. 1992	Investment
	3,176,270.00	40.79	40.79	12,955,037.37	2 Feb. 1994	Investment
	15,399,500.00	254.37	254.37	39,171,371.56	9 Aug. 1996	Investment
	12,357,879.00	219.19	219.19	23,343,325.33	14 Apr. 1978	Investment
	250,021.30	9.07	9.07	906,579.50	26 Sep. 2004	Train and development skills
	22,007,784.00	27.23	27.23	16,801,916.03	5 Aug. 1986	Rental services
	5,281,100.00	88.12	88.12	4,183,057.13	7 Sep. 1973	Rental services
	30,800,193.16	837.93	837.93	258,084,082.42	5 Nov. 1980	Investment / Agency and Service business / Distribution of textile products and other materials
	20,464,690.80	102.14	102.14	19,916,437.00	22 Aug. 1972	Investment and agriculture
	51,861,469.06	146.26	146.26	728,320,788.59	2 Nov. 1973	Investment
	43,328,196.18	1,105.94	1,105.94	413,069,525.01	23 May 1961	Investment and real estate rental
	694,141.16	633.16	633.16	4,799,344.94	4 Aug. 1981	Insurance broker
	13,107,200.00	346.20	346.20	31,529,157.77	28 May 1969	Manufacture and distribution of bottoms
Group Companies	10,131,731,709.21	Group Companies		13,569,686,024.27		
Other Companies	1,721,330,731.14	Other Companies		2,236,169,724.57		
Total	11,853,062,440.35	Total		15,805,855,748.84		

BUSINESS RESULTS

AND 5 YEARS FINANCIAL STATUS

(Unit : Million Baht)					
	2012	2011	2010	2009	2008
	Cost Method	Cost Method	Cost Method	Cost Method	Cost Method
Revenues					
Sales and service income	1,075.1	1,824.3	3,022.4	2,380.9	4,438.0
Export sales	470.4	457.3	502.9	529.1	1,176.2
Local sales	604.7	1,367.0	2,519.5	1,851.8	3,261.8
Dividend income	790.8	800.1	973.2	852.1	304.2
Other income	359.6	277.0	311.7	268.1	387.2
Total revenues	2,225.5	2,901.4	4,307.3	3,501.1	5,129.4
Expenses					
Cost of sales and services	1,061.8	1,803.6	2,795.2	2,173.6	4,162.3
Selling and administrative expenses	137.6	315.7	103.0	436.8	585.1
Interest expenses	6.3	10.9	47.8	74.1	97.8
Total expenses	1,205.7	2,130.2	2,946.0	2,684.5	4,845.2
Profit before exchange differences and corporate income tax	1,019.8	771.2	1,361.3	816.6	284.2
Profit (Loss) from exchange rate	7.2	8.8	(25.3)	(13.3)	12.9
Profit before corporate income tax	1,027.0	780.0	1,336.0	803.3	297.1
(Less) Corporate income tax	(10.7)	(19.7)	(28.2)	(28.6)	(17.2)
Profit (Loss) after corporate income tax	1,016.3	760.3	1,307.8	774.7	279.9
Profit for equity holders of the Company	1,016.3	760.3	1,307.8	774.7	279.9
Earnings per share (Baht)	3.39	2.53	4.36	2.58	0.93
Dividend per share (Baht)	1.50	1.50	1.75	1.50	1.00
Dividend per net profit (%)	44.28%	59.18%	40.14%	58.08%	107.18%

(Unit : Million Baht)					
	2012	2011	2010	2009	2008
	Cost Method	Cost Method	Cost Method	Cost Method	Cost Method
Assets					
Short-term loans to related parties	306.9	249.8	318.7	501.7	343.2
Other Current assets	1,358.9	983.4	672.7	619.7	639.1
Investments in associates held for sale	1,325.6	-	-	-	-
Investments in subsidiaries, associates and other companies	9,304.5	10,183.3	10,893.7	11,220.2	13,424.2
Investment properties	696.5	650.7	675.6	-	-
Property, plant and equipment	71.7	81.2	83.1	403.5	346.3
Other non-current assets	34.6	34.7	27.9	414.6	492.6
Total assets	13,098.7	12,183.1	12,671.7	13,159.7	15,245.4
Liabilities and shareholders' equity					
Deposits from related parties	747.2	497.4	807.1	1,018.2	1,049.9
Other current liabilities	94.8	150.1	319.7	892.3	3,753.0
Long-term loans	-	-	288.7	931.5	760.7
Other non-current liabilities	17.8	17.9	14.9	37.8	42.5
Shareholders' equity					
Issued and fully paid-up capital	3,000.0	3,000.0	3,000.0	3,000.0	3,000.0
Share premium	2,599.0	2,599.0	2,599.0	2,599.0	2,599.0
Retained earnings	6,120.6	5,554.3	5,319.0	4,450.3	3,975.6
Other components of shareholders' equity	519.3	364.4	323.3	230.6	64.7
Total shareholders' equity	12,238.9	11,517.7	11,241.3	10,279.9	9,639.3
Total liabilities and shareholders' equity	13,098.7	12,183.1	12,671.7	13,159.7	15,245.4
Book Value (Baht)	40.80	38.39	37.47	34.27	32.13

The details are set out in Note 28 to the financial statements "Segment information".

Segment	Consolidated financial statements												(Unit : Million Baht)					
	Export						Local									Total		
	2012	%	2011	%	2010	%	2012	%	2011	%	2010	%				2012	%	2011
Textile Business Plastic, rubber and metal Business	997.1	9.49	1,324.8	13.40	1,233.1	10.66	678.9	6.46	1,581.6	15.99	1,298.2	11.22	1,676.0	15.95	2,906.4	29.39	2,531.3	21.88
	3,434.5	32.69	2,687.5	27.18	2,543.0	21.98	2,108.0	20.06	2,120.6	21.44	2,088.9	18.06	5,542.5	52.75	4,808.1	48.62	4,631.9	40.04
	-	-	-	-	-	-	2,369.4	22.55	2,073.4	20.97	4,920.8	42.53	2,369.4	22.55	2,073.4	20.97	4,920.8	42.53
	521.5	4.96	463.6	4.69	420.1	3.63	-	-	-	-	-	-	521.5	4.96	463.6	4.69	420.1	3.63
Investment Business and Others	48.3	0.46	69.3	0.70	87.5	0.76	14.5	0.14	11.8	0.12	12.6	0.11	62.8	0.60	81.1	0.82	100.1	0.87
Total	5,001.4	47.60	4,545.2	45.96	4,283.7	37.03	5,170.8	49.21	5,787.4	58.52	8,320.5	71.92	10,172.2	96.81	10,332.6	104.48	12,604.2	108.95
(Less) Related transaction	(15.1)	(0.14)	(29.8)	(0.30)	(36.2)	(0.31)	(824.3)	(7.84)	(1,547.4)	(15.65)	(2,426.9)	(20.98)	(839.4)	(7.99)	(1,577.2)	(15.95)	(2,463.1)	(21.29)
Sales and service income - net	4,986.3	47.46	4,515.4	45.66	4,247.5	36.71	4,346.5	41.37	4,240.0	42.87	5,893.6	50.94	9,332.8	88.82	8,755.4	88.53	10,141.1	87.66
Interest income													91.7	0.87	29.6	0.30	22.0	0.19
Other income													1,082.9	10.31	1,104.3	11.17	1,406.0	12.15
Total revenues													10,507.4	100.00	9,889.3	100.00	11,569.1	100.00

INVESTMENT STRUCTURE OF THE COMPANY

AND ITS SUBSIDIARIES

Group of Business	Company Name	% Investment Equity Method	Group of Business	Company Name	% Investment Equity Method
Textile Business	Shanghai Saha-Union Thread Industry Co., Ltd.	64.00	Investment and others	Taixing Union Zond Chemicals Co., Ltd.	29.65
	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	82.00		Yixing-Union Biochemical Co., Ltd.	50.00
	Shanghai Saha-Union Spinning Mill No. 7 Co., Ltd.	50.00		Jiangsu Zhonglian-Union Carpet Co., Ltd.	35.00
	Union Textile Industries Plc.	51.42		Jiashan-Union Development Co., Ltd.	49.00
	Union Garment Co., Ltd.	99.99		Saha-Union International Ltd.	99.98
	Union Micronclean Co., Ltd.	44.48		Saha-Union Investment (China) Co., Ltd.	100.00
	Union Spinning Mills Co., Ltd.	51.99		Union Energy (Hong Kong) Co., Ltd.	99.98
	Union Zip Co., Ltd.	24.85		Shanghai Dacity Co., Ltd.	100.00
	Venus Thread Co., Ltd.	24.90		Saha-Union International Taipei Ltd.	42.30
	Tencate-Union Protective Fabrics Asia Ltd.	24.62		Union Technology (2008) Plc.	99.66
	Union Universe Co., Ltd.	49.87		Saha-Union Holding Co., Ltd.	99.54
				Venus Shoes Co., Ltd.	96.86
				Union Printing Co., Ltd.	94.74
Plastic, Rubber and Metal Business	Union Pioneer Plc.	52.71		Union Equity Co., Ltd.	99.79
	Union Plastic Plc.	49.69		Union Technology Co., Ltd.	99.99
	Union Zojirushi Co., Ltd.	51.00		Union Energy Co., Ltd.	99.40
	Union Stainless Steel Products Co., Ltd.	98.00		Union Energy (China) Co., Ltd.	99.99
	Union Rubber Products Corp., Ltd.	99.99		Texport International Co., Ltd.	85.20
	Thai Rubber Enterprise Co., Ltd.	50.69		Union Human Resources Development Co., Ltd.	99.99
	Union Thai-Nichiban Co., Ltd.	40.27		Union Shoes Co., Ltd.	97.85
	Union Nifco Co., Ltd.	39.91		Union Construction Corp., Ltd.	99.68
Trading Business	Computer Union Co., Ltd.	97.73		Uni-Fibre Co., Ltd.	52.99
	Computer Union System Co., Ltd.	97.73		Uni-Agro Co., Ltd.	44.94
Energy Business	Jiashan-Union Cogeneration Co., Ltd.	75.96		Union Thread Industries Co., Ltd.	35.99
	Jiangsu-Union Cogeneration Group Co., Ltd.	50.00		Union Industries Corp., Ltd.	29.46
	Shangyu Hangzhou-Union Cogeneration Co., Ltd.	50.00		Venus Product Co., Ltd.	24.86
	Huanan-Union Spring Cogeneration Co., Ltd.	50.00		Union Capital Co., Ltd.	26.42
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	50.00		Union Business Management Co., Ltd.	32.70
	Yunnan Energy Qujing-Union Power Co., Ltd.	50.00		Union Distributor Co., Ltd.	24.73
	Pingbian Xian Yunnan Energy Union Power Co., Ltd.	25.00		Union Management and Service Co., Ltd.	24.86
				Union Asset Management Co., Ltd.	24.90
				Union Property Co., Ltd.	27.43
				Union Somkid Co., Ltd.	29.36
				Union Chidlom Co., Ltd.	29.36
				Union Chamchuri Co., Ltd.	29.36

TEXTILE BUSINESS

SAHA-UNION PUBLIC COMPANY LIMITED



TYPES OF PRODUCTS OR SERVICES

Companies in the textile group are engaged in the production of 4 product categories

1. Garment accessories such as zippers, threads, and buttons.
2. Fabric textile production from the process of yarn spinning to fabric weaving. The products are made of 100% cotton, cotton blended with polyester and/or synthetic fabrics with special qualifications for making work wear and fabrics used in other industries.
3. Garment: fashion apparel and work wear.
4. Clean room garments

SUPPLY OF MATERIALS FOR PRODUCTION OR SERVICE

The core materials are cotton, 100% imported for the production process, and synthetic fabric, purchased locally and overseas. The production of garments and clean room garments has fabric and sewing supplies as core production factors. Fabrics with special qualifications are partly imported and partly supplied domestically, depending on customer's need. Garment accessories are mostly procured locally.

PERFORMANCE IN 2012

The production in this group emphasized on technical work wear as appropriate with the capability of the production process and the need of customers.

Fabrics are sold domestically and overseas. Exports accounted for 70% of total sales, most of which to European countries. Domestic sales contributed to 30% of total sales. Garment's sales volume decreased from the previous year. Due to the Europe's economic crisis, textile business has been facing a recession. The order volumes have been decreasing and postponed. Weaker dollar affected the sell prices.

The trading prices were under pressure from the fluctuation of cotton price, which dropped below the year-on-year price. This is because cotton, the main raw material, is an agricultural product with limitation of material supply and instability in terms of quantity and delivery period. The minimum wage adjustment since 1 April 2012 also causes higher cost of labor.

Majority of sales was exported to the USA and EU countries. Garment's sales volume decreased from the previous year, due to the economic recession, lower order volumes, and bargaining while the cost of production went up as a result of minimum wage adjustment. Labors shortages were also a problem.



INDUSTRY TRENDS AND COMPETITION

The industry trend and the competition in 2013 are expected to be similar to the previous year. The demand has started to go up, but there is an intense competition in terms of prices. However, the Company's position and competitiveness still have advantages over competitors, thanks to the reputation of being able to meet customer's demand for quality, quantity, and punctual delivery.

This business group is still threatened by the risk of material procurement both cotton and polyester which solely depends on external factors such as the seasonal limitation on cotton production, the fluctuation of cotton price in global market which needs close and continuously monitoring as well as regular communication with customers to evaluate the trend of demand for inventory effective plan and raw materials procurement. In addition, it is important to be precautious on the fluctuation in currency exchange rate, observing the situation and making trade agreements in foreign currency at the right time. The minimum wage adjustment has weakened the Company's competitiveness compared with competitors from other countries.

The competitive strategy is to focus on customers whose demand is for high quality products and adjust the capacity accordingly in order to respond to the customers' need in terms of quality, quantity and delivery period and to add more values to the products.



PLASTIC, RUBBER AND METAL BUSINESS

SAHA-UNION PUBLIC COMPANY LIMITED



TYPES OF PRODUCTS OR SERVICES

The affiliated companies manufacture and distribute 4 groups of products:

1. Plastic products – including equipment parts used in industry by injection molding. The important products are plastic parts used in automobile and motorcycle industries, electrical appliances, electronics and plastic parts used in household products.
2. Rubber products – produced in the Company's integrated rubber industry from rubber plantation to harvesting latex for producing block rubbery which is used to manufacture rubber threads, rubber tapes, elastic webbings, and elastic braids under the trademark "Venus" to be used in the ready-made apparel industry such as lingerie, diaper, and elastic bands.
3. Adhesive products – including cellulose tapes, transparent tapes, adhesive papers and printing tapes to be used in packaging and office supplies industries.
4. Stainless steel – including vacuum bottles and lunch boxes, stainless pipes and household utensils.

SUPPLY OF MATERIALS FOR PRODUCTION OR SERVICE

- **Plastic Parts Business** The raw material used in the process is plastic pellet, both procured locally and overseas.
- **Rubber Business** Raw materials are mainly acquired domestically from rubber plantation and rubber plants owned by the affiliated companies. Only when insufficient then materials will be ordered from other manufacturers.
- **Adhesive Tapes Business** Glue solvent used to coat tape surface contains latex and chemical substances from petrochemical process. Transparent tapes consist of cellophane tapes and OPP. All these materials are procured both domestically and overseas.
- **Stainless Steel Business** The main raw material is stainless metal sheet, procured both domestically and overseas

PERFORMANCE IN 2012

Plastic, rubber and metal business were afflicted by two major factors; external and internal factors. External factors included the global economy, which has been highly unstable, especially the vulnerable situations in Europe and the USA. This resulted in the fall in Thailand's exports compared to the previous year. Since the companies in this business group manufacture plastic parts for automobile industry and ready-to-use rubber for garment industry which had a rather high percentage of exports, they were considerably affected by the said condition. Internal factors affecting the business included government policies, such as the first car tax refund, minimum wage, corporate tax



reduction and investment promotion policy that affect the business both positively and negatively. On the other hand, the overall production capacity has been gradually recovering from the massive flood incident at the end of 2011.

Industrial plastic manufacturing of the affiliated companies were not damaged by the flood, while many manufacturing plants of customers and intra-industry competitors were hit by the flood and needed to be closed for repair. Thus several customers transferred the production to our affiliated companies. Moreover, automotive assembly section needed to accelerate the production in order to compensate for production downtime during the flood incident, especially with the government's first car tax refund policy which surged the number of orders. These factors rendered the performance of plastic group much higher than in 2011.

The expansion of stainless vacuum bottle and lunch box manufacturing plants was fully functional in 2012. With the current capacity, the Company is able to take up to 9 million-pieces orders and is still able to further expand the capacity if necessary, raising the profit and the performance. However, at year end, there was a higher price competition in foreign markets.

The overall situation in rubber business group shrank in 2012 due to the exports affected by the global economic recession. During the period when rubber prices rose, cheaper alternative products like synthetic rubber

found its way to take some market share. Domestic garment industry is slowly recovering and is also affected by the minimum wage adjustment, resulting in lower income. However, overall rubber prices dropped due to the economic recession and less purchase from China. This situation was an opportunity for industries that use rubber as raw material; adhesive tape and rubber thread manufacturing plants had lower cost for rubber. But the rubber plantation and block rubbery manufacturing plants showed much weaker performance.

INDUSTRY TRENDS AND COMPETITION

Although it is expected that the main domestic industry, especially automobile, is likely to expand constantly, the exports remain the same. There is still a high competition in foreign market. Several affecting factors that can cripple the competency include the higher cost of production, wage increase, and the constantly increasing cost of energy, labor shortage and the risk for natural disaster have encouraged moving of production base into neighboring countries, especially garment industry. With these factors, the affiliated companies are required to adapt to the situations, such as to improve product quality, to develop products which require less cost, to enhance the production with higher technology or with less manpower, etc. In addition, it is our goal to protect the environment for sustainability, reducing energy consumption to save natural resources, reducing and disposing waste from manufacturing plants, preventing water and air pollution, etc.

TRADING BUSINESS

SAHA-UNION PUBLIC COMPANY LIMITED



NATURE OF BUSINESS

Computer Union Co., Ltd. has operated the computers and IT business since 1982. It is renowned as one of the leading information technology (IT) companies in Thailand. The Company offers varieties of computers and IT products and services for different businesses ranging from Small Office/Home Office (SOHO) to large enterprises in Bangkok and its vicinity, as well as in other regions. The Company has also expanded its business into Laos since 2012.

The Company is an authorized dealer and distributor of various products and services, including

- IBM Thailand's Authorized Hardware Dealer for server and storage products, including IBM Power System (AIX and iO5), IBM System x (Rack and Blade) and all storage products. Computer Union has recently become Thailand's main distributor for IBM's latest series of integrated solution – IBM PureFlex.
- IBM Thailand's Authorized Software Dealer, distributing all 8 series of IBM products, including
 - WebSphere – integration workflow software;
 - Tivoli – backup and system management software for cloud technology;
 - Lotus – workflow and portal software;
- Information Management – relational database management system software, including DB2, Infomic, and Data Warehouse. Computer Union is also an authorized distributor for PureData for Analytics (formally known as Netezza), a data warehouse appliance designed by IBM;
- Business Analytics – data analytic software, including Cognos and SPSS;
- Security – IT system security software;
- Industry Solution – business solution software;
- Rational – software development testing and verification software;
- IBM's Authorized GTS Services Dealer;
- Acronis's Authorized Dealer (software backup from USA);
- CommVault's Authorized Dealer (highly acclaimed backup software from USA)
- Huawei's Exclusive Authorized Dealer for Huawei UC&C products, including TelePresence, Video Conference, CCTV, IP PBX, IP Phone, Unified Communication and Collaboration.

Apart from being an authorized dealer and distributor for products above, the Company also offers a wealth of expertise in IT design, installation, consulting, as well as computer software development for mobile operating systems like iOS and Android.



PERFORMANCE IN 2012

In 2012, the Company's operating results exceeded the target and outperformed those in 2011, particularly software products which grew constantly. This year, the Company focused and invested on new technology, especially Cloud Technology, through PureFlex – IBM's integrated hardware which primarily allows access to Cloud Technology, particularly Infrastructure As A Services. The Company has installed Software Tivoli ISDM System on PureFlex, enabling partners and customers to better experience IBM's Cloud Technology. The Company is the only distributor that is able to show such potential.

Furthermore, the Company has invested in Data Warehouse Technology through PureData for Analytics (formerly Netezza), a gateway to advanced data analysis famous for its business analytical capability. Recently, the Company is able to offer Prove of Concepts services for partners and customers with a need of in-depth data analysis so as to improve business performance, such as internal business plan and target marketing strategy.

INDUSTRY TRENDS AND COMPETITION

In 2013, the business growth is likely to continue, due to the rapid growth of telecommunication technology, particularly 3G and social media communication.

These technology trends cause businesses to adopt and take advantage of them in order to remain competitive in terms of products, services, cost management, and better customer service via social media, using Cloud Computing Technology and advanced data analysis.

ENERGY BUSINESS

SAHA-UNION PUBLIC COMPANY LIMITED



TYPES OF PRODUCTS OR SERVICES

The Company's investment in energy business can be divided into 2 categories

1. Power plant projects in China: The Company has currently invested in joint ventures with 5 Chinese enterprises, comprising one cogeneration power plant in Jiangsu Province, two in Zhejiang Province, one in Heilongjiang Province, and one in Yunnan Province.
2. Power plant projects in Thailand: The Company has made an investment under the "Independent Power Producer (IPP)" project for Ratchaburi Power Co., Ltd. to produce and supply electricity for EGAT.

SUPPLY OR MATERIALS FOR PRODUCTION OR SERVICE

The cogeneration power plants in China use coal as the main fuel, which is mainly supplied from the northern and northwestern part of the country. For power plants in Thailand, natural gas is used as the main fuel, and diesel as substitute.

PERFORMANCE IN 2012

Power Plant Projects in China

Due to the downturn of China's economy that resulted in the slower growth of energy demand and Chinese government's stricter policy involving the permission for cogeneration plants using coal to generate electricity and steam, any investment for the expansion of power plants became more difficult, taking much more time for approval. Moreover, there is also promotion for establishing large power plants instead of small ones in China.

Operating results of power plants rely on the sales volume of steam and the price of coal. The operating result in 2012 was satisfying, due to the stable price of coal and the increase in sales volume of steam.

This year, the Company has made a decision to sell investment in Jiangsu-Union Cogeneration Group Co., Ltd. (formerly Yixing-Union Cogeneration Co., Ltd.) (Jiangsu-Union) and its subsidiary, Huanan-Union Spring Cogeneration Co., Ltd. (Huanan-Union) to another large enterprise in energy business. The reason for the deed was that the expected investment plan of Jiangsu-Union in 2013, in terms of coal-fired electricity generation, will cost more due to the stricter-over-years environmental regulations that require more implements to reduce



and control pollution emission. The change from coal to natural gas will also cost a lot, resulting in higher debt. The operating cost for gas-fired power plants is higher than that of conventional coal-fired ones, yet comes with higher risk of electricity sell price without price guarantee while the price hardly go up.

Power Plant Projects in Thailand

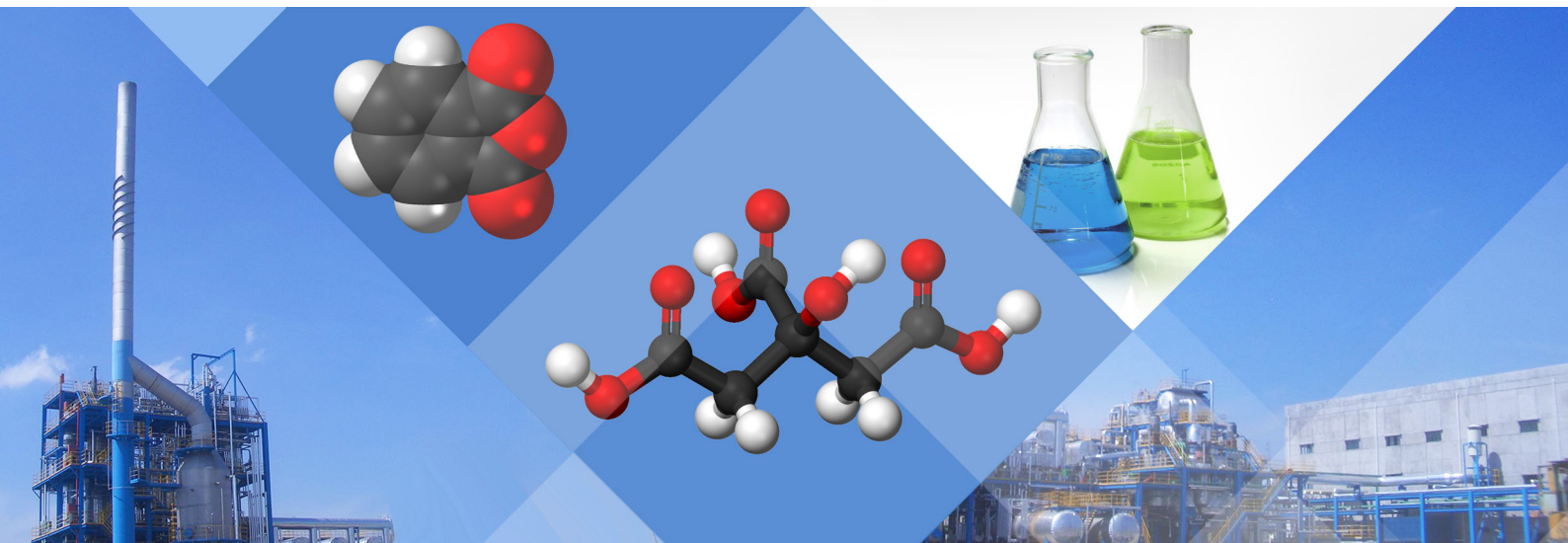
The Company has invested in 10% of the shares of Ratchaburi Power Co., Ltd. (RPCL), a natural gas fired combined-cycle power plant located in Baanrai Sub-district, Damnernsaduak District, Ratchaburi Province, with THB 7,325 million paid up registered capital. The plant was able to operate with its full capacity meeting the demand within the country. This power plant company has been observing the Environmental Impact Assessment (EIA). To ensure the conservation and to control the impact on environment, the company has implemented and been accredited with the ISO 14000 for Environmental Management Standard. Currently, the Company is in the process of obtaining the Safety Management Standard TIS/OHSAS 18001.

INDUSTRY TRENDS AND COMPETITION

Electricity business is the country's infrastructure. Production and sales volume depend on economic growth of the country. Due to China's strict policies involving approval for coal-fired power plant investment and the stricter regulations on reduction of environmental impact, power plants are obliged to reduce and control their pollution emission in compliance with the regulations, resulting in higher cost of investment, and lower expansion in coal-fired power plant business. The competition depends on the locations of power plants.

CHEMICAL INDUSTRY BUSINESS IN CHINA

SAHA-UNION PUBLIC COMPANY LIMITED



TYPES OF PRODUCTS OR SERVICES

The Company has invested in 2 chemical industry companies namely:

1. Yixing-Union Biochemical Co., Ltd., located in Yixing, Jiangsu Province, established in 2000 to produce citric acid used in chemical, cosmetic, medicine and food industries.
2. Taixing Union Zond Chemical Co., Ltd., located in Taixing, Jiangsu Province, established in 2007 to produce Phthalic Anhydride (PA) which is an additive chemical in plasticizer.

SUPPLY OF MATERIALS FOR PRODUCTION OR SERVICE

The production of citric acid uses agricultural material, corn or cassava, as main raw materials.

The production of Phthalic Anhydride uses Ortho-Xylene, a product from Petro-Chemical factory as the main raw material. Taixing-Union is currently modifying and enhancing the production process. This will allow for the use of naphthalene as an alternative material reducing the cost of production.

PERFORMANCE IN 2012

Although Yixing-Union Biochemical Co., Ltd. has increased its capacity, the price competition and trade countermeasure rendered the operating results unsatisfying. At the end of 2012, the Company decided to sell its investment in Yixing-Union Biochemical Co., Ltd., a subsidiary of Jiangsu-Union Cogeneration Group

Co., Ltd. (Jiangsu-Union), and at the same time, sold Jiangsu-Union and Huanan-Union Spring Cogeneration Co., Ltd. (Huanan-Union)

Taixing-Union has developed its production process so as to allow for the use of other raw materials instead of solely depending on Ortho-Xylene. It has adopted a technique in which a cheaper material, Naphthalene, can be used as replacement in order to reduce the cost of production. Due to change of production technique, the capacity could not be increased to meet the expected target. This causes difficulty in cost management, directly affecting the business.

INDUSTRY TRENDS AND COMPETITION

Yixing-Union Biochemical Co., Ltd. may face more intense competition domestically and overseas, since factories in China have now increased their capacity, whereas the demand for citric acid hardly went up. The fluctuation in global economy intensifies the competition. More and more factories in developed countries has been closed, while some of Chinese manufacturers have moved their production base to developing world so as to avoid increased taxes, a trade countermeasure from the USA and Europe.

The recession of Chinese real estate business has partly subdued the demand for Phthalic Anhydride (PA). Some PA manufacturers have decreased their capacity according to the weak market. The situation is expected to remain unchanged for a period of time.

REAL ESTATE BUSINESS IN CHINA

SAHA-UNION PUBLIC COMPANY LIMITED



TYPES OF PRODUCTS OR SERVICES

The Company has invested in 2 projects of real estate business in China, including:

1. Riverview Garden Project in Jiashan, Zhejiang Province – a four-storied row house and residential condominium for sale, covering an area of 139 MU (about 58 Rai). The total construction area is 250,000 square meters. The project will have finished by the end of 2014;
2. A Project in Shaoxing, Zhejiang Province – a residential and commercial housing project scheduled to commence in early 2013, covering an area of 11.5 MU (7,669 square meters). The total construction area is approximately 29,900 square meters, separated into 9,000 square meters for commercial buildings, 20,900 square meters for residential buildings, as well as subterranean parking lots of 7,200 square meters.

SUPPLY OF MATERIALS FOR PRODUCTION OR SERVICE

The Company has won the auction for the Land Use Right held by the local authority and is now able to further develop the residential housing projects in Jiashan and Shaoxing.

PERFORMANCE IN 2012

Riverview Garden Project in Jiashan, Zhejiang Province (Jiashan-Union Development Co., Ltd.) is a premium quality housing project in Jiashan. The average sell price is higher than any other projects within the neighborhood. The project comprises of 3 phases as follow:

Phase 1 – 4-storied row houses, each separated into two 2-storied duplex. The construction has finished and were sold

promptly. All houses have been transferred;

Phase 2 – 2-storied row houses and 5 high-rise apartments, now under the last phase of construction. 75% have been reserved, except two high-rise apartments currently unavailable for sale;

Phase 3 – high-rise buildings currently commenced the foundation with its subterranean parking lots.

A Project in Shaoxing, Zhejiang Province (Zhejiang-Union Property Co., Ltd.)

The commercial building zone was partly reserved shortly after the Company's acquisition of the Land Use Right. The Company estimated to receive the return on investment within 1-2 years. Although the return is not very high, thus, this project will make a base for further expansion in real estate business in China.

INDUSTRY TRENDS AND COMPETITION

Due to Chinese central government policies strictly controlling speculation in real estate business such as issuing the procedures on house purchase and bank loan limitation, real estate business has been facing a recession, while the prices vary depending on supply and demand. The key for competition will be the project location. However, at the end of 2012, the real estate market slightly recovered. Real estate business is still a good investment provided that there is sufficient working capital and generate continuously of sales.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company is committed to business operation with responsibility towards the society and environment, in order to benefit every stakeholders and to promote the sustainable growth under the good corporate governance.



CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

SAHA-UNION PUBLIC COMPANY LIMITED

Saha-Union Public Company Limited and its Group Companies always give importance to and have a sense of responsibility towards the society and environment. It also helps conserve the Thai culture and tradition and supports activities of public, private and relevant agencies under the good corporate governance policy based on the principle of “Integrity, Quality and Service”.

In 2012, Saha-Union Group Companies participated in and supported various social activities to develop and benefit the society as following details:

Educational Activities

Saha-Union Group values the importance of education, thus committed to the development of internal and external education, hoping to create learning atmosphere among Thai society which will lead the country to sustainable development. In this year, Saha-Union Group took part in many educational supports such as:

- Donating “Thai Kings and Buddhism” books to Ramkhamhaeng University’s central library, Wat Saensuk School, and other educational institutions in Bangkok, in order to promote the importance of the three institutions Nation, King, and Religion;
- Donating educational instruments and Children’s Day presents to Wat Tamru School, Wat Bangprong School, Khlong Bangpu School, Samutprakarn, and Wat Bampenneau School, Bangkok.



Donating “Thai Kings and Buddhism” books to Ramkhamhaeng University’s central library, Wat Saensuk School, and other educational institutions in Bangkok.



Donating educational instruments and Children’s Day presents to Wat Tamru School, Wat Bangprong School, Khlong Bangpu School, Samutprakarn Province, and Wat Bampenneau School, Bangkok.

Religious Activities

Saha-Union Group has given importance to the conservation of cultures, traditions, and social values in Thai society. It is also committed to inscribe ethics to employees, based on the principle of morality. In this year, Saha-Union Group participated in many religious activities such as:

- Making an offering to Buddhist Monks on the occasion of Visakha Bucha Day and an offering of candles on the Buddhist Lent Day occasion at Wat Bampenneau, Min Buri, Bangkok;
- Participating in a Khatin Ceremony, presenting robes and eight necessities to monks at the end of Buddhist Lent at Sudhi Dhammarangsee Monk Sanctuary, Ratchaburi Province and at Wat Baandaengnoi, Maha Sarakham Province;
- Making an offering of Buddhist Monk's necessities at Wat Phummarin Kudeetong, Samut Songkhram Province.



Making an offering to Buddhist Monks on the occasion of Visakha Bucha Day at Wat Bampenneau, Min Buri, Bangkok.



Making an offering of candles on the Buddhist Lent Day occasion at Wat Bampenneau, Min Buri, Bangkok.



Participating in a Khatin Ceremony, presenting robes and eight necessities to monks at the end of Buddhist Lent at Sudhi Dhammarangsee Monk Sanctuary, Ratchaburi Province.



Making an offering of Buddhist Monk's necessities at Wat Phummarin Kudeetong, Samut Songkhram Province.

Social Activities

Saha-Union Group continuously participates and supports in social and cultural activities. Its operational approach is to help, promote and support the community located nearby the company/factory for the benefit of the society. In this year, such activities were such as:

- Executives as well as employees donating money to “Wheelchairs for Those with Disability” project by Thai with Disability Foundation, Nonthaburi Province, for buying wheelchairs/tricycle wheelchairs for disabled people in need, so that they are able to go to school and work;
- Sponsoring “Charity Golf, Special Olympics Thailand” in order to support physical performance improvement and self-care ability among mentally disabled people;
- Supporting Disabled People’s Day by National Council on Social Welfare of Thailand (NCSWT) in order to financially support the Occupational Support and Development for Disabled People Fund, as well as giving opportunity for careers to people with disability;
- Donating necessities to Disabled Children Help Centre (Nontapum Home), Nonthaburi Province;
- Donating sport clothing to the 12th Infantry Battalion 2 Regimen, Nimmarn Konlayuth Base, Sa kaeo Province, for use in social activities.



Donating necessities to Disabled Children Help Centre (Nontapum Home), Nonthaburi Province;



Donating sport clothing to the 12th Infantry Battalion 2 Regimen, Nimmarn Konlayuth Base, Sa kaeo Province, for use in social activities.

Environmental Activities

Saha-Union Group continuously participates in environmental and natural conservation, creating awareness among employees to save the environment by efficiently using natural resources, according to the law and the universal standard. The Company has adopted ISO 14001 in order to minimize damage to the environment. It also supports environmental activities such as:

- Participating in a plantation activity for the King at Khao Chamao-Khao Wong National Park, Rayong Province;
- Participating in a plantation activity held by Quartermaster Department Royal Thai Army, Bangpoo Recreation Centre, Samutprakan Province;
- Participating in a permanent plantation at Jed Sao Noi Waterfall National Park, Saraburi Province;
- Supporting and cleaning Wat Bampenneau, Min Buri, Bangkok;
- Participating in a beach reformation activity at Cha-am Beach, Phetchaburi Province, and Mae-Rampueng Beach, Rayong Province.



Participating in a plantation activity for the King at Khao Chamao-Khao Wong National Park, Rayong Province;



Participating in a permanent plantation at Jed Sao Noi Waterfall National Park, Saraburi Province;



Participating in a beach reformation activity at Mae-Rampueng Beach, Rayong Province.



Participating in a plantation activity held by Quartermaster Department Royal Thai Army, Bangpoo Recreation Centre, Samutprakan Province;

SHAREHOLDING STRUCTURE

Corporate securities

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

Shareholders

List of Top 10 major shareholders of Saha-Union Public Co., Ltd. as of April 5, 2012

No.	Shareholders	Ultimate Shareholders	Business	No. of Shares	Percentage of Shares
1.	Group of Companies				
1.1	Union Thread Industries Co.,Ltd.	Darakananda Group	Investment	29,850,000	9.95
1.2	Union Business Management Co.,Ltd.	Darakananda Group	Investment	22,574,000	7.53
1.3	Union Capital Co.,Ltd.	Darakananda Group	Investment	19,797,800	6.60
1.4	Union Industries Corp.,Ltd.	Darakananda Group	Investment	17,988,300	6.00
1.5	Uni-Fibre Co.,Ltd.	Darakananda Group	Investment	12,978,640	4.33
1.6	Saha-Union Holding Co.,Ltd	Saha-Union PLC.	Investment	6,239,994	2.08
1.7	Union Multi-Capital Co.,Ltd	Darakananda Group	Investment	6,082,000	2.03
1.8	Darakananda Co.,Ltd	Darakananda Group	Investment	3,000,000	1.00
1.9	Union Equity Co.,Ltd	Saha-Union PLC.	Investment	2,782,700	0.93
1.10	Union Wealth Management Co.,Ltd	Darakananda Group	Investment	2,420,000	0.81
2.	Bangkok Bank Public Company Limited			12,325,000	4.11
3.	Mrs. Jarunee Chinnawongworakul			12,011,500	4.00
4.	Solid Gains Development Limited			10,745,000	3.58
5.	Mr. Vichit Chinnawongworakul			8,049,100	2.68
6.	Mr. Kumtorn Poonsakudomsin			7,985,644	2.66
7.	The Southeast Life Insurance Co.,Ltd			6,703,800	2.24
8.	Mr.Chutindhon Darakananda			3,427,700	1.14
9.	East Fourteen Limited Dimensional Emer Mkts Value Fd			2,976,400	1.00
10.	Bangkok Broadcasting & Tv Co.,Ltd.			2,505,000	0.84

Policy of dividend payment

The Company's policy on dividend payment is a proper rate of return on investment to shareholders, dependent on operating profits, but not less than one-third of the annual net profit calculated on the basis of cost method, according to the separated financial statement.

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

Shareholding of the Directors

No.	Name	Shareholding		
		No. of Shares held in 2012	No. of Shares held in 2011	% Change
1	Mr. Panas Simasathien	-	-	-
2	Mr. Sompop Amatayakul	10,000	10,000	-
3	Miss Sriwarin Jirapakkana	157,284	157,284	-
4	Mr. Chutindhon Darakananda	3,427,700	3,427,700	-
** 5	Mrs. Araya Arunanondchai	2,251,694	2,251,694	-
6	Miss Pakinee Prettitumrong	1,950,624	1,950,624	-
7	Mr. Chakchai Panichapat	-	-	-
8	Mr. Yanyong Tangchitkul	419,000	419,000	-
9	Miss Dalad Sapthaivichaikul	13,052	13,052	-
10	Mr. Thitivat Suebsaeng	-	-	-
** 11	Mr. Aksornprasit Darakananda	1,869,400	1,869,400	-
** 12	Mrs. Pinijporn Darakananda Kasemsap	137,000	137,000	-
13	Mr. Bovomrat Darakananda	-	-	-
** 14	Mr. Vacharaphong Darakananda	1,612,600	1,612,600	-
15	Mr. Nantiya Darakananda	-	-	-

Shareholding of the Executive

No.	Name	Shareholding		
		No. of Shares held in 2012	No. of Shares held in 2011	% Change
** 1	Mrs. Srinual Sombatpraiwan	602	602	-

** Included related person

Directors' Remuneration

Remunerations for the Company's Directors comprising of Meeting allowance and/or Directors' remuneration, which are fixed based on individual position and previously approved by the 2012 Shareholders' Meeting. Remunerations paid to each Director for the fiscal year 2012 were as follows:

No.	Name	Position	Remuneration					Unit : Baht
			Remuneration of the Position	Board of Directors' Meeting Allowance	Audit Committee' Meeting Allowance	Nomination and Remuneration Committee' Meeting Allowance	Total Remuneration	Total Remuneration from Subsidiaries
1	Mr. Panas Simasathien	Chairman	4,140,000	120,000	–	–	4,260,000	–
2	Mr. Sompop Amatayakul	Vice Chairman / Chairman of the Audit Committee / Independent Director / Chairman of the Nomination and Remuneration Committee	3,240,000	120,000	132,000	10,000	3,502,000	–
3	Miss Sriwarin Jirapakkana	Vice Chairman	3,240,000	120,000	–	–	3,360,000	234,000
4	Mr. Chutindhon Darakananda	Vice Chairman / Member of the Nomination and Remuneration Committee	3,240,000	120,000	–	10,000	3,370,000	–
5	Mrs. Araya Arunanondchai	Member of the Audit Committee / Independent Director / Member of the Nomination and Remuneration Committee	–	120,000	120,000	10,000	250,000	–
6	Miss Pakinee Prettitumrong	Member of the Audit Committee / Independent Director	–	120,000	120,000	–	240,000	–
7	Mr. Chakchai Panichapat	Director / Advisor	600,000	120,000	–	–	720,000	–
8	Mr. Yanyong Tangchitkul	Director	–	120,000	–	–	120,000	–
9	Miss Dalad Saphavichaikul	Director	–	120,000	–	–	120,000	216,000
10	Mr. Thitivat Suebsaeng	Director	–	120,000	–	–	120,000	144,000
11	Mr. Aksornprasit Darakananda	Director	–	120,000	–	–	120,000	–
12	Mrs. Pinijom Darakananda Kasemsap	Director	–	120,000	–	–	120,000	–
13	Mr. Bovornrat Darakananda	Director	–	120,000	–	–	120,000	72,000
14	Mr. Vacharaphong Darakananda	Director	–	120,000	–	–	120,000	168,000
15	Mr. Nantiya Darakananda	Director	–	120,000	–	–	120,000	144,000
			14,460,000	1,800,000	372,000	30,000	16,662,000	978,000

Executives' Remuneration

Total remunerations was paid to the 5 Company's Executive and Non-Executive Directors in 2012 amounted to Baht 12,931,017.50 comprising of salaries and bonuses. Apart from the aforementioned, other Executive Directors holding equivalent position to the 4th Executive succeeding the President were not entitled to remuneration of this kind, because they had been the Executives in other Group Companies and accordingly received remunerations from those companies in term of salaries and bonuses.

In 2012, the Company paid an aggregate of Baht 71.46 million as remunerations (salaries and bonuses) to totally 44 Executives in 9 Subsidiaries undertaking the main businesses.

Others Remuneration

In addition to the above salaries and bonuses, the Company paid other remunerations to 4 executives in the form of contributions to Provident Fund, managed by the BBL Asset Management Co., Ltd. as a Fund Manager, at a rate of 3% of individual salary. The other remunerations in 2012 was Baht 315,573.-

STRUCTURE OF MANAGEMENT

The Company's Board of Directors structure is composed of four committees, namely the Board of Directors of which five or one-third of the fifteen directors are independent, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee.

Here are lists of the committees as of 31 December 2012 with scope of their authorities.

1. Board of Directors There are 15 members on the Board of Directors as follows;

Name		Position
1.	Mr. Panas Simasathien	Chairman
2.	Mr. Sompop Amatayakul	Vice Chairman (Audit and Evaluation of Domestic Business)/Independent Director
3.	Miss Sriwarin Jirapakkana	Vice Chairman (Finance and Investments)
4.	Mr. Chutindhon Darakananda	Vice Chairman (Investments in China)
5.	Mrs. Araya Arunanondchai	Independent Director
6.	Miss Pakinee Prertitumrong	Independent Director
7.	Mr. Chakchai Panichapat	Independent Director / Advisor
8.	Mr. Yanyong Tangchitkul	Independent Director
9.	Miss Dalad Sapthavichaikul	Director and President
10.	Mr. Thitivat Suebsaeng	Director
11.	Mr. Aksornprasit Darakananda	Director
12.	Mrs. Pinijporn Darakananda Kasemsap	Director
13.	Mr. Bovornrat Darakananda	Director
14.	Mr. Vacharaphong Darakananda	Director
15.	Mr. Nantiya Darakananda	Director

The Board of Directors has authorities in line with the business administration structure as below

1. Plan directions, set goals and business operating policies of the Company.
2. Supervise and oversee business administration, monitor appropriate risk management and make profits so as to make appropriate return on investment to the Shareholders.
3. Supervise and oversee the Company's accounting system in compliance with accounting standard and provide financial reports with complete and accurate records.
4. Ensure a good reputation and image of the Company.
5. Appoint and remove the Company's Managing Director as well as those of the subsidiaries of which the Company is a major Shareholder.
6. Stipulate a purview of the Company's and the subsidiaries' Managing Directors.
7. Make decisions on work plans and annual budgets proposed by the Company's Managing Director.
8. Evaluate performance of the Company's Managing Director and decide on yearly remuneration of the subsidiaries' Managing Director.

Under their authority, the Board of Directors may assign one or several member(s) of the Board or other person(s) to perform task(s) on its behalf.

The Board of Directors shall appoint a member of the Board to perform a function of Managing Director who shall have authorities as it is deemed appropriated.

The Board of Directors shall be at least five and a half of its total members shall be resident in the Kingdom of Thailand. Furthermore, at least three-fourth shall be Thai nationality.

The Board of Directors shall be selected by statutory Shareholder meeting in accordance with the rules and procedures for members and directors nomination. See page 46.

Below is a list of five Independent Directors, in other words, one-third of the Board of Directors.

- | | |
|-----------------|---------------|
| 1. Mr. Sompop | Amatayakul |
| 2. Mr. Chakchai | Panichapat |
| 3. Mrs. Araya | Arunanondchai |
| 4. Miss Pakinee | Prertitumrong |
| 5. Mr. Yanyong | Tangchitkul |

Criteria for Independent Directors Selection

Independent Directors are selected on the basis of competency, experience and knowledge of business operations relating to those of the subsidiaries. They shall be non executive directors of the Company, with vision, have time to perform duties and be fully qualified in conformity with the rules and official regulations. They are invited by the Nomination Committee to be Independent Directors whom the Company considers to be capable and helpful to manage the Company and the corporate business as well.

The Board of Directors' Meeting

Generally, the Company arranges a meeting to be convened at least once a month. They meet to consider the proposals made by executives, to make decisions on issues for further action as it is deemed appropriated and also to follow up performance, aiming at verifying if the business runs as planned or their objectives are attained. In some cases, corrections might be considered and carried out the solutions, a personal may be assigned for further follow-up. In 2012, twelve meetings were held and attended by all Directors with the exception of those who were on duty abroad or absent by force majeure. Since the Company has had a lot of overseas investments and some members of the Board had to take care of and follow up operation of business invested by the Company, they could not be present at the monthly meetings of the year 2012. However, those who have worked for associated companies in Shanghai, Hong Kong or USA, attended the meetings via VDO conferences on the same day. In addition, the Secretary submitted regularly the minutes to all of members, no matter what they were present or absent, to keep them informed and to ask for their suggestions (if any).

Record of 2012 Meeting Attendances of Director

Name		No. of Meeting Attendances
1.	Mr. Panas Simasathien	12/12
2.	Mr. Sompop Amatayakul	11/12
3.	Miss Sriwarin Jirapakkana	11/12
4.	Mr. Chutindhon Darakananda	10/12 (including 3 times via VDO Conferences)
5.	Mrs. Araya Arunanondchai	10/12
6.	Miss Pakinee Prertitumrong	12/12
7.	Mr. Chakchai Panichapat	12/12
8.	Mr. Yanyong Tangchitkul	11/12
9.	Miss Dalad Sapthavichaikul	12/12
10.	Mr. Thitivat Suebsaeng	11/12
11.	Mr. Aksornprasit Darakananda	5/12 (including 1 times via VDO Conferences)
12.	Mrs. Pinijporn Darakananda Kasemsap	9/12 (including 4 times via VDO Conferences)
13.	Mr. Bovornrat Darakananda	9/12 (including 8 times via VDO Conferences)
14.	Mr. Vacharaphong Darakananda	10/12
15.	Mr. Nantiya Darakananda	11/12

The Company's Secretary, Mrs. Sirinun Sansanakom, has responsibilities and abides by the provisions set forth under the Securities and Exchange Act, No. 4 (B.E. 2551) Articles 89/15, 89/16 and 89/23.

The board members' qualifications, educational background and experience are shown from page 8-15, as well as their previous training concerning responsibilities and skills for directors on page 16 and their Executives information on page 17.

2. Audit Committee

The Audit Committee comprises of three members who have all necessary qualifications in accordance with the rules set forth by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). At the meeting held on 18 October 2012, the Board of Directors passed a resolution reappointing the existing Audit Committee to hold office for another term of three years. In this regard, all members of the Audit Committee are independent directors.

List of the Audit Committee is as follow;

Name		Position
1.	Mr. Sompop Amatayakul	Chairman of the Audit Committee
2.	Mrs. Araya Arunanondchai	Director
3.	Miss Pakinee Prertitumrong	Director

The Audit Directors who knowledgeable and had experienced in auditing company's financial statements were Mr. Sompop Amatayakul, who was a top executive of IBM Co., Ltd. and Mrs. Araya Arunanondchai, who worked for the Price Waterhouse Audit Office and was formerly the Thai Farmers Bank's senior executive and also Securities Company's president.

Charter of the Audit Committee, they shall have duties and responsibilities as follows;

1. Review internal control process so that it should be efficient and suitable to the Company.
2. Approve selection, review and nomination of external auditor.
3. Have oversight of regulatory and law compliance of the government agencies concerned, meaning no conflicts of interest.
4. Write a Committee's report, signed by the Chairman and disclosed in the Company's annual reported to whom it may concerned.
5. Get management team to correct the mistakes if found and verify the correction.
6. Monitor and evaluate the operations which the Audit Committee deems as critical.
7. Evaluate the compliance with the Charter of the Audit Committee.
8. Perform other tasks as assigned by the Board of Directors.

In 2012, four meetings were organized and attended by all members of the Audit Committee.

3. The Nomination and Remuneration Committee

The Company has appointed qualified and experienced board members as below;

Name		Position
1. Mr. Sompop	Amatayakul	Chairman of the Nomination and Remuneration Committee
2. Mrs. Araya	Arunanondchai	Director
3. Mr. Chutindhon	Darakananda	Director

The Nomination and Remuneration Committee shall have duties and responsibilities as follows ;

1. Select persons who shall be qualified to be nominated as directors.
2. Establish procedures for director nomination.
3. Consider procedures of remuneration for directors.
4. Determine the amount of remuneration for the board members by submitting proposals to the Board of Directors;

In 2012, one meeting was held for the Nomination and Remuneration Committee.

4. The Risk Management Committee List of the Risk Management Committee is as follows ;

Name		Position
1. Miss Dalad	Sapthavichaikul	Chairman of the Risk Management Committee
2. Mr. Thitivat	Suebsaeng	Director
3. Mr. Vacharaphong	Darakananda	Director
4. Mrs. Srinual	Sombatpraiwan	Director and Secretary

The Risk Management Committee shall have duties and responsibilities: establish policies and monitor the Company's risk management, conduct reviews of risks and improve risk categories, assess potential risks and their impacts, and also take measures to manage risks and see the outcome. In addition, the Committee may designate a Specific Risk Management Sub-committee to be charged with management as it deems appropriate.

Nomination of Directors and Executives

Regarding the election of the Company's directors, the Nomination Committee shall recruit persons who are highly qualified or competent and experienced in business administration. In addition, they shall be ready to perform their duties for the Company. Such qualifications shall not be contrary to the regulations of government agencies concerned. Having assessed suitability of interested persons, the Committee suggests them to the Board of Directors who presents to the Shareholders' Annual General Meeting, in accordance with the Company's regulations stipulated below;

1. A Shareholder shall have one vote per one share.
2. Candidates may be elected, at one time, individually or in group, according to the required number of directors at the moment as it is deemed appropriated by the Shareholders' Meeting. The election procedures shall be in line with the public law.
3. Directors shall be elected by majority votes. In case of equal votes, the chairman of meeting shall have a casting vote. Concerning the minor Shareholders, they shall comply with the Company's regulations as mentioned above as their voting rights are not stipulated as a special case. It means that they have equal voting rights.

At the Annual General Meeting, one-third of the directors shall vacate office. In case that the number of directors could not be divided into three parts, the most approximate number to one-third of the directors shall vacate office.

After the Company's registration, directors vacating office in the first year and the second year shall be selected by drawing lots while, in the following years, directors who have held office for the longest time shall vacate office.

Directors vacating office may be reelected.

In addition to vacating office on the exemption of term, directors vacate office upon:

1. Death
2. Resignation
3. Disqualification
4. Being removed by a resolution of at least three-fourth of the Shareholders attending the meeting and having the voting rights, whose shares, when calculated, are not less than a half of shares held by Shareholders attending the meeting and having the voting rights.
5. The court judgment

In 2012, the Board of Directors remained unchanged. All of the Directors were nominated by the Nomination and Remuneration Committee and a resolution on its nomination was adopted by the Annual General Meeting of Shareholders.

CORPORATE GOVERNANCE

Through the years, the Company's Board of Directors has emphasized corporate governance based on both morality and good ethics in all departments for accuracy, transparency and fairness to every Stakeholder. The Board of Directors takes responsibility in disclosing sufficient information and acknowledging the rights of Shareholders. Thus, the Company follows the rules set forth and endorsed by the National Corporate Governance Committee as follows:

1. The Rights of Shareholders

- 1.1 Besides voting rights, the Shareholders' return on investments is getting by equal dividend payments. The minor Shareholders are given the right to receive the dividend at the same rate as those of major Shareholders including all related businesses (if any).

The Company shall allow Shareholders to propose a meeting agenda or present any questions related to the Company 5 months prior to the Shareholder meeting date by using the Company's website: www.sahaunion.co.th or regular postal service.

1.2 Shareholders' Meeting Invitation

The Company will send out meeting invitations including related documents to the Shareholders at least 14 days prior to the meeting date for review. Also included in the documents are:

- The previous minutes of the Shareholders' Meeting as supporting documents for endorsing the minutes' agenda.
- Financial statements information, operational performance and the most recent annual report for review to acknowledge the performance report and to present questions or doubts, if any.
- The objective, reasons and Board of Directors' opinions from other agendas.
- Information of the nominees for the next Board of Directors including their educational backgrounds, working experiences and director categories, all of which have been selected by the Nomination Committee based on the standard criteria and methods. In case, any returning Director is nominated, the information of his past year's meeting attendance and the number of years the person has been serving in the Board of Directors will be provided.
- The information of the auditors including name, last name, their auditing office, work experience and the service fee including verification of the auditor's independence to support the auditor's consideration of appointment.
- The dividend payment policy, its rate and the reason for the request of dividend distribution.

1.3 Shareholders Meeting

- The Company shall encourage Shareholders to exercise their rights by attending the meetings and voting. Any Shareholder who cannot attend the meeting may present Proxy Letter to assign his/her representative. Therefore, the company must send out the Proxy Letter along with the meeting invitation in advance.
- The Company shall never limit or violate the right of Shareholders in any cases.
- The Company shall provide any necessary services for Shareholders' conveniences on the meeting day. Staff will be available to help with the registration procedure and preparation of any documents requested least 1 hour prior to the scheduled meeting.
- The meeting shall be located at the most convenient location, close to a main street or sky train station. Snacks and beverages shall be served and the Shareholders shall be greeted with souvenirs.
- Before the meeting starts, the Chairman shall introduce the Board of Directors and Executives individually to Shareholders. There should be present the Chairman of the Board, Directors, Executives, the Chairman of the Audit Committee, the Chairman of Nomination and Remuneration Committee, the Chairman of Risk Management Committee, Independent Directors, Directors, the Company Secretary, Finance and Accounting Manager and Auditors.
- Chairman of the meeting shall explain voting procedures, the use of voting card and how to count the votes to the Shareholders prior to the start of the meeting.
- The Shareholders have the right to consider the Board of Directors' remuneration as its agenda will be held annually.
- As for the Board of Directors' remuneration agenda, the Company shall explain the policy and principles used in proposing the payment. The approved detail of each Director's remuneration in the past year shall be presented to the committee as well.

- As for Director appointment, the Company shall allow Shareholders to vote either for individual or a group based on the meeting's resolution. The vote can be done by either nominating the new member into the committee or the current one to continue the next term. All candidates must be approved by the Nomination Committee. Each candidate has to provide personal history and experience.
- Dividend Payment Agenda. The Chairman shall explain the Company's policy of dividend payment and its offering rate. Also, the current year's dividend payment shall be submitted to Shareholders for approval along with its rate and calculation. Therefore, the Shareholders can consider and vote accordingly.
- Appointment of the auditors' agenda. The Chairman shall nominate more than one person from the same auditing office. The auditors' history of auditing and the number of years working as the Company's auditors including qualifications in compliance with those of the Securities and Exchange Commission Acts will be included. The auditors shall work independently without any personal binding with the company, the Board of Directors or the executives. Also, the auditing fee shall be submitted to the Shareholders for consideration.
- The Chairman of the meeting shall allow any questions from the Shareholders including suggestions regarding any agendas. The Board of Directors or related Directors shall answer every question from Shareholders until satisfied. All other opinions or suggestions shall be taken into further consideration. All shall be recorded in the minutes of the meeting.
- Every agenda resolution shall be recorded clearly showing number of votes on each agenda. In each agenda, the minutes has to show the number of Shareholders that vote for, against and abstention. The computer processing system shall be used for vote counting in each agenda and will be announced by the Chairman. Furthermore, the full report which contains the matters in each agenda shall be sent to the SEC within 14 days after the meeting. The minutes of the meeting shall be carefully filed and available for reference by the Shareholders at all time by going to the Company's website; www.sahaunion.co.th.

1.4 The Company shall not add any more to the agenda that is not previously stated in the Shareholders' meeting invitation letter.

1.5 The Company's shareholding structure had been carrying on approximately for the past 30 years which has not objective to set up the prevention of business takeovers but on cross shareholding. The structure is to give Shareholders the most benefit of managing, manufacturing and selling without any conflicts of interest.

- The Company's structure is not a pyramid scheme. Periodically in the past, there were a number of corrections on cross shareholding structure to avoid the related matters.
- The Company's Board of Directors shall not be allowed to hold the Company's shares more than 25% of the in total shares.
- The Company holds free float shares more than 40% of issued stocks. This will give Shareholders convenient trading in both secondary market and the Stock Exchange of Thailand.

2. Equality among Shareholders

2.1 The company has a policy to treat all Shareholders equally with no violation to minor Shareholders or foreign Shareholders.

- According to the Company's voting rules, one share equals one vote regardless of being major or minor Shareholders or foreign Shareholders.
- The committee shall answer every question proposed by minor Shareholders and foreign Shareholders in the meeting.
- Prior to the meeting date, the Company shall disclose the opportunity of giving Shareholders to submit any agenda or information to the Shareholders Meeting by using the company's web site in the period of 1 month before the end of the Company's fiscal year or 5 months before the scheduled Shareholders Meeting date.
- The Company shall provide any conveniences to the Shareholders who cannot attend the meeting in person by attaching the Proxy Letter form that contains the information as appeared on Form Khor (กข.) to the invitation letter of the Shareholders Meeting.
- The invitation letter of Shareholders Meeting shall indicate the type of documents and proof needed to attach the Proxy Letter including to provide step-by-step instructions to issue Proxy Letter to the Shareholders in advance without any further regulations or conditions that will complicate the procedure.

- The Company shall send out an invitation letter to the Shareholders Meeting and all related documents such as Proxy Letter, minutes of the meeting, annual report, and financial statements report to the Shareholders at least 14 days before the scheduled meeting date. Therefore, all Shareholders will have sufficient time to study the information and agendas in order to make decisions at the meeting.
- The Company shall use its website to make announcements on the meeting plans and its agendas to all Shareholders before sending out the official invitation letter. All details regarding the meeting shall be included and should be posted for viewing at least 30 days prior to the scheduled meeting date.

2.2 The Policy of Insider Trading Prevention.

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

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

2.3 In the past year, the Company did not have any cases of insider trading among the Board of Directors and executives.

2.4 The Relating Transactions required to be disclosed or to be authorized by the Company's Shareholders shall be executed thoroughly in compliance with the Act regulated by the Stock Exchange of Thailand and SEC before they are presented to the Audit Committee for review and then, brought to the Company's Board of Directors meeting. Thereafter, the complete information shall be disclosed via the Stock Exchange of Thailand's ELCID. For example, the transaction will provide its category, the relating individuals' names and relationship / characteristic of relations, the value of the transaction, the criteria or policy of setting the price, the reasons that necessitate the making of the transaction and the Audit Committee and Board of Directors' opinions over the transaction. In case Shareholder agendas are included in the meeting, the company shall fully comply with relating regulations to execute the matter.

2.5 The structure of company's business group's shareholding.

Due to the status of being a headquarters company, investing in different kinds of businesses and producing different kinds of merchandise, all are legally independent from each other for smooth operation. But for the business profit and the power of negotiation, the Company sometimes needs to have "Related Transactions". Therefore the list of related transactions of the year 2012 was regular commercial listings with general commercial conditions:

The Related Transactions value of the year 2012 had a total gross amount of 1,122.48 million baht, which is 4.83% of Assets and 10.68% of total revenues.

- The Company did not have any transaction of financial aid fund for non-subsidiary company.
- In the past year, the Company did not violate or fail to follow to the policy of Related Transactions according to provisions issued by the Stock Exchange of Thailand and SEC.
- In the past year, the Company did not violate or fail to abide by the rules of stock trading according to provisions issued by the Stock Exchange of Thailand and SEC..

3. Consideration of the Stakeholders' Roles

The Company emphasizes the rights of company Stakeholders based on either basic legal rights or the mutual agreement contract. The Company treats all Stakeholders based on integrity, quality and service. These are the most important factors to build a good relationship and cooperation between the Company and all Stakeholders in order to accomplish the goal and sustainability growing. The role between the Company and the Stakeholders are the followings:

3.1 The Company shall conduct the business with the sense of responsibility towards society. It is the obligation the Company has vowed to do so.

- 3.2 On the account of employees, the Company holds a transparent and practical policy of taking care of employees' welfare and compensation appropriately. The employee handbook is available in the Human Resources Department and is acknowledged by the Company's employees.
- The Company's policies are outlined in the Company handbook for the employees' safety and welfare.
 - The Company and its subsidiaries set up a provident fund for Saha-Union Group's employees by appointing a committee to oversee, administer and collaborate with the provident fund manager. This policy will assist to create employee's long term savings. Hence, the company will contribute up to 3% of the employee's salary to this fund.
 - The Company and its subsidiaries have established Employee's Savings and Credit Cooperatives of Saha-Union Group in order to collect the employees' deposits which are deducted from their salary monthly. The employee shall be eligible to withdraw the whole balance upon resignation. However, while working, each year the employee shall receive their dividend and is eligible to apply for a loan in compliance with the rules issued by the Cooperatives Promotion Department.
 - The Company sets a clear policy of improving employee's knowledge and skill by using a Competency System to promote the potential employee who is capable of taking responsibility in a higher level task. Moreover, the Company has set up a subsidiary company to organize seminars and training programs to educate the employees regularly.
- 3.3 The Company has no policy that will violate the human rights.
- 3.4 On the account of customers, the Company set the policy to be practical and transparent in treating customer fairly. The Company will maintain good customer relationship and take responsibility as vowed to the customers.
- 3.5 On the account of the business rival, the Company shall maintain its business conduct professionally.
- 3.6 The Company will treat its business partners fairly and responsibly as stated in the contract agreement even if the unforeseen situations may result in loss.
- 3.7 On the account of creditors, the Company sets a policy of fairly treatment and responsibility by making on time loan repayments or purchases based on mutual contract.
- 3.8 The Company sets a clear policy against copyright violation and the Company's penalty measures are strongly reinforced.
- 3.9 The Company has clearly set a policy against corruption and bribery which has been practiced for over 30 years.
- 3.10 The Company and its subsidiaries set a policy to take part in the community's responsibility and social welfare. The Company carefully avoids any wrongdoings that will create the community disturbances. On the contrary, the Company shall contribute any beneficial to its community and society in order to being employment and getting welfare. Moreover, the Company shall follow the regulations of noise and pollution standard control, including setting a standard for waste water treatment. The Company also supports community outreach activities including donating necessity materials to schools.
- 3.11 The Company has a strict policy of environmental control by installing septic tanks for waste water treatment and controlling toxic emissions in order to reduce pollution. Other manufacturing subsidiaries have also followed these standard environmental control guidelines and have been certified by regulating organizations.
- 3.12 The Company's subsidiaries support, educate and train their employees to understand the importance of environmental protection and set the policy to do so as continuing practice to improve quality or work.
- 3.13 The Company and its subsidiaries support the use of resources efficiently by setting a policy to improve work systems including replacing equipment to be more energy saving.

- 3.14 The Company shall be available for any Stakeholders to contact or report any concerns that may cause damages to the company by contacting the company's secretary. All matters shall be taken into consideration and under investigation procedure and the conclusion shall be made to present to the Company's Board of Directors. The investors and the Shareholders can contact the Investor Relations by contacting Mrs. Chanida Devahastin Na Ayudhaya, Tel. No. 02-3115111 ext. 7674 or Fax. 02-7414823 for any further procedure in relating issues.

4. Disclosure and its Transparency

The Company shall disclose any important information accurately and completely within the timeframe. For example, through the year, there will be a disclosure of financial statements report, quarterly report, report of any events occurred during that time including any changes (if any) of shareholding structure and annual disclosure report which consists of the Company's financial statements, annual performance report, annual information listing and annual report. To conclude, the list is as follows:

- 4.1 The company shall disclose its transparent shareholding structures of both the Company's and those of its subsidiaries.
- On the account of Shareholding' structure, the list shall reveal the individual names under the same shareholding group including the number of shares in percentage proportion within their group , 9 other Shareholders and other minor Shareholders with smaller percentages in holdings which is more than 40% in total.
 - The individuals who own the shares under the same group, Beneficial Owners' names shall be clearly listed.
 - The number of shares held by the Board of Directors and executives shall be disclosed.
- 4.2 A list of the Board of Directors shall be accompanied by each individual name and last name, education background, the responsibility and skills of being the director trainings, work experiences and the companies that person being the director.
- List the name of Independent Director of which 1/3 of the group.
 - List 3 names of the Audit Committee who are also Independent Directors and possess the knowledge and are capable of scrutinizing the Company's financial statements information.
 - Disclose the distributing rules of the Board of Directors' remuneration and identify the type of payment for each Director based on position such as the meeting allowance and the amount of each individual received.
 - Disclose the total amount of remunerations made to higher rank executives including its policy, type of payment and to which category it is made to.
 - Disclose the meeting attendance record for each director and other subcommittee groups in the past year under the title of the committee meeting title.
- 4.3 The Company sets a policy inquiring each director to report their holding shares of the Company to the Chairman of the Board of Directors including a copy sent to the Company's Secretary.
- 4.4 The Company shall disclose a complete "Related Transactions" report by showing the individual names under the Related Transactions' listing, their relationships, descriptions of each item, conditions or pricing policy, value of the transaction and the necessity. In the past year, all transactions are under the course of business.
- 4.5 The Company shall appoint the auditors approved by the Annual General Meeting of the Shareholder's resolution. The appointed auditor shall work independently, with no relationship to any Shareholders, Board of Directors or executives including endorsed by the Securities and Exchange Commission.
- 4.6 The Company's financial statements is audited and approved by a reliable auditor without any conditions.
- 4.7 In the past year, the Company had no record of delaying annually or quarterly of financial reports' delivery. The Company had been prompt in disclosing and delivering the reports.

In addition, in the past year, the Company did not receive any requests from the office of Securities and Exchange Commission for corrections.

- 4.8 The Company will disclose its financial status, operational performance, cash flow statements and other financial statements, including notes to consolidated financial statements, all of which can be found at the last part of the annual report. In addition, the management's discussion and analysis, operational performance, important changes and the factors of cause and effect of the previously mentioned shall be found under separate title.
- 4.9 The Company shall provide details of business operational characteristic and competition including all other information of major business of group companies.
- 4.10 The Company shall disclose the operational risk by indicating type of risk, cause and effect, its likelihood and countermeasures for each type of risk under the title of Risk Factor.
- 4.11 There are quite a few different communications methods between the company and the Shareholders / the investors, for example through the annual report, annual information, financial statements report, news via electronic communications of SET and company's website including arranging meetings with the analysts who interested in Company's information.
- 4.12 The Company has its own website offering all kinds of information regarding to the annual report, financial statements, meeting invitations and other related information, all of which are periodically updated.
- 4.13 The Company has set up a department of Investor Relation where Shareholders, investors and analysts can contact at their most convenience to Mrs. Chanida Devahastin Na Ayudhaya Tel. 02-3115111 ext. 7674 Fax. 02-3116867. In the past, the Company has been in contact with Shareholders, meeting with the analysts and from representatives of investment institutions.

All the above mentioned information can be looked up by referring to the title page number on the table of contents.

5. The Responsibility of the Board of Directors

The Board of Directors' responsibility to the Company, Shareholders and Stakeholders under the guidance of Corporate Governance as following:

- 5.1 The Company sets a policy and provides a Corporate Governance Handbook which is approved and signed by the Board of Directors. Thereafter, the Company shall communicate with the relating organizations to acknowledge, sign and proceed to follow its guidelines.
- 5.2 The Company and its subsidiaries conform to the same business ethics under the same directions. All Stakeholders are treated based on business ethics which are integrity, quality and service. All relating parties have well acknowledged and followed its work guidelines consistently. This ethics policy is clearly posted in public and has been translated into practice by all levels of the Company's employees. Moreover, the Company has diligently and consistently overseen the aforementioned policy.
- 5.3 The leadership and the Board of Directors' vision
The Company's Board of Directors will determine the Company and its subsidiaries' objectives, vision, obligation, strategic goal and business management policy to all departments including Directors and employees to acknowledge and follow in the same direction.
- 5.4 In the past, the Board of Directors and the Audit Committee had overseen the Company's rules and regulations without any legal violations. The Board of Directors has conscientiously and skillfully performed their duties as any wise decent human would do. Every Director in the Board has passed the training program of the Board of Directors about the responsibility and skills of being the director by Thailand Institute of Directors (IOD).

- 5.5 The Company also forms an “Internal Audit” department working in accordance with the audit plan and to be in charge of inspecting job as needed.
- 5.6 The report done by Internal Audit will be submitted to the Audit Committee.
- 5.7 The Audit Committee shall present a working report in conclusion and review the Internal Control System with remarks and then report to the Board of Directors meeting by quarterly period.
- 5.8 On the account of Related Transactions, the Audit Committee will consider its suitability and feasibility of its price value and submit the case to the Board of Directors before the transaction occurred.
- 5.9 The 2012 Audit Committee Report appeared on page 75.
- 5.10 Every member in the Board of Directors has passed the training program of the Board of Directors about the responsibility and skills of being the director organized by Thailand Institute of Directors (IOD).
- 5.11 Besides, the basic training of Director Accreditation Program, a few Directors of the Board of Directors has also attended the extension program. Such as in 2012, Mr. Vacharaphong Darakananda attended the continuing course of Role of the Compensation Committee (RCC) No. 15/2012. Regarding Board of Directors' training information, the detail is shown on page 16.
- 5.12 In the past year, there were 12 Board of Directors meetings in all. According to the information from the Structure of Management in the Board of Directors' Meetings, all members had attended the meeting regularly except those who were abroad during the meeting time. However, some members did have access to a Video Conference System and were able to join the meetings from abroad.
- Normally, the Non-Executive Director (NED) such as the Audit Directors who are also Independent Directors (ID) shall also organize meetings among themselves or sometimes with the auditors, but without any management team involved, to evaluate the different matters that draw attention and sometimes the meetings will include the auditor as well.
- 5.13 The Company has clearly divided the roles, duties and responsibilities between the Board of Directors and the Management Team. Any cases that required specific authorization, the Management Team shall relay to the Board of Directors for consideration regularly.
- 5.14 Once a year, the Board of Directors shall have a self-evaluation report. The Company's secretary shall also collect all other evaluations and report to the Board of Directors to be acknowledged and for further improvements.
- The President's performance evaluation shall be considered for the purpose of remuneration by the Remuneration Committee.
- 5.15 According to the Company's policy, visions and obligations regarding its employees and executives, the Company shall plan the successors and prepare suitable personnel to take over the top executives and other high level executives at least 1-2 years in advance by providing training and placing the suitable personnel on the right position in order to warrant uninterrupted work and to accomplish the Company's goals.
- 5.16 The Company's Risk Management Committee shall hold meetings, make plans and lay down operational procedures for all related tasks including scheduling the Risk Management training to all company's subsidiaries' executives and employees in order to reach the whole organization's objectives under the same direction. Also, a Follow-up System shall be carried out to keep its practice corresponding with any changing circumstances.

5.17 The Company sets a clear policy of Conflict of Interest as part of company's rules and regulations and reified into practice.

5.18 The Company shall appoint the Company's Secretary whose duty is to give legal advice and notify any rules to the Board of Directors, to oversee the Board of Directors' meeting activities, arrange minutes of the meetings including related documents. Also the Secretary shall collaborate with all related parties to conform to the Board of Director's resolutions. The Secretary is responsible to oversee the rules issued under the Securities and Exchange Act. Volume No. 4 (B.E. 2551) Section 89/15, Section 89/16, Section 89/17 and Section 89/23 are followed accordingly.

5.19 The Chairman of the Board of Directors shall be independent from the Company's executives and is not the Company's full time executive.

5.20 The Chairman of the Board of Directors is neither the same person as the President nor has mutual relationship. Therefore, their duties are clearly separated based on the scope of each individual's authority and position. Details can be found in the Managing Policy Manuals.

5.21 The Appointment of the Audit Committee and their relating duty.

The Company's Board of Directors have appointed the Audit Committee that are fully qualified according to the Stock Exchange of Thailand's requirements issued since 22 October 1999 and complied with the Securities and Exchange Commission (SEC) Proclamation year 2009 as well. Each member shall hold the position for a 3-year-term and shall be an Independent Director (ID) as well as a Non-Executive Director (NED). In the year 2012 the Audit Committee is consisted of:

Name	Position	Number of Attendances:
1. Mr. Sompop Amatayakul	Chairman of the Audit Committee/ Independent Director	4/4
2. Mrs. Araya Arunanondchai	Audit Director / Independent Director	4/4
3. Ms. Pakinee Prertitumrong	Audit Director / Independent Director	4/4

All 3 Audit Directors have continually been working independently. In 2012, there were 4 Audit Committee Meetings and the performance reports were made to the Board of Directors byquarterly period. The committee has performed their work in full compliance with every charter as following:

The Audit Committee has formed a charter in writing with the approval from the Company's Board of Directors by declaring the scope of authority, role of duty and responsibility clearly as following:

1. Review the Company's Internal Control Process for its suitability and efficiency.
2. Be part of the selecting procedure, reviewing and nominating the external auditor by collaborating with the coordinating Director and external auditor in relation to the company's financial report and review for accuracy and reliability.
3. Oversee the company's business practice to be in compliance with laws and legal regulations and no conflicts of interest.
4. Provide the conclusion of the Audit Committee's performance report which is verified by the chairman of the Audit Committee and later to be disclosed to related parties on the Company's annual report.
5. Assign the management to correct any errors found promptly.
6. Follow up and evaluate any important tasks
7. Oversee other miscellaneous tasks assigned by the Company's Board of Directors within its authority as stated on page 8 and 10.

Therefore, upon the operation of the Audit Committee of the year 2012, the Company has enclosed "the report of Corporate Governance of the Audit Committee" as part of the Audit Committee's Report as shown on page 75.

5.22 The Internal Control System and the Internal Audit

The Company emphasizes on the importance of Internal Control System's efficiency on both executive and employee levels. Therefore, the Company set the rules and proper procedure with clarity but without repetition by dividing the duties between the task performers and the quality controllers completely from each other. This is to create checks and balances ensuring work performance. Moreover, a Financial Report System is presented to the executives showing the record of work efficiency. There is also a property control system to oversee the Company's benefits. The detail of the Board of Directors' opinion over the internal control system was disclosed and can be found on page 57-58.

The Company's Internal Control Process oversees the Company's work system, major task operation and financial activities to be in compliance with the rules and also be efficient. The Internal Control Process will work directly with the Audit Committee according to an annual audit plan and to be in charge of inspecting job as needed. The Internal Control Process team shall report directly to the Audit Committee. Upon any urgent matter, the Internal Control Process team can make a direct report to the executive to address any corrections or improvements immediately. In such case, the Company's Internal Control Process will work fully independently from the Audit Committee.

5.23 Nomination and Remuneration Committee

The Company forms the Nomination Committee and the Remuneration Committee as one committee. Most members, which are 66% of the committee, including the Chairman are independent director. The Committee has highly experienced and well qualified directors. They are:

Name	Position
1. Mr. Sompop Amatayakul	Chairman of Nomination and Remuneration committee / Independent Director
2. Mrs. Araya Arunanondchai	Nomination and Remuneration committee / Independent Director
3. Mr. Chutindhon Darakananda	Nomination and Remuneration committee

The scope of duty and responsibility of the Nomination and Remuneration Committee are as followed:

1. Set up guidelines for nominating the Company's director.
2. Select the qualified persons suitable to be nominated for new directors, according to the SEC's requirements.
3. Review the guidelines of the director's remuneration.
4. Set the value of remuneration for the director before proposing to the company's Board of Directors meeting's consideration.

In 2012, the committee held one meeting for considering the related matters with members' full attendance.

5.24 Independent Director (ID)

The Company had a total of 5 independent Directors out of 15 as of the end of 2012, which is 1:3 ratio. All independent Directors possess the qualifications according to SEC – Securities and Exchange Commission's rules, in addition to their knowledge of company's business.

5.25 The Company had 7 non executive Directors out of 15 or 46.67% of the Board of Directors.

5.26 The Company has no plan to entitle any executives to buy Company's securities.

5.27 In the past year, the Company's Board of Directors assured that all the work and activities were in compliance with the Company's objectives and policies which emphasized on accuracy and transparency. Thus, there was no actions or offences against the related rules and regulations.

5.28 According to the Company's Corporate Governance, the Company is against any kinds of corruption and illegal practices. Therefore, the Company shall neither cooperation nor involvement with any corrupted matters.

Internal Data Usage Control

From the beginning, the Company set moral measures for the executives and employees to follow. The Company's core value is emphasizing Integrity, Quality and Service. Also there are other related company rules as follows:

- Prohibit the use of either self-authority or other's authority for personal benefit or assisting others in an illegal manner.
- Dedicate time and attention to the work for the Company's benefit
- Perform duty with best knowledge and effort
- Perform duty honestly and loyally

The Company exercises the disciplinary actions against wrongdoers if there is any violation of the above mentioned. Penalty measures are clearly stated in the Company's rules.

Moreover, the Company set a policy to prevent using the internal information for trading Company's securities. In order to avoid unequal opportunity to outsiders, the Company's Board of Directors resolved that the executives and Board of Directors must avoid trading for 14 days prior to the disclosure date of the Company's annually or quarterly financial statements report and within 24 hours thereafter. The Company's Secretary shall be in charge of making announcements of the Silent Period schedule regarding the Company's security trading.

Personnel

As of 31 December 2012, the company has had 80 employees, divided among 2 areas; Sriracha area : 8 employees and Phrakonong area : 72 employees. The Company's subsidiaries' total number of employees nationwide is 8,072. In the past 3 years, the Company has not obtained any major labor disputes.

Since year 2007, the Company has made some changes on its structure of management by setting a policy to allow direct sales between subsidiary companies and the customers. In order to provide uninterrupted service to the customers, the Company has relocated some employees to resume the same positions at the subsidiary companies. As a result, the number of employees has significantly changed from the past.

The total remuneration of the Company's as of year 2012 came as monthly salary, bonus pay, provident fund and social security fund with the total value of 60.7 million baht.

The Company's human resource development has set a policy projecting employee self-evaluating, creative thinking and job improvement. The employee should have knowledgeable, ability and skills in accordance with the applicable job description including a potential ability to take on a higher level position. Thus, the Company has been training employees using both inside and outside seminars, depending on appropriate occasions. The Company attends seminars designed for mid-level executives as part of the Company's continuing executive development plan, organized by Chulalongkorn University. This has been done continually to prepare the Company's accounting department to become one with global standards, legally promulgated since 1 January 2011 which the Company will enforce on 1 January 2013.

INTERNAL CONTROL

The Company has stressed the importance of its internal control as the key of operational system, financial reporting and performance in compliance with the rules and regulations of government agencies involved. The internal control process is aimed at getting the Organization's executives and employees to perform their duties correctly, transparently and fairly to all stakeholders, and reducing potential risks taken to the Company. This allows the Company to manage in a long term, its business under changing circumstances. In 2012, The Board of Directors and the Audit Committee evaluated adequacy of the Company's internal control process. The result can be summarized as follows:

1. The Organization and its Environment

This is basically essential to efficiency of internal control process. The Board of Directors are charged with setting appropriate goals of business operation, clear and measurable investment plans as guidelines for employees' performance. As for objectives of operation, they are determined on the basis of assessment of potential forecast and are also taken into consideration scrupulously by the Board of Directors. Moreover, an analysis of incentive offerings and reasonable remunerations for employees, neither too high nor too low has also been conducted. The organization structure was developed to support efficient operation of the management by providing guidelines and appointing the board members to supervise its subsidiaries, authorizing the executives and showing the organization chart approved by the Board of Directors. This is for the purpose of facilitating communication as well as coordination for the executives, monitoring organization operation to meet its targets, including following up the Company's performance of both domestic and overseas investments which are clearly classified into business and geographical areas. These objectives are set each year; the quality of performance is assessed every month by the Audit Committee who attends meetings regularly and work plan review is conducted at least 1 time every year. Concerning employees' performance, apart from evaluation as planned, the Company has also prescribed timing of their work finishing, introduced written regulations stipulating ethical behavior as well as prohibition of action that may provoke conflicts of the interest, including sanctions in case of breach. These provisions are set forth in terms and conditions for the executives and employees in Section "Disciplines and Disciplinary Actions",

and "Confidentiality". The Company is strictly committed to the value of business ethics and its philosophy of "Integrity, quality, and Service" to all related stakeholders in terms of financial transactions, purchasing and general administration. The Company has provided flexible guidelines, on the contrary; operation regulations are tightly written, aiming at preventing corruption. Under the policies and operating plans, the Company demonstrates its concern about fairness to its business partners, customers and all stakeholders for the benefits of the Company and its investors in the long term.

2. Risk Management

The Risk Management committee has a role in identifying risk causes which may arise from internal and external factors, on the basis of the market condition, the changing economic, social, technological and political situation including impact of foreign exchange. The Company has classified risks into diverse categories; namely, business risk, operational risk, financial risk, and external risk. These risks shall be identified. Furthermore, likelihood and impact of risks on the Company, priorities or significant implications, provision of measures to mitigate risks to some degree shall be analyzed as well. Periodic monitoring of activities, review of performance assessment, including information updating shall be conducted, aiming at establishing policies, ensuring follow-up of the entire organization and having working groups concerned continue to proceed. To give an example, risk to receive the return in the future is evaluated and the result shows that it cannot be realized as expected. Consequently, some modification is needed. In this regard, employees involved are notified through existing internal communication systems and are requested to comply with the risk management measures in order to reduce the risks. In addition, the Managing Director of each business unit shall report periodically some important issues and effects to the Company to ensure that each business unit has complied with the prescribed measures or plan.

3. Executive Operation Control

The Company has clearly determined different scopes of powers and duties, including approval limit authorization of the Management at each level in writing. Concerning these roles, they are strictly divided into three groups for the purpose of cross checking. That is role of approval, role of transaction

and information recording and role of asset management and storage. In case of conducting business transactions with major shareholders, board members, executives, or any other related persons to these people, the transaction shall be interrelated items with transaction accounts as of normal business, with general commercial conditions that are observed the same as by those of the third parties. They are mainly concerned with the Company's optimal interest. Moreover, determination of transaction approval shall be done by people who didn't have the common interest. The Company has duly complied with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission relating to the interrelated transactions and has disclosed the data through the Stock Exchange of Thailand and/or in Notes to the Financial Statement. In case of transactions with related parties such as major shareholders or the Management, the Company's measures shall cover the case that the said related parties have exploited the opportunities or interests of the Company for his or her personal benefit, as set forth in terms and conditions of Management. In case of authorization of transactions with the related parties in the manner of committing the Company in long term such as product purchase and sale or guarantee, the Company shall monitor the follow-up through agreed conditions throughout such commitment period. In case of the Company's investments in subsidiaries or associated companies, the Company shall follow up their operating results regularly and shall also provide guidelines to the board members or to executives of those companies. Moreover, the Company shall take measures and policies on following up their activities in compliance with relevant laws and regulations, in order to reduce the risks of business operation and to establish good corporate governance of the Company.

4. Information and Communication

The Company gives high priority to the information and communication since important decisions are based on sufficient and accurate information. Therefore, critical information shall be adequately submitted by the Management concerned to the Board of Directors for consideration and decision making at the meetings. In this regard, the board members shall be summoned to a meeting and receive the minutes at least seven days in advance. The minutes shall contain details of proposals, inquiries, opinions or remarks in agreement or opposition of the board members, including reasons (if

any). As for the filing related to supporting documentation of accounting records, the Company has properly classified into categories. There has been no complaint from the Auditors in this respect so far. Regarding the accounting policy, the Board of Directors has stated that the Management has applied accounting principles generally accepted, which are suitable to the Company's business. This is aimed at reflecting the actual results of its operating performance, which are informative, complete and accurate, in conformity with the Accounting Act 2000. In addition, the Company has selected a recognized and reliable audit office providing its auditors approved by the Securities and Exchange Commission.

5. Follow-up System

To make a business operation run effectively and efficiently, the Company had set its objectives and the board members have closely monitored the performance of the Management through comparative findings, to see whether they are achieved or not. In case the performance is different from the goals, the Company has taken corrective actions within appropriate duration on case by case basis. For those which cannot be remedied due to environmental factors or other constraints, the Board of Directors shall be kept informed about adjusted actions. The Company has also evaluated continuously internal control monitoring by reporting the results directly to the Audit Committee, allowing internal auditors to work independently and to present fairly their reports. If some significant failings are detected, they must be promptly communicated to the internal auditor in order that the latter should consider remedial actions to be taken within a reasonable time period. In case of fraud, suspected acts, noncompliance with the laws or any actions which may have a significant impact on the reputation or financial position of the Company, the internal auditors shall notify them immediately not only to the Audit Committee, but also to the executives. Additionally, the Management shall report progress of correction of the matter to the Audit Committee. Company has determined that in case of different opinions between the Audit Committee and the Board of Directors, the writing evidence shall be made in the minutes of the meeting. However, this event has not happened yet. In this regard, the Company has disclosed the report of corporate governance to the Audit Committee on page 75.

RISK FACTORS

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

The following are risk causes that may significantly affect the Company.

1. Business risk is the risk on returns on investment, which are different from anticipated returns.

The Company's major business is investment, consisting of domestic and foreign investment capital on which the return is in the form of dividend. Thus, the risk may arise from this unrealized return that would result in profit diminution. The Company estimates that likelihood and impact on this case are at a moderate level owing to diversification of investments. The ways of managing risk are through a conduction of close follow-up to performance and return on investment, including assessment of the future situation for business investment to anticipate solutions. Having considered the events that occurred in 2012, the Company estimated that the return on investment for the Jiangsu-Union Cogeneration Group Co., Ltd. and Huanan-Union Spring Cogeneration Co., Ltd., manufactures of electricity and steam and Yixing-Union Biochemical Co., Ltd., manufacture of citric acid, would not be worth much. This is because the Company did much investment in environment pollution controls, but without an agreement on sales price of electricity. Furthermore, the trend of profits for these power plants was

risk running at a loss. As for the operational business of the Yixing-union Biochemical Co., Ltd., since the performance were loss for a period of time, the Company decided to resell the investment capital, according to the information disclosed in November 2012 via the electronic media system of the Stock Exchange of Thailand. Up to present, there has been no damaging impact on the investment capital mentioned.

About the decrease in revenue from investment, the Company has taken measures by creating a new business that can be continued. In 2012, the Company has developed a joint investment in real estate business with Chinese Party at Shaoxing, in Zhejiang Province of China, with a registered capital of RMB100 millions.

Apart from the risk on the return on investment as described above, there is another risk cause that may occur in the future, arising from a change in accounting standard; from Thai to international practice, involving precisely interpretation of the International Financial Reporting Standards No 4 (IFRIC 4) related to assessment of the agreement, whether it included lease contract or not, and No 12 (IFRIC 12): service concession agreement. This concerns interpretation of business on electricity generation as a lease or service concession, which will affect the operational business of Ratchaburi Power Company Limited, invested by the Company. The latter may have to modify the accounting record model. In spite of its revenue arising from production and sales, it shall be gradually recorded as earnings related to concession period, according to the new accounting standard. It means that net profits would decrease in the early years. As a result, the Company would get less dividends.

2. Operational risk Considerable operational risks are as follows :

2.1 Risk of damage and management errors of invested business

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

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

2.2 Risk of reliance on orders from a few key customers

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

3. Financial risk The following are significant financial risks:

3.1 Risk of foreign currency exchange loss in the associated companies

According to the Company's analysis, the potential risk and their impacts are high because of the fluctuation of exchange rate for Thai baht compared to US dollars, during the past year. Thus, this affected foreign currency-denominated expenses and earnings from product sales, then exchanged to Thai baths. When Thai baht appreciate in value, the amount received in Thai baths declines. In this regard, the export volume is quite a great deal; substantially, this risk factor plays an important role. The Company takes action by assigning a personal to be responsible with the ongoing situation and the exchange rate. This person has to report activity and consult with Managing Directors of the associated companies, in relation to prompt decision-makings.

Additionally, the associated companies have to report impact of foreign currency exchange rate, including number of debtors and creditors to the Company. Normally, the Company has its policy to manage this risk by using Natural hedge and consider making Forward contracts with banks according to the situation. This is only to prevent the risk, but speculation about exchange rate is not permitted. Moreover, the Company has invited from time to time key speakers from financial institutions to bring about more knowledge and skills, at the same time to place emphasis on management vigilance, to executives and personals concerned.

3.2 Risk of impairment of investments

The Company's main business is investment, in many kinds of investments. With the passing time, changes in economic and political situation, demand and supply, energy price as well as raw material price may influence some business types invested by the Company. If the performance of these associated companies is negative, the value of shareholders' equity will decrease. In case the decrease is inferior to the total of Company's investment, it is necessary to record the impact on low-value of investment. In this regard, the Company assessed that the potential risk and its impacts were at a moderate level. The Company's measure has been through quarterly assessment of invested business. In this regard, the Company conducted assessment of this risk and impairment of investments were accounted for in the notes to financial statements for the years 2012 No. 13, No. 14.1, No. 15 and No. 16.

4. Risks arising from external circumstances

These risks, being beyond control of the Company, are as follows:

4.1 Increasing in oil and energy prices in the world market

Based on uncontrollable external situations, this type of risk may result in increasing prices of raw materials, transportation as well as capital involved such as energy and electricity. The sales price of products on the market cannot be raised on proportion to the increase

in raw material prices while the cost is growing. This causes a decrease in gross profit. According to the risk assessment conducted by the Company, exposure to the risk is classified as high and its impact is moderate. Therefore, they have taken measures by providing an experienced supply agent of raw material in order to develop planning strategy related to appropriate quantity and duration. In addition, the Company has sought to save energy or to modify operational methods for the purpose of reducing energy costs by running machines during off-peak period.

4.2 Increasing interest rate risk

The source of working capital of some subsidiaries is partly from loan. Therefore, the increasing interest rate results in financial costs. This factor is outside the control scope of the company. If interest rates rise, it will affect the cost of financial year. In around 2012, the interest rate was similar with the previous years. However, the Company and its subsidiaries do not have huge loans. Thus, the risk assessment and its impact are at a low level. To prepare for this event, the Company has a policy to prevent this risk by maintaining a portion of the structure between debts and funds accordingly so as to get a high return on investment than the financial cost of the company.

4.3 The risk of Global economic change

In 2012, the world economy was affected by the economic crisis in Europe and in the USA, so was Thai economy. As a result, the associated companies got less order volume from the European and American customers; the quantity of sales products dropped as well. This might affect the companies' operations, in which the Company had invested. According to the risk assessment, the Company carries more risk than its impact, owing to investment type of long-term yields. Regarding risk management measures, the Company has focused on careful consideration about investments, follow-up of economic situation in the invested partner's countries, including study of fundamental factors in the countries to be invested, on the purpose of getting proper yields.

4.4 The risk of accidents and natural disaster in Thailand and overseas

Based on the natural disasters in Thailand, at the end 2011, and the Tsunami in Japan at the beginning 2011, the Company has assessed a high potential risk which is beyond control of the Company. However, its impact is moderate as the Company gets the subsidiaries situated in risky areas to take measures on flood prevention by constructing permanent anti-flood walls, in accordance with the prevention plans. In case of disaster, there could be the least damage. The budget for this investment is about 50 millions. In addition, insurance against accidents and natural disasters are provided, as it deems appropriate.

The risk factors are reviewed by a Risk Management Sub-Committee who consider impacts, trends and likelihoods of risks and also finds the ways of improvement measures, according to the changing circumstances for each time period. In this way, business will be operated in a long term.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND OPERATING RESULTS

1. The Performance on Business Plan

The Company and its subsidiaries have performed their business plan locally and overseas. Locally, in 2012, the subsidiary has gradually expanded its production capacity for the vacuum bottle business, from 7.5 million pieces to 9 million pieces a year. The Company aims to further expand the production capacity to reach 12 million pieces a year. The economy and market situation and, however, will be taken into account prior to any decision.

Overseas, the Company has a continuous investment plan; a mutual fund project for real estate development in Vietnam entitled “Ban Yan Tree Indochina Hospitality Fund L.P.” The fund is currently under the collection period according to the project plan, as the construction proceeds. At the end of 2011, the investments paid were equivalent to 90.9 million Baht. During 2012, the Company paid additional investments collected by the project for a total of 232.97 million Baht. Project directors are prospect that the project plan is proceeding as planned. Currently, the first phase of the project has already been finished, expected to be available for service in the near future.

Another joint venture real estate project in which the Company and its subsidiaries have 49% of the investments, approximately equivalent to 677 million Baht, is separated into 3 phases of time and construction area. In 2012, phase 1 of the project has been transferred and the revenue has recorded as planned. The other two phases are currently under construction.

2. Operating Results

During 2012, regarding the Company's operating result under its separate financial statements calculated according to the cost method, the net profits were 1,016.29 million Baht, an increase of 255.96 million Baht or 33.66% compared to the previous year's net profit of 760.33 million Baht. The major factor was that the dividend incomes from investments in associates held for sale increased by 102.27 million Baht, most of which was the returns from power plants in China. However, gains on disposals of investments dropped by 27.13 million Baht. Moreover, in the previous year, the Company had recorded the losses from impairment of investments for 68.55 million Baht, of which partly came from the power plants in Yunnan province, China. While in 2012, there was a reverse transfer of the net allowance for impairment of net investments of 108.32 million Baht. This was because of the investments in Thailand which no longer shows any indication for impairment, thus reversed and considered as revenue of 176.86 million Baht. The gross profit decreased by 7.31 million Baht, due to the lower sales volume of textile business-related materials when the textile market was faced with recession. Therefore, the corporate income tax expenses also decreased by 8.95 million Baht. For the reasons above, the net profit in 2012 under separate financial statements was 1,016.29 million Baht, calculated with the cost method under the accounting standard. The net profit mentioned was different from the net profit under consolidated financial statements which was calculated with equity method. In 2012, according to the operating results of the Company and its subsidiaries under the consolidated financial statements in the profit to equity holders of the Company was 1,229.22 million Baht, increasing by 491.14 million Baht or 66.45% compared year-on-year with the amount of 738.08 million Baht in 2011. Main reasons for the changes in the operating results were due to the impacts of following factors:

2.1 Objective and Policies of Government Agencies

According to the government plan for ASEAN Economic Community (AEC) preparation in the previous year, the corporate income tax was reduced from 30 % to 23 % in 2012 and to 20 % in 2013, as a means to support foreign investments. This has lowered the amount of corporate taxes among public sector, resulting in increasing net profit.

Another government policy aiming to improve the cost of living by increasing the minimum wage since last year has increased the production and management cost consequently. The overall net profit dropped with this factor.

Furthermore, the tax reduction policy for people who bought their first car boosted the production in automotive industry, reducing fixed cost per unit. The growing sales volume resulted in the increasing net profit.

2.2 Trends and Directions of Asian Economy

As the Company has invested in various businesses in China, in terms of real estate business in the suburban area of Shanghai, the urbanization has expanded and resulted in a greater demand for modern accommodation. It also depends on the local government policy whether to encourage or to suspend the growth of real estate business in that time. Therefore, the sales volume of this business does not solely rely on the market demand, but also on the direction of how the local Chinese government controls the economic growth of this business. Consequently, it is important for the Company to take into account the trends in order to estimate the construction period of the project for phase 2 and 3. However, the revenue was completely recorded due to the fact that the transfer of ownership in phase 1 of the project has already finished last year.

The recovery of Japan economy after severe damaged by the Tsunami, in the last year has increased the demand for consumer goods. There has been an increase in orders for vacuum bottles. Companies in this production group are currently expanding their production capacity so as to respond to the growing demand, resulting in more net profit.

2.3 Fluctuation of Security Prices in Overseas Secondary Markets

The Company's type of businesses is investment. As the Company has invested in service and manufacturing industries, and overseas secondary markets, the outstanding investment in securities at the end of the accounting period have to record as the market price, according to the accounting standard, the variance between of the costs and the market prices at the end of the accounting period shall be acknowledged unrealized profit or loss on such date in the income statements. Only if the securities are sold, such item will be reverse and acknowledge the actual profits (or losses) from selling securities. It can be seen that the more fluctuated of the security prices in overseas secondary markets are, the more recognition of such difference has accordingly; however, the Company has its policy to invest in the good fundamental businesses; and proper returns are expected.

2.4 Foreign Currency Exchange Rates

As the Company and its subsidiaries have a high proportion of business transactions of import-export with foreign companies, the Company has implemented the currency risk management by using the natural hedge method. For margins of more foreign currency to be received from product sale than the amount to be paid, the Company will buy derivatives contract to prevent risks. Whether the Baht will increase or decrease depends on the exchange rate. In 2012, the Baht tend to appreciate stronger compared to previous years, and fluctuated at year end, resulting in the lower amount of money in Baht from the exports.

2.5 Fluctuation of Raw Material Prices

The Company's subsidiaries in textile business group are still affected by the fluctuation on prices of raw materials (mainly cotton). The price of cotton in global market fluctuated widely in 2011, going up sharply before starting to fall from the end of the year to early 2012. The prices of finished goods depend on the market prices despite the fact that the cost surpasses the sell prices. The Company had to record the inventory impairment, resulting in dissatisfying performance and fewer dividends in textile business.

In addition, the prices of natural rubber, the main raw material of rubber business, dropped in 2012, resulting in lower cost, thus slightly better performance.

Lastly, higher profits seen this year are not resulted from external factors.

3. Previous Operating Results of the Business Group

3.1 Sales and Service Income

In 2012, the Company had its sales and service income amounted to Baht 9,332.78 million, an increase of 1,357.37 million Baht compared to 8,755.41 million Baht in 2011. This was mainly because of better performance of the plastic, rubber and metal business group. There was an increase in orders for plastic business, as a result of the massive flooding at

the end of 2011 which had rendered several factories of other competitors out of order. Customer's automotive factories also needed to accelerate their production so as to compensate for the downtime during the flood incident. This resulted in greater number of orders over the Company's affiliates, coupled with the government's first car tax reduction policy which surged the number of orders for cars. Moreover, there was a huge increase in vacuum bottle orders from foreign countries. The Company has expanded its production capacity accordingly, leading to greater sales volume in 2012.

3.2 Other Incomes

In 2012, the Company and its subsidiaries also had other incomes aside from the sales and service mentioned above. Most of other incomes were from investments, with the total of 1,174.59 million Baht, increasing by 40.64 million Baht or 0.41% of the total profit compared to that in 2011 which was 1,133.95 million Baht. These changes were due to the following factors:

3.2.1 Dividend income dropped by 59.0 million Baht, because in 2012, the Company had received its dividends from Ratchaburi Power Co., Ltd. which sell electricity to the Electricity Generating Authority of Thailand (EGAT) for 180 million Baht. The figure was 50 million Baht lower than the dividend paid in 2011 accounted for 230 million Baht.

In December 2012, The Company also received dividends from Jiangsu-Union Cogeneration Group Co., Ltd. whose investments have already been sold to non-affiliated Chinese investors. These dividends were separated as benefits from investments in associates held for sale, amounted at 111.5 million Baht. Combined with the income mentioned in the previous clause, the Company gained more dividends in year-on-year comparison with the previous year, an increase of 52.5 million Baht.

3.2.2 In 2012, the Company had gain on exchange amounted to 43.63 million Baht, decreasing by 23.76 million Baht compared to 67.4 million Baht in 2011. Gain on exchange derived from textile and vacuum bottle business but it was decreased due to the difference between the exchange rate on the date of sales and on the date of payment. In 2012, the Baht grew stronger against the US Dollar which is the main currency used in exports.

3.2.3 Investments in 2012, the outstanding securities at the end of the accounting period had to be record as the market price. The difference at the end of 2012 is shown as unrealized gains from revaluation of trading securities amounted at 213.43 million Baht. Year-on-year comparison shows the amount of unrealized losses from revaluation of trading securities amounted 152.29 million Baht. This means an increase of 365.73 million Baht.

Investments sold during the year were recorded as gains or losses on disposals of investment. In 2012, there were losses on disposals of investment and the payback from subsidiaries amounted at 32.29 million Baht compared to the gains on disposal of investment in 2011 at 177.82 million Baht. This means a decrease in gains on disposals of investment by 217.11 million Baht.

3.2.4 Rental income in 2012 was equal to 224.24 million Baht compared to 253.34 million Baht in 2011. The majority of rental income was from the 3-year lease of the Company's Sriracha Branch properties. The lease will expire at the end of 2013. The Company also received overseas rental incomes from the lease of investment properties. The decrease in gains was due to the lower overseas incomes.

Other incomes apart from what mentioned above were similar to those of the previous year.

3.3 Selling and Administrative Cost and Expenses

In 2012, the Company and its subsidiaries had the cost of sales and services amounted to 8,381.18 million Baht, increasing by 423.12 million Baht compared to 7,958.05 million Baht in 2011. The main reason was that in plastic, rubber and metal business greatly increased due to the growth of plastic business which manufactured automotive parts and exported vacuum bottles. The sale volume increased as mentioned in the Sales and Service Income section. However, the increase in proportion of cost of sales and services was accounted for 5.32% of sales volume, still lower than the proportion of the increase in sales volume at 6.59%. This means the Company had efficient control over the cost of sales.

Selling and Administrative expenses in 2012 were equal to 1,057.17 million Baht, increasing by 106.17 million Baht,

compared to 951.04 million Baht in 2011. The cost of selling takes account for 36.68 million Baht, an increase of 0.42% on sales volume, due to the increase of sales. Administrative expenses increased by 69.45 million Baht, as a result of the government minimum wage adjustment which was considered an uncontrollable and unavoidable factor.

3.4 Profit

In 2012, the Company and its subsidiaries had gross profit equal to 951.60 million Baht, an increase of 154.24 million Baht compared to 797.36 million Baht in 2011. The proportion of gross profit in 2012 was at 10.20%, increasing by 1.09% compared to 9.11% in 2011. Although the overall textile business had losses in 2012 due to the global economic crisis and the fluctuation of raw material prices, another business groups of the Company – the plastic, rubber and metal group – had satisfying performance, receiving more purchase orders, expanding the business, raising sales volume and selling prices, and reducing the production cost. This caused an increase in gross profit.

Regarding the operating profits, in 2012, the Company and its subsidiaries had the operating profit margin to total revenue calculated under the equity method equal to 14.57%, an increase of 3.66% compared to 10.91% in 2011. This was mainly because of ratio of gross profit to total income which increased by 1% due to the higher sales volume of the plastic and vacuum bottle as mentioned previously. The share of profit from investments in associate companies per total income rose by 310.47 million Baht, increasing by 2.84% of total income, because the Company realized a profit from an associate company which sold some part of land in 2012. However, the profit was only received once. Moreover, a real estate project in Jiashan, China, realized profit shares of 84.6 million Baht from the ownership transfer of phase 1 project in 2012. The company reduced the realized losses from the performance of an associate company in Yunnan, where the Board of Directors had a resolution to cease the operation. In comparison with the previous year, the impact was recorded at 224.77 million Baht.

The proportion of net profits to the total revenues in 2012 was equal to 12.32%, increasing by 3.81% compared to 8.51% of total revenues in 2011 because of the operating profit to total income as mentioned earlier rose by 3.66%, when deducted by the proportion of finance cost at 0.72% of total revenues, an increase of 0.50% when compared to 0.22% in 2011 and the proportion of corporate income tax at 1.53% of total revenues, compared to 2.18% last year. As a result, the decreases in corporate income tax by 0.65% in total had increased the proportion of operating profit to 3.81%. After deducting the dividends for holders of non-controlling interest of subsidiaries by 0.62% of the total income, the rest was net profit for the Company's shareholders, accounted for 11.70% of total income in 2012.

Return on equity in 2012 was equal to 7.79%, an increase of 2.85% compared to 4.94% in 2011. This was because in 2012, the net profit increased by 491.14 million Baht as previously mentioned, both from the increases in profit from operating results and net profit.

According to the consolidated financial statements of the Company in 2012, the net profit before dividing the equities of the Company's shareholders and the subsidiaries' non-controlling interest holders was equal to 1,294.73 million Baht, compared to the net cash flow from its operating activities at 1,290.63 million Baht. This means its net profit was in form of cash flow from its operating activities accounted for 99.68%, or virtually all of it, indicating that the Company and its subsidiaries had great liquidity.

3.5 Rates of Returns to Shareholders

As per the consolidated financial statement of 2012, under which the accounting standard required the calculation according to the equity method, the Company shall record the recognition of profit shares (losses) from its subsidiaries and other associated companies. As such, the Company had its net profits attributed to shareholders' equities amounted to 1,229.22 million Baht or the earnings per share was 4.24 Baht (calculated by deducting the number of weighted average common shares with the number of the Company's shares held by its subsidiaries); and the average rates of returns to the shareholders' equities were equal to 7.79%, much higher than the rates of returns compared to the interest rates of the fixed savings accounts of financial institutions.

As per the separate financial statements, calculated by cost method, the net profit was 1,016.29 million Baht or the earnings per share was 3.39 Baht, compared to 2011 when the net profit was 760.33 million Baht or 2.53 Baht earnings per share. In 2012, therefore, the net profit increased by 255.96 million Baht or 0.85 Baht per share, an increase of 33.66%. The reasons for this increase are previously mentioned in the 2012 Operating Results section.

Also, the Company had its policy of dividend payment, depending on the operating results, at the rate of at least one-third of the net profit under the cost method after deduction of cumulative losses (if any) when taking account of the liquidity and the spending needs of the Company. However, the proper rates of dividend payment to shareholders were regularly considered. This year, the Board of Directors has proposed on 21 March 2013 in the shareholders meeting that the dividends would be paid to shareholders at the rate of 1.50 Baht per share or equivalent to 44.28% of the net profit under the cost method.

Records of dividend payments of the Company compared to the earning per share, under the cost method, are as follows:

Year	Rates of Dividend Payment per Share (Baht)	Earnings per Share (Under the Cost Method) (Baht)	Dividends per Net Profit (%)
2011	1.50	2.53	59.29
2010	1.75	4.36	40.14
2009	1.50	2.58	58.14
2008	1.00	0.93	107.53
2007	1.25	0.92	135.87

4. Financial Position

Changes in the financial status of the Company and its subsidiaries as per the consolidated financial statements are summarized as follows:

4.1 Assets

As of 31 December 2012, the Company and its subsidiaries had the total assets of 23,247.64 million Baht, increasing by 1,240.45 million Baht or 5.64% compared to 22,007.19 million Baht at the end of 2011. Significant changes can be summarized as follows:

4.1.1 Components of Assets

Components of assets when making comparison in proportion with the total assets of each year by the end of 2012 were composed of following significant components: current assets at 38.97%; investments at 39.78%; investment properties at 4.70%; net property, plant and equipment at 15.69%; and other assets at 0.85%. When compared to the proportion of changes of assets components in 2011, significant changes were the current assets increasing by 933.64 million Baht or 2.04%, due to the increase of cash and cash-equivalent by 1,347.48 million Baht or 4.74% since the Company had surplus liquidity from selling investments in China and selling temporary investments which decreased by 1.61%. The Company, therefore, decided to change it to bank deposits and to buy treasury bills, so as to be used as potential investments in the future. In addition, the Company had more trade accounts and other receivables amounted at 125.33 million Baht or 0.19%, already deducted by the allowance for doubtful accounts. The inventories decreased by 237.85 million Baht or 1.41% of the components, because the Company reduced the amount of raw materials to be as least as necessary. The decrease of finished goods was also another factor since there were only few remaining finished goods at the end of year.

The investments in associate companies dropped by 125.15 million Baht or 2.35% of the components. In fact, there was no significant change on the investments in associate companies. However, the total investments in overseas associate companies which have to be converted to Baht in the consolidated financial statements caused difference due to the exchange. At the end of 2012 in year-on-year comparison with 2011, the Baht had different exchange rates. Stronger Baht in 2012 made the investments seem to be lesser. Moreover, the investments in other companies increased by 198.49 million Baht or 0.44% of the components, due to the Company's additional payment of 142 million Baht to the real estate fund in Vietnam according to the installment payment in 2012. The remaining was the difference of the revaluation of temporary investments regarding the increasing prices in the market at the end of 2012.

Investment properties increased from the previous year by 59.85 million Baht, because of the increase in investments in overseas subsidiaries as another earnings channel from property leasing.

The property, plant and equipment transactions increased by 273.93 million Baht from the previous year, due to the expansions of 2 subsidiaries in Bang Pakong district regarding plastic business and vacuum bottles. The plan included improvement of the workplace, production system, electrical system, etc. The income in 2012 started to increase.

Assets other than those mentioned above had no significant change.

4.1.2 Quality of Assets

As of 31 December 2012, the balance of trade and other account receivables was amounted to 1,574.41 million Baht or 6.91% of total assets, increasing by 125.34 million Baht compared to 1,449.07 million Baht in the previous year. Of this amount, the trade accounts and other receivables - related companies were amounted to 35.72 million Baht; the net trade accounts receivables of unrelated parties were amounted to 1,391.16 million Baht and other accounts receivables were amounted to 182.11 million Baht deducted by allowance for doubtful accounts of 34.58 million Baht equal to net trade account receivables of 1,574.41 million Baht. In total, the net trade accounts receivables of this year were amounted at 1,392.29 million Baht, increasing by 313.21 million Baht, compared to 1,079.08 million Baht in 2011 due to the increase in the value of products and services income as details mentioned earlier under the Sales and Services Income section. Nevertheless, most outstanding trade accounts receivables were not yet overdue. The average period of debt collection in 2012 was 50 days, shorter than the previous year at 55 days, equivalent to the period of loan provision of the Company. However, the Company has evaluated the net value expected to receive from the trade accounts receivables which past due for over 1 year, approximately 40 million Baht. The Company has also recorded the allowance for doubtful debts for the said accounts expected to be uncollectable, amounted to approximately 34.58 million Baht or equal to 2.42% of the total accounts receivable. The Company and its subsidiaries believed that such allowance for doubtful accounts was sufficient according to the current situation. As for other accounts, they were short-term accounts irrelevant to products and services sale such as advances, suspense purchase vat, prepaid corporate income tax, etc., which were under the process of following-up and expected to be cleared within 1 year. As a result, the net account receivables under the consolidated financial statements were expected to be repaid by all.

As for inventories as of 31 December 2012, the Company had its net inventory amounted to 1,373.88 million Baht or 5.91% of total assets, decreasing by 237.85 million Baht compared to 1,611.74 million Baht in 2011. This was because the reduction of the amount of raw material stock to be as least as necessary and there were only few remaining finished goods at the end of the year. Meanwhile, the subsidiaries had an internal control system that constantly check the number of inventories with the report of inventories life for further management and price estimation and comparison with the market price. If the inventories prices according to accounting were higher than the market prices, or the inventories perished or degraded, the Company would record the allowance of devaluation of inventories value. In 2012, the Company reduced the cost of inventories to have the net realizable value by 62.57 million Baht or 4.36% of the total inventories. The Company and its subsidiaries have evaluated that the allowance for devaluation of the said inventories was moderately suitable.

At the end of 2012, the Company and its subsidiaries had the net investments of 9,248.01 million Baht or equal to 39.78% of total assets, slightly increasing by 73.35 million Baht when compared to 2011. This figure comprises investments in associate companies in Baht which decreased by 125.21 million Baht due to the exchange of foreign investments and foreign currency in the overseas financial statement included in the financial statement without any significant changes in investments in associate companies. As per investments in other companies in 2012, the Company has invested more in the real estate fund in Vietnam approximately valued at 142 million Baht. There was also an increase from revaluation of temporary investments regarding the increasing prices in the market at the end of 2012. Details of investments name, shareholding %age, cost, fair prices, and other related information are shown in the Notes to Financial Statements Clause 12, 13, and 14. Previously, the Company regularly evaluated the quality of investments and recorded the allowance for impairment of its investment, where there were signals of uncertainty or the quality of investments. The Company believed that the amounts appeared in the financial statements were moderately suitable.

4.2 Liquidity

4.2.1 Cash Flow Statements

As of 31 December 2012, the Company and its subsidiaries had the cash flows from operating activities amounted to 1,290.63 million Baht; the net cash flows from investing activities amounted to 830.19 million Baht; and the net cash from financing activities amounted to 656.39 million Baht, there were translation adjustments between foreign currencies and Thai Baht to decrease by 116.94 million Baht. In total, during the year the cash flow increased by 1,347.48 million Baht, when summing up with cash and cash equivalent at beginning of year brought forward, amounted to 4,368.51 million Baht, balance of cash and cash-equivalent at end of year was equal to 5,715.99 million Baht.

During 2012, the Company and its subsidiaries had the cash flows from operating activities amounted to 1,290.63 million Baht, which was more than the profit from operating activities before changes in operating assets and liabilities of 984.01 million Baht by 306.62 million Baht. This was because liabilities increased to 201.8 million Baht, while receivables increased by 122.53 million Baht, causing the cash flows to increase from net receivables by 79.27 million Baht. The Company had less cash from inventories, decreasing by 375.16 million Baht. In addition to increasing payments of other current liabilities by 8.2 million Baht and of non-current liabilities by 12.62 million Baht, the Company had interest payment amounted to 70.02 million Baht; corporate income tax payment amounted to 170.72 million Baht, meanwhile it received corporate income tax refund by 76.49 million Baht. The Company had less cash from operating activities, decreasing by 36.63 million Baht, and more other liabilities amounted to 0.62 million Baht. It can be seen that the profit from operating activities returned fully in cash, that is, the cash flows from operating activities accounted for 131.16% of the profit from operating activities before changes in operating assets and liabilities. Therefore, the Company and its subsidiaries had a lot of operational liquidity and had sufficient cash flow for its business operations.

The Company and its subsidiaries obtained the net cash flows from its investment activities amounted to 830.19 million Baht in 2012. This cash came from the sales of property, plants and equipment amounted to 15 million Baht; from disposals of investment properties amounted to 0.16 million Baht; from disposals of investments locally and overseas and returns in its subsidiaries and associate companies amounted to 972.35 million Baht; from dividends amounted to 857.45 million Baht; from dividends from investments in associates held for sale in China amounted to 111.50 million Baht; from advanced payment for the shares of associates held for sale amounted to 461.08 million Baht; from interests amounted to 90.99 million Baht, all of which resulting in total of 2,508.53 million Baht. This income was deducted by following expenses: payment for temporary investments overseas amounted to 339.07 million Baht; purchase of local and overseas investments amounted to 330.53 million Baht; additional loans for related parties amounted to 24.51 million Baht as working capital; purchase of additional investment properties amounted to 2.23 million Baht; payment for building improvements, utilities, machinery, equipment of subsidiaries which expanded their production capacity amounted to 982.04 million Baht; mostly in the vacuum bottle, textile, plastic, rubber businesses as earlier mentioned. Total expense was 1,678.38 million Baht. After the set-offs, the Company had its net cash flow from investing activities amounted to 830.19 million Baht.

Regarding the financing activities, the Company and its subsidiaries settled the dividend payment to shareholders amounted to 548.76 million Baht; repaid bank overdrafts and short-term loans from financial institutions amounted to 179.74 million Baht; repaid trust receipts amounted to 29.17 million Baht; repaid deposits from related parties amounted to 3.41 million Baht return of investments to minor shareholder of subsidiaries due to the dissolution of Union Kotec Molds Co., Ltd. amounted to 8.03 million Baht; and repaid long-term loans amounted to 226.71 million Baht. Meanwhile, the Company received cash from long-terms loans amounted to 418 million Baht and had cash to repay liabilities under financial lease agreements amounted to 78.57 million Baht. In total, the net cash flow from financing activities was equal to 656.39 million Baht.

After the summation of the above 3 activities, the Company had the additional cash flow of 1,464.43 million Baht; and when summing up with the translation adjustments, the Company's cash flow decreased by 116.94 million Baht (differences from foreign exchange rates) and when summing up with cash and cash equivalent at beginning of year brought forwards amounted to 4,368.51 million Baht, balance of cash and cash equivalent at end of year was equal to 5,715.98 million, which indicated the Company's high liquidity.

4.2.2 Significant Liquidity Ratios

At year-end 2012, the Company had the ratio of current assets to current liabilities of 1.87:1 time and the ratio of quick liquidity to current liabilities of 1.58:1 time, indicating that the Company's capability to convert the assets to cash so as to repay the current liabilities in full. The surplus liquidity of 0.58 times indicated that the Company and its subsidiaries still had sufficient financial liquidity.

Regarding the management of its account receivables and account payables, the Company had the average period of debt collection of 50 days, which was close to the previous year at 55 days and approximately equivalent to the credit term that the Company has given to its account receivables. Moreover, the Company had the cash cycle as from the date of payment of raw materials, including the date of selling the products until the date of receiving the product payment equal to 34 days, which was close to the previous year at 36 days per cycle, as though the Company and its subsidiaries had approximately 10 cash cycles in one year round.

In 2012, the Company and its subsidiaries had the rate of operating profits to total incomes equal to 14.57%, which was higher than 10.91% last year due to several factors. First, the Company's components of gross profit went up by 154 million Baht, an increase of 1%, as a result of higher income from subsidiaries due to greater number of orders and the production improvement which helped reduce cost. Second, there were higher realized shares of income from investments in associate companies, increasing by 310.47 million Baht, an increase of 2.84% due to the sale of land in 2012, which received only once, not normal operation income. Moreover, there were realized incomes from the ownership transfer to buyers of phase 1 real estate project in 2012.

Regarding the policy of financial structure, the Company had the debt-to-equity ratio of 0.35:1, which was relatively close to the ratio of 0.33:1 time in the previous year, indicating that the sources of money from the creditor's equity was very low when compared to the sources of money from shareholder's equity; therefore, the Company still had good opportunities to borrow the money from the creditors in new projects (if any) because the ratio of liabilities was still very low.

Moreover, the Company and its subsidiaries had the interest coverage ratio of 20.78 times, indicating that the Company and its subsidiaries had sufficient current cash flow to fully repay the interest to creditors.

The Company had the rates of returns to the shareholder's equity of 7.79%, which was higher than the rates of returns when compared to the interest rates of the fixed savings accounts of financial institutions if considering the dividends expected to be paid to shareholders at the rate of 1.50 Baht per share, or 44.28% of the net profits under the cost method, which was in accordance with the Company's policy of rates of dividend payment, at least one-third of the net profits under the cost method.

4.2.3 Short-Term Liabilities Repayment Period which affects the Company's Liquidity

The Company and its subsidiaries had the short-term loans amounted to 269.85 million Baht and some portions of long-term loans, which shall be payable within 1 year, amounted to 2,158.79 million Baht; and some portions of liabilities under the finance lease agreements, which shall be payable within 1 year, amounted to 63.31 million Baht; deposit from related parties amounted to 37.33 million Baht; income tax payable amounted to 53.96 million Baht; and other current liabilities amounted to 58.27 million Baht, totaling 2,641.69 million Baht which may be payable within 1 year; however, when comparing the assets of cash and cash equivalent, which instantly use for the investments, amounted to 5,715.98 million Baht or equal to 216.38% of the said short-term liabilities; taking into account the trade accounts payable and trust receipts at 23.32 million Baht as well as trade and other payables at 1,726.17 million Baht, cash and cash equivalent were sufficient to cover the payment for all liabilities with 1,324.8 million Baht to remain. This indicated that the Company had its sufficient liquidity to fully repay the short-term liabilities, which shall be payable within 1 year without any suffer to its liquidity; therefore, the Company had an appropriate proportion of short-term liabilities.

Therefore, when considering the value and period of acquisition sources and spending of short-term investments, they have been appropriate and in conformity.

4.3 Capital Expenditure

In 2012, the Company and its subsidiaries had the capital expenditure, dividing into domestic and overseas businesses, in total of 984 million Baht.

For domestic businesses, the Company and its subsidiaries put additional investments in building improvements, machinery, equipment, electricity system, and utilities used for production capacity expansion or improvement of production lines of the business groups of plastic, rubber, and metal amounted to 615 million Baht. Investments in textile business group were amounted to 50 million Baht. Other expenditure accounted for 86 million Baht.

For overseas businesses, the Company has invested in real estate amounted to Baht 233 million which may be renovated for rent.

Apart from mentioned above, there was expenditure on purchases of short-term investments, not counted as capital expenditure.

4.4 Sources of Capital

4.4.1 Capital Structure of the Company

As of 31 December 2012, according to the consolidated financial statements, the Company and its subsidiaries had the total liabilities of 5,672.07 million Baht; and the shareholder's equity amounted to 16,150.93 million Baht, with the debt-to-equity ratio of 0.35:1 time. Therefore, there were very few portions of the source of capital were obtained from liabilities when compared to those of the capital. If comparing with other businesses in the industry, the debt-to-equity ratio was mostly at 1 or 1.5:1 time, indicating that the Company's liabilities was still low. The Company's creditors, therefore, have low risks on collecting payments from the Company. In the future, if the Company wishes to restructure its capital for additional loans for business expansion, the debt-to-equity ratio may still be extended within the appropriate and low-risk capital structure.

4.4.2 Liabilities

The liabilities of the Company and its subsidiaries are divided into the current liabilities, amounted to 4,852.27 million Baht and the non-current liabilities amounted to 819.79 million Baht, totaling at 5,672.07 million Baht.

Current liabilities are divided into short-term bank loans, amounted to 269.85 million Baht, trust receipts amounted to 23.32 million Baht, trade and other account payables amounted to 1,726.17 million Baht, which are paid according to the scheduled time and in conformity with the acceptance of payment from trade and other account receivables amounted to 1,574.41 million Baht, which are in normal business operations. Moreover, the Company had the long-term loans which shall be payable within 1 year, amounted to 2,158.97 million Baht and the short-term liabilities which shall be payable within 1 year, amounted to 212.87 million Baht, totaling at 2,371.84 million Baht. Taking into account short-term loans and aforementioned payables amounted to 2,019.34 million Baht, the total current liabilities was equal to 4,391.18 million Baht, with the ratio to the total liabilities of 77.42%. However, the Company had the ratio of quick liquidity to the current liabilities of 1.58:1 time, indicating that the Company had sufficient liquidity to fully repay the liabilities as scheduled without any suffer to the liquidity. As per the advanced payment for shares of associate companies held for sale amounted to 461.08 million Baht, when the transfer of investments in Jiangsu-Union Cogeneration Group Co., Ltd. / Yixing-Union Biochemical Co., Ltd. / Huanan-Union Spring Cogeneration Co., Ltd. of subsidiaries in China is completed, the investments will be excluded, thus not relevant to the Company's payables. Lastly, the Company had no short-term loans for incorrect type of investment in the long term.

As of 31 December 2012, the Company had a portion of long-term loans, which was deducted by the payment made according to the due within 1 year, amounted to 475 million Baht, which was mainly composed of subsidiaries bank loans from banks in Thailand with interest rate based on the MLR, which shall be monthly payable, starting from 2014-2016. The Company had no guarantee of the said burden of debts; but according to the Loan Agreement, it specified certain requirements and financial conditions such as the maintenance of the total debt-to-equity ratio and the restrictions on disposal and transfer of assets which are significant to the business operations of the Company.

Regarding the interest coverage ratio for liabilities in 2012 which shall be payable within 1 year was equal to 4,461.20 million Baht. The Company had cash and cash equivalent at 5,715.98 million Baht, equal to 1.28 times of the liabilities. The Company was thus confident in its liquidity management for repayment of loans and other liabilities which shall be payable within 1 year and the interest within each period of time when such liabilities shall be payable.

4.4.3 Shareholder's Equity

According to the consolidated financial statements as of 31 December 2012, the Company had the shareholder's equity amounted to 16,150.93 million Baht, increasing by 742.65 million Baht compared to 15,408.28 million Baht at the end of 2011. The causes of changes included:

- Regarding the operating results, the Company had the net profit increase of 1,229.22 million Baht; and during the year, as per the resolution of Shareholders' general meeting, the profits were allocated as accrued dividends, amounted to 450 million Baht, resulting in the shareholder's equity increase of 1,229.22 million Baht; and a decrease of 450 million Baht, respectively.
- Regarding the non-actual operating results, there was recognition of the net profits (losses), the net profits in the shareholder's equity decreased by 36.57 million Baht, including:
 - (1) Recognition of the net unrealized annual surplus profits from the revaluation of investments in the available-for-sale securities to the market prices, which increased by 172.62 million Baht;
 - (2) Differences on translation of financial statements in foreign currency, resulting in the decrease of the shareholder's equity amounted to 224.22 million Baht, due to the fluctuation of exchange rate at the end of 2012;
 - (3) Reverse adjustment of the accrued dividends for the Company's shares held by its subsidiaries under the accounting standard resulted in an increase of the shareholder's equity amounted to 15.03 million Baht;
 As above-mentioned, in total, the shareholder's equity increased by 742.65 million Baht; resulting in the shareholder's equity as of 31 December 2012 amounted to 16,150.93 million Baht.

4.5 Main factors and influences which may affect the operations or financial status in the future

As the main business of the Company is investment, therefore, its major incomes are dividends from the companies where the Company has put its investments, locally and oversea. The main factors and influences which can affect the Company's operating results in the future include:

1. Dissatisfying returns from investment due to several factors resulting in losses in the operating results or less profit than expected such as:
 - 1.1 Fluctuation of exchange rate where the Baht was stronger, resulting in lower Baht gained from exports while the sell prices could barely rise accordingly;
 - 1.2 The sharply rise in the minimum wage rate increased the cost, while reducing profit;
 - 1.3 The increasing cost of energy in the global market, which may increase the cost of coal in the power plants where the Company's has put its investment, resulting in less profit;
 - 1.4 The changing in method of profit calculation in the power plants in Thailand, according to the new accounting standards which become effective in 2013, involving the service concession business and the interpretation of lease agreements, may result in less profit than original plan, as the calculation method had to be changed. Provided that the new method causes less net profit, the dividends will lower accordingly.
2. The directions and trends of foreign economy such as in Europe and the United States of America. If their economies are yet to recover or only recover slowly, the exports to these regions should decrease, resulting in lower income in the future.

5. Auditor's Remuneration

The detail was shown on page 158.

RELATED TRANSACTIONS AND PEOPLE WITH COMMON INTERESTS

1. Characteristics of Related Transactions

Related transactions are regarded as a normal business practice of companies, with general trading conditions, and no unusual transactions or improper pricing. Most of the transactions are conducted in the form of trade, related creditors and debtors, loans and borrowings among groups of companies for the purpose of maximum benefits in terms of financial management, by charging interests at the referenced rates of a large domestic commercial bank, based on business type.

The companies' policy on related transactions between parties, who may have conflicts of interests, focuses on necessity and a certain logic of such transactions. These transactions usually take form of normal trading related to business operation, including related trading of goods or borrowings among companies. Sales price and remuneration are calculated according to the market rate. To give an example, in case of interest charge, the companies adopt the market rate by the time such transactions are conducted. Thus, the return shall be the same as the rate charged in the market.

Since related transactions are commercially customary or unexceptional, it is not necessary to get opinions from outside directors or independent experts on the related transaction.

In the past year, as the Company did not have any information about securities offerings or its persuasive draft, no opinions from outside directors on the compliance with these obligations were needed. Meanwhile, in the same year, all transactions with related parties were disclosed through an electronic channel of the Stock Exchange of Thailand.

2. Necessity and logic of Related Transactions

In the previous years, the Company took charge of marketing, by acting as a product distributor for all of its manufacturing companies, allowing transactions of goods purchase/sale, related creditors/debtors, and related interest received/paid. But later, due to changing situation of competitions in the market, the Company had to adjust for more lucrative business movement. In 2007, the Company decided to put its marketing service in related companies, resulting in a sharp drop in trading transactions. Meanwhile, the movement of interest received/paid has remained. This is because the associated companies have been supported by the Company, in terms of financial management, enabling effectiveness and maximum benefits. In conclusion, related transactions conduction has been a necessary and logical thing.

3. Approval procedures of Related Transactions

The approval procedures of related transactions are followed in the same way as with external customers practicing a normal business. The Board of Directors used to approve, in principle, the related transactions as a normal business. Regarding the follow-up of payments, the due date of each transaction was specified and controlled; however, the approval of each transaction was in conformity with rules and regulations of the Stock Exchange of Thailand (SET) and with the Office of the Securities and Exchange Commission (SEC).

4. Policy and future trends in Related Transactions

With regard to policies on related transactions, the Company seeks to treat fairly all related parties, with the aim of maximizing benefits, to comply with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC), and to disclose sufficiently essential information.

As from 2007 onwards, the trends of business transactions between the group companies would decline because most of the previous transactions involved normal business practice; for examples, trading of goods, creditors/debtors transactions as indicated earlier. However, the Company has its policy to restructure the channel of goods distribution and related management of the group companies. It means that these manufacturing companies became themselves distributors, to ensure smooth running and capabilities of alteration in decision making on the priorities of manufacturing or pricing in relation to the rapidly changing situation, allowing its competitiveness in the industrial market as well as its long-term growth. Therefore, normal transactions tend to drop, except some items of goods under contracts previously signed. As for the manufacturing business of electronic components, according to the information disclosed via the Stock Exchange of Thailand (SET) in December 2010, the Company shall cease the said business operation and shall opt for property leasing to the existing business partner for 3 years; from 1st January 2011 to 31st December 2013. Consequently, the related transactions of its subsidiary, namely "Union Technology (2008) (Public) Co., Ltd", which used to be under contract to the Company, have not been conducted anymore. Meanwhile, transactions of deposit and borrowing between the group companies remain unchanged because they have insisted on their effective financial management.

Related transactions in 2012 are shown on page 73-74.

RELATED TRANSACTIONS OF SAHA-UNION PUBLIC COMPANY LIMITED AND PARTIES POSSIBLY IN CONFLICT

	Company's Name	Type of Relationship	Related Transaction			
			Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
1	Saha-Union Holding Co., Ltd.	The Company holding more than 90% of shares	1 Deposits	261.59	Outstanding balance as of 31 December 2012	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management. In business transactions should have return on investment.
			2 Interest Receivables / Payables	1.72	Outstanding balance as of 31 December 2012	
			3 Dividend Income / Expenses	9.36	From resolution of the Shareholders' Meeting	
			4 Interest Income / Expenses	5.43	Referred to types and rates of a major commercial bank	
2	Union Thread Industries Co., Ltd.	One of 10 major related shareholders	1 Dividend Income / Payment	53.74	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
3	Venus Thread Co., Ltd.	Related person holding more than 10% of shares	1 Purchases/Sales of merchandise	61.63	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
			2 Rental Income	0.05	Contract price	
			3 Account Receivables / Payables	6.54	Outstanding balance as of 31 December 2012	
4	Union Spinning Mills Co., Ltd.	Related person holding more than 10% of shares	1 Purchases/Sales of merchandise	6.22	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
			2 Dividend Income/ Payment	8.75	From resolution of the Shareholders' Meeting	
			3 Rental Income / Expenses	0.15	Contract price	
5	Union Capital Co., Ltd.	One of 10 major related shareholders	1 Dividend Income/ Payment	29.70	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
6	Union Business Management Co., Ltd.	One of 10 major related shareholders	1 Dividend Income / Payment	33.86	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
7	Union Textile Industries Public Company Limited	Major shareholder	1 Purchases/Sales of merchandise	320.40	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power
			2 Dividend Income / Payment	7.49	From resolution of the Shareholders' Meeting	
			3 Account Receivables/ Payables	98.05	Outstanding balance as of 31 December 2012	
8	Union Industries Corp., Ltd.	One of 10 major related shareholders	1 Purchases / Sales of merchandise	33.70	From resolution of the Shareholders' Meeting	Return on investment
			2 Account Receivables / Payables	1.20	Outstanding balance as of 31 December 2012	
			3 Rental Income / Expenses	14.40	Contract price	
9	Venus Button Co., Ltd.	Related person holding more than 10% of shares	1 Dividend Income / Payment	1.06	From resolution of the shareholders' Meeting	Return on investment
10	Union Zip Co., Ltd.	Related person holding more than 10% of shares	1 Purchases / Sales of merchandise	15.83	Comparable with market price	The purchasing of raw material should be made in large quantity to generate more bargaining power. The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
			2 Account Receivables / Payables	0.33	Outstanding balance as of 31 December 2012	
			3 Interest Income / Expenses	0.16	Referred to types and rates of a major commercial bank	
			4 Deposits	5.00	Outstanding balance as of 31 December 2012	
			5 Interest Receivables / Payables	0.02	Outstanding balance as of 31 December 2012	

	Company's Name	Type of Relationship	Related Transaction			
			Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
11	Uni-Fibre Co., Ltd.	One of 10 major related shareholders	1 Deposits 2 Interest Receivables / Payables 3 Account Receivables / Payables 4 Dividend Income / Payment 5 Service Income 6 Interest Income / Expenses	32.33 0.04 0.08 19.47 0.01 0.41	Outstanding balance as of 31 December 2012 Outstanding balance as of 31 December 2012 Outstanding balance as of 31 December 2012 From resolution of the shareholders' Meeting Contract price Referred to types and rates of a major commercial bank	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management within the group. In the ordinary course of business should have return on investment.
12	Union Multi-Capital Co., Ltd.	One of 10 major related shareholders	1 Dividend Income / Payment	9.12	From resolution of the shareholders' Meeting	In the ordinary course of business should have return on investment.
13	Thai Rubber Enterprise Co., Ltd.	Major shareholder	1 Dividend Income / Payment 2 Rental Income / Expenses 3 Account Receivables / Payables	9.90 1.49 5.01	From resolution of the shareholders' Meeting Contract price Outstanding balance as of 31 December 2012	To develop and make use of its vacant plots of land by rental of property for rubber plantation.
14	Union Pioneer Public Company Limited	Major shareholder	1 Purchases / Sales of merchandise 2 Dividend Income / Payment 3 Rental Income / Expenses 4 Account Receivables / Payables	13.27 14.67 3.31 1.50	Comparable with market price From resolution of the shareholders' Meeting Contract price Outstanding balance as of 31 December 2012	The purchasing of raw material should be made in large quantity to generate more bargaining power. In the ordinary course of business should have return on investment.
15	Union Button Corp., Ltd.	Director and related person holding more than 10% of shares	1 Rental Income / Expenses 2 Dividend Income / Payment	0.01 2.49	Contract price From resolution of the shareholders' Meeting	In the ordinary course of business should have return on investment.
16	Union Shoes Co., Ltd.	Major shareholder	1 Deposits 2 Interest Receivables / Payables 3 Interest Income / Expenses	25.04 0.07 0.47	Outstanding balance as of 31 December 2012 Outstanding balance as of 31 December 2012 Referred to types and rates of a major commercial bank	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
17	Venus Shoes Co., Ltd.	Major shareholder	1 Deposits 2 Interest Income / Expenses 3 Income / Other expenses 4 Rental Income / Expenses 5 Interest Receivables / Payables 6 Account Receivables / Payables	6.00 0.13 0.28 0.42 0.04 0.06	Outstanding balance as of 31 December 2012 Referred to types and rates of a major commercial bank Contract price Contract price Outstanding balance as of 31 December 2012 Outstanding balance as of 31 December 2012	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management.
18	Uni-Agro Co., Ltd.	Major shareholder holding more than 10% of shares	1 Dividend Income / Payment	0.48	From resolution of the shareholders' Meeting	In the ordinary course of business should have return on investment.
Total amount of related transaction in 2012				1,122.48		

AUDIT COMMITTEE'S REPORT

To Shareholders:

The Audit Committee comprises of three independent directors namely Mr. Sompop Amatayakul, Mrs. Araya Arunanondchai and Miss Pakinee Prertitumrong, carried out the duties in compliance with rules and regulations of the Stock Exchange of Thailand.

During the year 2012, the Audit Committee convened four meetings. All Directors attended the meetings with active participation by the company managements, the internal and external auditors, and the lawyer. The meetings reviewed the disclosure of related parties transactions, financial reports, the adequacy of internal control and risk management. The Committee tracked the issues, suggested actions for improvement, and reported the results to the Board of Directors on a quarterly basis. The summary of Audit Committee review is as following: -

1. The Committee reviewed the quarterly and the annual financial statements with external auditors related to accounting policies deployed by the Company and the integrity of the financial statements. The Company adequately disclosed information related to significant accounting adjustment and reported the adjustment in the financial statements. The Committee concluded that the financial statements were prepared in accordance with the accounting standards and the generally accepted accounting principles.
2. The Committee reviewed related parties transactions and potential conflicts of interest including the disclosure of these transactions as required by the Stock Exchange of Thailand. The Committee concluded that the Company executed related parties transactions and potential conflicts of interest reasonably in line with the Company's interest and adequately disclosed information in compliance with the accounting standards and requirements of the Stock Exchange of Thailand's guidelines.
3. In review of the risk management, The Committee recognized that the Risk Management Committee developed the risk management system, identified risks, and managed the risks accordingly.
4. The Committee reviewed and assessed the adequacy of the internal control systems and concurred with the annual internal audit plan. The Committee reviewed the internal audit findings, advised the management for corrective actions and improvement of internal audit procedures to meet the standards practices of the internal audit. The Committee concluded that the internal control systems were sufficient and appropriated.
5. The Committee reviewed the company's conformity with the best practice guidelines of Stock Exchange of Thailand, as well as compliance with rules and regulations. The Committee concluded that the operations comply with rules regulation and best practice.
6. The Committee participated in reviewing the qualifications and remunerations of candidates as proposed by the external auditors and gave consent to the Board of Directors to propose the external auditors for approval at the Annual General Meeting of Shareholders.
7. The Committee conducted self-assessment on the ability to perform the duties according to the best practices guidelines for internal control.



Mr. Sompop Amatayakul

Chairman of the Audit Committee

Saha-Union Public Company Limited

THE RESPONSIBILITY OF THE BOARD OF DIRECTORS TO THE FINANCIAL REPORT

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and other financial information as appeared in the Annual Report. Such financial statements are prepared in accordance with generally accepted accounting standards and consistently using appropriate accounting policies. Careful consideration and best estimation are applied in the preparation and important information is fully disclosed in the notes to such financial statements which are adjusted in accordance with the new accounting standards effective on January 1st, 2007. In the separated financial statements, investment accounts are recorded on cost method as if this method were used at the beginning. In the consolidated financial statements, gains and losses from investments are recognized on equity method. In addition, the Company is prepared to accommodate new accounting standards applicable to companies in the group which will be effective from January 2nd, 2011. The financial statements of the Company are audited and given an unqualified audit opinion by the Auditors.

The Board of Directors has maintained proper and effective internal control system to ensure reasonably that accounting records are correct, complete, and sufficient to safeguard Company's assets and to ascertain any weaknesses so as to prevent fraud or material irregularities.

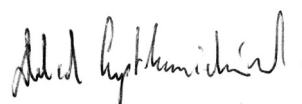
Hence, the Board of Directors has appointed the Audit Committee comprising Independent Directors who are Non-Executive Directors to be responsible for the quality of the financial reports and the internal control system. Opinions of the Audit Committee on these matters are disclosed in the Report from the Audit Committee as appeared in the Annual Report on page 75.

The Board of Directors is of the opinion that the Company's overall internal control system is satisfactory to ensure reasonably the credibility of the financial statements of the Company and its subsidiaries as of December 31st, 2012.

On behalf of the Board of Directors



Miss Sriwarin Jirapakkana
Chairman



Miss Dalad Sapthavichaikul
President

March 1st, 2013

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SAHA-UNION PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated financial statements of Saha-Union Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Saha-Union Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries and of Saha-Union Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited
Bangkok: 1 March 2013

Saha-Union Public Company Limited and its subsidiaries

STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

(Unit: Baht)					
	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	6	5,715,986,514	4,368,506,221	1,196,782,873	741,112,306
Current investments	7	355,433,708	689,429,351	-	-
Trade and other receivables	9	1,574,406,351	1,449,071,953	161,044,519	225,537,679
Inventories	10	1,373,886,466	1,611,738,669	8,794	15,981,038
Short-term loans to related parties	8	24,509,000	-	306,927,000	249,815,000
Other current assets		15,972,908	7,806,983	1,024,455	760,358
Total current assets		9,060,194,947	8,126,553,177	1,665,787,641	1,233,206,381
Investments in associates held for sale	11	2,505,493,780	-	1,325,615,424	-
Non-current assets					
Investments in subsidiaries	12	-	-	5,597,234,157	5,463,538,155
Investments in associates	13	4,815,968,613	7,446,611,223	1,902,276,512	3,127,852,526
Investments in other companies	14	1,926,548,087	1,728,052,811	1,805,064,754	1,591,958,539
Investment properties	15	1,093,127,307	1,033,279,668	696,455,586	650,674,583
Property, plant and equipment	16	3,648,614,093	3,374,680,330	71,705,672	81,211,321
Intangible assets - computer software	17	2,330,262	3,830,228	-	-
Other non-current assets	18	195,365,380	294,180,989	34,578,095	34,647,897
Total non-current assets		11,681,953,742	13,880,635,249	10,107,314,776	10,949,883,021
Total assets		23,247,642,469	22,007,188,426	13,098,717,841	12,183,089,402

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

Saha-Union Public Company Limited and its subsidiaries

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	19	269,854,179	449,594,587	-	-
Trust receipts		23,323,283	52,320,719	23,323,283	52,320,719
Trade and other payables	20	1,726,170,438	1,562,153,131	70,911,352	95,482,885
Current portion of long-term loans	21	2,158,969,000	226,712,250	-	-
Current portion of liabilities under					
finance lease agreements	22	63,311,303	60,822,346	-	-
Deposits from related parties	8	37,327,089	40,741,229	747,170,772	497,353,444
Income tax payable		53,963,745	45,187,586	-	2,338,497
Advance from the disposals of					
investments in associates held for sale	11	461,082,881	-	-	-
Other current liabilities		58,269,871	57,731,667	578,333	-
Total current liabilities		4,852,271,789	2,495,263,515	841,983,740	647,495,545
Non-current liabilities					
Long-term loans, net of current portion	21	475,000,000	2,291,298,485	-	-
Liabilities under finance lease					
agreements, net of current portion	22	64,398,191	37,516,853	-	-
Provision for long-term employee benefits	23	223,928,022	224,888,942	17,800,173	17,915,166
Other non-current liabilities		56,469,901	55,321,821	-	-
Total non-current liabilities		819,796,114	2,609,026,101	17,800,173	17,915,166
Total liabilities		5,672,067,903	5,104,289,616	859,783,913	665,410,711

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

Saha-Union Public Company Limited and its subsidiaries

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2012

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Shareholders' equity					
Share capital					
Registered					
300,000,000 ordinary shares					
of Baht 10 each					
		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Issued and paid-up					
300,000,000 ordinary shares					
of Baht 10 each					
		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Share premium					
		2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Retained earnings					
Appropriated					
Statutory reserve					
	25	1,035,837,837	1,028,071,051	750,000,000	750,000,000
Other reserve					
		282,929,805	265,830,016	-	-
Unappropriated					
		9,252,682,816	8,483,298,419	5,370,610,023	4,804,318,384
Other components of shareholders' equity					
		(19,522,193)	32,085,611	519,323,905	364,360,307
Equity attributable to owners of the Company					
		16,150,928,265	15,408,285,097	12,238,933,928	11,517,678,691
Non-controlling interests of the subsidiaries					
		1,424,646,301	1,494,613,713	-	-
Total shareholders' equity					
		17,575,574,566	16,902,898,810	12,238,933,928	11,517,678,691
Total liabilities and shareholders' equity					
		23,247,642,469	22,007,188,426	13,098,717,841	12,183,089,402
		-	-	-	-

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

Saha-Union Public Company Limited and its subsidiaries

INCOME STATEMENT

For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Revenues					
Sales and service income	28	9,332,786,736	8,755,414,323	1,075,087,888	1,824,231,220
Dividend income	7, 12, 13, 14	242,284,187	301,286,085	790,825,849	800,060,683
Rental income		224,237,435	253,342,743	198,517,102	196,979,710
Unrealised gains from revaluation of trading securities	7	213,435,858	-	-	-
Benefit from investments in associates held for sale	11	111,503,383	-	111,503,383	-
Gains on exchange		43,635,438	67,400,963	7,188,792	8,835,394
Gains on disposals of investments	7, 12, 13, 14	-	177,822,201	1,034,526	28,168,090
Other income		339,497,979	334,096,779	48,494,451	51,892,794
Total revenues		10,507,381,016	9,889,363,094	2,232,651,991	2,910,167,891
Expenses					
Cost of sales and services		8,381,182,626	7,958,055,944	1,061,756,904	1,803,588,592
Selling expenses		271,876,902	235,196,681	10,085,283	9,290,450
Administrative expenses		785,293,625	715,842,041	235,662,170	237,514,717
Unrealised loss from revaluation of trading securities	7	-	152,298,920	-	-
Losses on disposals of investments and return of investments in subsidiaries	7, 12, 13, 14	39,297,887	-	-	-
Losses on impairment of property, plant and equipment	16	-	3,482,411	-	-
Reversal of allowance for impairment of investment properties	15	(1,500,000)	(64,297,500)	-	-
Loss on impairment of investments (reversal)	12, 13, 14	931,796	39,731	(108,316,151)	68,546,628
Total expenses		9,477,082,836	9,000,618,228	1,199,188,206	2,118,940,387
Profit before share of profit from investments in associates, finance cost and income tax expenses					
Share of profit from investments in associates	13	500,950,344	190,474,801	-	-
Profit before finance cost and income tax expenses					
Finance cost		(76,080,875)	(21,756,371)	(6,430,693)	(11,193,930)
Profit before income tax expenses					
Income tax expenses		(160,440,600)	(216,075,232)	(10,741,453)	(19,701,147)
Profit for the year					
Profit attributable to:					
Equity holders of the Company		1,229,216,931	738,077,225	1,016,291,639	760,332,427
Non-controlling interests of the subsidiaries		65,510,118	103,310,839		
		1,294,727,049	841,388,064		
Basic earnings per share					
Profit attributable to equity holders of the Company	27	4.24	2.55	3.39	2.53

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

Saha-Union Public Company Limited and its subsidiaries

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

		(Unit: Baht)			
	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit for the year		1,294,727,049	841,388,064	1,016,291,639	760,332,427
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(228,013,972)	707,291,117	-	-
Gains on change in value of available-for-sale investments	14	172,736,083	41,698,551	154,963,598	41,099,822
Other comprehensive income for the year		(55,277,889)	748,989,668	154,963,598	41,099,822
Total comprehensive income for the year		1,239,449,160	1,590,377,732	1,171,255,237	801,432,249
Total comprehensive income attributable to:					
Equity holders of the Company		1,177,609,127	1,471,570,246	1,171,255,237	801,432,249
Non-controlling interests of the subsidiaries		61,840,033	118,807,486		
		1,239,449,160	1,590,377,732		

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Other components of equity												
Other components of shareholders' equity												
Deficit on investment in subsidiary arising as a result of acquisition												
Other comprehensive income												
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

For the year ended 31 December 2012

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Total shareholders' equity
Balance as at 1 January 2011	3,000,000,000	2,599,000,000	750,000,000	4,568,985,957	323,260,485	11,241,246,442
Total comprehensive income for the year	-	-	-	760,332,427	41,099,822	801,432,249
Dividend paid (Note 30)	-	-	-	(525,000,000)	-	(525,000,000)
Balance as at 31 December 2011	3,000,000,000	2,599,000,000	750,000,000	4,804,318,384	364,360,307	11,517,678,691
Balance as at 1 January 2012	3,000,000,000	2,599,000,000	750,000,000	4,804,318,384	364,360,307	11,517,678,691
Total comprehensive income for the year	-	-	-	1,016,291,639	154,963,598	1,171,255,237
Dividend paid (Note 30)	-	-	-	(450,000,000)	-	(450,000,000)
Balance as at 31 December 2012	3,000,000,000	2,599,000,000	750,000,000	5,370,610,023	519,323,905	12,238,933,928

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

Saha-Union Public Company Limited and its subsidiaries

CASH FLOW STATEMENT

For the year ended 31 December 2012

(Unit: Baht)					
		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Cash flows from operating activities					
Profit before tax		1,455,167,649	1,057,463,296	1,027,033,092	780,033,574
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities					
Depreciation and amortisation		705,267,050	633,120,128	103,342,638	121,085,198
Allowance for doubtful accounts (reversal)		6,821,927	(3,322,941)	(201,732)	(191,534)
Reduction of cost of inventories to net realisable value (reversal)	10	(137,312,806)	107,669,185	-	-
Losses (gains) on disposals/write-off of property, plant and equipment	16	6,515,867	20,728,923	(1,285,138)	(3,257,657)
Losses on disposals/write-off of investment properties	15	56,368	54,776	87,909	134,346
Reversal of allowance for impairment of investment properties	15	(1,500,000)	(64,297,500)	-	-
Losses on impairment of property, plant and equipment	16	-	3,482,411	-	-
Losses on impairment of investments (reversal)	12, 13, 14	931,796	39,731	(108,316,151)	68,546,628
Unrealised losses (gains) from revaluation of trading securities	7	(213,435,858)	152,298,920	-	-
Share of profit from investments in associates	13	(500,950,344)	(190,474,801)	-	-
Losses (gains) on disposals of investments and return of investments in subsidiaries		39,297,887	(181,919,871)	(1,034,526)	(28,168,090)
Unrealised losses (gains) on exchange		(14,598,843)	9,516,558	(335,273)	(1,047,914)
Dividend received from investments		(242,284,187)	(301,286,085)	(790,825,849)	(800,060,683)
Benefit from investments in associates held for sale	11	(111,503,383)	-	(111,503,383)	-
Provision for long-term employee benefits		12,237,142	21,544,239	796,828	2,266,639
Interest income		(91,740,492)	(29,625,259)	(31,763,461)	(29,386,981)
Interest expenses		71,038,321	15,919,504	6,263,815	10,877,444
Income from operating activities before changes in operating assets and liabilities		984,008,094	1,250,911,214	92,258,769	120,830,970
Operating assets (increase) decrease					
Trade and other receivables		(122,528,981)	414,921,567	65,354,335	152,725,916
Inventories		375,165,008	(492,702,195)	15,972,244	8,266,549
Other current assets		(8,202,094)	(3,972,818)	(264,097)	(318,192)
Other non-current assets		36,628,568	(65,078,545)	(1,021,679)	3,014,100
Operating liabilities increase (decrease)					
Trade and other payables		201,800,852	34,349,146	(25,778,060)	(87,565,186)
Other current liabilities		614,373	(184,864,788)	578,333	(10,882,741)
Other non-current liabilities		(12,615,247)	(23,883,883)	(911,821)	753,990
Cash flows from operating activities		1,454,870,573	929,679,698	146,188,024	186,825,406
Cash paid for interest		(70,018,777)	(16,765,732)	(5,029,886)	(11,645,686)
Cash paid for income tax		(170,718,963)	(272,119,128)	(13,079,950)	(17,362,650)
Cash refund from income tax		76,494,328	82,573,274	-	14,612,754
Net cash flows from operating activities		1,290,627,161	723,368,112	128,078,188	172,429,824

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

Saha-Union Public Company Limited and its subsidiaries

CASH FLOW STATEMENT (continued)

For the year ended 31 December 2012

(Unit: Baht)				
Note	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	(24,509,000)	-	(57,112,000)	68,896,000
Increase in current investments	(339,068,071)	(689,729,578)	-	-
Acquisition of investments	(330,531,099)	(159,689,960)	(274,388,686)	(211,890,318)
Proceeds from disposals of property, plant and equipment	15,003,685	40,151,423	2,851,332	3,913,226
Proceeds from disposals of investment properties	165,412	94,784	133,870	15,177
Cash receipt from disposals of investments and return of investments in subsidiaries and associates	972,353,472	1,744,922,748	91,861,334	923,012,467
Dividend received from investments	857,453,639	507,769,667	790,825,849	800,060,683
Benefit from investments in associates held for sale	11 111,503,383	-	111,503,383	-
Advance from the disposals of investments in associates held for sale	11 461,082,881	-	-	-
Interest income	90,998,237	29,668,344	31,582,972	30,162,492
Acquisition of investment properties	15 (2,227,865)	(108,226,433)	(121,366,108)	(74,400,730)
Acquisition of property, plant and equipment	16 (982,037,681)	(860,585,801)	(18,948,376)	(16,648,659)
Net cash flows from investing activities	830,186,993	504,375,194	556,943,570	1,523,120,338
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(179,740,408)	291,973,201	-	-
Increase (decrease) in trust receipts	(29,168,519)	10,041,393	(29,168,519)	10,041,393
Increase (decrease) in deposits from related parties	(3,414,140)	(36,772,934)	249,817,328	(309,724,481)
Cash payment of capital refund to non-controlling interests of the subsidiaries	(8,027,315)	(551,844)	-	-
Proceeds from increase in share capital from non-controlling interests of the subsidiary	12 -	78,400,000	-	-
Dividend paid	30 (548,764,435)	(701,516,424)	(450,000,000)	(525,000,000)
Cash receipt from long-term loans	21 418,000,000	2,283,545,074	-	-
Repayment of long-term loans	21 (226,712,250)	(374,769,000)	-	(370,749,000)
Cash payment for liabilities under finance lease agreements	(78,568,508)	(67,985,204)	-	-
Net cash flows from (used in) financing activities	(656,395,575)	1,482,364,262	(229,351,191)	(1,195,432,088)
Increase (decrease) in translation adjustments	(116,938,286)	70,322,446	-	-
Net increase in cash and cash equivalents	1,347,480,293	2,780,430,014	455,670,567	500,118,074
Cash and cash equivalents at beginning of year	4,368,506,221	1,588,076,207	741,112,306	240,994,232
Cash and cash equivalents at end of year	5,715,986,514	4,368,506,221	1,196,782,873	741,112,306
Supplemental cash flows information				
Non-cash transaction				
Purchase of equipment for which no cash has been paid	107,063,834	52,532,211	-	-

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

Saha-Union Public Company Limited and its subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012

1. General information

Saha-Union Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment, distribution of raw materials and products manufactured by group companies, and the rental of property and real estate. The registered address of the Company is at 1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting 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 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Saha-Union Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
<i>Textile business</i>				
Shanghai Saha-Union Thread Industry Co., Ltd.	Contract manufacture and distribution of textile products	China	64.00	64.00
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Thread-dyeing services	China	82.00	82.00
Union Textile Industries Plc.	Manufacture and distribution of textiles	Thailand	51.42	51.42
Union Garment Co., Ltd.	Manufacture and distribution of garments	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
<i>Plastic, rubber and metal business</i>				
Union Pioneer Plc.	Manufacture and distribution of elastic products	Thailand	52.71	52.71
Union Plastic Plc.	Contract manufacture of plastic products, manufacture and repair of molds	Thailand	49.69	49.69
Union Zojirushi Co., Ltd.	Manufacture and distribution of vacuum bottles	Thailand	51.00	51.00
Union Stainless Steel Products Co., Ltd.	Manufacture and distribution of stainless steel kitchenware	Thailand	98.00	98.00
Union Rubber Products Corp., Ltd.	Manufacture and distribution of rubber products	Thailand	99.99	99.99
Thai Rubber Enterprise Co., Ltd.	Rubber estates	Thailand	50.69	50.69
<i>Trading business</i>				
Computer Union Co., Ltd.	Computer dealer	Thailand	97.73	97.73
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer dealer	Thailand	97.73	97.73
<i>Energy business</i>				
Jiashan-Union Cogeneration Co., Ltd.	Power generation	China	75.96	75.96
<i>Investment and others business</i>				
Saha-Union International Ltd.	Investment and other	Hong Kong SAR	99.98	99.98
Saha-Union Investment (China) Co., Ltd.	Investment	China	100.00	100.00
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd.)	Investment	Hong Kong SAR	99.98	99.98
Shanghai Dacity Co., Ltd. (100.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	Sales and services	China	100.00	100.00
Union Technology (2008) Plc.	Rental services	Thailand	99.66	99.66
Saha-Union Holding Co., Ltd.	Investment	Thailand	99.54	99.54
Venus Shoes Co., Ltd.	Dormitory rental and services	Thailand	96.86	96.86
Union Printing Corp., Ltd.	Rental services	Thailand	94.74	94.74
Union Equity Co., Ltd.	Investment	Thailand	99.79	99.79
Union Technology Co., Ltd.	Investment	Thailand	99.99	99.99
Union Energy Co., Ltd.	Investment	Thailand	99.40	99.40

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
<i>Investment and others business</i>				
<i>(continued)</i>				
Union Energy (China) Co., Ltd.	Investment	Thailand	99.99	99.99
Texport International Corp., Ltd.	Investment	Thailand	85.20	85.20
Union Human Resources Development Co., Ltd.	Train and development skills	Thailand	99.99	99.99
Union Shoes Co., Ltd.	Rental services	Thailand	97.85	97.85
Union Construction Corp., Ltd.	Rental services	Thailand	99.68	99.68
<i>Dissoluted group</i>				
Union Kotec Molds Co., Ltd.	-	Thailand	-	32.30
(65.00 percent owned by Union Plastic Plc.)				

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

3. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company and subsidiaries' managements believe that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing the Company and its subsidiaries' brought-forward retained earnings of the year 2013 by approximately Baht 171 million (the Company only: increase by approximately Baht 89 million) and decreasing in brought-forward other components of shareholder's equity of the year 2013 by approximately Baht 113 million (the Company only: decrease by approximately Baht 104 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows:

	<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013
Accounting Standard Interpretation:	
SIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company believes that the accounting treatment guidance, accounting standard interpretation and financial reporting standard interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyers. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Rental income

Rental income is recognised on an accrual basis based on the contract period.

Dividends

Dividends are recognised when the right to receive the dividends is established.

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 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost) and net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in trading securities are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Company and its subsidiaries classify as other investments, are stated at cost net of allowance for loss on impairment.
- e) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method and net of allowance for loss on impairment.
- g) Investments in associates held for sale in the consolidated financial statements are valued at the lower of carrying amount under the equity method until the date of investment classification and fair value less cost to sell.

- h) Investments in associates held for sale in the separate financial statements are valued at the lower of carrying amount under the cost method and fair value less cost to sell.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

Depreciation of investment properties are calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	20	years
Land improvement and leasehold	-	5, 20	years
Facilities	-	5	years

Depreciation of investment properties of a company's branch that have been acquired before year 2011, is calculated by reference to their net book value on a double-declining basis, over the useful lives of 5-20 years.

Depreciation of investment properties is included in determining income.

No depreciation is provided on land which is classified as investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Property, plant and equipment/Depreciation

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

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

Buildings	-	20 years
Land improvement and leasehold	-	5, 20 years
Machinery and equipment	-	3, 5, 10, 20 years
Molds	-	5 years
Facilities	-	5 years
Furniture and fixtures	-	3, 5, 10 years
Motor vehicles	-	5, 10 years
Computers	-	3, 5 years

Depreciation of plant and equipment of a company's branch acquired in the year 2001, is calculated by reference to its net book value on a double-declining basis, over the useful lives of 3-20 years.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.8 Intangible assets - Computer software

Computer Software are recognised at cost. Following the initial recognition, Computer Software are carried at cost less any accumulated amortisation and any impairment losses.

Computer Software with finite lives, which have an estimated useful life of five years, are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.9 Related party transactions

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

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

4.10 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the equipment and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

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.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, investment properties, investments and include 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.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

The defined benefits liability comprise the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through a restatement method.

4.14 Provisions

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

4.15 Income tax

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

Overseas subsidiaries calculate corporate income tax in accordance with tax rates mandated under the tax law of those countries.

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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgements and estimates based upon, among other things, past collection history, aging profile of outstanding debts and prevailing economic conditions.

Allowance for diminution in value of inventory

In determining an allowance for diminution in value of inventory, the management makes judgements and estimates regarding the net realisable value of inventory. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period. Also, the management makes judgements and estimates regarding the expected loss from stock obsolescence based upon the aging profile of inventories and the prevailing economic conditions.

Impairment of equity investments

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Property, plant and equipment, and investment properties /Depreciation

In determining depreciation of plant and equipment, and investment properties, the management is required to make estimates of the useful lives and residual values of those assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment, and investment properties for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

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. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	2,317	1,145	60	71
Bank deposits	5,212,803	4,097,721	896,723	641,041
Government bonds	340,919	129,929	300,000	100,000
Treasury bills	159,948	139,711	-	-
Total	5,715,987	4,368,506	1,196,783	741,112

As at 31 December 2012, bank deposits in saving accounts, fixed deposits, Government bonds and treasury bills carried interests between 0.01 and 3.00 percent per annum (2011: between 0.01 and 3.02 percent per annum).

7. Current investments

As at 31 December 2012 and 2011, the balances of subsidiaries current investments are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements			
	2012		2011	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Trading securities				
Overseas marketable equity securities	298,273	281,210	855,929	619,731
Less: Allowance for change in value of investments	(19,069)		(232,505)	
Translation adjustments	2,006		(3,693)	
Total trading securities - net	281,210		619,731	
Debt securities held to maturity - current portion				
Debt instruments of private sector	34,224		49,698	
Bonds	-		10,000	
Total debt securities held to maturity - current portion	34,224		59,698	
Fixed bank deposits with an original maturity within one year				
Fixed deposits of local commercial bank	40,000		10,000	
Total fixed bank deposits with an original maturity within one year	40,000		10,000	
Current investments - net	355,434		689,429	

During the year 2012, the subsidiaries have losses on disposals of current investments amounting to Baht 75 million (2011: gains amounting to Baht 31 million) and have dividend income amounting to Baht 24 million (2011: Baht 22 million).

8. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Consolidated financial statements

(Unit: Million Baht)

	For the years ended		Pricing policy
	31 December		
	2012	2011	
<u>Transactions with associates</u>			
Sales of merchandise	257	723	Cost plus margin
Service income	4	2	Contract price
Rental income	20	19	Contract price
Purchases of merchandise	561	579	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	50	67	Interest rate with reference to the deposit rate of local commercial bank
Interest expenses	1	1	Interest rate with reference to the deposit rate of local commercial bank
<u>Transactions with related companies</u>			
Sales of merchandise	6	7	Cost plus margin
Service income	4	4	Contract price
Rental income	1	1	Contract price
Purchases of merchandise	2	17	Resale price reduced by a margin

Separate financial statements

(Unit: Million Baht)

	For the years ended		Pricing policy
	31 December		
	2012	2011	
<u>Transactions with subsidiaries</u>			
(eliminated from the consolidated financial statements)			
Sales of merchandise	521	1,047	Cost plus margin
Service income	5	5	Contract price
Rental income	7	6	Contract price
Purchases of investment properties	120	-	Market price
Lendings (weighted average from outstanding balances at month end)	297	332	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	20	21	Interest rate with reference to the loan interest rate of local commercial bank
Deposits (weighted average from outstanding balances at month end)	537	629	Interest rate with reference to the deposit rate of local commercial bank
Interest expenses	11	9	Interest rate with reference to the deposit rate of local commercial bank
<u>Transactions with associates</u>			
Sales of merchandise	84	320	Cost plus margin
Rental income	2	2	Contract price
Purchases of merchandise	461	444	Resale price reduced by a margin
Deposits (weighted average from outstanding balances at month end)	50	67	Interest rate with reference to the deposit rate of local commercial bank
Interest expenses	1	1	Interest rate with reference to the deposit rate of local commercial bank
<u>Transactions with related companies</u>			
Service income	3	3	Contract price
Rental income	1	1	Contract price

As at 31 December 2012 and 2011, the balances of the accounts between the Company and those related parties are as follows:

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2012	2011
		2012	2011
Trade receivables - related parties			
(Note 9)			
Subsidiaries	-	-	120,389
Associates	35,169	23,856	6,867
Related companies (related by shareholding)	549	210	-
Total trade receivables - related parties	35,718	24,066	127,256
Trade and other payables - related parties (Note 20)			
Associates	80,689	132,101	31,922
Related companies (related by shareholding)	1,018	1,144	-
Total trade and other payable - related parties	81,707	133,245	31,922
Deposits from related parties			
Subsidiaries	-	-	709,844
Associates	37,327	40,741	37,327
Total deposits from related parties	37,327	40,741	747,171

Short-term loans to related parties

As at 31 December 2012 and 2011, the balance of short-term loans between the Company and those related parties and the movement are as follows:

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		Balance	Balance
		as at 31	as at 31
		December 2011	December 2012
Short-term loans to related parties			
Associate			
Yunnan Energy Luliang-Union			
Cogeneration Co., Ltd.		-	24,509
Total short-term loans to related parties	-	24,509	24,509

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
<u>Short-term loans to related parties</u>				
<u>Subsidiaries</u>				
Computer Union Co., Ltd.	249,715	1,413,800	(1,356,688)	306,827
Union Construction Corp., Ltd.	13,100	-	-	13,100
Total	262,815	1,413,800	(1,356,688)	319,927
Less: Allowance for doubtful accounts	(13,000)	-	-	(13,000)
Total short-term loans to related parties - net	249,815	1,413,800	(1,356,688)	306,927

Directors and management's benefits

During the years ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	109	106	31	31
Post-employment benefits	2	3	-	1
Total	111	109	31	32

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with their related parties, as described in Note 31.4 to the financial statements.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	26,823	23,237	127,256	191,685
Past due up to 3 months	8,895	829	-	-
Total trade receivables - related parties	35,718	24,066	127,256	191,685
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,071,024	759,831	19,027	18,152
Past due				
Up to 3 months	171,160	237,202	-	-
3 - 6 months	74,333	27,114	-	-
6 - 12 months	34,764	16,574	-	-
Over 12 months	39,881	44,239	2,016	2,289
Total	1,391,162	1,084,960	21,043	20,441
Less: Allowance for doubtful accounts	(34,583)	(29,941)	(1,894)	(2,134)
Total trade receivables - unrelated parties, net	1,356,579	1,055,019	19,149	18,307
Total trade receivables - net	1,392,297	1,079,085	146,405	209,992
<u>Other receivables</u>				
Advances	44,760	218,538	1	32
Prepaid corporate income tax	19,213	21,775	-	-
Prepaid expenses	22,278	18,177	833	1,022
Accrued income	37,917	19,716	9,158	8,814
Input tax refundable	25,157	37,323	3,774	4,526
Import duty refundable	1,343	2,335	-	-
Others	31,441	52,123	874	1,152
Total other receivables	182,109	369,987	14,640	15,546
Total trade and other receivables - net	1,574,406	1,449,072	161,045	225,538

10. Inventories

(Unit: Thousand Baht)

Consolidated financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
Finished goods	534,116	611,756	(31,544)	(58,694)	502,572	553,062
Semi products	20,178	18,869	(953)	(1,928)	19,225	16,941
Work in process	107,055	105,973	(765)	(6,085)	106,290	99,888
Raw materials	562,060	858,601	(3,961)	(110,556)	558,099	748,045
Packing materials	28,475	34,911	(3,364)	(136)	25,111	34,775
Spare parts and factory supplies	112,329	96,335	(21,981)	(24,965)	90,348	71,370
Goods in transit	72,241	87,658	-	-	72,241	87,658
Total	1,436,454	1,814,103	(62,568)	(202,364)	1,373,886	1,611,739

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2012	2011	2012	2011	2012	2011
Goods in transit	9	15,981	-	-	9	15,981
Total	9	15,981	-	-	9	15,981

11. Investments in associates held for sale

During the year 2012, the Company and Saha-Union Investment (China) Co., Ltd. (a subsidiary) entered into agreements to sell its investments in two associates who are principally engaged in power generation and one associate who is principally engaged in the manufacture of citric acid. All three associates are domiciled in China. Information on the disposals of the three associates is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Selling	Benefit in			Selling	Benefit in		
	price per contract	December 2012	Benefit in 2013	Total fair value	price per contract	December 2012	Benefit in 2013	Total fair value
Associate								
Jiangsu-Union Cogeneration Group Co., Ltd.	1,503,038	111,503	634,937	2,249,478	1,185,321	111,503	508,020	1,804,844
Huanan-Union Spring Cogeneration Co., Ltd.	178,257	-	57,307	235,564	125,440	-	41,307	166,747
Yixing-Union Biochemical Co., Ltd.	221,126	-	84,550	305,676	130,577	-	50,990	181,567
Total	1,902,421	111,503	776,794	2,790,718	1,441,338	111,503	600,317	2,153,158

The associates were sold to non-related party in China, with the sales being approved by the Company's Board of Directors Meeting held on 29 November 2012. Although the disposals were approved by the Chinese Government in November 2012 and Saha-Union Investment (China) Co., Ltd. has received advance payment amounting to Baht 461 million for the sales, as at 31 December 2012 the Company and Saha-Union Investment (China) Co., Ltd. still have significant influence over the three associates. Subsequently, at the end of February 2013, the Company receives the balance of the selling price and at present, the Company and Saha-Union Investment (China) Co., Ltd. are still to register the share transfer.

The Company therefore classified these three associates as "Investments in associates held for sale", to be stated at the carrying amount under the equity method until the date that they are reclassified in the consolidated statement of financial position as at 31 December 2012, and at the carrying amount under the cost method in the separate statement of financial position as at 31 December 2012. In this regard, when the Company and Saha-Union Investment (China) Co., Ltd. register the share transfer, the Company will record the disposal transaction by writing off the investments in associates held for sale from the accounts and recognising the gains on disposal of investments.

Details of investments in associates held for sale are as follow:

Consolidated financial statement

Associate	Percentage of shareholding (%)	Cost as at 31 December 2012	(Unit: Thousand Baht)	
			Carrying amount based on equity method until the date of investment classification	
Jiangsu-Union Cogeneration Group Co., Ltd.	50.00	999,836	2,000,632	
Huanan-Union Spring Cogeneration Co., Ltd.	50.00	127,789	208,264	
Yixing-Union Biochemical Co., Ltd.	50.00	214,657	296,598	
Total		1,342,282	2,505,494	

Separate financial statements

Associate	Percentage of shareholding (%)	(Unit: Thousand Baht)	
		Cost as at 31 December 2012	
Jiangsu-Union Cogeneration Group Co., Ltd.	40.00	1,093,794	
Huanan-Union Spring Cogeneration Co., Ltd.	25.00	96,602	
Yixing-Union Biochemical Co., Ltd.	15.00	135,219	
Total		1,325,615	

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2012	2011	2012	2011	2012	2011	2012	2011
	(Million Baht)	(Million Baht)	(%)	(%)				
	(Except for other specified currencies)							
Textile business								
Shanghai Saha-Union Thread Industry Co., Ltd.	24	24	64.00	64.00	49,950	49,950	-	-
	(Million RMB)							
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	4	4	82.00	82.00	57,096	57,096	-	-
	(Million USD)							
Union Textile Industries Plc.	600	600	51.42	51.42	321,181	321,181	5,986	50,880
Union Garment Co., Ltd.	50	50	99.99	99.99	70,345	70,345	22,497	5,999
Plastic, rubber and metal business								
Union Pioneer Plc.	75	75	52.71	52.71	53,084	53,084	14,687	20,929
Union Plastic Plc.	250	250	49.69	49.69	235,433	235,433	27,236	24,760
Union Zojirushi Co., Ltd.	300	300	51.00	51.00	153,659	153,659	47,277	84,252
Union Stainless Steel Products Co., Ltd.	40	40	98.00	98.00	52,411	52,411	21,168	19,600
Union Rubber Products Corp., Ltd.	20	20	99.99	99.99	16,111	16,111	9,400	2,300
Thai Rubber Enterprise Co., Ltd.	32	32	50.69	50.69	17,179	17,179	9,895	5,840

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years
	2012	2011	2012	2011	2012	2011	
	(Million Baht) (Except for other specified currencies)	(Million Baht)	(%)	(%)			
Trading business							
Computer Union Co., Ltd.	100	100	97.73	97.73	101,298	101,298	29,320
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	5	5	97.73	97.73	-	-	-
Energy business							
Jiashan-Union Cogeneration Co., Ltd.	11	11	75.96	75.96	251,073	251,073	22,560
Investment and others business							
Saha-Union International Ltd.	330	330	99.98	99.98	1,571,303	1,571,303	-
	(Million HKD)						
Saha-Union Investment (China) Co., Ltd.	45	45	100.00	100.00	1,572,809	1,572,809	-
	(Million USD)						
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd.)	223	223	99.98	99.98	-	-	-
	(Million HKD)						
Shanghai Dasiy Co., Ltd. (100.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	1	1	100.00	100.00	-	-	-
	(Million HKD)						
Union Technology (2008) Plc. Saha-Union Holding Co., Ltd.	120	120	99.66	99.66	120,057	120,057	-
	1,200	1,200	99.54	99.54	1,194,479	1,194,479	-
Venus Shoes Co., Ltd.	72	72	96.86	96.86	44,007	44,007	-
Union Printing Corp., Ltd.	30	30	94.74	94.74	29,466	29,466	-

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2012	2011	2012	2011	2012	2011	2012	2011
	(Million Baht)	(Million Baht)	(%)	(%)				
	(Except for other specified currencies)							
<i>Investment and others business (continued)</i>								
Union Equity Co., Ltd.	160	160	99.79	99.79	159,771	159,771	-	-
Union Technology Co., Ltd.	100	100	99.99	99.99	100,000	100,000	-	-
Union Energy Co., Ltd.	3	3	99.40	99.40	3,176	3,176	-	-
Union Energy (China) Co., Ltd.	15	15	99.99	99.99	15,399	15,399	-	130,462
Texport International Corp., Ltd.	13	13	85.20	85.20	12,358	12,358	-	-
Union Human Resources Development Co., Ltd.	0.25	0.25	99.99	99.99	250	250	-	-
Union Shoes Co., Ltd.	24	24	97.85	97.85	22,008	22,008	-	-
Union Construction Corp., Ltd.	200	200	99.68	99.68	5,281	5,281	-	-
<i>Dissoluted group</i>								
Union Kotec Molds Co., Ltd.	-	54	-	32.30	-	-	-	-
(65.00 percent owned by Union Plastic Plc.)								
Total					6,229,184	6,229,184	233,216	396,902
Less: Allowance for impairment of investments in subsidiaries					(639,950)	(765,646)		
Total investments in subsidiaries - net					5,597,234	5,463,538		

During the years 2012 and 2011, there were significant changes of subsidiaries as the following:

Dissolutions

(Unit: Thousand Baht)					
	Company	Approved by	Approved date	Registration date	Net cash return from dissolution
					Consolidated financial statements Separate financial statements
2012					
	Union Kotec Molds Co., Ltd.	The Extraordinary Meeting of Shareholders No. 1/2011	15 August 2011	25 August 2011	14,422 -
Total					14,422 -
2011					
	Union Yagi Lao Co., Ltd.	The 2010 Annual General Meeting of Shareholders	17 September 2010	11 March 2011	- -
Total					- -

Increase in registered shares capital

(Unit: Thousand Baht)										
Company	Increase No.	Approved by	Approved date	Registration date	Registered and paid-up share capital before increase		Registered and paid-up share capital after increase		Net cash receipt (paid) from capital increase	
					No. of shares (Shares)	Par value (Baht)	No. of shares (Shares)	Par value (Baht)	Consolidated financial statements	Separate financial statements
2011										
Union Zojirushi Co., Ltd.	1	The Extraordinary Meeting of Shareholders No. 1/2011	23 August 2011	5 September 2011	1,400,000	100	3,000,000	100	78,400 (81,600)	
Total									78,400 (81,600)	

Reductions of registered shares capital

(Unit: Thousand Baht)									
Company	Reducing No.	Approved by	Approved date	Registration date	Registered and paid-up share capital before decrease		Registered and paid-up share capital after decrease		Net cash receipt from capital reduction
					No. of shares	Par value	No. of shares	Par value	
					(Shares)	(Baht)	(Shares)	(Baht)	
2011									
Union Energy (China) Co., Ltd.	1	The Extraordinary Meeting of Shareholders No. 1/2011	5 September 2011	13 October 2011	2,450,000	100	613,000	100	183,700
	2	The Extraordinary Meeting of Shareholders No. 2/2011	1 November 2011	6 December 2011	613,000	100	154,000	100	45,900
Union Technology (2008) Plc.	1	The 2011 Annual General Meeting of Shareholders	22 April 2011	6 July 2011	30,000,000	10	30,000,000	4	167,530
Total									397,130

Additional of investment

(Unit: Thousand Baht)						
Company	Description	Effects in consolidated financial statements	Effects in separate financial statements	Net cash paid		
				Consolidated financial statements	Separate financial statements	
2011						
Saha-Union Investment (China) Co., Ltd.	Acquired of investment in Shanghai Dacity Co., Ltd.	- None	- Increased in a subsidiary	(5,017)	-	
Total				(5,017)	-	

In addition, two subsidiaries and an associate those operate textile businesses in China, which are

- Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. (a subsidiary)
- Shanghai Saha-Union Thread Industry Co., Ltd. (a subsidiary)
- Shanghai Saha-Union Spinning Mill No. 7 Co., Ltd. (an associate)

, at the present, received approval from relevant government agencies to implement a merger and are in the process of registration in order to maximise economic benefits of the Company and reduce certain costs of business.

During the year 2012, the Company reversed the net allowance for impairment of investments in subsidiaries by Baht 134 million. Consequently, as at 31 December 2012, the Company recorded allowance for impairment of investments in subsidiaries totaling Baht 632 million in order to reflect the future expected return on investments.

13. Investments in associates

13.1 Details of associates:

Consolidated financial statements

(Unit: Thousand Baht)								
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
Textile business								
Shanghai Saha-Union Spinning Mill No.7 Co., Ltd.	Spinning	China	50.00	50.00	310,918	310,918	256,889	303,749
Union Micronclean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	44.48	44.48	2,550	2,550	19,754	26,011
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	51.99	51.99	46,563	46,563	93,547	123,687
Union Zip Co., Ltd.	Manufacture and distribution of zippers	Thailand	24.85	24.85	-	-	13,331	12,310
(99.79 percent owned by Union Industries Corp., Ltd.)								
Venus Thread Co., Ltd.	Manufacture and distribution of thread and yarn	Thailand	24.90	24.90	-	-	21,503	28,588
(98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)								
Ten Cate-Union Protective Fabric Asia Co., Ltd.	Manufacture and distribution of textiles fabrics and dyeing	Thailand	24.62	24.62	190,000	190,000	-	133,936
(49.35 percent owned by Union Textile Industries Plc.)								
Union Universe Co., Ltd	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	67,216	66,549
Plastic, rubber and metal business								
Union Thai-Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.27	40.27	19,266	19,266	150,857	152,288
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	39.91	39.91	51,559	51,553	215,362	180,226

(Unit: Thousand Baht)

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
Energy business								
Jiangsu-Union Cogeneration Group Co., Ltd.	Power generation	China	-	50.00	-	999,836	-	2,114,670
(2012: changed status to associates held for sale)								
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	514,653	514,653	824,137	897,003
Huanan-Union Spring Cogeneration Co., Ltd.	Power generation	China	-	50.00	-	127,789	-	220,028
(2012: changed status to associates held for sale)								
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	445,914	445,914	271,467	338,594
Pingbian Xian Yunnan Energy Union Power Co., Ltd.	Power generation	China	25.00	50.00	34,066	68,132	27,769	68,859
(25.00 percent owned by Saha-Union Investment (China) Co., Ltd.)								
Investment and others business								
Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	29.65	40.00	273,029	227,402	200,475	155,045
Yixing-Union Biochemical Co., Ltd.	Manufacture of citric acid	China	-	50.00	-	83,470	-	299,478
(2012: changed status to associates held for sale)								
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automobile carpets	China	35.00	35.00	218,108	218,108	293,448	291,422
Jiashan-Union Development Co., Ltd.	Real estate	China	49.00	49.00	676,832	676,832	652,027	581,320
Saha-Union International Taipei Ltd.	Investment	Taiwan	42.30	42.30	386	386	3,146	3,133
Uni-Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	52.99	52.99	55,800	55,800	349,223	156,274
Uni-Agro Co., Ltd.	Investment and agriculture	Thailand	44.94	44.94	20,465	20,465	16,331	15,934

(Unit: Thousand Baht)								
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
<i>Investment and others business (continued)</i>								
Union Thread Industries Co., Ltd.	Investment	Thailand	35.99	35.99	51,861	51,861	746,132	718,860
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	336,113	322,142
Venus Product Co., Ltd.	Investment	Thailand	24.86	24.86	-	-	1,795	1,769
(99.86 percent owned by Union Thread Industries Co., Ltd.)								
Union Capital Co., Ltd.	Investment	Thailand	26.42	26.42	-	-	49,296	40,767
(29.00 percent owned by Union Industries Corp., Ltd., 29.00 percent by Union Thread Industries Co., Ltd., 29.00 percent by Union Business Management Co., Ltd. and 2.00 percent by Uni-Fibre Co., Ltd.)								
Union Business Management Co., Ltd.	Investment	Thailand	32.70	32.70	94,999	94,999	97,323	87,445
(51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)								
Union Distributor Co., Ltd.	Investment	Thailand	24.73	24.73	-	-	1,091	1,024
(99.30 percent owned by Union Industries Corp., Ltd.)								
Union Management and Service Co., Ltd.	Distribution of fuel and employee transportation services	Thailand	24.86	24.86	-	-	1,785	1,328
(99.83 percent owned by Union Industries Corp., Ltd.)								
Union Asset Management Co., Ltd.	Apartment, office building space and warehouse rental	Thailand	24.90	24.90	-	-	3,469	2,524
(99.99 percent owned by Union Industries Corp., Ltd.)								

(Unit: Thousand Baht)								
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2012	2011	2012	2011	2012	2011
			(%)	(%)				
<i>Investment and others business (continued)</i>								
Union Property Co., Ltd.	Investment and real estate rental	Thailand	27.43	-	-	-	835	-
(45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent owned by Union Thread Industries Co., Ltd., 15.00 percent owned by Union Industries Corp., Ltd.)								
Union Somkid Co., Ltd.	Real estate rental	Thailand	29.36	-	-	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)								
Union Chidlom Co., Ltd.	Real estate rental	Thailand	29.36	-	-	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)								
Union Chamchuri Co., Ltd.	Real estate rental	Thailand	29.36	-	-	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)								
<i>Discontinued operation group</i>								
Yunnan Energy Qujing-Union Power Co., Ltd.	-	China	50.00	50.00	509,690	509,690	101,648	101,648
Total					3,563,738	4,763,266	4,815,969	7,446,611

Separate financial statements

(Unit: Thousand Baht)										
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2012	2011	2012	2011	2012	2011	2012	2011
			(%)	(%)						
Textile business										
Shanghai Saha-Union Spinning Mill No.7 Co., Ltd.	Spinning	China	40.00	40.00	248,255	248,255	(44,479)	(16,831)	203,776	231,424
Union Micronclean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	25.00	25.00	1,251	1,251	-	-	1,251	1,251
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	25.00	25.00	46,563	46,563	-	-	46,563	46,563
Union Zip Co., Ltd.	Manufacture and distribution of zippers	Thailand	-	-	-	-	-	-	-	-
(99.79 percent owned by Union Industries Corp., Ltd.)										
Venus Thread Co., Ltd.	Manufacture and distribution of thread and yarn	Thailand	-	-	-	-	-	-	-	-
(98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)										
Ten Cate-Union Protective Fabric Asia Co., Ltd.	Manufacture and distribution of textiles fabrics and dyeing	Thailand	-	-	-	-	-	-	-	-
(49.35 percent owned by Union Textile Industries Plc.)										
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	-	-	3,751	3,751
Plastic, rubber and metal business										
Union Thai-Nichiban Co., Ltd.	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape	Thailand	40.27	40.27	19,266	19,266	-	-	19,266	19,266
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand	30.00	30.00	31,556	31,556	-	-	31,556	31,556

(Unit: Thousand Baht)

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2012	2011	2012	2011	2012	2011	2012	2011
			(%)	(%)						
Energy business										
Jiangsu-Union Cogeneration Group Co., Ltd. (2012: changed status to associates held for sale)	Power generation	China	-	40.00	-	1,093,795	-	-	-	1,093,795
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	Power generation	China	25.00	25.00	257,481	257,481	-	-	257,481	257,481
Huanan-Union Spring Cogeneration Co., Ltd. (2012: changed status to associates held for sale)	Power generation	China	-	25.00	-	96,602	-	-	-	96,602
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	Power generation	China	40.00	40.00	417,271	417,271	(161,289)	(161,289)	255,982	255,982
Pingbian Xian Yunnan Energy Union Power Co., Ltd. (25.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	Power generation	China	-	-	-	-	-	-	-	-
Investment and other business										
Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	23.85	30.53	218,958	173,331	(36,826)	(36,826)	182,132	136,505
Yixing-Union Biochemical Co., Ltd. (2012: changed status to associates held for sale)	Manufacture of citric acid	China	-	15.00	-	56,507	-	-	-	56,507
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automobile carpets	China	25.00	25.00	152,218	152,218	-	-	152,218	152,218
Jiashan-Union Development Co., Ltd.	Real estate	China	39.00	39.00	538,703	538,703	-	-	538,703	538,703
Saha-Union International Taipei Ltd.	Investment	Taiwan	10.00	10.00	386	386	-	-	386	386
Uni-Fibre Co., Ltd.	Investment / Agency and service business / Distribution of textile products and other materials	Thailand	25.67	25.67	30,800	30,800	-	-	30,800	30,800

(Unit: Thousand Baht)										
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2012	2011	2012	2011	2012	2011	2012	2011
			(%)	(%)						
<i>Investment and others business (continued)</i>										
Uni-Agro Co., Ltd.	Investment and agriculture	Thailand	30.00	30.00	20,465	20,465	(547)	(3,896)	19,918	16,569
Union Thread Industries Co., Ltd.	Investment	Thailand	24.90	24.90	51,861	51,861	-	-	51,861	51,861
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	24.90	24.90	43,328	43,328	-	-	43,328	43,328
Venus Product Co., Ltd.	Investment	Thailand	-	-	-	-	-	-	-	-
(99.86 percent owned by Union Thread Industries Co., Ltd.)										
Union Capital Co., Ltd.	Investment	Thailand	-	-	-	-	-	-	-	-
(29.00 percent owned by Union Industries Corp., Ltd., 29.00 percent by Union Thread Industries Co., Ltd., 29.00 percent by Union Business Management Co., Ltd. and 2.00 percent by Uni-Fibre Co., Ltd.)										
Union Business Management Co., Ltd.	Investment	Thailand	-	-	-	-	-	-	-	-
(51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)										
Union Distributor Co., Ltd.	Investment	Thailand	-	-	-	-	-	-	-	-
(99.30 percent owned by Union Industries Corp., Ltd.)										
Union Management and Service Co., Ltd.	Distribution of fuel and employee transportation services	Thailand	-	-	-	-	-	-	-	-
(99.83 percent owned by Union Industries Corp., Ltd.)										
Union Asset Management Co., Ltd.	Apartment, office building space and warehouse rental	Thailand	-	-	-	-	-	-	-	-
(99.99 percent owned by Union Industries Corp., Ltd.)										

(Unit: Thousand Baht)										
Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2012	2011	2012	2011	2012	2011	2012	2011
			(%)	(%)						
<i>Investment and others business (continued)</i>										
Union Property Co., Ltd. (45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent owned by Union Thread Industries Co., Ltd., 15.00 percent owned by Union Industries Corp., Ltd.)	Investment and real estate rental	Thailand	-	-	-	-	-	-	-	-
Union Somkid Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)	Real estate rental	Thailand	-	-	-	-	-	-	-	-
Union Chidlom Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)	Real estate rental	Thailand	-	-	-	-	-	-	-	-
Union Chamchuri Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)	Real estate rental	Thailand	-	-	-	-	-	-	-	-
<i>Discontinued operation group</i>										
Yunnan Energy Qujing-Union Power Co., Ltd.	-	China	45.19	45.19	481,017	481,017	(417,712)	(417,712)	63,305	63,305
Total					2,563,130	3,764,407	(660,853)	(636,554)	1,902,277	3,127,853

13.2 Share of profit/loss and dividend received

During the years, the Company recognised its share of profit/loss from investments in associates companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company	Consolidated financial statements		Separate financial statements	
	Share of profit/loss from investments in associates during the years		Dividend received during the years	
	2012	2011	2012	2011
Textile business				
Shanghai Saha-Union Spinning Mill No.7 Co., Ltd.	(39,975)	3,385	-	10,682
Union Micronclean Co., Ltd.	6,116	7,744	7,750	-
Union Spinning Mills Co., Ltd.	(12,070)	28,868	8,750	8,500
Union Zip Co., Ltd.	9,220	8,887	-	-
(99.79 percent owned by Union Industries Corp., Ltd.)				
Venus Thread Co., Ltd.	4,867	13,789	-	-
(98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)				
Ten Cate-Union Protective Fabric Asia Co., Ltd.	(87,671)	1,366	-	-
(49.35 percent owned by Union Textile Industries Plc.)				
Union Universe Co., Ltd.	636	4,101	935	748
Plastic, rubber and metal business				
Union Thai-Nichiban Co., Ltd.	7,509	8,940	8,941	33,226
Union Nifco Co., Ltd.	65,689	53,010	38,103	47,404
Energy business				
Jiangsu-Union Cogeneration Group Co., Ltd.	190,364	79,338	167,780	18,417
(2012: changed status to associates held for sale)				
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	186,748	196,825	92,563	-
Huanan-Union Spring Cogeneration Co., Ltd.	(5,994)	49,676	-	-
(2012: changed status to associates held for sale)				
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	(56,930)	(45,131)	-	-
Pingbian Xian Yunnan Energy Union Power Co., Ltd.	(2,919)	(6,149)	-	-
(25.00 percent owned by Saha-Union Investment (China) Co., Ltd.)				
Investment and others business				
Taixing Union Zond Chemicals Co., Ltd.	10,314	(42,569)	-	-
Yixing-Union Biochemical Co., Ltd.				
(2012: changed status to associates held for sale)	(117,205)	15,487	-	-

(Unit: Thousand Baht)

Company	Consolidated financial statements		Separate financial statements	
	Share of profit/loss from investments in associates during the years		Dividend received during the years	
	2012	2011	2012	2011
<i>Investment and others business (continued)</i>				
Jiangsu Zhonglian-Union Carpet Co., Ltd.	17,328	26,160	6,133	12,038
Jiashan-Union Development Co., Ltd.	84,605	(58,141)	-	-
Saha-Union International Taipei Ltd.	(25)	155	-	-
Uni-Fibre Co., Ltd.	192,543	12,970	-	-
Uni-Agro Co., Ltd.	396	965	-	-
Union Thread Industries Co., Ltd.	17,541	20,467	8,963	9,024
Union Industries Corp., Ltd.	9,697	9,559	6,723	6,750
Venus Product Co., Ltd.	26	2	-	-
(99.86 percent owned by Union Thread Industries Co., Ltd.)				
Union Capital Co., Ltd.	8,529	9,151	-	-
(29.00 percent owned by Union Industries Corp., Ltd., 29.00 percent by Union Thread Industries Co., Ltd., 29.00 percent by Union Business Management Co., Ltd. and 2.00 percent by Uni-Fibre Co., Ltd.)				
Union Business Management Co., Ltd.	9,878	15,203	-	-
(51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)				
Union Distributor Co., Ltd.	62	56	-	-
(99.30 percent owned by Union Industries Corp., Ltd.)				
Union Management and Service Co., Ltd.	456	347	-	-
(99.83 percent owned by Union Industries Corp., Ltd.)				
Union Asset Management Co., Ltd.	945	785	-	-
(99.99 percent owned by Union Industries Corp., Ltd.)				
Union Property Co., Ltd.	835	-	-	-
(45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent owned by Union Thread Industries Co., Ltd., and 15.00 percent owned by Union Industries Corp., Ltd.)				
Union Somkid Co., Ltd.	(129)	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)				

Company	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit/loss from investments in associates during the years		Dividend received during the years	
	2012	2011	2012	2011
<i>Investment and others business (continued)</i>				
Union Chidlom Co., Ltd.	(398)	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)				
Union Chamchuri Co., Ltd.	(38)	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)				
<i>Discontinued operation group</i>				
Yunnan Energy Qujing-Union Power Co., Ltd.	-	(224,771)	-	-
Total	500,950	190,475	346,641	146,789

For the year 2012, the Company and Saha-Union Investment (China) Co., Ltd. recognised their share of profit (loss) under the equity method and dividend received from the three associates held for sale since the beginning of the year to the date of investment classification.

13.3 Summarised financial information of associates

Financial information of the associates is summarised below:

Company	(Unit: Million Baht)									
	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit (loss)	
	as at 31 December	as at 31 December	as at 31 December	as at 31 December	as at 31 December	as at 31 December	for the years ended	for the years ended	for the years ended	for the years ended
	2012	2011	2012	2011	2012	2011	31 December	31 December	2012	2011
Textile business										
Shanghai Saha-Union Spinning Mill No.7 Co., Ltd.	128	128	816	813	300	204	239	499	(80)	8
	(Million RMB)									
Union Micronclean Co., Ltd.	5	5	60	85	21	41	99	120	12	18
Union Spinning Mills Co., Ltd.	200	200	428	477	144	135	512	722	(23)	54
Union Zip Co., Ltd.	100	100	204	200	50	51	203	202	37	35
(99.79 percent owned by Union Industries Corp., Ltd.)										
Venus Thread Co., Ltd.	300	300	603	664	216	250	778	847	18	53
(98.96 percent owned by Union Thread Industries Co., Ltd and 1.04 percent by Union Spinning Mills Co., Ltd.)										
Ten Cate-Union Protective Fabric Asia Co., Ltd.	385	385	377	653	321	456	655	980	(141)	4
(49.35 percent owned by Union Textile Industries Plc.)										
Union Universe Co.,Ltd.	8	8	143	148	9	14	39	57	1	8
Plastic, rubber and metal business										
Union Thai-Nichiban Co., Ltd.	15	15	464	475	90	97	879	872	19	22
Union Nifco Co., Ltd.	100	100	740	612	309	186	1,220	975	134	130

Company	(Unit: Million Baht)					
	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December	
	2012	2011	2012	2011	2012	2011
					Total revenues for the years ended 31 December	Profit (loss) for the years ended 31 December
Energy business						
Jiangsu-Union Cogeneration Group Co., Ltd. (2012: changed status to associates held for sale)	-	60 (Million USD)	-	10,934	-	6,262
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	200	200 (Million RMB)	2,564	2,463	1,006	812
Huanan-Union Spring Cogeneration Co., Ltd. (2012: changed status to associates held for sale)	-	65 (Million RMB)	-	1,598	-	1,076
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	25	25 (Million USD)	924	1,048	150	140
Pingbian Xian Yunnan Energy Union Power Co., Ltd. (25.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	30	30 (Million RMB)	584	627	473	489
Investment and other business						
Taixing Union Zond Chemicals Co., Ltd.	28	17 (Million USD)	1,654	1,582	978	1,194
Yixing-Union Biochemical Co., Ltd. (2012: changed status to associates held for sale)	-	8 (Million USD)	-	5,157	-	4,380
Jiangsu Zhonglian-Union Carpet Co., Ltd.	57	57 (Million RMB)	1,336	1,283	500	454
Jiashan-Union Development Co., Ltd.	41	41 (Million USD)	3,482	4,533	2,152	3,347
					1,837	173
					3	173
						(119)

Company	(Unit: Million Baht)									
	Paid-up capital		Total assets		Total liabilities		Total revenues		Profit (loss)	
	as at 31 December	as at 31 December	as at 31 December	as at 31 December	as at 31 December	as at 31 December	for the years ended	for the years ended	for the years ended	for the years ended
	2012	2011	2012	2011	2012	2011	31 December	31 December	2012	2011
<i>Investment and other business (continued)</i>										
Saha-Union International Taipei Ltd.	5	5	11	11	1	1	-	2	-	-
	(Million TWD)									
Uni-Fibre Co., Ltd.	120	120	1,062	514	57	12	502	52	363	25
Uni-Agro Co., Ltd.	65	65	67	63	-	1	3	5	1	2
Union Thread Industries Co., Ltd.	200	200	2,937	2,570	12	13	148	172	112	142
Union Industries Corp., Ltd.	150	150	1,664	1,431	5	6	115	104	75	77
Venus Product Co., Ltd.	2	2	9	9	-	-	-	-	-	-
(99.86 percent owned by Union Thread Industries Co., Ltd.)										
Union Capital Co., Ltd.	250	250	1,059	861	10	48	39	44	32	35
(29.00 percent owned by Union Industries Corp., Ltd., 29.00 percent by Union Thread Industries Co., Ltd., 29.00 percent by Union Business Management Co., Ltd. and 2.00 percent by Uni-Fibre Co., Ltd.)										
Union Business Management Co., Ltd.	500	500	1,299	1,103	-	27	36	57	30	47
(51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd., 18.99 percent by Union Textile Industries Plc. and 0.50 percent by Union Industries Corp., Ltd.)										

(Unit: Million Baht)

Company	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Investment and others business (continued)										
Union Distributor Co., Ltd.	1	1	5	5	-	-	-	-	-	-
(99.30 percent owned by Union Industries Corp., Ltd.)										
Union Management and Service Co., Ltd.	4	4	20	19	9	10	29	30	2	1
(99.83 percent owned by Union Industries Corp., Ltd.)										
Union Asset Management Co., Ltd.	60	60	76	72	2	2	12	12	4	3
(99.99 percent owned by Union Industries Corp., Ltd.)										
Union Property Co., Ltd.	342	-	346	-	1	-	3	-	1	-
(45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent owned by Union Thread Industries Co., Ltd., 15.00 percent owned by Union Industries Corp., Ltd.)										
Union Somkid Co., Ltd.	60	-	60	-	-	-	1	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)										
Union Chidlom Co., Ltd.	60	-	59	-	-	-	-	-	(1)	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)										

Company	(Unit: Million Baht)							
	Paid-up capital		Total assets		Total liabilities		Total revenues	
	as at 31 December		as at 31 December		as at 31 December		for the years ended	Profit (loss)
	2012	2011	2012	2011	2012	2011	31 December	31 December
Investment and others business (continued)								
Union Chamchuri Co., Ltd.	40	-	40	-	-	-	-	-
(39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent owned by Union Thread Industries Co., Ltd., 20.00 percent owned by Union Industries Corp., Ltd.)								
Discontinued operation group								
Yunnan Energy Qujing-Union Power Co., Ltd.	28	28	878	878	99	99	180	-
	(Million USD)							(170)

During the years 2012 and 2011, there were significant changes of associates as the following:

Additional of investment

Company	Description	Effects in consolidated financial statements	Effects in separate financial statements	(Unit: Thousand Baht)	
				Consolidated financial statements	Separate financial statements
2012					
Uni-Fibre Co., Ltd.	Acquired of investment in 4 associates as the following;	- Increased in 4 associates	- Increased in 4 associates	-	-
Union Thread Industries Co., Ltd. and Union Industries Corp., Ltd. (associates)	- Union Property Co., Ltd. - Union Somkid Co., Ltd. - Union Chidlom Co., Ltd. - Union Chamchuri Co., Ltd.				
Total				-	-

Increase in registered shares capital

Company	Capital increase No.	Approved by	Approved date	Registration date	Registered and paid-up share capital		Registered and paid-up share capital after increase		Net cash paid for capital increase		(Unit: Thousand Baht)
					No. of shares (Shares)	Par value (USD)	No. of shares (Shares)	Par value (USD)	Consolidated financial statements	Separate financial statements	
2012											
Taixing Union Zond Chemicals Co., Ltd.	1	The Board of Director's Meeting	5 September 2012	11 October 2012	17,100,000	1	27,930,000	1	(45,627)	(45,627)	
Yixing-Union Biochemical Co., Ltd.	1	The Board of Director's Meeting	17 January 2012	22 May 2012	8,200,000	1	24,600,000	1	(131,187)	(78,712)	
Total									(176,814)	(124,339)	

Dissolution

Company	Approved by	Approved date	Registration date	Net cash return from dissolution (Unit: Thousand Baht)	
				Consolidated financial statements	Separate financial statements
2011					
Shanghai Fuji Shima Dyeing & Garments Corporation	The Board of Director's Meeting	30 December 2010	17 November 2011	10,811	-
Total				10,811	-

Discontinued operation

Company	Description	Effects in consolidated financial statements	Effects in separate financial statements
2011			
Yunnan Energy Qujing-Union Power Co., Ltd.	Yunnan Energy Qujing-Union Power Co., Ltd. had been operating consistently at a loss, so the management of the Company had decide to cease its operation.	- None	- Recording loss on impairment of investment amounting to Baht 199 million.

Disposals and changes in status of investments

		(Unit: Thousand Baht)			
		Effects in		Effects in	
		consolidated		separate	
		financial statements		financial statements	
		Description		financial statements	
		Company		Consolidated financial statements	Separate financial statements
2011					
Saha-Union Plc., Saha-Union Investment (China) Co., Ltd. และ Union Energy (Hong Kong) Co., Ltd.	Disposed of ordinary shares of their investments in Wuxi-Union Cogeneration Co., Ltd. to a non-related party.		- The status of Wuxi-Union Cogeneration Co., Ltd. was therefore changed from an associated company to a non-related party.	873,566	488,992
			- The Company recorded a gain amounting to Baht 134 million on the disposals of investment under the equity method.		
Total				873,566	488,992

During the year 2012, the Company set up additional allowance for impairment of investments in associates amounting to Baht 24 million. As a result, as at 31 December 2012, the Company recorded allowance for impairment of investments in associates totaling Baht 661 million in order to reflect the future expected return on investments.

Share of profit from investments in 11 associates accounted for under the equity method amounting to approximately Baht 45 million, as included in the income statement for the year ended 31 December 2012 (2011: 15 companies, the share of profit Baht 153 million), was calculated from financial statements prepared by the management of those companies, and not audited by their auditors. However, the management believe that there would be no material difference if those financial statements had been audited by the associates' auditors.

14. Investments in other companies

Investments in other companies consist of investments in ordinary shares and available-for-sale securities as follows:

Consolidated financial statements

Investments in ordinary shares

Company	Shareholding percentage		Cost method	
	2012	2011	2012	2011
	Percent	Percent	Thousand Baht	Thousand Baht
Union Button Corp., Ltd.	10.71	10.71	13,107	13,107
Imperial Technology Management Service Plc.	0.67	0.67	10,000	10,000
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
P.S.V. Molds Co., Ltd.	25.00	25.00	2,500	2,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Processing Center Co., Ltd.	20.00	20.00	10,000	10,000
Others			5,644	9,369
Total investments in ordinary shares			1,102,031	1,105,756
Less: Allowance for impairment of investments			(330,397)	(330,325)
Investments in ordinary shares - net			771,634	775,431

Investments in available-for-sale securities

((Unit: Thousand Baht))

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2012	2011	2012	2011	2012	2011
Saha Pathana Inter-Holding Plc.	27,508	27,508	236,024	175,278	263,532	202,786
Bangkok Bank Plc.	220,787	225,468	329,708	210,046	550,495	435,514
New Plus Knitting Plc.	2,010	2,010	(2,010)	(2,010)	-	-
Electricity Generating Plc.	18,650	26,637	11,550	4,837	30,200	31,474
Ratchaburi Electricity Generating Holding Plc.	21,641	22,388	13,014	3,862	34,655	26,250
The Siam Cement Plc.	-	14,883	-	11,293	-	26,176
Bangchak Petroleum Plc.	5,170	5,170	4,038	282	9,208	5,452
Bangkok Expressway Plc.	3,809	3,809	3,488	13	7,297	3,822
Banyan Tree Indochina Hospitality Fund, L.P.	232,971	90,900	(42,362)	-	190,609	90,900
China Mobile Ltd.	-	38,486	-	2,841	-	41,327
HSBC Holdings Plc.	-	47,041	-	(14,678)	-	32,363
PetroChina Co., Ltd.	5,690	5,690	740	160	6,430	5,850
Industrial & Commercial Bank of China Ltd.	5,871	5,107	581	(264)	6,452	4,843
China Shenhua Energy Co., Ltd.	10,282	3,067	1,648	467	11,930	3,534
Shanghai Industrial Holdings Ltd.	10,504	10,504	135	(1,812)	10,639	8,692
Huaneng Power International Inc.	-	2,900	-	98	-	2,998
Swire Pacific Ltd.	13,957	16,357	2,883	659	16,840	17,016
CNOOC Ltd.	6,813	6,813	1,704	307	8,517	7,120
Hang Seng Bank Ltd.	6,852	6,852	1,258	(347)	8,110	6,505
Total investments in available-for-sale securities	<u>592,515</u>	<u>561,590</u>	<u>562,399</u>	<u>391,032</u>	<u>1,154,914</u>	<u>952,622</u>
Total investments in other companies - net					<u>1,926,548</u>	<u>1,728,053</u>

Separate financial statements***Investments in ordinary shares***

Company	Shareholding percentage		Cost method	
	2012	2011	2012	2011
	Percent	Percent	Thousand Baht	Thousand Baht
Union Button Corp., Ltd.	10.71	10.71	13,107	13,107
Imperial Technology Management Service Plc.	0.67	0.67	10,000	10,000
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Processing Center Co., Ltd.	20.00	20.00	10,000	10,000
Others			694	694
Total investment in ordinary shares			1,094,581	1,094,581
Less: Allowance for impairment of investments			(335,700)	(334,620)
Investments in ordinary shares - net			758,881	759,961

Investments in available-for-sale securities

(Unit: Thousand Baht)

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2012	2011	2012	2011	2012	2011
Saha Pathana Inter-Holding Plc.	27,508	27,508	236,024	175,278	263,532	202,786
Bangkok Bank Plc.	204,402	204,402	318,723	203,662	523,125	408,064
New Plus Knitting Plc.	2,010	2,010	(2,010)	(2,010)	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	232,971	90,900	(42,362)	-	190,609	90,900
China Mobile Ltd.	-	38,486	-	2,841	-	41,327
HSBC Holdings Plc.	-	47,041	-	(14,678)	-	32,363
PetroChina Co., Ltd.	5,690	5,690	740	160	6,430	5,850
Industrial & Commercial Bank of China Ltd.	5,871	5,107	581	(264)	6,452	4,843
China Shenhua Energy Co., Ltd.	10,282	3,067	1,648	467	11,930	3,534
Shanghai Industrial Holdings Ltd.	10,504	10,504	135	(1,812)	10,639	8,692
Huaneng Power International Inc.	-	2,900	-	98	-	2,998
Swire Pacific Ltd.	13,957	16,357	2,883	659	16,840	17,016
CNOOC Ltd.	6,813	6,813	1,704	307	8,517	7,120
Hang Seng Bank Ltd.	6,852	6,852	1,258	(347)	8,110	6,505
Total investment in available-for-sale securities	<u>526,860</u>	<u>467,637</u>	<u>519,324</u>	<u>364,361</u>	<u>1,046,184</u>	<u>831,998</u>
Total investments in other companies - net					1,805,065	1,591,959

During the current year, the Company and its subsidiaries received dividends from their investments in ordinary shares and available-for-sale securities totaling Baht 242 million (2011: Baht 285 million), with the Company receiving Baht 211 million (2011: Baht 256 million).

15. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Land and improvement awaiting development	Factory and office building for rent	Under construction	Total	Land and improvement awaiting development	Factory and office building for rent	Under construction	Total
As at 31 December 2012								
Cost	732,245	2,583,782	1,366	3,317,393	586,689	1,955,205	1,366	2,543,260
<u>Less</u> Accumulated depreciation	(25,674)	(2,088,096)	-	(2,113,770)	(15,048)	(1,737,360)	-	(1,752,408)
<u>Less</u> Allowance for impairment loss	(4,413)	(106,083)	-	(110,496)	(4,413)	(89,983)	-	(94,396)
Net book value	<u>702,158</u>	<u>389,603</u>	<u>1,366</u>	<u>1,093,127</u>	<u>567,228</u>	<u>127,862</u>	<u>1,366</u>	<u>696,456</u>
As at 31 December 2011								
Cost	723,293	2,371,202	-	3,094,495	469,936	1,944,645	-	2,414,581
<u>Less</u> Accumulated depreciation	(19,625)	(1,929,594)	-	(1,949,219)	(9,181)	(1,660,329)	-	(1,669,510)
<u>Less</u> Allowance for impairment loss	(4,413)	(107,583)	-	(111,996)	(4,413)	(89,983)	-	(94,396)
Net book value	<u>699,255</u>	<u>334,025</u>	<u>-</u>	<u>1,033,280</u>	<u>456,342</u>	<u>194,333</u>	<u>-</u>	<u>650,675</u>

A reconciliation of the net book value of investment properties for the years 2012 and 2011 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Net book value at beginning of year	1,033,280	973,894	650,675	675,651
Acquisition of assets	2,228	108,226	121,366	74,401
Disposals - net book value	(222)	(150)	(222)	(150)
Transfers - net book value	169,498	458	9,262	2,925
Depreciation	(109,814)	(113,413)	(84,625)	(102,152)
Reversal of allowance for impairment loss	1,500	64,298	-	-
Translation adjustment	(3,343)	(33)	-	-
Net book value at end of year	1,093,127	1,033,280	696,456	650,675

The fair value of the investment properties as at 31 December 2012 and 2011 stated below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Land and land improvement				
awaiting development	1,493,265	1,670,265	852,718	1,047,218
Factory and office building for rent	1,017,043	597,221	281,500	281,500

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The fair value of the land and land improvement awaiting development and office building for rent has been determined based on market prices, while that of the factory has been determined using the new replacement cost approach.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others
Cost						Total
1 January 2011	170,467	12,401	1,390,292	4,553,877	550,030	1,948,640
Additions	126	269	10,529	217,122	69,448	615,624
Disposals/write-off	-	-	(84,833)	(254,634)	(17,929)	(145,873)
Transfers	-	-	42,892	297,963	-	(340,855)
Transfer from investment properties	2,468	-	-	-	-	2,468
Translation adjustment	-	-	16,284	-	57,515	95,852
31 December 2011	173,061	12,670	1,375,164	4,814,328	659,064	2,173,388
Additions	-	1,049	308,578	284,220	16,341	478,914
Disposals/write-off	-	-	(62,749)	(83,575)	(9,934)	(105,016)
Transfers	-	-	120,852	416,676	-	(537,528)
Transfer to investment properties	(8,952)	-	(216,828)	-	-	-
Category rearrangement	-	-	399,878	-	-	(399,878)
Translation adjustment	-	-	(19,389)	-	(15,140)	(15,083)
31 December 2012	164,109	13,719	1,905,506	5,431,649	650,331	1,594,797
						9,760,111

	Consolidated financial statements (continued)						(Unit: Thousand Baht)
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
Accumulated depreciation							
1 January 2011	-	6,327	851,440	3,816,669	172,960	845,088	5,692,484
Depreciation for the year	-	342	57,607	251,169	40,786	160,751	510,655
Depreciation on disposals/write-off	-	-	(72,307)	(220,684)	(136)	(121,617)	(414,744)
Transfers	-	-	6,620	4,673	-	(11,293)	-
Translation adjustment	-	-	331	-	20,503	21,866	42,700
31 December 2011	-	6,669	843,691	3,851,827	234,113	894,795	5,831,095
Depreciation for the year	-	357	81,842	319,895	45,897	138,595	586,586
Depreciation on disposals/write-off	-	-	(60,133)	(82,748)	(1,165)	(95,405)	(239,451)
Transfer to investment properties	-	-	(56,593)	(10)	-	321	(56,282)
Category rearrangement	-	-	104,082	-	-	(104,082)	-
Translation adjustment	-	-	(3,292)	-	(5,543)	(3,213)	(12,048)
31 December 2012	-	7,026	909,597	4,088,964	273,302	831,011	6,109,900

Consolidated financial statements (continued)							(Unit: Thousand Baht)
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
Allowance for impairment loss							
1 January 2011	-	-	7,181	18,699	-	182	26,062
Increase during the year	-	-	2,514	968	-	-	3,482
Decrease during the year	-	-	(9,695)	(17,868)	-	(81)	(27,644)
31 December 2011	-	-	-	1,799	-	101	1,900
Decrease during the year	-	-	-	(303)	-	-	(303)
31 December 2012	-	-	-	1,496	-	101	1,597
Net book value							
31 December 2011	173,061	6,001	531,473	960,702	424,951	1,278,492	3,374,680
31 December 2012	164,109	6,693	995,909	1,341,189	377,029	763,685	3,648,614
Depreciation for the year							
2011 (Baht 410 million included in manufacturing cost, and the balance in selling and administrative expenses)							510,655
2012 (Baht 511 million included in manufacturing cost, and the balance in selling and administrative expenses)							586,586

Separate financial statements					(Unit: Thousand Baht)
	Land	Buildings and facilities	Machinery and equipment	Others	Total
Cost					
1 January 2011	27,502	137,419	204,934	330,278	700,133
Additions	-	-	-	16,649	16,649
Disposals/write-off	-	(2,383)	(155)	(28,735)	(31,273)
31 December 2011	27,502	135,036	204,779	318,192	685,509
Additions	-	1,957	-	16,991	18,948
Disposals/write-off	-	-	(776)	(6,448)	(7,224)
Transfers	-	3,142	-	(3,142)	-
Transfer to investment properties	(8,952)	-	-	-	(8,952)
31 December 2012	18,550	140,135	204,003	325,593	688,281
Accumulated depreciation					
1 January 2011	-	126,437	201,028	288,592	616,057
Depreciation for the year	-	2,651	1,529	13,661	17,841
Depreciation on disposals/write-off	-	(2,383)	(154)	(28,080)	(30,617)
Transfers	-	-	75	(75)	-
31 December 2011	-	126,705	202,478	274,098	603,281
Depreciation for the year	-	2,783	1,394	13,448	17,625
Depreciation on disposals/write-off	-	-	(776)	(4,883)	(5,659)
Transfer to investment properties	-	-	(10)	321	311
31 December 2012	-	129,488	203,086	282,984	615,558

	Separate financial statements				(Unit: Thousand Baht)
	Land	Buildings and facilities	Machinery and equipment	Others	
Allowance for impairment loss					
1 January 2011	-	-	917	100	1,017
31 December 2011	-	-	917	100	1,017
31 December 2012	-	-	917	100	1,017
Net book value					
31 December 2011	27,502	8,331	1,384	43,994	81,211
31 December 2012	18,550	10,647	-	42,509	71,706
Depreciation for the year					
2011 (included in selling and administrative expenses)					17,841
2012 (included in selling and administrative expenses)					17,625

As at 31 December 2012, a subsidiary had equipment under finance lease agreements with net book values amounting to Baht 125 million (2011: Baht 98 million).

As at 31 December 2012, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,640 million (2011: Baht 3,484 million) (Separate financial statements: Baht 563 million, 2011: Baht 541 million).

17. Intangible asset - computer software

The net book value of computer software as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Cost	10,603	10,020
<u>Less</u> Accumulated amortisation	(8,273)	(6,190)
Net book value	2,330	3,830

A reconciliation of the net book value of computer software for the years 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Net book value at beginning of year	3,830	3,472
Acquisition	712	2,311
Amortisation	(2,212)	(1,953)
Net book value at end of year	2,330	3,830

18. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Withholding tax deducted at source	71,742	126,563	28,418	28,418
Leasehold	71,601	75,260	-	-
Others	52,022	92,358	6,160	6,230
Total other non-current assets	195,365	294,181	34,578	34,648

19. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements	
		2012	2011
Bank overdrafts	Based on MOR	17,467	74,465
Short-term loans from financial institutions	Based on MLR and 1.12 - 6.90	252,387	375,130
Total		269,854	449,595

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	44,943	57,989	31,922	38,323
Trade payables - unrelated parties	926,102	695,711	15,322	34,252
Payable from purchases of investments - related parties	36,764	75,256	-	-
Other payables	390,378	443,414	2,427	3,108
Accrued expenses	294,338	249,849	18,973	17,873
Others	33,645	39,934	2,267	1,927
Total trade and other payables	1,726,170	1,562,153	70,911	95,483

21. Long-term loans

		(Unit: Thousand Baht)	
		Consolidated financial statements	
Loan	Interest rate (%)	2012	2011
	Repayment schedule		
1. Loan from local bank	Based on MLR	-	945
2. Loan from local bank	Based on MLR	495,000	77,000
3. Loan from overseas bank	Based on interest rate of bank in China	-	225,767
4. Loan from overseas bank	Based on interest rate of bank in China	2,138,969	2,214,298
Total		2,633,969	2,518,010
Less: Current portion		(2,158,969)	(226,712)
Long-term loans, net of current portion		475,000	2,291,298

Under the loan agreements, there are covenants and restrictions, including in relation to the maintenance of a debt to equity ratio, and negative pledges on certain assets that are essential for the Company and its subsidiaries' operations.

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	2012	2011
Liabilities under finance lease agreements	132,929	101,122
Less: Deferred interest expenses	(5,220)	(2,783)
Total	127,709	98,339
Less: Portion due within one year	(63,311)	(60,822)
Liabilities under finance lease agreements - net of current portion	64,398	37,517

Computer Union Co., Ltd. (a subsidiary) has entered into finance lease agreements with leasing companies for rental of equipment for use in its operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Million Baht)

	As at 31 December 2012	
	Less than 1 year	1 - 4 years
Future minimum lease payments	67	66
Deferred interest expenses	(3)	(2)
Present value of future minimum lease payments	64	64

(Unit: Million Baht)

	As at 31 December 2011	
	Less than 1 year	1 - 4 years
Future minimum lease payments	63	38
Deferred interest expenses	(2)	(1)
Present value of future minimum lease payments	61	37

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Provision for long-term employee				
benefits at beginning of year	224,889	216,502	17,915	14,895
Current service cost	20,289	20,673	1,680	1,637
Unrealised benefits from resignation fund plan	(19,861)	(10,680)	(1,932)	(375)
Interest cost	11,809	11,551	1,049	1,004
Benefits receipt (paid) during the year	(13,198)	(13,157)	(912)	754
Provision for long-term employee				
benefits at end of year	223,928	224,889	17,800	17,915

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Current service cost	20,289	20,673	1,680	1,637
Interest cost	11,809	11,551	1,049	1,004
Total expense recognized				
in profit or loss	32,098	32,224	2,729	2,641
Line items under which such expenses are included in profit or loss				
Cost of sales	5,765	13,101	-	-
Selling and administrative expenses	26,334	19,123	2,729	2,641

Principal actuarial assumption at the valuation date were as follow:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(percent per annum)	(percent per annum)	(percent per annum)	(percent per annum)
Discount rate	4.0	4.0	4.0	4.0
Future salary increase rate (depending on age of employee)	3.0 - 6.5	3.0 - 6.5	3.0 - 6.5	3.0 - 6.5
Staff turnover rate	0.0 - 30.0	0.0 - 30.0	0.0 - 30.0	0.0 - 30.0

Amounts of defined benefit obligation for the current and previous two periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2012	223,928	17,800
Year 2011	224,889	17,915
Year 2010	216,502	14,895

24. The Company's shares held by its subsidiaries

This represents the acquisition cost of the 10,022,694 ordinary shares (3.34 percent of the total number of shares in issue) of the Company acquired and held by Saha-Union Holding Co., Ltd., Union Equity Co., Ltd. and Union Textile Industries Plc., subsidiaries.

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered capital. The statutory reserve is not available for dividend distribution.

However, the Company's regulations require the Company to set aside to the statutory reserve at least 10 percent of its net profit after deducting accumulated deficit brought forward (if any), until such reserve reaches at least 25 percent of its registered share capital.

26. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	1,246,698	1,116,068	60,703	65,010
Depreciation and amortisation expenses	706,166	634,349	103,343	121,085
Rental expenses from operating lease agreements	50,659	51,872	14,444	14,450
Raw materials and consumables used	3,494,264	3,465,144	-	-
Changes in inventories of finished goods and work in process	19,876	(88,286)	9	15,981
Unrealised loss from revaluation of trading securities	-	152,299	-	-
Loss on impairment of property, plant and equipment	-	3,482	-	-
Loss on impairment of investments	932	40	-	68,547

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares held by outside shareholders in issue during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit attributable to equity holders of the Company (Baht)	1,229,216,931	738,077,225	1,016,291,639	760,332,427
Weighted average number of ordinary shares (shares)	289,977,306	289,977,306	300,000,000	300,000,000
Basic earnings per share (Baht/share)	4.24	2.55	3.39	2.53

28. Segment information

The Company and its subsidiaries' business operations involve five principal segments: (1) textile (2) plastics, rubber and metal (3) trading (4) energy and (5) investment and others. These operations are carried on both in Thailand and overseas. Below is the consolidated financial information of the Company and its subsidiaries for the years ended 31 December 2012 and 2011 by segment.

For the years ended 31 December													(Unit: Million Baht)	
	Textile segment		Plastics, rubber and metal segment		Trading segment		Energy segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue from external customers	1,335	2,080	5,051	4,088	2,368	2,045	522	464	57	78	-	-	9,333	8,755
Intersegment revenues	20	18	15	30	1	1	-	-	5	2	(41)	(51)	-	-
Total revenues	1,355	2,098	5,066	4,118	2,369	2,046	522	464	62	80	(41)	(51)	9,333	8,755
Segment operating profit	(20)	100	638	433	210	185	117	72	7	7	-	-	952	797
Unallocated income and expenses:														
Interest income													92	30
Other income													1,082	1,104
Selling expenses													(272)	(235)
Administrative expenses													(824)	(807)
Share of profit of associated companies													501	190
Finance cost													(76)	(22)
Income tax expenses													(160)	(216)
Non-controlling interests of the subsidiaries													(66)	(103)
Profit for the year													1,229	738
Property, plant and equipment	825	857	1,586	1,286	147	116	377	425	714	691			3,649	3,375
Unallocated assets													19,594	18,632
Total assets													23,243	22,007

Transfer prices between business segments are set out in Note 8 to the financial statements.

29. 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 contributed 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 employees upon termination in accordance with the fund rules. During the year 2012, the Company contributed Baht 1 million (2011: Baht 1 million) to the fund.

30. Dividends

			(Unit: Baht)
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2010	Annual General Meeting of the Shareholders on 21 April 2011	525,000,000	1.75
Total for 2011		525,000,000	1.75
Final dividends for 2011	Annual General Meeting of the Shareholders on 26 April 2012	450,000,000	1.50
Total for 2012		450,000,000	1.50

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2012, the subsidiaries had capital commitments of Baht 9 million (2011: Baht 58 million) relating to the purchases of machinery and building improvements.

31.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and machinery and equipment. The terms of the agreements are generally between 1 and 20 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

				(Unit: Million Baht)
As at 31 December				
Consolidated financial statements		Separate financial statements		
2012	2011	2012	2011	
Payable:				
In up to 1 year	38	49	12	14
In over 1 and up to 5 years	16	18	-	12
In over 5 years	13	15	-	-

31.3 Commitment to purchase raw materials

As at 31 December 2012, the Company had commitments to purchase raw materials with two oversea companies amounting to 420 Metric tons (2011: 935 Metric tons) with reference to contract prices. Deliveries of raw materials will occur within the year 2013

31.4 Guarantees

- 31.4.1 As at 31 December 2012, there were outstanding bank guarantees of approximately Baht 207 million (2011: Baht 196 million) issued by banks on behalf of the Company and its subsidiaries and the Company only: Baht 2 million (2011: Baht 2 million) in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 174 million (2011: Baht 153 million) to guarantee contractual performance, Baht 26 million (2011: Baht 34 million) to guarantee electricity use and Baht 7 million (2011: Baht 9 million) to guarantee others.
- 31.4.2 The Company has provided guarantees in the ordinary course of business to a trade account payable against certain obligations of Computer Union Co., Ltd. (a subsidiary), charging such company 1 percent of the guarantee amount as a fee. The outstanding guarantees as at 31 December 2012 were Baht 115 million (2011: Baht 115 million).
- 31.4.3 Saha-Union Investment (China) Co., Ltd. (a subsidiary) has provided a guarantee, proportionate to its shareholders, to secure loans provided by commercial banks in China to 4 associates as the following;
- Shangyu Hangzhou-Union Cogeneration Co., Ltd., amounting to RMB 150 million.
 - Shanghai Saha-Union Spinning Mill No. 7 Co., Ltd., amounting to RMB 20 million.
 - Yunnan Energy Luliang-Union Cogeneration Co., Ltd., amounting to RMB 12.5 million.
 - Pingbian Xian Yunnan Energy Union Power Co., Ltd., amounting to RMB 5 million.
- 31.4.4 The Company has pledged all of its share certificates of Ratchaburi Power Co., Ltd. with a project loan lender as collateral for the loan to Ratchaburi Power Co., Ltd., proportionate to its shareholders in such company.

32. Financial instruments

32.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, short-term loan to related parties, investments, bank overdrafts and short-term loans from financial institutions, trade and other payables, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, loans to related parties and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and short-term loan to related parties as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, loans to related parties, bank overdrafts, short-term borrowings, trust receipts, deposits from related parties, liabilities under financial lease agreements and long-term borrowings. However, since most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2012 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2012					
Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total
Financial Assets					
Cash and cash equivalents	2,437	-	3,277	2	5,716
Current investments	-	-	355	-	355
Trade and other receivables	-	-	-	1,574	1,574
Short-term loans to related parties	-	-	25	-	25
	2,437	-	3,657	1,576	7,670
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	270	-	270
Trust receipts	-	-	23	-	23
Trade and other payables	-	-	-	1,726	1,726
Deposits from related parties	-	-	37	-	37
Liabilities under finance lease agreements	63	64	-	-	127
Long-term loans	-	-	2,634	-	2,634
	63	64	2,964	1,726	4,817

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2011					
Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total
Financial Assets					
Cash and cash equivalents	2,216	-	2,152	1	4,369
Current investments	-	-	689	-	689
Trade and other receivables	-	-	-	1,449	1,449
	2,216	-	2,841	1,450	6,507
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	450	-	450
Trust receipts	-	-	52	-	52
Trade and other payables	-	-	-	1,562	1,562
Deposits from related parties	-	-	41	-	41
Liabilities under finance lease agreements	61	38	-	-	99
Long-term loans	-	-	2,518	-	2,518
	61	38	3,061	1,562	4,722

(Unit: Million Baht)

Separate financial statements			
As at 31 December 2012			
	Floating interest rate	Non-interest bearing	Total
Financial Assets			
Cash and cash equivalents	1,197	-	1,197
Trade and other receivables	-	161	161
Short-term loans to related parties	307	-	307
	1,504	161	1,665
Financial liabilities			
Trust receipts	23	-	23
Trade and other payables	-	71	71
Deposits from related parties	747	-	747
	770	71	841

(Unit: Million Baht)

Separate financial statements			
As at 31 December 2011			
	Floating interest rate	Non-interest bearing	Total
Financial Assets			
Cash and cash equivalents	741	-	741
Trade and other receivables	-	226	226
Short-term loans to related parties	250	-	250
	991	226	1,217
Financial liabilities			
Trust receipts	52	-	52
Trade and other payables	-	95	95
Deposits from related parties	497	-	497
	549	95	644

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company and its subsidiaries seek to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2012	2011	2012	2011	2012	2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	9	13	7	93	30.6316	31.6912
Japanese yen	24	28	23	85	0.3545	0.4084
HK dollar	24	3	-	-	3.9510	4.0795

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2012					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Baht per 1 foreign currency unit)		
	(Million)	(Million)			
US dollar	2	25	30.68 - 31.00	30.55 - 32.20	September 2013
Euro	-	2	-	38.98 - 43.15	July 2013
Japanese yen	-	121	-	0.36 - 0.41	June 2013

As at 31 December 2011					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
			(Million)	(Million)	
US dollar	3	46	30.97 - 31.74	29.81 - 33.65	June 2012
Euro	-	2	-	41.03 - 44.38	April 2012
Japanese yen	-	108	-	0.37 - 0.40	June 2012

32.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

33. 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 shareholders value. As at 31 December 2012, the Group's debt-to-equity ratio was 0.32:1 (2011: 0.30:1) and the Company's was 0.07:1 (2011: 0.06:1).

34. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 1 March 2013.

AUDITOR'S REMUNERATION

Audit fee

The auditors of the Company and its subsidiaries in the year 2012 were Mr. Narong Pantawong, Certified Public Account (Thailand) No. 3315 and Mr. Termphong Opanaphan, Certified Public Account (Thailand) No. 4501 of Ernst & Young Office Ltd.

These auditors were independent and no relationship, and/or not a stakeholder with the Company or its subsidiaries, or executive, or major shareholder, or person related to the stated persons and were certified auditors obtaining approval from the Securities and Exchange Commission (SEC).

During the agenda of the auditor nomination in the Annual General Meeting of Shareholders, the Company proposed at least 3 auditors from the same office for consideration. The nominated auditors were completed qualifications as approved by the Securities and Exchange Commission and was declared their independency to the Shareholders as above.

In the fiscal year 2012, the Company and its subsidiaries have paid the audit fee to Ernst & Young Office Ltd., totaled Baht 8,158,000.- The Company and its subsidiaries have not paid the audit fee to the auditor directly or to any person, or any business related to the auditor and other auditor office where the auditor was working for.

Non-audit fee

In the year 2012, the Company and its subsidiaries have not paid any non-audit fee; and there were no remaining service works to be paid in the following year to the auditor or to the Ernst & Young Office Ltd., or to any person/business in connection with the auditor and the audit office where the auditor was working for.

PRINCIPLES OF CORPORATE GOVERNANCE

Section 1 Rights of Shareholders (Page 47-48)

- 1.1 To encourage Shareholders to exercise their rights in attending and casting their votes by facilitating on the matters concerned;
- 1.2 The Company shall neither limit nor violate the rights of Shareholders;
- 1.3 To provide opportunities for its Shareholders to send questions in advance prior the meeting;
- 1.4 An invitation letter to the Shareholders' Meeting and related documents would be sent to the Shareholders in advance at least 14 days;
- 1.5 The financial statements, summary of Company's performance, the latest annual report would be sent to the Shareholders;
- 1.6 Shareholders have the rights to determine the remunerations of the Company's Board of Directors in the Annual General Meeting (AGM);
- 1.7 The Company shall allow Shareholders to ask questions or express opinions in the Shareholders' Meeting;
- 1.8 Minutes of Shareholders' Meeting shall clearly record and disclose information through the Company's website;
- 1.9 No adding other agendas prior to notify the Shareholders in advance;
- 1.10 Free-float ratios;

Section 2 Equal Treatment to Shareholders (Page 48-49)

- 2.1 Matters of Shareholders' Meeting attendance by proxies;
- 2.2 Voting rights;
- 2.3 Sending of data and documents to shareholders prior to the meeting date, with details shown in the Company's website;
- 2.4 Every Shareholders could propose the meeting agendas in advance for 4 months before the meeting date;
- 2.5 To announce how to cast a vote, use a ballot paper and counting votes;
- 2.6 Internal data usage;
- 2.7 Related transactions, reasons and necessities thereof;

Section 3 Consideration of Roles of Stakeholders (Page 49-51)

- 3.1 The rights of Shareholders beyond the basic legal rights;
- 3.2 Policy on against violation of human rights;
- 3.3 Policy on benefit of employees and develop skills and competency;
- 3.4 Policy on treatment to customers;
- 3.5 Policy on treatment to competitors;
- 3.6 Policy on treatment to business partners;
- 3.7 Policy on treatment to creditors;
- 3.8 Policy on the intellectual property;
- 3.9 Policy on the corruption and bribery;
- 3.10 Policy on the environmental protection and strictly complying with the legal requirements;
- 3.11 Responsibilities for the community and the society;

Section 4 Disclosure of Data and Transparency (Page 51-52)

- 4.1 Complete, accurate and prompt disclosure of essential information;
- 4.2 Structure of shareholding;
- 4.3 List of the Board of Directors, shareholding, personal record and experiences;
- 4.4 Remunerations for individual directors;
- 4.5 Duty of the Board of Directors, included the sub-committee;
- 4.6 Policy on the Directors to report their stakes;
- 4.7 Related transactions;
- 4.8 Auditor's report;
- 4.9 Financial status information as well as the Management discussion and analysis;
- 4.10 Information of types of business operation, competition and trend of the businesses;
- 4.11 Risk factors and business operation;
- 4.12 A department and officer who responsible for investor relation;

Section 5 Responsibilities of the Board of Directors (Page 52-56)

- 5.1 Corporate governance policies and manual;
- 5.2 Business ethics;
- 5.3 Leadership and visions of the Board of Directors;
- 5.4 Aggregation and segregation between the Board of Directors and the Management;
- 5.5 Board of Directors' duties;
- 5.6 Internal audit had its independence in directly report the audit result to Audit Committee, and then proposed its internal control system to the Board of Directors;
- 5.7 Board of Directors' Meeting;
- 5.8 Company's Secretary;
- 5.9 Independent of Chairman and aggregation between Chairman and President;
- 5.10 The Directors' responsibilities and attending the Thailand Institute of Directors (IOD)'s accreditation and certification training program of the Board of Directors about the responsibility and skills of being the director;
- 5.11 Annual self-evaluation of the Board of Directors;
- 5.12 Succession Plan;
- 5.13 Determination of the Directors' remuneration;
- 5.14 Risk management sub-committee;
- 5.15 Audit Committee and the CHARTER, scope of duties and responsibilities;
- 5.16 Nomination and Remuneration Committee;
- 5.17 Independent directors, had one third of all directors;
- 5.18 The meeting among Non-Executive Directors/Independent Directors

GENERAL INFORMATION

SAHA-UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Saha-Union Public Co., Ltd.

Company Registration No. 0107537000971

(Formerly Public Limited Company No. 344)

Head Office : 1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok 10260, Thailand

Tel : (66-2) 311-5111-9, 332-5600

Fax : (66-2) 331-5668

www.sahaunion.co.th

The company is principally engaged in investment, provide the financial services to the group companies, distribution of raw materials and product manufactured by the group companies, and the rental of property and real estate.

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

Other References

Securities Registrar

Thailand Securities Depository Co., Ltd.

62 The Securities Exchange of Thailand Building

Rajadapisek Road, Klongtoey, Bangkok 10110

Tel : (66-2) 229-2800, 654-5599

Fax : (66-2) 359-1259

Auditors

Mr. Termphong Opanaphan or Miss Thipawan Nananuwat or Mr. Krisada Lertwana,
who was a Certified Public Accountant approved from the Securities and Exchange Commission.

Ernst & Young Office Limited

33rd Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Tel : (66-2) 264-0777

Fax : (66-2) 264-0789, 661-9192

Juristic Persons of which the Company's Shareholding exceed 10%

(For each juristic person's quantity and type of issued shares, please see "Direct Investment Information of the Company", page 18-19)

TEXTILE BUSINESS

Union Textile Industries Public Co., Ltd.

205 Moo 4 Sukhumvit Road Km. 39.5, Bangpoo Mai,
Samutprakarn 10280
Tel : (66-2) 323-1085-7
Fax : (66-2) 710-8808

Union Universe Co., Ltd.

52/16-17 Soi Chareonkroong 41, Chareonkroong Road,
Seephraya, Bangrak, Bangkok 10500
Tel : (66-2) 266-2976-80
Fax : (66-2) 237-6468

Union Garment Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Shanghai Saha-Union Thread Industries Co., Ltd.

Pudong New Area, Shanghai City, China

Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.

Jiashan County Economic Development Area,
Zhejiang Province, China

Branch : 205 Moo 4 Sukhumvit Road Km.39.5,
Bangpoo Mai, Samutprakarn 10280
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Shanghai Saha-Union Spinning Mill No. 7 Co., Ltd.

Nan Hui District, Shanghai City, China

Union Spinning Mills Co., Ltd

142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 514-7555, 530-0511-24
Fax : (66-2) 538-4247

Union Micronclean Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260

Branch 1: 205 Moo 4 Sukhumvit Road, Bangpoo Mai,
Samutprakarn 10280

Branch 2: 589/48 Bangna-Trad Road, Bangna,
Bangkok

Tel : (66-2) 745-6871, 745-6873
Fax : (66-2) 745-6874

PLASTIC, RUBBER AND METAL BUSINESS

Union Pioneer Public Co., Ltd.

Ng. 1 Moo 13 Bangchan Industrial Estates,
Serithai Road, Minburi, Bangkok 10510
Tel : (66-2) 517-0105-8, 517-9052-5, 517-8217-21
Fax : (66-2) 517-9056, 517-0345, 517-1016

Branch 1: 70/2 Moo 1, Santeung, Khao Saming,
Trad Province

Branch 2 : 99 Moo 5 Bangna-Trad Km. 38,
Bangsamak, Bangpakong, Chachoengsao 24180

Union Plastic Public Co., Ltd.

11/1 Moo 14 Bangchan Industrial Estates,
Serithai Road, Minburi, Bangkok 10510
Tel : (66-2) 517-0109-14
Fax : (66-2) 517-0529

Union Zojirushi Co., Ltd.

11/3 Moo 14 Bangchan Industrial Estates,
Serithai Road, Minburi, Bangkok 10510
Tel : (66-2) 919-8893-5
Fax : (66-2) 517-1863

Branch 1: 99 Moo 5 Bangna-Trad Km. 38,
Bangsamak, Bangpakong, Chachoengsao 24180

Union Stainless Steel Products Co., Ltd.

11/2 Moo 14 Bangchan Industrial Estates,
Serithai Road, Minburi, Bangkok 10510
Tel : (66-2) 919-8996-8
Fax : (66-2) 517-8167

Union Rubber Products Corp., Ltd.

11/1 Moo 14 Bangchan Industrial Estates,
Serithai Road, Minburi, Bangkok 10510
Tel : (66-2) 919-9930
Fax : (66-2) 919-9931

Branch : 70/1 Moo 1, Saantung, Khao Saming,
Trad Province
Tel : (66-39) 696-421

Thai Rubber Enterprise Co., Ltd.

11/1 Moo 14 Bangchan Industrial Estates,
Serithai Road, Minburi, Bangkok 10510
Tel : (66-2) 919-9930
Fax : (66-2) 919-9931

Branch 1: 12 Moo 2, Thabsai, Pong Nam Ron,
Chantaburi Province
Tel : (66-39) 447-300

Branch 2: 70/2 Moo 1, Santeung, Khao Saming,
Trad Province
Tel : (66-39) 696-423

Union Thai-Nichiban Co., Ltd.

Ng. 12 Moo 13 Bangchan Industrial Estates,
Serithai Road, Minburi, Bangkok 10510
Tel : (66-2) 517-0100-3
Fax : (66-2) 517-0104

Union Nifco Co., Ltd.

99/11 Moo 5 Bangna-Trad Road, Bangsamak,
Bangpakong, Chachoengsao 24180
Tel : (66-38) 842-130-5
Fax : (66-38) 842-129

TRADING BUSINESS

Computer Union Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260

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Fax : (66-2) 311-6889 (Server)

(66-2) 311-6869 (Purchasing)

Branch : 142/1-2 Soi Ladphrao 80 (Chantima),
Ladphrao Road, Wangthonglang, Bangkok 10310

Tel : (66-2) 530-0505

Fax : (66-2) 530-2940 (Customer Service)

(66-2) 530-1955 (Warehouse)

(66-2) 530-2388 (Installation Department)

ENERGY BUSINESS

Jiashan-Union Cogeneration Co., Ltd.

Jiashan County Economic Development Area,
Zhejiang Province, China

Jiangsu-Union Cogeneration Group Co., Ltd.

Yicheng Town, Yixing City, Jiangsu Province, China

Shangyu Hangzhou-Union Cogeneration Co., Ltd.

Wei Jiu Road, Shangyu Industrial Area, Hangzhou Bay,
Zhejiang Province, China

Huanan-Union Spring Cogeneration Co., Ltd.

Sheng Li Street, Huanan County,
Heilongjiang Province, China

Yunnan Energy Luliang-Union Cogeneration Co., Ltd.

Cheng Xi Hua Si, Luliang County,
Yunnan Province, China

Yunnan Energy Qujing-Union Power Co., Ltd.

Zhenshui Town Village, Yuezhou, Qi Lin District,
Qujing City, Yunnan Province, China

Ratchaburi Power Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260

Tel : (66-2) 311-5111-9

Fax : (66-2) 332-3882

Site : 245 Moo 6 Baan Rai Sub-district,

Damnoen Saduak District, Ratchaburi 70130

Tel : (66-32) 719-300 # 1000

Fax : (66-32) 719-300 #1090

INVESTMENT BUSINESS AND OTHERS

Union Technology (2008) Public Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Branch : 99 Moo 5 Bangna-Trad Road (Km. 38),
Bangsamak, Bangpakong, Chachoengsao 24180
Tel : (66-38) 842-108-9
Fax : (66-38) 842-109

Saha Union Holding Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Venus Shoes Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260

Branch : 99 Moo 5 Bangna-Trad Road (Km. 38),
Bangsamak, Bangpakong, Chachoengsao 24180
Tel : (66-38) 842-108
Fax : (66-38) 842-109

Union Printing Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Union Equity Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Union Techonology Co., Ltd.

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Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Branch : 336 Moo 10 Sukhumvit Road, Bangphra,
Sriracha, Chonburi 20110

Union Energy Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Union Energy (China) Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Texport International Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9
Fax : (66-2) 331-5668

Union Human Resources Development Co., Ltd

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
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Fax : (66-2) 331-5668

Union Shoes Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260

Branch : 99 Moo 5 Bangna-Trad Road (Km. 38),
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Uni-Fibre Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong,
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Tel : (66-2) 311-5111-9

Fax : (66-2) 331-5668

Uni-Agro Co., Ltd.

142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310

Tel : (66-2) 514-7555, 530-0511-24

Fax : (66-2) 538-3292

Union Thread Industries Co., Ltd.

142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310

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Fax : (66-2) 538-3292

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Union Sime Darby (Thailand) Co., Ltd.

20th Floor, Vanissa Building, 29 Soi Chidlom,
Lumpinee, Pathumwan, Bangkok 10330

Tel : (66-2) 251-5288

Fax : (66-2) 254-6383

Union Button Corporation Co., Ltd.

142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310

Tel : (66-2) 530-7040-54

Fax : (66-2) 539-6124

Processing Center Co., Ltd.

Kasikorn Bank Building, 4th Floor

142 Silom Road, Bangkok Thailand 10500

Tel : (66-2) 237-6330-4

Fax : (66-2) 237-6340

Taixing Union Zond Chemicals Co., Ltd.

Taixing Economic Development Area,
Jiangsu Province, China

Yixing-Union Biochemical Co., Ltd.

Yicheng Town, Yixing City, Jiangsu Province, China

Jiangsu Zhonglian-Union Carpet Co., Ltd.

Luoyang Road, Taicang City, Jiangsu Province, China

Jiashan-Union Development Co., Ltd.

Hengshan Road, Huimin Avenue, Jiashan City,
Zhejiang Province, China

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INTEGRITY QUALITY SERVICE

Saha-Union Public Company Limited

The Company has unyieldingly upheld the principles of good corporate governance and integrity for its business sustainability and reliability, and has also emphasized its quality of production and services and establishment of its product standards to be recognized at an international level, including its development of business potentials and all areas of investment for the highest benefits of customers, shareholders, employees, all related parties and lastly to our society.





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