



# SAHA- UNION

ANNUAL REPORT 2013

Saha-Union Public Company Limited



**INTEGRITY      QUALITY      SERVICE**

## Vision

A leading and reliable investment Company engaging in diverse business activities, managing the investments for the Company's growth and long-term stability with sound return on investments.

## Missions

- To develop the growth and stability of existing businesses.
- To enlarge/extend the businesses that members of the Group are adept and well versed.
- To administer existing investments while exploring new opportunities offering long-term potential and sound return on investments.
- To groom new generation of knowledgeable and efficient executives with leadership quality, those who could blend well with the Company's cultures, uphold integrity, quality and service.
- To promote and avail the employees the opportunities to continuously develop their knowledges and skills.
- To persistently instil the Company's good will.
- To regulate the administration of the Company for efficiency, transparency and conformity with international auditing standards, in order to increase the value and obtain optimum results for the Company, all participants and stakeholders, i.e., employees, shareholders, investors, customers, trade partners, creditors, competitors, communities, societies and the Country.



**INTEGRITY**

**QUALITY**

**SERVICE**

## Goal

The Company's goal is to conduct business by investments in various businesses with a system of good governance and growth in order to strive to maximize the benefits to all stakeholders under the moral of integrity, quality and service.

## Strategy

To invest in the businesses with appropriate returns by taking into account the risks potential accordance with the strategies to meet the situation may change in the future.

**INTEGRITY**

**QUALITY**

**SERVICE**

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# Major Financial Information and Ratio

(Unit : Million Baht)

<b>Saha-Union Public Company Limited (Consolidated)</b>	<b>2013</b>	<b>2012</b> (Restated)	<b>2011</b> (Prior restated)
Total revenues	10,835.4	11,008.5	9,889.3
Revenues from sales and services	9,418.1	9,332.8	8,755.4
Gross profit	1,137.5	945.6	797.3
Profit for equity holders of the Company	938.5	1,209.5	738.1
Total assets	21,474.5	23,435.4	22,007.2
Total liabilities	2,627.4	5,786.0	5,104.3
Total shareholders' equity	18,847.2	17,649.4	16,902.9
Earning ratio (%)	8.66%	10.99%	7.46%
Earnings per share (Baht)	3.24	4.17	2.55
Book value per share (Baht)	59.95	55.87	53.13
Net asset value per share (Baht)	59.95	55.87	53.13
Return on assets (%)	4.18%	5.32%	3.60%
Return on equity (%)	5.59%	7.65%	4.94%
Debt to equity ratio (Times)	0.15	0.36	0.33

<b>Saha-Union Public Company Limited</b>	<b>2013</b>	<b>2012</b> (Restated)	<b>2011</b> (Prior restated)
Revenues	3,065.0	2,232.7	2,910.2
Sales and service income	1,137.1	1,075.1	1,824.3
Export sales	488.1	470.4	457.3
Local sales	649.0	604.7	1,367.0
Gross profit	19.8	13.3	20.6
Profit for equity holders of the Company	1,449.8	1,018.0	760.3
Earnings per share (Baht)	4.83	3.39	2.53
Dividend per share (Baht)	2.00	1.50	1.50
Book value per share (Baht)	43.70	40.75	38.39



“ The Company will continue to adhere to the corporate culture—that is integrity, quality and service, to ensure its corporate governance and to raise awareness of corporate social responsibility in a bid to achieve a sustainable growth. ”



**Miss Sriwarin Jirapakkana**  
Chairman



# Board of Director's Report

According to a number of sources at the beginning of last year, economic growth rate for 2013 was forecast to be good. Anyhow, the figures of the first quarter showed signs of economic slowdown coupled with rapidly strong Baht currency. Moreover, a stream of information from the United States of America indicated that there might be a withdrawal of liquidity from economic system, causing a considerably economic fluctuation in several countries, significantly weakened Baht currency and continuing decrease in gold prices. Given that many areas of Thailand were floods hit and the country was in political turmoil for years, the industry sector and consumption expansions slowed, consequently making an impact on investment sector as well as exportation.

The Saha-Union Group has diverse business activities. Some of them were affected by the world economic changes such as textile, automobile-parts and rubber whereas other businesses which were not influenced by the changes at all had a strong growth. Apart from making a commitment to develop and continuously improve its efficiency, the Company added its value and kept trade partners confidence in the Company. Consequently, the overall performance could be considered better than the previous year.

Although the overall textile business was not quite good, the domestic operating results were better than last year; furthermore, the Company's loss in China had decreased. The business has been at risk of the world economic uncertainty and the fluctuation of exchange rate, hence the challenge.

The performance of business in plastic, rubber, metal, trading and energy was mostly better than the previous year. It is expected that the business operation is still potentially and continuously at a good level due to new products development and the opportunity of business expansion in a proper situation.

The overall performance of investment and other businesses varied according to economic situation both in the country and foreign countries as well as the results of invested business. In 2013, the Company's business investments in China such as chemical industry and real estate development yielded returns on investment by 5%. The chemical industry was directly affected by the global economy and supply surplus in the market. Meanwhile, the business in real estate development was dependent on the economic growth of China.

For the Yunnan Energy Qujing-Union Power Co., Ltd. in Yunnan province, it had been closed down in 2011 because of a continuing loss for several years. Since then, the Company had consistently tried to seek a buyer. Until the end of 2013, there was a shares purchase proposal from buyer. The Thai parties recorded net cash from the disposal of shares at the

amount of Baht 192.21 million of which Baht 173.57 million belonged to the Company.

A new investment project launched by the end of 2013 involves a commercial property business in Nakhon Sri Thammarat province, by the name of the Union Nakhon Company Limited, amounting to Baht 350 million or equal to 75% of the Company's investment. This is a joint venture business with local partner, providing rental area for supermarkets, bookstores, restaurants, music school or tutorial school, etc. The commercial property which is currently under construction is located downtown and there are not so many commercial properties alike. Therefore, the Company has expected a high potential for this kind of business.

According to the separate financial statements of the year 2013, the Saha-Union Public Company Limited recorded total assets of Baht 14,261.89 million, Baht 1,073.75 million higher than the previous year, total liabilities of Baht 1,153.15 million, an increase of Baht 189.50 million, compared to the last year and a net profit amounting to Baht 1,449.77 million or Baht 4.83 per share. The higher gain was mainly generated from the disposal of investments in the Jiangsu-Union Cogeneration Group Co., Ltd., the Huanan-Union Spring Cogeneration Co., Ltd. and the Yixing-Union Biochemical Co., Ltd. The separate financial statements recorded gain of Baht 173 million for these transactions.

Regarding the consolidated financial statements, the Company recorded total assets of Baht 21,474.52 million, a decrease of Baht 1,960.92 million from the previous year due to the sales of investments in associated companies as mentioned. The total liabilities amounted to Baht 2,627.37 million, decreasing by Baht 3,158.66 million because of the due repayment of loans for its overseas subsidiaries. A net profit of equity shareholders of the Company accounted for Baht 938.53 million. The Company had disclosed via the Stock Exchange of Thailand on February 28, 2014 the reasons of net profit difference, in comparison with the net profit of last year.

The Board of Directors wishes to thank all shareholders, customers, trade partners and all stakeholders for their continuing trust and support for the Company. In terms of operations, the Company will continue to adhere to the corporate culture-that is integrity, quality and service, to ensure its corporate governance and to raise awareness of corporate social responsibility in a bid to achieve a sustainable growth which will be useful to all stakeholders. Thanks to all executives and employees for their determination to perform duties with a sense of responsibility and all their strength. As a result, the Company has had a good performance and has made further progress as well.

# Board of Directors



**Miss Sriwarin Jirapakkana**  
Chairman



**Mr. Chutindhon Darakananda**  
Vice Chairman /  
Nomination and Remuneration Director



**Mrs. Achara Chandrachai**  
Chairman of the Audit Committee /  
Independent Director



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



**Miss Pakinee Prertitumrong**  
Audit and Independent Director



**Mr. Yanyong Tangchitkul**  
Independent Director  
Chairman of the Nomination and  
Remuneration Committee



**Mrs. Busarakham Nilavajara**  
Independent Director





**Miss Dalad Saphavichaikul**  
President



**Mr. Vichai Chaitaneeyachat**  
Director



**Mr. Thitivat Suebsaeng**  
Director



**Mrs. Pinijporn Darakananda Kasemsap**  
Director



**Mr. Bovornrat Darakananda**  
Director



**Mrs. Chantorntree Darakananda**  
Director



**Mr. Vacharaphong Darakananda**  
Director



**Mr. Nanthiya Darakananda**  
Director

## Miss Sriwarin Jirapakkana

Chairman

Age 66 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 Director, Union Plastic Public Company Limited
- 2008 – 2012 Vice Chairman, Saha-Union Public Company Limited
- 2011 Chairman, Union Plastic Public Company Limited
- June – December 2012 Director, Union Pioneer Public Company Limited

### Current Positions

#### Listed Companies

- 2007 – Present Chairman, Union Textile Industries Public Company Limited
- 2012 – Present Director, Union Plastic Public Company Limited
- 2013 – Present Chairman, Saha-Union Public Company Limited

#### Other 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.
- June 2011 – Present Chairman, Union Zip Co., Ltd.
- June 2011 – Present Chairman, Venus Thread Co., Ltd.
- April 2012 – Present Director, Union Nifco Co., Ltd.
- Chairman and Director, Other Companies in Saha-Union Group

**Years of Directorship 20 years (since March 1993)**

## Mr. Chutindhon Darakananda

Vice Chairman / Nomination and Remuneration Director

Age 54 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.
- 2007 – 2012 Vice Chairman (Investments in China), Saha-Union Public Company Limited

### Current Positions

#### Listed Companies

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

#### Other Positions

Saha-Union Group Companies

- 1992 – Present Vice Chairman, Union Spinning Mills Co., Ltd.
- 1992 – Present Vice Chairman, Venus Thread Co., Ltd.
- 1997 – Present Vice Chairman, Saha Union Holding Co., Ltd.
- 1997 – Present Vice Chairman/Managing 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.
- 2013 – Present Director, Union Garment Co., Ltd.
- 2013 – Present Director, Union Micronclean Co., Ltd.
- Director, Other Companies in Saha-Union Group

**Years of Directorship 23 years (since December 1990)**

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### **Mrs. Achara Chandrachai**

Chairman of the Audit Committee / Independent Director

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Age 65 years

#### **Education**

- Ph.D. (Quantitative Business Analysis), Arizona State University, U.S.A.
- Master of Business Administration (Finance), Second Class Honor, National Institute of Development Administration
- Higher Graduate Diploma Program in Auditing, Chulalongkorn University
- Bachelor Degree in Accountancy, Chulalongkorn University

#### **IOD's Training**

- Director Certification Program (DCP) Class 45/2004
- Audit Committee Program (ACP) Class 27/2009

#### **Experiences**

- 2009 – 2012 Chairman of the Audit Committee/Independent Director, Union Textile Industries Public Company Limited

#### **Current Positions**

##### **Listed Companies**

- 2007 – Present Chairman of the Audit Committee/Independent Director, Internet Thailand Public Company Limited
- 2007 – Present Chairman of the Audit Committee/Independent Director, Dimet (Siam) Public Company Limited
- 2013 – Present Chairman of the Audit Committee/Independent Director, Saha-Union Public Company Limited

##### **Other Positions**

- 2005 – Present Emeritus Professor, Faculty of Commerce and Accountancy, Chulalongkorn University
- 2007 – Present Member of the Audit Committee/Independent Director, Pan Rajatawee Group Public Company Limited
- 2008 – Present Project Manager, Institute for Management Education for Thailand (IMET) Foundation
- 2012 – Present Lecturer, Technopreneurship & Innovation Management Program, Chulalongkorn University

**Years of Directorship 1 year (since January 2013)**

**Years of Independent Directorship 1 year (since January 2013)**

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### **Mrs. Araya Arunanondchai**

Audit and Independent Director / Nomination and Remuneration Director

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Age 70 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**

##### **Listed 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 Positions**

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

**Years of Directorship 20 years (since February 1994)**

**Years of Independent Directorship 9 years (since January 2005)**

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## Miss Pakinee Prertitumrong

Audit and Independent Director

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Age 64 years

### Education

- Bachelor's Degree in Economics, Thammasat University

### IOD's Training

- Director Accreditation Program (DAP) Class 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

#### Listed Companies

- 1998 – Present Audit and Independent Director, Saha-Union Public Company Limited
- 2014 – Present Nomination and Remuneration Director, Saha-Union Public Company Limited

#### Other Positions

- 1994 – Present Director, Venus Button Co., Ltd.
- 1996 – Present Director, Union Button Corp. Ltd.

**Years of Directorship 15 years (since April 1998)**

**Years of Independent Directorship 9 years (since January 2005)**

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## Mr. Yanyong Tangchitkul

Independent Director

Chairman of the Nomination and Remuneration Committee

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Age 61 years

### Education

- Bachelor's Degree in Economics, Thammasat University
- Master's Degree in Business Administration (Second Class Honor), 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

#### Listed Companies

- September 2009 – Present Independent Director, Saha-Union Public Company Limited
- 2013 – Present Chairman of the Nomination and Remuneration Committee, Saha-Union Public Company Limited

#### Other Positions

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

**Years of Directorship 4 years (since September 2009)**

**Years of Independent Directorship 4 years (since September 2009)**

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## Mrs. Busarakham Nilavajara

Independent Director

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Age 62 years

### Education

- Bachelor's Degree in Education (Second Class Honor), Chulalongkorn University

### IOD's Training

- Director Accreditation Program (DAP) Class 100/2013

### Experiences

- 2003 – 2007 Assistant to the Treasurer, Children's International Summer Villages (Thailand) Foundation, Ministry of Social Development and Human Security
- 2004 – 2007 Secretary to the Executive Committee, Saha-Union Public Company Limited
- 2007 – 2011 Director, Children's International Summer Villages (Thailand) Foundation, Ministry of Social Development and Human Security

### Current Positions

#### Listed Companies

- 2013 – Present Independent Director, Saha-Union Public Company Limited

#### Other Positions

- None -

**Years of Directorship 1 year (since January 2013)**

**Years of Independent Directorship 1 year (since January 2013)**

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## Miss Dalad Saphavichaikul

President

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Age 57 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 and Vice President, Saha-Union Public Company Limited
- 1999 – 2011 Director, Saha-Union Public Company Limited

### Current Positions

#### Listed Companies

- 1995 – Present Director, Union Textile Industries Public Company Limited
- 2011 – Present Director, Union Plastic Public Company Limited
- 2012 – Present President, Saha-Union Public Company Limited
- 2012 – Present Chairman of the Risk Management Committee, Saha-Union Public Company Limited.
- 2012 – Present Chairman, Union Pioneer Public Company Limited

#### Other Positions

Saha-Union Group Companies

- 2004 – Present Managing Director, Computer Union Co., Ltd.
- 2004 – Present Managing Director, Computer Union System Co., Ltd.
- 2007 – Present Managing Director, Saha Union Holding Co., Ltd.
- 2011 – Present Director, Union Thai-Nichiban Co., Ltd.
- 2012 – Present Chairman, Union Nifco Co., Ltd.
- 2013 – Present Chairman, Union Zojirushi Co., Ltd.
- Chairman and Director, Other Companies in Saha-Union Group

#### Other Companies

- 1989 – Present Director, Processing Center Co., Ltd.

**Years of Directorship 14 years (since December 1999)**



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## Mr. Vichai Chaitaneeyachat

Director

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Age 69 years

### Education

- Master's Degree in Business Administration (MBA), Chulalongkorn University
- Bachelor Degree in Business Administration (BBA), Ramkhamhaeng University
- Certificate in Computer Science (2-year Program), Graduate School, Chulalongkorn University
- Fulbright Certificate Awarded, Industrial Management, University of Texas/Dallas, U.S.A.

### IOD's Training

- Director Accreditation Program (DAP) Class 55/2006

### Experiences

- 1994 - 2005 Managing Director, Union Zojirushi Co., Ltd.
- 1999 - 2006 Director, Union Stainless Steel Products Co., Ltd.
- 1999 - 2006 Director, Union Nifco Co., Ltd.
- 2006 - 2008 Director, Union Tex-East Co., Ltd.
- 2006 - 2011 Director, Union Garment Co., Ltd.
- 2006 - 2011 Director, Union Micronclean Co., Ltd.
- 2008 - 2013 Director, TenCate-Union Protective Fabrics Asia Limited

### Current Positions

#### Listed Companies

- 2005 - Present Managing Director, Union Textile Industries Public Company Limited
- 2013 - Present Director, Saha-Union Public Company Limited

**Years of Directorship 1 year (since January 2013)**

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## Mr. Thitivat Suebsaeng

Director

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Age 60 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
- 2003 - 2007 Director and General Manager, Saha-Union Investment (China) Co., Ltd.
- 2004 - 2009 Director, 7 Power Plants in China
- 2007 - March 2013 Chairman, Union Zojirushi Co., Ltd.
- 2007 - February 2013 Chairman, Union Stainless Steel Products Co., Ltd.
- 2008 - December 2011 President, Saha-Union Public Company Limited
- March 2008 - April 2012 Chairman, Union Garment Co., Ltd.
- March 2008 - April 2013 Chairman, Union Micronclean Co., Ltd.
- April 2008 - December 2011 Director, Union Pioneer Public Company Limited
- April 2008 - April 2012 Chairman, Union Universe Co., Ltd.
- June 2008 - March 2013 Director, TenCate-Union Protective Fabrics Asia Limited
- January 2010 - December 2011 Managing Director, Union Plastic Public Company Limited
- April 2012 - 2013 Director, Union Garment Co., Ltd.

### Current Positions

#### Listed Companies

- March 2008 - Present Director, Union Textile Industries Public Company Limited
- August 2008 - Present Director, Union Technology (2008) Public Company Limited
- January 2012 - Present Chairman, Union Plastic Public Company Limited
- January 2012 - Present Director, Saha-Union Public Company Limited

#### Other Positions

##### Saha-Union Group Companies

- 2002 - Present Director, Union Energy (China) Co., Ltd.
- 2007 - Present Chairman, Union Thai-Nichiban Co., Ltd.
- 2007 - Present Director, Union Nifco Co., Ltd.
- April 2008 - Present Director, Union Rubber Products Co., Ltd.
- March 2009 - Present Director, Yunnan Energy Luliang-Union Cogeneration Co., Ltd.
- April 2012 - Present Director, Union Universe Co., Ltd.
- February 2013 - Present Director, Union Stainless Steel Products Co., Ltd.
- March 2013 - Present Director, Union Zojirushi Co., Ltd.

**Years of Directorship 11 years (since January 2003)**

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## Mrs. Pinijporn Darakananda Kasemsap

Director

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Age 51 years

### Education

- 1985 – 1991 University of California, San Francisco (Doctor of Pharmacy)
- 1981 – 1985 University of California, Davis (B.S. 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

#### Listed Companies

- December 2010 – Present Director, Saha-Union Public Company Limited

#### Other Position

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.
- March 2011 – Present Director, Thai Rubber Enterprise Co., Ltd.
- April 2011 – Present Director, Saha Union Holding Co., Ltd.
- 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.
- Director, Other Companies in Saha-Union Group

#### Other Companies

- None -

Years of Directorship 3 years (since December 2010)

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## Mr. Bovornrat Darakananda

Director

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Age 50 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.
- 2011 – December 2012 Director, Union Textile Industries Public Company Limited
- Vice President, Saha-Union International (Georgia) Inc.
- General Manager, Saha-Union Investment (China) Co., Ltd.

### Current Positions

#### Listed Companies

- 1994 – Present Director, Saha-Union Public Company Limited

#### Other Positions

- Saha-Union Group Companies
- 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.
- April 2011 – Present Director, Saha Union Holding Co., Ltd.
- Director, Other Companies in Saha-Union Group

Years of Directorship 22 years (since April 1991)

## Mrs. Chantorntree Darakananda

Director

Age 49 years

### Education

- Doctor of Medicine, Chulalongkorn University

### IOD's Training

- Director Accreditation Program (DAP) Class 5/2003

### Experiences

- 1994 – 2008 Deputy Managing Director, Union Industries Corp., Ltd.
- 1997 – 2008 Director, Union Spinning Mills Co., Ltd.
- 2002 – 2008 Deputy Managing Director, Union Thread Industries Co., Ltd.
- 2002 – 2008 Director, Saha-Union Public Company Limited
- 2002 – 2009 Director, Union Capital Co., Ltd.
- 2002 – 2009 Director, Union Textile Industries Public Company Limited
- 2002 – 2011 Director, Pro-Lab Co., Ltd.

### Current Positions

#### Listed Companies

- 2013 – Present Director, Saha-Union Public Company Limited
- 2013 – Present Director, Union Technology (2008) Public Company Limited

#### Other Positions

Saha - Union Group Companies

- Present Director, Uni-Fibre Co., Ltd.
- 2002 – Present Deputy Managing Director, Union Zip Co., Ltd.
- 2002 – Present Director, Union Asset Management Co., Ltd.
- 2002 – Present Director, Union Management and Services Co., Ltd.
- 2009 – Present Deputy Managing Director, Venus Thread Co., Ltd.
- 2013 – Present Director, Union Phromphong Co., Ltd.
- 2013 – Present Director, Union Residence Co., Ltd.
- 2013 – Present Director, Union Chidlom Co., Ltd.
- 2013 – Present Director, Union Ratchaprasong Co., Ltd.
- 2013 – Present Director, Union Somkid Co., Ltd.
- 2013 – Present Director, Union Chamchuri Co., Ltd.
- 2013 – Present Director, Union Ratchadamri Co., Ltd.
- 2013 – Present Director, Union Property Co., Ltd.

#### Other Companies

- 1990 – Present Director, Ladphrao Hospital Public Company Limited
- 2012 – Present Director, Union Sime Darby (Thailand) Ltd.
- 2012 – Present Chairman, Pro-Lab Co., Ltd.

Years of directorship 1 year (since January 2013)

## Mr. Vacharaphong Darakananda

Director

Age 48 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 Company Limited
- 1990 – May 2013 Director, Computer Union Co., Ltd.
- 1999 – 2000 General Manager, Saha-Union Public Company Limited (Sriracha Operation)
- 2001 – December 2006 Director, Union Textile Industries Public Company Limited
- 2007 – 2008 Director, Union Thai-Nichiban Co., Ltd.
- 2007 – January 2012 Director, Union Zojirushi Co., Ltd.

### Current Positions

#### Listed Companies

- 1994 – Present Director, Saha-Union Public Company Limited
- 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

#### Other Positions

Saha-Union Group Companies

- 1988 – Present Director, Union Industries Corp. Ltd.
- 1990 – Present Director, Union Thread Industries Co., Ltd.
- 1992 – Present Managing Director, Union Technology Co., Ltd.
- 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, 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 21 years (since February 1992)

## Mr. Nanthiya Darakananda

Director

Age 45 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

### Current Positions

#### Listed Companies

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

#### Other Positions

- None -

**Years of Directorship 17 years (since April 1996)**

Related Person	Relationship
Mr. Chutindhon Darakananda	- Elder brother of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
Mrs. Pinijporn Darakananda Kasemsap	- Elder brother of the husband of Mrs. Chantornree Darakananda
Mr. Bovornrat Darakananda	- Younger sister of Mr. Chutindhon Darakananda
Mrs. Chantornree Darakananda	- Elder sister of Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
Mr. Vacharaphong Darakananda	- Younger sister of the husband of Mrs. Chantornree Darakananda
Mr. Nanthiya Darakananda	- Younger brother of Mr. Chutindhon Darakananda and Mrs. Pinijporn Darakananda Kasemsap
	- Elder brother of Mr. Vacharaphong Darakananda
	- Younger brother of the husband of Mrs. Chantornree Darakananda
	- Younger sister in law of Mr. Chutindhon Darakananda
	- Elder sister in law of Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda
	- Younger brother of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap and Mr. Bovornrat Darakananda
	- Younger brother of the husband of Mrs. Chantornree Darakananda
	- Cousin of Mr. Chutindhon Darakananda, Mrs. Pinijporn Darakananda Kasemsap, Mr. Bovornrat Darakananda and Mr. Vacharaphong Darakananda

## Mrs. Sirinun Sansanakom

Company Secretary

Age 65 years

### Education

- Certificate, The Joint State - Private Sector Regular Course, National Defence College
- Master of Laws, Faculty of Law, Thammasat University
- Bachelor of Laws (2nd Class Honor), Faculty of Law, Thammasat University

### IOD's Training

- Director Accreditation Program (DAP) Class 2/2003

### Experiences

- 1979 – 2008 Secretary to the Board, Union Thai-Nichiban Co., Ltd.
- 1979 – 2013 Secretary to the Board, Union Thread Industries Co., Ltd.
- 1983 – 2013 Secretary to the Board, Union Industries Corp., Ltd.
- 1987 – 2008 Secretary to the Board, Union Zojirushi Co., Ltd.
- 1987 – 2012 Director of Legal Affairs Committee, The Federation of Thai Industries
- 1988 – 2007 Director and Secretary, Union Footwear Public Company Limited
- 1990 – 2012 Director and Secretary, Chiangmai Night Bazaar Co., Ltd.
- 1991 – 1993 Managing Director, Union Securities Co., Ltd.
- 1991 – 2008 Secretary to the Board, Union Nifco Co., Ltd.
- 1997 – 2012 Director and Secretary, Imperial Technology Management Service Public Company Limited
- 1999 – 2013 Secretary to the Board, Union Spinning Mills Co., Ltd.
- 2001 – 2006 Vice President of the Registered Company Association
- 2001 – 2013 Secretary to the Board, Venus Thread Co., Ltd.
- 2005 – 2007 Vice President, Saha-Union Public Company Limited
- 2005 – 2011 Director of Accounting Professions Committee of Accounting Taxation of Federation of Accounting Professions
- 2005 – 2012 Director of Geographical Indication, Ministry of Commerce
- 2005 – 2012 Director, The Federation of Thai Industries
- 2008 – 2013 Company Secretary, Saha-Union Public Company Limited
- 2009 – 2013 Secretary to the Board, Union Property Co., Ltd.

### Credentials Conferred

2004 Model Woman Professional (Central – Private Sector), by the Business and Professional Women's Association of Thailand under the Royal Patronage of Her Majesty the Queen

### Current Positions

Saha-Union Group Companies

- 1983 – Present Secretary to the Board, Union Button Corp. Ltd.
- 1989 – Present Secretary to the Board, Venus Button Co., Ltd.

### Other Positions

- 1999 – Present Director of Taxation and Trade Measures Committee, The Federation of Thai Industries
- 2012 – Present Vice Chairman of Legal Affairs Committee, The Federation of Thai Industries

# 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
Miss Sriwarin Jirapakkana	18/2004	-	-	-	-	-
Mr. Chutindhon Darakananda	17/2004	-	-	-	-	-
Mrs. Achara Chandrachai	-	45/2004	-	27/2009	-	-
Mrs. Araya Arunanondchai	32/2005	-	-	-	-	-
Miss Pakinee Prertitumrong	2/2003	-	-	-	-	-
Mr. Yanyong Tangchitkul	79/2009	-	-	-	-	-
Mrs. Busarakham Nilavajara	100/2013	-	-	-	-	-
Miss Dalad Saphavichaikul	-	9/2001	1/2003	10/2005	-	2001
Mr. Vichai Chaitaneeyachat	55/2006	-	-	-	-	-
Mr. Thitivat Suebsaeng	21/2004	-	-	-	-	-
Mrs. Pinijporn Darakananda Kasemsap	92/2011	-	-	-	-	-
Mr. Bovornrat Darakananda	18/2004	-	-	-	-	-
Mrs. Chantornree Darakananda	5/2003	-	-	-	-	-
Mr. Vacharaphong Darakananda	2/2003	69/2006	-	-	15/2012	2006
Mr. Nanthiya Darakananda	2/2003	-	-	-	-	-



## Board of Directors

• Miss Sriwarin	Jirapakkana	Chairman
• Mr. Chutindhon	Darakananda	Vice Chairman
• Mrs. Achara	Chandrachai	Independent Director
• Mrs. Araya	Arunanondchai	Independent Director
• Miss Pakinee	Prertitumrong	Independent Director
• Mr. Yanyong	Tangchitkul	Independent Director
• Mrs. Busarakham	Nilavajara	Independent Director
• Miss Dalad	Sapthavichaikul	Director and President
• Mr. Vichai	Chaitaneeyachat	Director
• Mr. Thitivat	Suebsaeng	Director
• Mrs. Pinijporn Darakananda Kasemsap		Director
• Mr. Bovornrat	Darakananda	Director
• Mrs. Chantornree	Darakananda	Director
• Mr. Vacharaphong	Darakananda	Director
• Mr. Nanthiya	Darakananda	Director
• Mrs. Sirinun	Sansanakom	Company Secretary

## Audit Committee

• Mrs. Achara	Chandrachai	Chairman of the Audit Committee
• Mrs. Araya	Arunanondchai	Director
• Miss Pakinee	Prertitumrong	Director

## Nomination and Remuneration Committee

• Mr. Yanyong	Tangchitkul	Chairman of the Nomination and Remuneration Committee
• Mrs. Araya	Arunanondchai	Director
• Mr. Chutindhon	Darakananda	Director

## Risk Management Committee

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

## Executives

• Miss Dalad	Sapthavichaikul	President
• Mr. Preecha	Shunhavanich	Vice President
• Mrs. Srinual	Sombatpraiwan	Account and Finance Department Manager



# Direct Investment of Saha-Union in Group Companies



as at 31 December 2013

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	Zhejiang Saha-Union Feilun Thread Industries Co.,Ltd.	US\$ 22,776,932	US\$ 22,776,932		39.590	39.40	
	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	99.998	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	98.149	103.94	
Energy Business	Jiashan-Union Cogeneration Co.,Ltd.	US\$ 10,640,000	US\$ 10,640,000		56.928	41.45	
	Shangyu Hangzhou-Union Cogeneration Co.,Ltd.	RMB 200,000,000	RMB 200,000,000		25.000	5.15	
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	US\$ 24,658,660	US\$ 24,658,660		40.000	42.30	
Investment Business and Others	Taixing Union Zond Chemicals Co.,Ltd.	US\$ 29,000,000	US\$ 27,930,000		23.845	32.88	
	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	
	Zhejiang-Union Property Co.,Ltd.	RMB 100,000,000	RMB 100,000,000		35.000	4.85	
	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.	TWDS 5,000,000	TWDS 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	
	Saha-Union Property Co., Ltd.	500,000,000	125,000,000	25.00	100.000	25.00	
	Saha-Union Wealth Plus Co., Ltd.	500,000,000	125,000,000	25.00	100.000	25.00	
	Union Nakorn Co., Ltd.	350,000,000	210,000,000	60.00	75.000	60.00	
	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	

	SU Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value (Baht)	Registration Date	Nature of Business
		43.70	35.50		10 Aug. 1972	Investment, distribution of raw materials and products manufactured by group companies and the rental of property and real estate.
	355,301,566.12	28.82	28.82	259,881,093.34	20 Jun. 2003	Thread-dyeing services
	321,180,863.41	13.34	12.10	362,143,320.00	21 Mar. 1977	Manufacture and distribution of textiles
	70,344,917.52	185.98	185.98	92,978,097.28	26 Apr. 1974	Manufacture and distribution of garments
	46,563,324.78	131.79	131.79	65,895,000.00	4 Jun. 1971	Manufacture and distribution of thread
	1,250,405.30	73.05	73.05	9,131,761.35	24 Jan. 1996	Manufacture and distribution of anti-electrostatic and dust clothing
	3,751,380.06	1,715.34	1,715.34	64,152,000.66	7 Mar. 1968	Distributor of Grand Slam shirts
	53,084,046.25	48.61	58.00	212,965,560.00	8 Oct. 1973	Manufacture and distribution of elastic products
	235,432,531.30	23.69	39.50	489,015,135.00	3 Jan. 1969	Contract manufacture of plastic products, manufacture and repair of molds
	153,658,538.14	277.41	277.41	424,436,745.18	18 Aug. 1986	Manufacture and distribution of vacuum bottles
	52,411,447.56	228.37	228.37	89,520,583.26	16 Dec. 1988	Manufacture and distribution of stainless steel kitchenware
	16,110,954.50	10.95	10.95	2,189,945.25	24 Mar. 1971	Manufacture and distribution of rubber products
	17,179,605.10	168.23	168.23	27,289,934.14	9 Jul. 1970	Rubber estates
	19,266,000.00	2,704.44	2,704.44	163,375,220.40	21 Jun. 1973	Manufacture of adhesive paper, corrugated adhesive paper, clear tape and OPP tape
	31,556,005.62	439.64	439.64	131,902,551.36	3 Nov. 1988	Manufacture and distribution of plastic parts and molds
	102,012,032.62	247.14	247.14	242,564,697.18	18 Nov. 1982	Computer dealer
	251,073,479.62	54.12	54.12	327,813,499.20	15 Aug. 1994	Power generation
	257,480,749.43	8.75	8.75	437,500,000.00	19 Nov. 2002	Power generation
	417,270,553.54	32.64	32.64	321,943,464.96	6 Jul. 1994	Power generation
	218,957,706.00	28.26	28.26	188,211,600.00	29 Aug. 2007	Manufacture of Phthalic anhydride & Fumaric acid and associated products
	152,218,399.07	16.28	16.28	548,897,245.16	21 May 2007	Manufacture of automobile carpet
	538,703,100.00	37.99	37.99	607,460,100.00	22 Sep. 2009	Real estate
	169,792,923.60	5.34	5.34	186,900,000.00	11 Dec. 2012	Real estate
	1,571,303,051.88	532.31	532.31	1,756,356,845.00	18 Aug. 1972	Investment and distribution group companies's goods
	1,572,809,060.01	53.12	53.12	2,390,400,000.00	19 Jan. 1995	Investment
	385,917.66	52.06	52.06	1,041,200.00	8 Nov. 1984	Investment
	120,056,495.54	5.80	5.80	161,945,686.00	17 Mar. 1982	Investment
	1,194,478,806.88	53.50	53.50	639,046,479.00	14 Nov. 1989	Investment
	44,006,626.43	46.38	46.38	25,379,275.14	29 Sep. 1988	Dormitory rental and services
	29,465,812.50	5.32	5.32	15,119,706.00	10 Jul. 1970	Rental services
	159,770,484.00	18.21	18.21	290,759,816.61	31 May 1989	Investment
	100,000,016.36	13.32	13.32	133,199,960.04	22 Jun. 1992	Investment
	3,176,270.00	41.16	41.16	13,073,527.32	2 Feb. 1994	Investment
	15,399,500.00	259.51	259.51	39,963,242.45	9 Aug. 1996	Investment
	12,357,879.00	222.77	222.77	23,725,005.00	14 Apr. 1978	Investment
	250,021.30	9.24	9.24	923,981.52	26 Sep. 2004	Train and development skills
	22,007,784.00	31.73	31.73	19,576,489.83	5 Aug. 1986	Rental services
	5,281,100.00	87.88	87.88	4,171,575.72	7 Sep. 1973	Rental services
	124,999,875.00	25.09	25.09	125,449,874.55	22 Apr. 2013	Investment
	124,999,875.00	24.22	24.22	121,099,878.90	16 May 2013	Investment
	157,499,880.00	59.62	59.62	156,502,380.76	22 Aug. 2013	Real estate
	30,800,193.16	760.71	760.71	234,299,440.71	5 Nov. 1980	Investment / Agency and Service business / Distribution of textile products and other materials
	20,464,690.80	100.41	100.41	19,579,950.00	22 Aug. 1972	Investment and agriculture
	51,861,469.06	139.91	139.91	696,694,436.90	2 Nov. 1973	Investment
	43,328,196.18	1,087.21	1,087.21	406,072,935.00	23 May 1961	Investment and real estate rental

Group Companies	8,889,303,534.30	Group Companies	12,530,549,240.17
Other Companies	1,757,436,689.95	Other Companies	1,796,655,457.67
Total	<u>10,646,740,224.25</u>	Total	<u>14,327,204,697.84</u>



# Business Results

## and Five Years Financial Status

(Unit : Million Baht)

	2013	2012 (Restated)	2011 (Prior restated)	2010	2009
<b>Revenues</b>					
Sales and service income	1,137.1	1,075.1	1,824.3	3,022.4	2,380.9
Export sales	488.1	470.4	457.3	502.9	529.1
Local sales	649.0	604.7	1,367.0	2,519.5	1,851.8
Dividend income	735.5	790.8	800.1	973.2	852.1
Other income	1,186.0	359.6	277.0	311.7	268.1
<b>Total revenues</b>	<b>3,058.6</b>	<b>2,225.5</b>	<b>2,901.4</b>	<b>4,307.3</b>	<b>3,501.1</b>
<b>Expenses</b>					
Cost of sales and services	1,117.3	1,061.8	1,803.6	2,795.2	2,173.6
Selling and administrative expenses	396.9	137.6	315.7	103.0	436.8
Interest expenses	11.8	6.3	10.9	47.8	74.1
<b>Total expenses</b>	<b>1,526.0</b>	<b>1,205.7</b>	<b>2,130.2</b>	<b>2,946.0</b>	<b>2,684.5</b>
Profit before exchange differences and corporate income tax	1,532.6	1,019.8	771.2	1,361.3	816.6
Profit (Loss) from exchange rate	6.5	7.2	8.8	(25.3)	(13.3)
Profit before corporate income tax	1,539.1	1,027.0	780.0	1,336.0	803.3
(Less) Corporate income tax	(89.3)	(9.0)	(19.7)	(28.2)	(28.6)
<b>Profit for equity holders of the Company</b>	<b>1,449.8</b>	<b>1,018.0</b>	<b>760.3</b>	<b>1,307.8</b>	<b>774.7</b>
Earnings per share (Baht)	4.83	3.39	2.53	4.36	2.58
Dividend per share (Baht)	2.00	1.50	1.50	1.75	1.50
Dividend per net profit (%)	41.39%	44.20%	59.18%	40.14%	58.08%

(Unit : Million Baht)

	2013	2012 (Restated)	2011 (Prior restated)	2010	2009
<b>Assets</b>					
Short-term loans to related parties	303.3	306.9	249.8	318.7	501.7
Other Current assets	3,503.4	1,358.9	983.4	672.7	619.7
Investments in associates held for sale	-	1,325.6	-	-	-
Investments in subsidiaries, associates and other companies	9,810.9	9,304.5	10,183.3	10,893.7	11,220.2
Investment properties	576.6	696.5	650.7	675.6	-
Property, plant and equipment	55.2	71.7	81.2	83.1	403.5
Other non-current assets	12.5	124.0	34.7	27.9	414.6
<b>Total assets</b>	<b>14,261.9</b>	<b>13,188.1</b>	<b>12,183.1</b>	<b>12,671.7</b>	<b>13,159.7</b>
<b>Liabilities and shareholders' equity</b>					
Deposits from related parties	900.3	747.2	497.4	807.1	1,018.2
Other current liabilities	160.8	94.8	150.1	319.7	892.3
Long-term loans	-	-	-	288.7	931.5
Other non-current liabilities	92.1	121.7	17.9	14.9	37.8
<b>Shareholders' equity</b>					
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	7,209.8	6,210.0	5,554.3	5,319.0	4,450.3
Other components of shareholders' equity	299.9	415.4	364.4	323.3	230.6
Total shareholders' equity	13,108.7	12,224.4	11,517.7	11,241.3	10,279.9
<b>Total liabilities and shareholders' equity</b>	<b>14,261.9</b>	<b>13,188.1</b>	<b>12,183.1</b>	<b>12,671.7</b>	<b>13,159.7</b>
Book Value (Baht)	43.70	40.75	38.39	37.47	34.27



# Revenues Structure of the Company and Its Subsidiaries

Comparative from 2011-2013

(Unit : Million Baht)

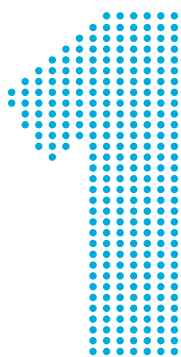
Segment	Consolidated financial statements											
	Export						Local					
	2013	%	2012	%	2011	%	2013	%	2012	%	2011	%
Textile Business	1,032.0	9.52	997.1	9.06	1,324.8	13.14	649.0	5.99	678.9	6.17	1,581.6	15.69
Plastic, Rubber and Metal Business	3,155.2	29.12	3,434.5	31.20	2,687.5	26.66	2,002.2	18.48	2,108.0	19.15	2,120.6	21.04
Trading Business	-	-	-	-	-	-	2,921.7	26.96	2,369.4	21.52	2,073.4	20.57
Energy Business	533.1	4.92	521.5	4.74	463.6	4.60	-	-	-	-	-	-
Investment Business and Others	5.2	0.05	48.3	0.44	69.3	0.69	21.2	0.20	14.5	0.13	11.8	0.12
Total	4,725.5	43.61	5,001.4	45.43	4,545.2	45.09	5,594.1	51.63	5,170.8	46.97	5,787.4	57.42
(Less) Related transaction	-	-	(15.1)	(0.14)	(29.8)	(0.30)	(901.5)	(8.32)	(824.3)	(7.49)	(1,547.4)	(15.35)
Sales and service income - net	4,725.5	43.61	4,986.3	45.29	4,515.4	44.80	4,692.6	43.31	4,346.5	39.48	4,240.0	42.06
Dividend Income												
Rental Income												
Interest income												
Other income												
Total revenues							10,835.4	100.00	11,008.5	100.00	10,079.8	100.00

The details are set out in Note 30 to the financial statements Segment information.

# Investment Structure

of the Company and Its Subsidiaries

Group of Business	Company's Name	% Investment Equity Method	Group of Business	Company's Name	% Investment Equity Method
<b>Textile Business</b>	Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	57.57	<b>Investment Business and others</b>	Taixing Union Zond Chemicals Co.,Ltd.	29.65
	Union Textile Industries Public Company Limited	51.42		Jiangsu Zhonglian-Union Carpet Co.,Ltd.	35.00
	Union Garment Co., Ltd.	99.99		Jiashan-Union Development Co., Ltd.	49.00
	Union Micronclean Co., Ltd.	44.48		Zhejiang-Union Property Co.,Ltd.	35.00
	Union Spinning Mills Co., Ltd.	51.99		Saha-Union International Ltd.	99.98
	Union Zip Co., Ltd.	24.85		Saha-Union Investment (China) Co.,Ltd.	100.00
	Venus Thread Co., Ltd.	24.90		Union Energy (Hong Kong) Co.,Ltd.	99.98
	Union Universe Co., Ltd.	49.87		Shanghai Dacity Co.,Ltd.	100.00
	Tencate-Union Protective Fabrics Asia Ltd.	24.62		Saha-Union International Taipei Ltd.	42.30
<b>Plastic, Rubber and Metal Business</b>	Union Pioneer Public Company Limited	52.71		Union Technology (2008) Public Company Limited	99.66
	Union Plastic Public Company Limited	49.69		Saha-Union Holding Co., Ltd.	99.54
	Union Zojirushi Co., Ltd.	51.00		Venus Shoes Co., Ltd.	96.86
	Union Stainless Steel Products Co., Ltd.	98.00		Union Printing Co., Ltd.	94.74
	Union Rubber Products Corp., Ltd.	99.99		Union Equity Co., Ltd.	99.79
	Thai Rubber Enterprise Co., Ltd.	50.69		Union Technology Co., Ltd.	99.99
	Union Thai-Nichiban Co., Ltd.	40.27		Union Energy Co., Ltd.	99.40
<b>Trading Business</b>	Union Nifco Co., Ltd.	39.91		Union Energy (China) Co., Ltd.	99.99
	Computer Union Co., Ltd.	98.15		Texport International Co., Ltd.	85.20
	Computer Union System Co., Ltd.	98.15		Union Human Resources Development Co., Ltd.	99.99
<b>Energy Business</b>	Soldev Co., Ltd.	40.00		Union Shoes Co., Ltd.	97.85
	Jiashan-Union Cogeneration Co., Ltd.	75.96		Union Construction Corp., Ltd.	99.68
	Shangyu Hangzhou-Union Cogeneration Co., Ltd.	50.00		Saha-Union Property Co., Ltd.	99.99
	Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	50.00		Saha-Union Wealth Plus Co., Ltd.	99.99
				Union Nakorn Co., Ltd.	75.00
				Uni-Fibre Co., Ltd.	52.99
				Uni-Agro Co., Ltd.	44.94
				Union Thread Industries Co., Ltd.	35.99
				Union Industries Corp., Ltd.	29.46
				Venus Product Co., Ltd.	24.86
				Union Capital Co., Ltd.	26.42
				Union Business Management Co., Ltd.	32.70
				Union Distributor Co., Ltd.	24.73
				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
				Union Phrom Phong Co., Ltd.	27.43



# Textile Business

## Type of Products and Services

There are 4 categories in manufacturing and selling textile products.

1. Sewing accessories such as zippers, thread and buttons
2. Woven fabric. The process of manufacturing starting from spinning and weaving such as 100% cotton, polyester cotton and/or other synthetic fiber with special characteristics for making workwear and fabric used in other industries.
3. Garments such as fashion clothing, workwear.
4. Clean Room Garments.

## Supply of Products for Manufacturing or Services

The production of woven fabrics starts from spinning the yarn to weaving fabric. The main raw materials used in producing the yarn are cotton which is 100% imported from overseas and synthetic fiber which mainly was purchased from local suppliers and some from abroad. For garments and Clean room garment production, the main important materials used for this production are fabric and sewing accessories. Fabric used in this category came from both importing from other countries and purchasing from the local suppliers depending on customers' desires. Most of the sewing accessories came from local suppliers.

## Performance in 2013

The woven fabric such as 100% cotton and blend cotton and polyester and / or other synthetic fiber mainly are manufactured with the focus on its characteristics. They are classified as general Technical Workwear and Fabric used for other industries according to the customers demand and suitability for its production capability. The direct marketing method was implemented to both local and foreign customers. The Company recorded 82% of the total sales which was generated from overseas trading. Most of the export sales concerned EU member countries and Japan. The local sales was 18% of the total sales. The sales performance in 2013 was slightly higher than the previous year.

The garments such as for fashion and workwear types, mainly exported to USA and European group are affected by the economic recession. The clients reduced an amount of purchase orders and the price has been negotiated down a lot. This resulted in a decrease in quantity and value of textile sale compared to the previous year. For Clean Room Garment, a new factory was built with the aim of increasing stability of manufacturing power in the future. Also, there are both direct sales and indirect sales by the sales representatives on both local and overseas markets. The performance was close to the target.



## Trends of the Industry and Competition

In regard to the trends of textile industry and competition in 2014, it is estimated that the textile market still remains sluggish as the result of continuing global recession, especially among EU and USA. However, by the end of 2013, global economy had shown the sign of recovering. Concerning textile industry in Thailand, there are some internal factors. That is - a shortage of labor and a problem of production costs, such as labor cost and increasing electric bill. The competition on cost tends to be fiercer due to the rival countries' advantage on low labor cost. Nevertheless, in terms of status quo and potential, compared to the rival countries, Thailand still has her advantage of being reliable to the customers by maintaining the ability to meet the customers demand regarding quality, quantity and on-time delivery.

However, this group of industry is still influenced by external factors beyond control which is a risk factor from the supply of raw materials such as Cotton and Polyester. Especially, Cotton is an agricultural product with the limitations based on seasonal fluctuations in each year, including its available quantity, delivery period, price in global market and its policy in China and India. Therefore, the Company has to monitor cotton situation closely and continuously as well as keep contact with the customers incessantly so as to learn the trend of their demand of product. This is to manage cotton inventory, to work out a plan on sale and a raw materials purchasing plan, as well as to manage properly a cost of raw materials. Moreover, the preventive measures are put in place to avoid the effect from the fluctuation of foreign currency exchange. The measures involve monitoring the situation closely and making a derivative to guarantee the products value according to the customers' purchase order in each period of sale. This will help lower the risk in importing raw materials and exporting products.

As for competitive strategic plans, the Company will be selective about customers by focusing on those who demand high-quality products. Then, adjust the production capacity in accordance with the customer's purchase order. The Company places greater emphasis on customers' highest satisfactions of quality, quantity, and delivery and also makes sure the products and services are consistently improved in order to have its value added continuously.







## Plastic, Rubber and Metal Businesses



### Type of Products or Services

The production and sales in the Group Companies are divided into 4 categories:

1. Plastic products. The Companies under this group produced plastic parts using plastic injection molding process. The main products are parts used in motorcycle and automobile industries, electrical and electronic appliances and kitchen appliances.
2. Rubber products. The Group has a complete range of operations on its rubber industry ranging from rubber plantation to manufacturing rubber products. The rubber latex is used for production of rubber blocks and smoked sheets. The rubber blocks are used for making elastic threads, elastic bands, elastic webbings and elastic braids, all under the trademark of “Venus”. Products are used in garment industries such as lingerie, diapers and other straps. Also the rubber blocks and smoked sheets are used as raw materials in manufacturing high quality glue for making adhesive tape.
3. Adhesive Tape products such as paper tape, transparent tape, masking tape and printing tape used for packaging industry and office equipments.
4. Stainless steel product such as vacuum bottles and food containers, stainless steel tubes and household products.

### Supply of Products for Manufacturing or Services

The Group Companies of plastic, rubber and metal has its factory in Bangchan Industrial Estate and its extended production is locating within Saha-Union Group’s property in Bangsamak District, Chachoengsao Province. In 2013, the production capacity remained the same, consistent with the current economy situation. As for the segment of sourcing raw materials for productions, they vary according to the types of industries.

**Plastic parts manufacturing business.** Plastic-pallet is the raw materials used in this manufacturing process, sourced from both local and overseas suppliers.

**Rubber business.** The main raw material, “Natural Rubber”, came from the rubber plantations and the Company’s subsidiary’s rubber factory. If it is not enough, supplies will be sourced from other suppliers.

**Adhesive tape business.** Adhesive used for coating the tape has the mixture of rubber and a chemical prepared by petrochemical process. Transparent tape consists of Cellophane and OPP, all of which can be sourced from both local and overseas suppliers.

**Stainless steel business.** The main raw material is stainless steel sheets which is provided by both local and overseas suppliers.

### Performance in 2013

In 2013, the growth of economy in Thailand slowed down in accordance with the slowdown of private sector’s consumption after its acceleration of big spending in the previous year. Also, some business operators postponed their investments while observing and evaluating the political and economical situation. At the same time the export of merchandise was slowly recovering, while the government sector was playing much smaller role, compared to the previous year, in stimulating the

economy, according to the lower-than-normal disbursement of investment statement. For tourist industry, there had been a big growth and was a main drive of economy in Thailand in 2013.

For the manufacturing of industrial plastic parts, the Group Companies showed declining performance despite the slightly decline in car sale, compared to those in normal situation. However, the end of the First-Car-Campaign caused a decrease of total sales, compared to the previous year. Moreover, due to the slowing economy, both households and business sector were cautious about spending and investing, leading to a decrease of motorcycles and electrical appliances sale, whose parts are manufactured by the Company.

The stainless steel vacuum bottle and food container factory generated revenue and held better performance due to its full production to its extended capacity in 2013. Furthermore, regarding the main overseas markets, there has been a strong growth in this business as the economic situation of the trading partners had improved and the new product was popular in the market.

For the rubber business, the overall market was shrinking in 2013 because of the export of goods affected by the replacement of lower-priced synthetic rubber. For local market, the garment industry was highly competitive. Customers turned to use product from the rival countries such as China and India because of its cheaper price. As a result, the overall revenues decreased. However the overall price of rubber was lower, subsequently this was a positive situation for the industry that used rubber as raw material, such as, manufactures of adhesive tape and elastic threads. But the operating results of rubber plantation and the manufacturing factory of rubber blocks continued to decline. Therefore this Group Companies committed to develop new products in order to expand its market and reduce the cost internally such as the manufacture and distribution of white crepe rubber, smoked sheets, rubber products used in medical equipment, exercise and health equipment, etc.

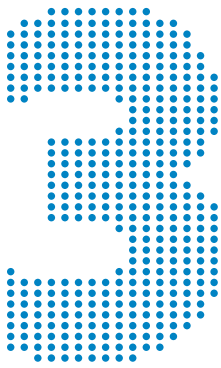
### Trends of the Industry and Competition

Although the main industry in the country will likely to continue to grow but the competition from the overseas remains high. There are several factors that may reduce the ability to compete with the rivals such as the steady rising production cost, the lack of labor, including the affect of joining AEC in the near future, the production base may be

shifted. Consequently, it is imperative that the Group Companies has to adjust itself continually in accordance with the situation by enhancing product's quality, developing product in order to reduce its manufacturing cost, improving the manufacturing process to stay up-to-date and require less labor, strengthening technology capability of manufacturing for the purpose of responding to the changes of global market's demand. Also, set the measures to maintain a sustainable environment, reduce energy consumption in order to lessen the waste of natural resources, reduce and clean up the waste from the factory, and protect water and air from pollution, etc.







## Trading Business



### Type of products and services

Being one of the leading computing companies in Thailand, the Computer Union Co., Ltd., has been in computer and Information Technology (IT) business since 1982. A wide variety of computer and IT products and services is currently provided for all types of business, ranging from Small Office Home Office (SOHO) to large enterprises, both in Bangkok and its environs, across the regions of Thailand. In 2012, the trading business was expanded to the Lao People's Democratic Republic.

Today, the Company is an authorized dealer and distributor of products and also services provider as follows;

- Dealer in server and storage products of IBM (Thailand) such as IBM Power Systems (AIX and i05), IBM System x both Rack and Blade, Storage of Production Line, from Low End to High End Storage, including Switch/Network equipments. Moreover, the Computer Union Co., Ltd., has become Thailand's main distributor of IBM PureFlex; the IBM's latest series of Integrated Solution,
- Dealer in Software products of IBM (Thailand), all 8 series, namely;
  - > WebSphere - Integration Workflow software
  - > CSI (Tivoli) - Backup and management system software for Cloud Technology
  - > Lotus - Workflow and Portal Software
  - > Information Management - relational database management system software, including DB2, Infomic and Data Warehouse. The Computer Union Co., Ltd., is the only dealer of Pure Data for Analytics (formally known as Netezza), a Data Warehouse Appliances designed by IBM (Thailand).
  - > Business Analytics - data analytics software, including Cognos and SPSS
  - > Security - IT security system Software
  - > Industry Solution - business solution Software
  - > Rational - software development testing and verification software
- Dealer in products of IBM (Thailand) Global Technology Services (GTS), including Maintenance Agreement: MA), GTS Implementation Services and Cloud Services
- Dealer in Acronis products (Backup Software from USA)

- Sole distributor in Thailand for CommVault (highly acclaimed Backup Software from USA)
- Dealer in VirtualBridges products - Virtual desktop management solution (VERDE brand name)
- Dealer in Ronsyco products - Reader/Encoder and PIN pad
- Dealer in products of Huawei International PTE., and UC&C
- Dealer in Apple products (Apple Authorized Resellers)
- Dealer in NCR products (ATMs, ATM Security, Banking Software, mobile Banking, Branch Transformation as well as Payment and Imaging)
- Dealer in Lenovo products (PC, ThinkPad, Server) including hardware products (HP, Epson, Samsung, Canon, Fujitsu, Dell, Acer, etc.
- Authorized Service Provider of Lenovo, HP, Epson and Samsung
- Repair and maintenance services provider for hardware, software and Network System including equipments as well as design work and system development.
- Selling including installation of closed – circuit television cameras (CCTV) and other security systems.
- Design, application software development for Mobile Application like IOS and Android as well as installation and consulting service.
- Media data recovery service (Hard Disk, Flash Drive, Memory card) by Clean room class 100 since 2004, including all operating systems (DOS, Windows, Linux, Unix, Novell, Macintosh), which treated customer information as strictly confidential.

### Performance of the year 2013

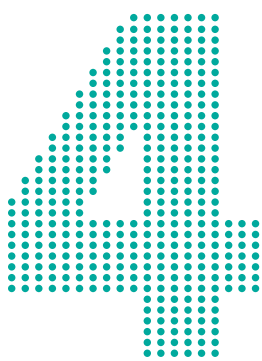
In 2013, the Computer Union Co., Ltd., recorded a result of Hardware and Software operation, which was better than last year and targeted. The Software in particular had an extraordinary growth while the Hardware had stronger growth than the market average. On this account, the Company won the TOP IBM ASEAN Distributor Award in the IBM Interconnect Conference, held in Singapore from 7<sup>th</sup> to 10<sup>th</sup> October 2013.



The overall products and services, the working team focused on offering Solution while maintaining continually Cloud Computing, Business Analytics and Systems Security. In addition, IT Infrastructure was intensified to support Digital TV expansion. In 2013, the Company had opportunities to present its products to most of the major concessionary customers and concluded business deals. Moreover, the business expansion into the Lao People's Democratic Republic was doing well. Meanwhile, the working team had maintained the former customers' trust to work closely and reach consistently agreements on the projects.

### Trends of the Industry and Competition

The computer business is likely to grow due to Information Technology (IT) expansion in the public and private sectors, including the financial institutions. The expansion is meant to enhance efficiency and to support public and customers services in Bangkok and its environs as well as in the provinces. Owing to a sustained development of the body of knowledge related to its staff, the Company has a status quo and high potential. In addition, the Company's situation is stable and financially disciplined. The Company keeps maintaining the quality of products and services, having ability to meet customer demand. Meanwhile, business competitiveness becomes progressively severe, especially in terms of prices as there are more and more new business operators.



## Energy Business in the People's Republic of China



### Type of Products and Services

At present, the Company has 3 joint venture companies in energy business with the State-Owned Enterprises in the People's Republic of China. Two Cogeneration Plants are in Zhejiang Province; Jiashan-Union Cogeneration Co., Ltd. and Shangyu Hangzhou-Union Cogeneration Co., Ltd. and one is in Yunnan Province named Yunnan Energy Luliang-Union Cogeneration Co., Ltd.

### Supply of Products for Manufacturing or Services

The cogeneration plants in Zhejiang Province, the People's Republic of China uses coal as main fuel which mostly came from coal mines of the Northwestern part of the country.

### Performance in 2013

Last year, the Energy Plant in Zhejiang Province went under an improvement in production and new hi-tech machines were added in order to support the increasing demand of usage including its maximum efficiency. Moreover, this is to reduce and control pollution emissions, respectively, and also to maintain environmental quality in accordance with environmental control standards. Shangyu Hangzhou-Union Cogeneration Co., Ltd. had expanded its production capacity by obtaining 2 sets of Boilers, with capacity of 130 Tons/set and 2 sets of Turbine Generators with capacity of 15 MW/set. The investment for this expansion amounted to the total of RMB 435 million. The production was expected to be implemented at the beginning of 2014.

For the performance from other 2 energy plants in Zhejiang Province, 80% of income generated from selling steam production of which most customers are factories in industrial estate. The rest are from other industries and other customers generally use the product in their daily lives. In the past, the industrial estate has been expanded immensely as well as the factories themselves in the estate. Therefore the demand for steam is continuously increasing. At the same time, the price of coal, which was used as the main fuel in the previous year, is very stable resulting in great ability to control production cost.

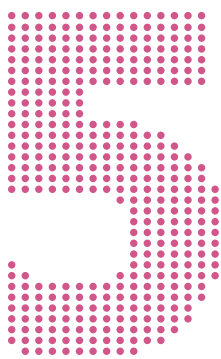
For the energy plant, "Yunnan Energy Qujing-Union Power Co., Ltd." in Yunnan Province where the Company and its subsidiary named Saha-Union Investment (China) Co., Ltd. (SU-SHA) holds 50% of the total shares, in the past few years, its performance was under loss continuously. Therefore in 2011, the Board of Directors approved to cease the business. Since then, there had been a continual attempt to find a buyer of the property. The assets were appraised to use as references for negotiation which eventually, a juristic person in Yunnan Province agreed to buy. The investments transfer was finalized by the end of 2013.



## Trend of the Industry and Competition

Since power plant business is considered the country's utility, therefore, its production capacity and sales depend on the growth of the country's economy. At present, the People's Republic of China has a strict policy of issuing the investment permission to the coal-fired power plant project. The measures to reduce the environmental impact are more and more rigorous each year. The power plant must reduce the pollution and emit pollution waste according to the environmental control standards. Consequently, Saha-Union is committed to improving its production process using the most efficient technology available in order to preserve continuously the environment of surrounding communities. However, the trends of growth rate of industrial estate expansion and other industrial factories are likely to grow, resulting in the increasing steam consumption. Since most of the customers' manufactures are located in industrial estate, the steam delivery is done by piping through underground internal network systems which are designed and approved by the industrial estate itself. As a result, by default, this reduces the problem of competing with overlap steam pipelines from other power plants.





## Other Businesses in the People's Republic of China



## Real Estate Business

### Type of Products and Services

The Company has invested in 2 real estate projects in the People's Republic of China.

**Riverview Garden Project in Jiashan, Zhejiang Province**, operated by Jiashan-Union Development Co., Ltd. It is a construction project of 4-story buildings and residential condominiums situated on a property of 139 MU in total or approximately 58 rai. The total construction area is approximately 250,000 square meters, expected to be completed by the end of 2014.

**Project at Shaoxing, Zhejiang Province**, operated by Zhejiang-Union Property Co., Ltd. This is a residential and commercial construction project, situated on the total property of 11.5 MU or 7,669 square meters. The design of construction area is divided into commercial area of 7,300 square meters and residential area of 21,300 square meters, excluding the parking garage at underground level.

### Supply of Products or Services

The Company entered bid for a property license from the local government for residential and commercial development projects in Jiashan and Shaoxing.

### Performance in 2013

The Riverview Garden Project in Jiashan is under the operation of Jiashan-Union Development Co., Ltd. The project operation's objectives are to design and construct with high quality. Due to the Chinese government's rural-urban migration policy, this project is well recognition in the real estate market business. As a matter of fact, it is very popular project with very good surrounding environment. Its landscape was awarded distinguished landscape at the regional level, bringing in a good reputation. The project is right on target despite its slow down caused by the strict measures on real estate profit value estimation.

The operation is estimated to be completed by the end of 2014. However, the project still cannot be concluded by then since there are procedures of property transferring to the customers. They are divided into 3 phases as follows:

Project Phase 1 This concerned condominium building. The construction was completed and was sold out in a short period of time. The transfer procedure was also completed.

Project Phase 2 This involved four condominium buildings and seven high-rise buildings. They are under construction and here is the sale history:

- 4 condominium buildings are sold out.
- 3 high-rise buildings with mid-sized condominium rooms are mostly sold out.
- 4 high-rise buildings with large and extra large condominium rooms. Only 3 buildings are for sale due to the construction delay. The extra large condominiums are not yet for sale as its higher price may take longer time to close the deal.

Project Phase 3 This concerned six high-rise buildings with mid-sized condominium rooms which is easy for sale as one building is already sold.



Zhejiang-Union Property Co., Ltd. is operating the real estate project in Shaoxing, Zhejiang Province. Its construction has already started at the end of 2013 by drilling the piles, excavating soil and adjusting the surface of the underground level. Next step is to build the main structure of the buildings which will be finished contingent on the Pre-sales agreement, approximately by February 2014. Then, by 2015, the building construction and landscaping of projects' surroundings are estimated to be completed and inspected for transferring process to the clients based on the government sector's procedures. The estimate income is to start in 2015. However, the return from this project may not be large as this is the project to expand property investment base in China.

### Trends of the Industry and Competition

The business of real estate development will grow along with the growth of economy in China. The trend of real estate development business will be a good business as long as the Company can sustain its current capital and continue to make sales using small loan amounts. The important factors in competition are location of the projects, quality and sale price.

## Chemical Industry Business

### Type of Products or Services

The Company has invested in chemical industry business in the People's Republic of China, operated by the Taxing-Union Zond Chemical Co., Ltd. (Taixing-Union), in Taixing, Jiangsu province. The business involves manufacturing Phthalic Anhydride (PA) which is a chemical for the production of plasticizer for plastics.

### Supply of Products for Manufacturing or Services

Ortho-Xylene is a major petrochemical that was used before in the production of Phthalic Anhydride. Then, the Phthalic Anhydride in the form of crystal or liquid is supplied to the producers of Plastic PVC, Polyester, Resin and other products. In the past, there was an improvement in manufacturing process regarding production techniques in a bid to be able to use variety of raw materials for production. Nowadays, to reduce production costs, Naphthalene is used as a supplement raw material in the production of Phthalic Anhydride due to its lowered price.

### Performance in 2013

The improvement in production process by mixing Naphthalene as a supplement raw material instead of the sole use of Ortho-Xylene enabled the Company to have production costs under control and to make profits. In this way, the operating result was close to target.

### Trends of the Industry and Competition

Given that Phthalic Anhydride is classified as an industrial chemical, the law stipulates that its plant must be located in a chemical industrial estate and provided with strict rules and assessment of environmental impact. In the preceding production process, the Company managed to lower pollution and control pollution emission in conformity with the set forth standards. For the competition, it is still high. Nevertheless, the continuous improvement and modification of manufacturing technology by using Naphthalene as previously mentioned leads to suitable production costs and increase in competitive capability.



# Corporate Social Responsibility (CSR)

The main activities of Saha-Union Public Company Limited are investments in textile, plastic, rubber, metal, trading and energy businesses, including other businesses in the People's Republic of China such as property, chemical and automobile carpets. Being socially and environmentally aware, the Company's Board of Directors has conducted business with the sense of corporate social responsibility (CSR) for the benefit of all stakeholders and for its sustaining business growth.

The Company has set its ethical values, that is-integrity, quality and service. For over 40 years, these values have been transmitted by the highest ranked executives to all levels of employees, ranging from executives to workforce level. They have been all informed and adhered to the Company's values.

To meet the changing circumstances, the Board of Directors had considered the vision and mission. Here is a modification of the Company's vision and mission that was made in 2013.

## Vision


A leading and reliable investment Company engaging in diverse business activities, managing the investments for the Company's growth and long-term stability with sound return on investments.

## Missions

- To develop the growth and stability of existing businesses.
- To enlarge/extend the businesses that members of the Group are adept and well versed.
- To administer existing investments while exploring new opportunities offering long-term potential and sound return on investments.
- To groom new generation of knowledgeable and efficient executives with leadership quality, those who could blend well with the Company's cultures, uphold integrity, quality and service.
- To promote and avail the employees the opportunities to continuously develop their knowledges and skills.
- To persistently instil the Company's good will.
- To regulate the administration of the Company for efficiency, transparency and conformity with international auditing standards, in order to increase the value and obtain optimum results for the Company, all participants and stakeholders, i.e., employees, shareholders, investors, customers, trade partners, creditors, competitors, communities, societies and the Country.

Incidentally, the scope of this Corporate Social Responsibility (CSR) report is focused on the Company's investment and sales of raw materials used in woven fabric, elastic band and metal businesses to the Group Companies and the export of adhesive tape products overseas. However, the sales part has no significant proportion. According to the disclosure information standards, the risk factor in business was taken into consideration as it is reflecting the way the Company operates its business and the report was done in accordance with the guidelines set by the Stock Exchange of Thailand (SET), issued by the Office of the Securities and Exchange Commission (SEC).





The following report of CSR performance was done in consideration of stakeholders namely, investors and or shareholders, employees, associates, customers, trading partners, debtors, competitors, communities, relating organizations and intellectual property owners.

The Company's operations of CSR under the organizational competencies and currently available resources (in B.E. 2556) consist of:

## **1. Fair Business Operations**

### **1.1 Fair Competition**

The Company committed to do business fairly without taking advantage of its rivals. Therefore, no prior business information or any relating information was used to compete with business rivals or to discredit them. The Company would not disseminate any partners' confidential information. Any agreement made would be followed earnestly. For example, once the advance purchase of cotton was established, the cotton's market price dropped later, the Company yet continued to respect the agreement made earlier including making every payment on time as scheduled.

In addition, the Company consistently has conducted businesses fairly vis-vis its customers, without taking any advantages with honesty and good professional ethics.

### **1.2 Corporate Social Responsibility (CSR) in the Business Chain**

The Company's joint ventures were equally treated and had the equal rights as shareholders. They were paid the same amount of dividend and at the same time as those of Thai party. All joint venture's benefits were not abused due to the accuracy, completeness and ethical transparency of finances and related financial information.


### **1.3 Respect for the Property of Others**

The Company made an announcement of policy against any actions by its employees involved in intellectual property violation. All executives and employees were encouraged to use products, equipment and services of which its legal copyright preserved.

## **2. Anti-Corruption Measures**

### **2.1 The anti-corruption policy**

The Company holds a policy of doing business based on previously-mentioned ethical values and good administration-that is to work honestly without corruption. This policy was enforced not only among the business of the Company and the Company group in Thailand but also the invested Company overseas. All the accounting reports must be done with completeness and with accuracy including correct tax calculation and payments. There were not any bribes paid to any persons involved. As a result, the related authorities always received the correct information. The Company would pay taxes correctly. The government would not lose its benefit. This is the policy that the Company has followed consistently. In this way, the Company has earned trust from both the government sector and the society.



## 2.2 Work Guidelines according to the Policy

The Company has instilled high a value of morality, quality and benefits all the way from management to employees. Laws and regulations will be observed and followed strictly by raising awareness of both executives and employees. Moreover, employees will receive a Guide to Rules and Regulations for Employees, as stated in chapter 6, “The discipline and disciplinary sanctions article 6.1 (f)”, article 6.2 (4) “Work with honesty” and article 6.3, “Violation Penalty Policy” and “The Termination of Employment”. In order to reinforce the Company’s policy in business operations, an internal control system was established to efficiently and productively monitor and track for corruption, all of which would go under an inspection procedure conducted by the internal auditing department.

In 2013, the Board of Directors had committed to the policy of anti-corruption in the society by giving support to Thailand’s Private Sector Collective Action Coalition against Corruption (CAC).

## 2.3 The Disclosure of Performance and Progress in Practice

In 2013, there were not any issues or substantial faults involving the prosecutions, investigation, allegations or any lawsuit regarding unfair competition operation, corruption, discrimination or unequal employment, non-compliance with laws, including getting fined or non-fine penalty in any violations caused by non-transparent or incorrect operation of previously mentioned matters.

## 3. The Respect for Human Rights

The Company promotes basic human rights of freedom, equality in expression, including rights in economic, social and cultural status to which all individuals concerned are entitled according to the highest standards possible.

### 3.1 Respect Human Rights Principles at Work

The Company has a policy of basic human rights, for example, employee rights to express their opinions. The Company will indiscriminately listen to employees’ agendas and put it into consideration to find measures to prevent or release, and or correct the effects of the matters caused by the organization’s activities. As for the right of investors or shareholders, the Company will indiscriminately respect their right of both local and foreign investors. The Company will receive and response to the comments from the minor shareholders with respect. The Company has established an investor relations department to help provide information as well as the opportunity for the shareholders to propose the agenda 4 months prior to the next shareholders’ meeting. Furthermore, the Company will respect the customers and partners’ rights based on the mutual agreement.



### 3.2 Policy and Guidelines at work

Since the Company's main business is both domestic and overseas investments, the policy of human rights is firmly established to observe the rights of the invested companies' employees are not violated but individually, fairly and indiscriminately respected. Also the employees' safety and occupational health measures are legally established and strictly followed.

### 3.3 Important Measures on Labor Rights

The Company's policy offers its employees the labor rights in accordance with the relating law. The employees receive benefits based on the Company's rules and regulations, including provident funds. The representatives from the Company and the Group Company, periodically participate in the meetings to oversee possible labor problems, sort out corrective action plans to work peacefully together.

## 4. Practice on Fair Labor

The partly important stakeholders in an organization are staff or employees. The Company attaches importance to human resources matter consistently as it is an essential mechanism in driving the organization to achieve its economic targets as well as creating the impact in the society.

### 4.1 Employment and Benefits

The Company's human resource management policy is setting up criteria for employment, benefits, salary based on job position and fringe benefits. Employees will be treated fairly and will not be exploited. Employees will receive their pay in full and on time, the Company will set up payroll twice a month. In addition to benefits offered to employees in accordance with the Company's rules and regulations, the contributions and benefits from employees' provident funds, based on the funds' regulations are included. Moreover, the employees are offered the benefits from Employee Savings and Credit Cooperatives of Saha-Union Group. The Company will allow employees holidays, sick leave and annual vacation based on years of service to the company. Moreover, the employees benefit the right of yearly physical examination according to the regulations. In 2013, the Company had 86 employees in total, 10% were newly employed and 16% were out of employment status. 100% were the rate of employee retention or those returning to work after maternity leaves. The Company offers its employees equal labor rights and benefits, regardless of gender.



## 4.2 Occupational Health and Safety

Even though the Company is not industrial factory, but employees' occupational health and safety are taken into consideration. For example, water of good clean quality as well as drinking water is provided to promote healthy employees, including annual health examinations. Schedule routine-maintenance for workplace's air-conditioning system as well as provide a good work environment and adequate workspace. Routinely inspect the elevator system including setting up the alarm systems. A number of fire extinguishers are installed properly in each location and routinely maintained. Therefore as the investment Company, there are not cases of pollution emissions to the nearby area concerned. The employees' work environment carries high standards of occupational health and safety. However, the executives will accept (if any) complaints and take any measures necessary for improvement in accordance with the company's emphasis on employees well-being policy.

## 4.3 Diversity and Equal Opportunity

The Company employs diversified group of employees, regardless of their genders, races, religions, age, education and others. The policy of equal treatment and opportunity employment is firmly held in place. For example, employees, regardless of gender, will receive their pay equally such as basic salary rate based on job description. Moreover, the Company gives employees the opportunities to improve their learning and competences which match their job description, including promotion potential to a higher position. Employees are also offered 6 hours of training per person per year.

## 5. Responsibilities to Consumers

The Company adheres to its standards of product quality or services, of which is for not only consumers' health safety but also at reasonable price based on the agreed quality.

### 5.1 Health and Safety of Customers

The Company products which are raw materials used in woven fabric such as cotton and synthetic fiber, and stainless steel, all of which are used to manufacture garments, elastic bands and vacuum bottles, respectively. The Company selectively offers the products with high quality and safe to human body. Stainless steel used in the manufacturing of vacuum bottles are of very high quality standards with good protection and durable. Also, under the Group Company's manufacturing process, the vacuum bottles offer consumers a very safe and healthy product. The food coloring used in this product is at the safety level for consumers. Therefore the consumers can trust the Company's product quality as well as those manufactured and distributed by the Group Company. Similarly, the Company exports high quality adhesive tape products under the trademark of "Unitape, Panfix, Sello Tape, Fuji and Nichiban". In addition, the Company will not only maintain the quality of products but also take responsibility in tracking the shipment, its quality, price and agreement's time period.

## 5.2 Product Labels and Services

The Company not only offers to its customers high quality products but also provides a communication on products and correct instructions. This is to achieve the Company's objectives of offering high quality products to its customers as much as maximizing the use of products. The Company will clearly label the product according to standards by showing its name, its brand name, its capacity, bar code data, its ingredients by identifying the Universal Product Code (if any), its qualification, its use recommendation, its warnings and manufactured date according to the international laws and standards. The information provided will be all valid information.

## 5.3 Marketing Communications and Customer Privacy

The Company's marketing communications method is product labels and user's instructions. For example, in the case of vacuum bottles of which the Company has transferred its distribution to the Group Company that manufactures the products, only the pamphlet showing different models or merely the picture label of the products were provided. The Company has not done marketing communication on this product via advertising. Therefore there was no exaggeration in product advertising and no misleading customers in product quality. On the contrary, it's the consumers themselves who decide and accept the quality and safety of products. It is the consumers' word-of-mouth that recommends the product to others. Since the Company did not have marketing expense, the merchandise price did not have to absorb the advertising costs, therefore, the sale price is very reasonable. The Company is aware that good ethical business practices can lead to business sustainability. Up to now, the Company has never disclosed customers' confidentiality, nor exploited it to the Company or relating party's benefit without permission.

In the past, the Company never got fined from violations of consumer protection laws and other relating regulations.

## 6. Environment Conservation

As the investment Company and its other businesses are of trading type, there was not any significant element that requires natural resources where living organisms might be affected by their operations. The Company and its other businesses' operations emitted neither pollution nor polluted water that might destroy the environment. The Company carefully uses energy and water efficiently based on normal standards. However, the Company has invested in the use of natural resources and environmental conservation including complying with any relating laws and regulations.

### 6.1 Sustainable Utilization of Natural Resource

The Company invested in the Cogeneration Plant in Zhejiang Province, in the People's Republic of China which uses coal as fuel. Therefore the Company did a study of how to reduce coal consumption. By using modern technology of recycling the ash, the residual waste from coal can be used as fuel as well. This method not only helps reduce the consumption of natural resources but also improves the performance since production costs are lower.



## 6.2 Prevention and Reduction of Pollution Impact

Every factory in which the Company has investments is a manufacture industrial factory. All of them have pollution prevention systems and are invested in programs that reduce environmental pollution impact. Their managements are implemented according to the standards and laws. To give an example, the elastic band factory has 2-step-wastewater treatment system. Until the wastewater was tested safe, not creating any pollution to the environment, it will be released from the factory. Other factories also follow suit.

## 7. Social and Community Development

The Company is aware of stakeholders both in community and those outside the area. Consequently, for a better living, the Company has participated in the following activities;

### 7.1 Role in the Market and Job Creation

The Company and its invested company developed the community by hiring people mostly from the local area and surrounding communities in order to build a strong foundation for their lives. For example, the invested companies in Bangpakong District and Bang Chan District, most of their employees are local residents. Their communities become important labor markets, constantly creating jobs to increase their incomes.

### 7.2 Community Involvement

In regard of Item 7.1, the above mentioned companies hold annual religious activities such as the Kathin ceremony, offering robes to Buddhist monks festival or Tod Pa Paa, Buddhist Lent Festival at neighborhood temples, and donating books for neighborhood libraries to benefit the local members. In 2013, donations for educational scholarships were offered to Chulalongkorn University and Bangna Commercial College. Funding was provided to improve classrooms of Faculty of Commerce and Accountancy, Chulalongkorn University so as to improve the company's physical aspect and it is the way for the Company to give back to the communities. (see details on page 42). In other words, it is to promote the company to be more recognized and to build the company's future target's workforce.

Moreover, the companies will accept any ideas or complaints from the local residents in order to find the way to improve to the better society.

In 2013, the Company and its subsidiaries did not receive any investigations, accusations or lawsuits that could significantly affect the business operation, reputation or the Company and its subsidiaries' reliabilities over the principles of the above-mentioned operations.



### **Saha-Union Public Company Limited**

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





**Saha-Union Public Company Limited** and Group Companies had a policy to conduct business with a sense of responsibility towards the society, community and environment by ensuring compliance with the laws based on its core ethical values, that is-integrity, quality and service. Employees of Saha-Union Group has encouraged and cultivated to participate in the development of social, community and environment. The Companies also helps conserve the Thai culture and tradition by continual support the event or participate the related activities of public, private and relevant authorities included the anti-corruption by focusing on the corporate social responsibility which contributes to the sustainable development.

## Educational Activities

Saha-Union Group recognizes the importance of learning as a foundation for the development of a stable career. The company promotes the educational development of young people and look forward to being part of the quality youth building to society, thus providing scholarships to young students, with good grades and behaviors but lack source of fund, such as:

- Providing scholarships to undergraduate students, Faculty of Economics and Engineering, Chulalongkorn University.
- Providing scholarships to High Vocational Certificate' students in Accounting majors, Bangna Commercial College.
- Providing financial support to the Faculty of Commerce and Accountancy, Chulalongkorn University to develop and improve classroom.



Providing scholarships to Chulalongkorn University



Providing scholarships to Bangna Commercial College



Providing financial support to Chulalongkorn University to develop and improve classroom.

## Environmental Activities

Saha-Union Group recognizes the importance of participation in the conservation of natural resources and environmental. The Company promotes and builds awareness to employees in the use of natural resources and saving the valuable in order to reduce the wasted unnecessarily, so that these valuable natural resources could hand to the next future generations. The Company ensuring the operating performance as determined in accordance with the law and environmental international standards, also adopted the environmental management standard ISO14001 to continuously improve the manufacturing process as well as other operational improvements in order to prevent and reduce negative impacts on the environment of the communities surrounding

the company both from the production or disposal of waste material.

Saha-Union Group has supported the event created by employees in order to develop and preserve the environmental along with conducting the business, such as:

- Representatives from executives and employees of the Group Companies have delivered the milk and juice boxes to the drinks box manufacturer group to recycle and produce the equipments and teaching materials for the schools in the group network, which is another type way to reducing the pollution.

Delivering the milk and juice boxes to recycle and produce the equipments and teaching materials



## Social Activities

Saha-Union Group has continuously supported and participated in activities related to community or social development, both the private and public sector agencies, including anti-corruption and encourages employees to participate in social development, as well as to help and support the community surrounding the company.

In the previous year, Saha-Union Group has taken part in many activities of building social benefit, such as:

- Donating books to the “Chirayu – Poonsapaya” Library, a Discovery Learning Library of the Bangkok Metropolitan in Phrakanong area for promoting and encouraging young people to read and using time to be useful for self development.
- Donating blood in the 65 million hearts of blood donors’ project dedicated to the King of Thailand in order to celebrates 120 years of the Thai Red Cross Society, which is a type of social activities.
- Providing financial support and donating goods, school supplies and sport equipments to Baan Huay Krata Thong School, Sai Yok, Kanchanaburi Province.
- Providing financial support to Bangchan Mosques School
- Sponsoring and giving the Children’s Day gift to the school and community.
- Providing the financial support to the anti-corruption Foundation and anti-corruption organizations for implementation of projects and activities to resolve corruption problems that might affect Thailand’s economy and society.



Donating books to a Discovery Learning Library of the Bangkok Metropolitan



Donating blood in the 65 million hearts of blood donors’ project dedicated to the King of Thailand in order to celebrates 120 years of the Thai Red Cross Society



Providing financial support and donating goods, school supplies and sport equipments to Baan Huay Krata Thong School, Sai Yok, Kanchanaburi Province



Providing financial support to Bangchan Mosques School



Sponsoring and giving the Children's Day gift to the school and community



Providing the financial support to the anti-corruption Foundation

## Religious Activities

Saha-Union Group focuses on the promotion of cultural and religion, as well as instilling good morals and ethics to employees in the organization. In the previous year, the management and staff have joined in various activities, such as:

- Participating in the Buddhist Ceremony and showing the respect and gratitude to the executives in Songkran Festival.
- Participating in a Khatin Ceremony, presenting robes and eight necessities to monks at the end of Buddhist Lent at Wat Thong Kung, Samutprakarn.
- Participating in present dried food to Buddhist priests of Wat Bampenneau, Minburi, Bangkok on the New Year.
- Participating in the Islamic religious merit on the New Year Ceremony.



Participating in the Buddhist Ceremony and showing the respect and gratitude to the executives in Songkran Festival







Participating in a Khatin Ceremony, presenting robes and eight necessities to monks at the end of Buddhist Lent at Wat Thong Kung, Samutprakarn

Participating in present dried food to Buddhist priests of Wat Bampenneau, Minburi, Bangkok on the New Year



Participating in the Islamic religious merit on the New Year Ceremony





## Corruption Prevention Policy

The Company has formulated a policy of anti-corruption and provided guidelines on this subject in the Corporate Governance Handbook, Code of Business Conduct and Rules and Regulations for Employees in accordance with core values of the Saha-Union, that is-integrity, quality and service. These values have been observed by the Company's directors, executives and all employees and regarded as ethical corporate culture which has been promoted and cultivated. It is their duty and responsibility to acknowledge, understand and ensure its rigorous compliance.

The organizational structure is established through a sufficient and appropriate system to prevent business conduct of the Company from any actions related to corruptions, no matter what form of bribery and corruption: seeking, accepting or paying.

The Company provides a system of internal audit to oversee and monitor its compliance with the Corporate Governance Handbook, Code of Business Conduct and rules and regulations for Employees by requiring regular audits. Then, the audit reports will be submitted to the Audit Committee and/or the Board of Directors who decide to integrate audits relevant to corruptions into internal audit plans.

The Company will examine and improve standards of anti-corruption measures proposed in the Thailand's Private Sector Collective Action Coalition Against Corruption Project (CAC) and review the Corporate Governance Handbook, Code of Business Conduct and Rules and Regulations for Employees with the aim of adopting clearer and more inclusive guidelines.



# Shareholding Structure

## Corporate securities

- The Company had a fully paid-up registered capital of Baht 3,000 million, divided into 300,000,000 ordinary shares of Baht 10 each.
- The Company had no types of shares which differed in rights or conditions other than the ordinary shares.
- The Company had no plan to issue and convertible shares to the Thai Trust Fund or to issue non-voting depository receipts (NVDR) which was regarded as a listed security.
- The Company had no securities other than the ordinary shares.
- There was 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 Company Limited As of 5 April 2013

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	5.99
1.5	Uni-Fibre Co., Ltd.	Darakananda Group	Investment	13,551,340	4.52
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			12,000,000	4.00
4.	Solid Gains Development Limited			10,745,000	3.58
5.	Mr. Chalermchai Mahagitsiri			8,054,500	2.68
6.	Mr. Kumtorn Poonsakudomsin			7,985,644	2.66
7.	Mr. Vichit Chinnawongworakul			7,412,200	2.47
8.	The Southeast Life Insurance Public Company Limited			7,121,200	2.37
9.	Mr. Chutindhon Darakananda			3,427,700	1.14
10.	East Fourteen Limited Dimensional Emer Mkts Value Fd			2,976,400	0.99

## Policy of dividend payment

The Company's policy on dividend payment was a proper rate of return on investment to shareholders, dependent on the performance of the Company, at a rate not less than 1/3 of the annual net profit, after accumulated loss (if any), from the separate financial statement of the Company.

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		% Change
		No. of Shares held in 2013	No. of Shares held in 2012	
1	Miss Sriwarin Jirapakkana	157,284	157,284	-
2	Mr. Chutindhon Darakananda	3,427,700	3,427,700	-
3	Mrs. Achara Chandrachai	-	-	-
4	Mrs. Araya Arunanondchai	2,251,694	2,251,694	-
5	Miss Pakinee Prerttitumrong	1,950,624	1,950,624	-
** 6	Mr. Yanyong Tangchitkul	434,000	434,000	-
7	Mrs. Busarakham Nilavajara	-	-	-
8	Miss Dalad Saphthavichaikul	13,052	13,052	-
9	Mr. Vichai Chaitaneeyachai	-	-	-
10	Mr. Thitivat Suebsaeng	-	-	-
** 11	Mrs. Pinijporn Darakananda Kasemsap	137,000	137,000	-
12	Mr. Bovornrat Darakananda	-	-	-
** 13	Mrs. Chantorntree Darakananda	1,869,400	1,869,400	-
14	Mr. Vacharaphong Darakananda	1,582,600	1,582,600	-
15	Mr. Nanthiya Darakananda	-	-	-

Remark: The Director No. 3, 7, 9 and 13 were appointed to be Company's Directors dated 24 January 2013.

## Shareholding of the Executive

No.	Name	Shareholding		% Change
		No. of Shares held in 2013	No. of Shares held in 2012	
** 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 2013 Shareholders' Meeting. Remunerations paid to each Director for the fiscal year 2013 were as follows:

Unit : Baht

No.	Name	Position	Remuneration					
			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.	Miss Sriwarin Jirapakkana	Chairman	4,320,000	120,000	-	-	4,440,000	240,000
2.	Mr. Chutindhon Darakananda	Vice Chairman / Member of the Nomination and Remuneration Committee	4,050,000	120,000	-	30,000	4,200,000	88,000
3.	Mrs. Achara Chandrachai	Chairman of the Audit Committee / Independent Director	-	120,000	132,000	-	252,000	-
4.	Mrs. Araya Arunanondchai	Member of the Audit Committee / Independent Director / Member of the Nomination and Remuneration Committee	-	120,000	120,000	30,000	270,000	-
5.	Miss Pakinee Prerttitumrong	Member of the Audit Committee / Independent Director	-	120,000	120,000	-	240,000	-
6.	Mr. Yanyong Tangchitkul	Chairman of the Nomination and Remuneration Committee/ Independent Director	-	120,000	-	30,000	150,000	-
7.	Mrs. Busarakham Nilavajara	Independent Director	-	120,000	-	-	120,000	-
8.	Miss Dalad Saphavichaikul	President	-	120,000	-	-	120,000	288,000
9.	Mr. Vichai Chaitaneeyachat	Director	-	120,000	-	-	120,000	96,000
10.	Mr. Thitivat Suebsaeng	Director	-	120,000	-	-	120,000	192,000
11.	Mrs. Pinijporn Darakananda Kasemsap	Director	-	120,000	-	-	120,000	-
12.	Mr. Bovornrat Darakananda	Director	-	120,000	-	-	120,000	8,000
13.	Mrs. Chantorntree Darakananda	Director	-	120,000	-	-	120,000	-
14.	Mr. Vacharaphong Darakananda	Director	-	120,000	-	-	120,000	210,000
15.	Mr. Nanthiya Darakananda	Director	-	120,000	-	-	120,000	192,000
			8,370,000	1,800,000	372,000	90,000	10,632,000	1,314,000



## Executives' Remuneration

Total remunerations was paid to the 6 Company's Executive and Non-Executive Directors in 2013 amounted to Baht 15,653,465.- 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 2013, the Company paid an aggregate of Baht 75.14 million as remunerations (salaries and bonuses) to totally 43 Executives in 9 Subsidiaries undertaking

## Others Remuneration

In addition to the above salaries and bonuses, the Company paid other remunerations to 5 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 2013 were Baht 391,010.50.-

## Personnel

As of 31 December 2013, the company has had 86 employees, divided among 2 areas; Sriracha area: 17 employees and Phrakamong area: 69 employees. The Company's subsidiaries' total number of employees nationwide is 7,826. 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 2013 came as monthly salary, bonus pay, provident fund and social security fund with the total value of Baht 59.6 million.

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. This has been done continually to prepare the Company's accounting department to become one with global standards, legally promulgated since 1 January 2011 until 2013 and which the Company will enforce on 1 January 2014.

# 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 2013 with scope of their authorities.

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

1. Miss Sriwarin	Jirapakkana	Chairman
2. Mr. Chutindhon	Darakananda	Vice Chairman
3. Mrs. Achara	Chandrachai	Independent Director
4. Mrs. Araya	Arunanondchai	Independent Director
5. Miss Pakinee	Prertitumrong	Independent Director
6. Mr. Yanyong	Tangchitkul	Independent Director
7. Mrs. Busarakham	Nilavajara	Independent Director
8. Miss Dalad	Sapthavichaikul	Director and President
9. Mr. Vichai	Chaitaneeyachat	Director
10. Mr. Thitivat	Suebsaeng	Director
11. Mrs. Pinijporn Darakananda Kasemsap		Director
12. Mr. Bovornrat	Darakananda	Director
13. Mrs. Chantorntree	Darakananda	Director
14. Mr. Vacharaphong	Darakananda	Director
15. Mr. Nanthiya	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 power, 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 58.

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

- |                    |               |
|--------------------|---------------|
| 1. Mrs. Achara     | Chandrachai   |
| 2. Mrs. Araya      | Arunanondchai |
| 3. Miss Pakinee    | Prerttiumrong |
| 4. Mrs. Busarakham | Nilavajara    |
| 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.

#### 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, personnel may be assigned for further follow-up. In 2013, 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 2013. 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 2013 Meeting Attendances of Director

Name		No. of Meeting Attendances
1. Miss Sriwarin	Jirapakkana	12/12
2. Mr. Chutindhon	Darakananda	11/12 (including 6 times via VDO Conferences)
3. Mrs. Achara	Chandrachai	9/11
4. Mrs. Araya	Arunanondchai	8/12
5. Miss Pakinee	Prerttiumrong	11/12
6. Mr. Yanyong	Tangchitkul	11/12
7. Mrs. Busarakham	Nilavajara	10/11
8. Miss Dalad	Sapthavichaikul	12/12
9. Mr. Vichai	Chaitaneeyachat	11/11
10. Mr. Thitivat	Suebsaeng	12/12
11. Mrs. Pinijporn	Darakananda Kasemsap	11/12 (including 7 times via VDO Conferences)
12. Mr. Bovornrat	Darakananda	9/12 (including 8 times via VDO Conferences)
13. Mrs. Chantornree	Darakananda	9/11 (including 3 times via VDO Conferences)
14. Mr. Vacharaphong	Darakananda	12/12
15. Mr. Nanthiya	Darakananda	12/12

Remark: Director No. 3, 7, 9 and 13 were appointed on 24 January 2013; the period for the directorship was 11 months.



**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.

#### **Duties and responsibility of Company Secretary**

The Company's secretary must perform duties with a sense of responsibility, attentively, honestly as well as loyally, in compliance with the Section 89/15 and Section 89/16 of the Securities and Exchange Act (Volume No. 4) B.E. 2551 which was effective from 31st August 2008 (B.E. 2551). Besides, she has to comply with the rules of law, the objectives and regulations of the Company, the Board of Directors' resolutions, including the Shareholders' resolutions. According to the law, the duties of the Company Secretary are outlined below:

1. Create and file the following documents;
  - a. Board of Directors's register.
  - b. Board of Directors' meeting invitations, minutes of the Board of Directors' meetings and the Company's annual report.
  - c. Shareholders meeting invitations and minutes of the Shareholders' meetings.
2. Maintain reports of stakes made by Board of Directors or executives and submit copies of these reports to the Chairman of Board of Directors as well as the Chairman of the Audit Committee within seven days from the date of reports reception, according to the Section 89/14.
3. Carry out the other work set forth by the Capital Market Supervisory Board. In addition to these duties, the Company Secretary has some responsibilities assigned by the Company (or the Board of Directors) as follows;
  - Provide legal advice and related rules as well as practices on corporate governance to the Board of Directors to ensure compliance with laws.
  - Organize meetings for the Board of Directors and Shareholders.
  - Be in coordination with intra-offices to have them conform to the resolutions of Board of Directors and Shareholders.
  - Deal with agencies that oversee the Company such as the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC) and also be responsible for corporate disclosure of complete and precise information as well as reports for the mentioned agencies and the public as required by laws.
  - Provide counsel to the newly-appointed directors.
  - Perform other tasks as assigned by the Company.

The Board members and the Company's secretary's 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;

<b>Name</b>	<b>Position</b>
1. Mrs. Achara Chandrachai	Chairman of the Audit Committee
2. Mrs. Araya Arunanondchai	Director
3. Miss Pakinee Prerttiumrong	Director

Mrs. Araya Arunanondchai is knowledgeable about finance and experienced in auditing company financial statements. She had worked for the Price Waterhouse Audit Office and was formerly the Thai Farmers Bank's senior executive and also Securities Company's president and Mrs. Achara Chandrachai, Emeritus Professor from Faculty of Commerce and Accountancy, Chulalongkorn University.

**Charter of the Audit Committee 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 the Company compliance with the regulation of the government agencies concerned and the relevant laws thus avoiding conflicts of interest.
4. Write a Committee's report, signed by the Chairman and disclosed in the Company's annual report 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 2013, five meetings were organized and attended by Mrs. Achara Chandrachai and Miss Pakinee Prerttitumrong, while Mrs. Araya Arunanondchai was absent in one meeting due to the overseas business.

### **3. The Nomination and Remuneration Committee**

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

<b>Name</b>	<b>Position</b>
1. Mr. Yanyong Tangchitkul	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. Establish procedures and selection method for director nomination.
2. Select the persons whose qualifications are in compliance with the government agencies to be nominated as new directors.
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 2013, three meetings were held for the Nomination and Remuneration Committee.

### **4. The Risk Management Committee**

List of the Risk Management Committee is as follows;

<b>Name</b>	<b>Position</b>
1. Miss Dalad Saphavichaikul	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 authorities 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.

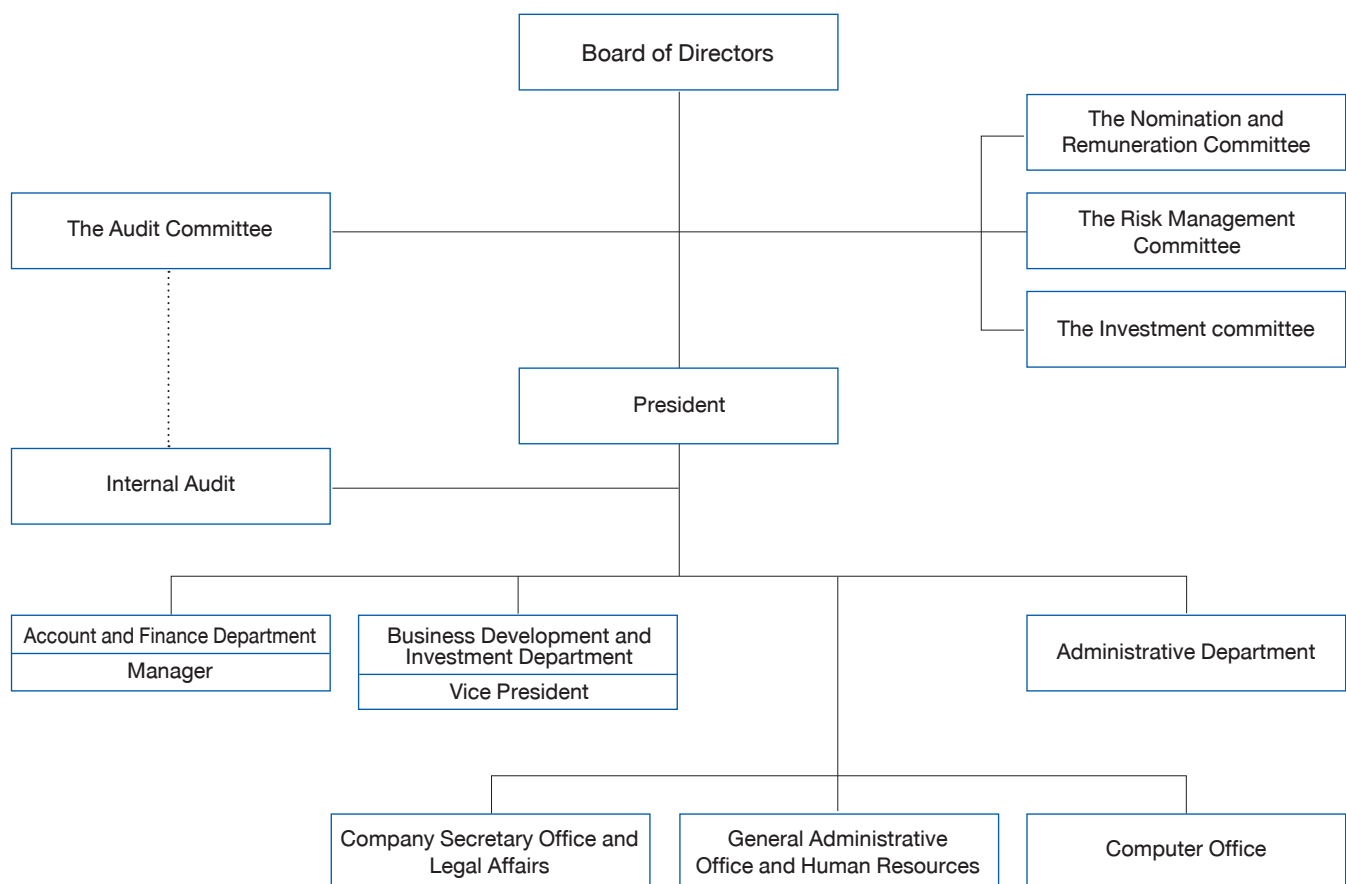
## Executives

As of 31 December 2013, the Company's Executives were as follows:

Name	Position
1. Miss Dalad Saphavichaikul	President
2. Mr. Thitivat Suebsaeng	Director
3. Mr. Vacharaphong Darakananda	Director
4. Mr. Preecha Shunhavanich	Vice President
5. Mrs. Srinual Sombatpraiwan	Account and Finance Department Manager

The Company's organization chart was as follows:

**Saha-Union Public Company Limited's Organization Chart**  
**As of 31 December 2013**





## 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 re-elected.

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 January 2013, the Board of Directors was changed to the above Board of Directors' name list. 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.

The Company operated or proceeded by the corporate governance as follows:

## 1. Corporate Governance Policy

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:

### 1.1 The Rights of Shareholders

- (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 since 1 October – 31 December of every year or 3 months prior to the date at the year end by using the Company's website: [www.sahaunion.co.th](http://www.sahaunion.co.th) or regular postal service.

- (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.

- (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, 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](http://www.sahaunion.co.th).
- (4) The Company shall not add any more to the agenda that is not previously stated in the Shareholders' meeting invitation letter.
- (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.

## 1.2 Equality among Shareholders

- (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 (ข.) 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) 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.
- (3) In the past year, the Company did not have any cases of insider trading among the Board of Directors and executives.
- (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.

(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 2013 was regular commercial listings with general commercial conditions:

- The Related Transactions value of the year 2013 had a total gross amount of 859.19 million baht, which is 4.00% of Assets and 8.21% 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.

### 1.3 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:

- (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.
- (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.
  - (2.1) The Company's policies are outlined in the Company handbook for the employees' safety and welfare.
  - (2.2) 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.
  - (2.3) 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.
  - (2.4) 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.

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- (3) The Company has no policy that will violate the human rights.
  - (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.
  - (5) On the account of the business rival, the Company shall maintain its business conduct professionally.
  - (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.
  - (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.
  - (8) The Company sets a clear policy against copyright violation and the Company's penalty measures are strongly reinforced.
  - (9) The Company has clearly set a policy against corruption and bribery which has been practiced for over 30 years.
  - (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.
  - (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.
  - (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.
  - (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.
  - (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.

#### **1.4 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:

- (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.
- (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.
- (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) 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.
- (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.
- (6) The Company's financial statements is audited and approved by a reliable auditor without any conditions.
- (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.
- (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.
- (9) The Company shall provide details of business operational characteristic and competition including all other information of major business of group companies.
- (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.
- (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.
- (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.



- (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.

## 1.5 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:

- (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.
- (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.
- (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.

- (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) 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.
- (6) The report done by Internal Audit will be submitted to the Audit Committee.
- (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.
- (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.
- (9) The 2013 Audit Committee Report appeared on page 92.
- (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).
- (11) 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.

(12) 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.

(13) 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.

(14) 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.

(15) 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.

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

(17) 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.

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

(19) 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.

(20) 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 18 October 2012 and complied with the Securities and Exchange Commission (SEC) 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 2013 the Audit Committee is consisted of:

Name	Position	Number of Attendances:
1. Mrs. Achara Chandrachai	Chairman of the Audit Committee / Independent Director	5/5
2. Mrs. Araya Arunanondchai	Audit Director / Independent Director	4/5
3. Miss Pakinee Prertitumrong	Audit Director / Independent Director	5/5

All 3 Audit Directors have continually been working independently. In 2013, there were 5 Audit Committee Meetings and the performance reports were made to the Board of Directors by quarterly 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.

The Audit Committee's qualifications, educational background and experiences are shown from page 9-10.

Therefore, upon the operation of the Audit Committee of the year 2013, 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 92.

#### (21) 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 70-72.

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.

#### (22) 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. Yanyong Tangchitkul	Chairman of Nomination and Remuneration Committee / Independent Director
2. Mrs. Araya Arunanondchai	Nomination and Remuneration Director / Independent Director
3. Mr. Chutindhon Darakananda	Nomination and Remuneration Director

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 2013, the committee held three meeting for considering the related matters with members' full attendance.

(23) Independent Director (ID)

The Company had a total of 5 independent Directors out of 15 as of the end of 2013, 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.

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

(25) The Board of Directors' Responsibility for the financial report as shown on page 93.

(26) The Company has no plan to entitle any executives to buy Company's securities.

(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.

(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.

## 2. Subcommittee

- 2.1 Composition of the Board of Directors consists of the Board and all 4 subcommittees, the details are in the section: management structure which included the subcommittee members' names and the scope of authority of each committee.
- 2.2 The Audit Committee. According to the details of subcommittee listed above, this included the directors with knowledge and experience in auditing the financial statements of the Company were 1. Mrs. Araya Arunanondchai and 2. Mrs. Achara Chandrachai. The detail of the duties is specified in item 1. (1.5) The Responsibility of the Board of Directors.

## 3. Nomination and appointment of Directors and Top Executives

(1) Independent Director

The Company's Nomination and Remuneration Committee had specified the year 2013 hiring process, scope, responsibilities and operation in item 3: management structure.

(2) Nomination of Directors and Top Executives

Through the Nomination and Remuneration Committee, the Company's had guidelines for persons to be appointed as director as detailed above. The resolution had been passed for the agenda appointment of directors in the Annual General Meeting of Shareholders under the criteria for the General Meeting of Shareholders item 1.1 The Right's of Shareholder and item 1.2 Equality Among Shareholders.

#### 4. Supervision of subsidiaries and associated companies

The Company's subsidiaries and associated companies engage in many fields of businesses. The Company supervise the subsidiaries and follow the associates companies through the following methods:

- (1) Company's Board of Directors supervises the management and operation of subsidiaries in accordance with its objective. Sending representatives to the subsidiaries, the Company had sent directors or executives to control management and be responsible for the subsidiaries' operation. Representatives were sent to the associates to perform their duties as directors of the Company, provide helpful comments, recognized business trends and operation results of associates which is in proportion to its shareholding. There will be regular Board of Directors meeting for subsidiaries and associates.

The proportion of the Directors in subsidiaries and associates is at least in proportion with the Company's investment.

The Company's representative who performed their duties as the directors or executives of the subsidiaries have duties and responsibilities as assigned by the management guide.

For the supervision of subsidiaries, Board meeting was convened regularly almost every month. Report on financial position and operating results were made, or approval of significant transactions which is in accordance with the relevant rules.

The Company determined that its subsidiaries have appropriate internal audit. The Company incorporated internal control into 2 steps. Firstly, the subsidiaries will assess the adequacy of the internal audit by itself, and secondly the Company's internal audit made random inspection on the subsidiaries' internal audit.

- (2) The Company and shareholders of the subsidiaries and associates made no agreement which is significant to the operation or the Group of Companies management other than the usual business practice.

#### 5. 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.

#### 6. Auditor's Remuneration

As shown in page 187.

#### 7. The principles of good governance in other matters.

The Company is in compliance with the principle of good corporate governance for listed companies according to the guideline set by the Stock Exchange of Thailand. The Company had disclosed 5 topics in item 1.



## 1. The Appropriateness and Adequacy of the Internal Control System


The Company has stressed the importance of its internal control as it is 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. The Company has defined human aspects to comply with the internal control requirements, including a tracking system administrative operations of the subsidiary through the audit. Including the view that the system can protect the assets of the Company and subsidiaries by the director or executive may be used illegally or without power or not. In 2013, the Board of Directors and the Audit Committee evaluated adequacy of the Company's internal control process on 19 December 2013. The result can be summarized as follows:

### 1.1 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.

### 1.2 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, potentiality 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 of future remuneration 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.

### **1.3 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 the 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 non-shareholders. 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 insurance, 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.

### **1.4 Information and Communication**

The Company gives high importance 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.



## 1.5 Follow-up System

To make a business operation run effectively and efficiently, the Company has 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 directly the results 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 failings correction in question to the Audit Committee. Company has imposed 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.

## 2. Evaluation of internal control deficiencies

The Company's assessment of internal control system was on a regular basis, no significant deficiencies relating to internal control. Since there is overseen closely monitored and strictly follow the defined system.

## 3. Opinion of the Audit Committee

The Audit Committee does not have different opinions from the Board of Directors, according to Item 1, in the part of the auditor. From monitoring the internal control system in 2013, there were no remarks on the matter, but somehow, the Audit Committee has already commented on this which can be found in the report of the Audit Committee according to information on page 92.

## 4. Chief Internal Audit

- 4.1 The Chief Internal Audit was Miss Wichuda Watcharawirul.
- 4.2 The Audit Committee was supervised the incumbent Chief Internal Audit qualification experience with adequate training for such duty.
- 4.3 The appointment, removal and transfer of the incumbent Chief Internal Audit was approved by the Audit Committee.

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 2013 which continued proceed since 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 and the business operation of the Yixing-union Biochemical Co., Ltd., was already at a loss for a period of time. Since the target return on investment was not achieved, the Company decided to agreed a disposal of investment contract of the investment capital sale without damaging impact on the investment capital mentioned, according to the information disclosed in November 2012 via the electronic media system of the Stock Exchange of Thailand. The transactions were completed and in the first quarter of 2013, the Company got paid.

- 1.1 Decrease in revenue from investment**, the Company has taken measures by creating a new business that can be continued. Since 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. During the year 2013, the property was under construction and until now, it has not been yet completed.
- 1.2 Risk on the target return on investment** The target return on investment which is not achieved 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 taking effect in 2014. It means that net profits would decrease in the early years. As a result, the Company would get less dividends.

## **2. Operational risks** The important 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. The Company places an emphasis on checking remaining goods as well as managing debtors and creditors affairs and other systems in secondary thing.

### **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.

### **2.3 Risk of non-return on assets**

During the past years, there was a change in business operations in Sri Racha by the Company on a basis of assets leasehold which expired by the end of 2013. The lease agreement is currently terminated by the tenant. As a result, the Company has a risk of non-return on assets. Most of the assets are buildings, clean-room system as well as equipments used especially in manufacturing business of electronic parts of computers, but not assets in general. In case of maintenance to keep these assets in a normal condition, a quite huge increase of expenses is needed by the Company. Consequently, if the Company cannot find a new tenant, returns on assets mentioned above will not be possible, leading to a revenue decrease and probably more expenses. Thus, the Company has to research for a new tenant. Otherwise, they might continue to do something to get benefits from the assets that can still be exploited. Anyhow, such impact may, in turn, result in decreasing dividend payments to shareholders.

## **3. Financial risks** Below is a list of 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. In the first three quarters of the year 2013, 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 the first half of the year 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 as it did in 2012. In the second half of the year, the economy in foreign countries had improved, resulting in arising purchase orders by customers. Nevertheless, in 2013, the Company recorded less order volume in total from customers, compared to those in a normal economic situation prior to the crisis. The business group that was the most affected is textile segment and metal segment or vacuum bottles product respectively, including adhesive tapes segment. This might affect the companies' operations, in which the Company had invested, in the way that the Company will get less dividend payment during this period. The ways of managing these risks factors by the Company are through maintaining the marketing parts as well as improving its product quality to compete with rivals. Anyway, the Company's existing investments are aimed at getting 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.



The Company's main business is investments in various business categories. It is divided into manufacturing and non-manufacturing segments including selling raw materials of textiles and exports the adhesive tapes, of which there were little transactions. The Company's subsidiaries' business transactions are in manufacturing and sales consisting of textiles, plastic, rubber and metal which include vacuum bottles. The non-manufacturing segment is trading which involves currently selling computers and accessories, including investments and others, such as, cogeneration plants and joining associates in property investments in the People's Republic of China, etc.

## 1. Overview of operations and the factors that make significant changes

In 2013, the performance, according to company's separate financial statements based on cost method showed 1,449.77 million baht of net profit, an increase of 431.78 million baht or by 42.41%, compared to 1,017.99 million baht of net profit earned in 2012. The main factor came from dividend income, benefited from investments in associates held for sale. The total increased profit came to 433.45 million baht. The different gain came from Jiangsu-Union Cogeneration Group. When the Thai party decided to dispose the investments of 3 companies that belonged to the mentioned group, the common shareholders voted to make allocation of retained earnings to the equity holders pending the approval for international money transfer. Therefore, this specific gain was not generated from the regular operations but happened only once this year as a result of investment disposals as previously mentioned. The Company recognized profit gains of 173 million baht from these sales. Furthermore, in the fourth quarter of the year, there was a disposal of investment over the power plant of Yunnan Energy Qujing Union Power Co., Ltd (Qujing), which had been out of operation for several years and recently managed to find the buyer. Earlier, this investment segment did not render profit, instead it had operated under loss continually. Our Company made a report of allowance for impairment of investments. When the sale of this investment was final, there was a gain of 110.26 million baht in the account, based on Qujing's value equivalents and the net value after deduction of the previously mentioned allowance for impairment of investments. Evidently, to receive money from the sale of investments and its benefit from investments in associates held for sale, the Company had to pay withholding tax to the People's Republic of China, unable to be validated by Thailand's tax credit. However, the Company was not subjected to pay any additional tax in Thailand and this withholding tax could not be written off in the following year, therefore it is necessary that the Company had to deduct 119.88 million baht as year 2013 expenses. However, since there was an increase of cash flow due to the above-mentioned reason, the Company managed to provide an additional gain resulting in yielding higher interest of 45.65 million baht. Moreover, the Company also reported the allowance for impairment of assets which is currently not in use and no return, located in Sriracha for 56.24 million baht. This was due to associate's leasing contract cancellation. In the future, once the Company gets the new tenant, the previously mentioned allowance for impairment of assets will be reversed. However, in the previous year, there was a reverse of the allowance for impairment of assets for 108.31 million baht resulting in increasing income. But since there was not such report in 2013 due to the above mentioned main factors, the net profit of 2013 according to separate financial statements based on cost method, came to 1,449.77 million baht.

According to the consolidated financial statements, the net profit based on equity method was not equal to the net profit based on above-mentioned cost method shown on separate financial statements. Therefore in 2013, according to consolidated financial statements, the Company and its subsidiaries recorded a total of 938.53 million baht profit for equity holders, or 270.97 million baht or 22.40% less than those of shareholders' net profit in 2012, that was 1,209.50 million baht. The main causes or factors that contributed to the changes are as following:



### 1.1 Goals and Policies in Government Sector

Earlier, the Company's investment for energy business in the People's Republic of China was in Jiangsu Province which was managed under government regulation. Later on, the Chinese government required foreign investors to increase the investments in order to keep up with the higher standard of environmental control but without policy of selling price agreement based on estimated cost in the future. Therefore it may not yield the dividend or the paid dividend may not worth the investment. The Thai party, as a result, decided to dispose its investments in 3 companies in the group, see Note 12 to the Company's Financial Statements regarding the change of situation caused by the government's policy.

According to the situation above, the Chinese government's income tax policy regulates withholding tax on any money transferred out of the country. Therefore, 119.88 million baht had been added to the company's trade investments' expenses.

### 1.2 Directions and Economic Trends that Affect the Company's Operation

After the economic turmoil in Europe and America, the purchase power of electronic parts and textiles were decreased, compared to that of normal times. The Company's business associates who leased the property along with buildings and factory equipment in Sriracha had to reduce their production in accordance with the economic and industry situation. Eventually they had to terminate the lease contract resulting in the decrease of income from this business segment. Furthermore, the associate that ran textile business, of whom subsidiaries invested in, was confronted with the sluggish economy caused the loss of continued profit. Its operations also missed its business targets and eventually went out of business. These are affected by the economical and industrial factors.

However, by the second half of 2013, the economy in Japan had recovered. As a result, the increase of vacuum bottle orders helped recover the subsidiary's manufacturing segment.

### 1.3 The Fluctuation of the Stock Price in Overseas Secondary Market

The main business of the company is investments in both subsidiaries and associates whose businesses consist of manufacturing, sales and trading. There are also investments in overseas secondary markets. According to accounting standards, on the day the accounting period ends, the balance of overseas marketable equity securities investments needed to be restated based on the same day's market value. The differences between the accounting value and the market value will indicate the report of profit (loss) on the accounting books as the unrealized gains from revaluation of trading securities and will be included in the income statements. Until the securities are sold, the account statement will be cleared and restated with the actual profit (loss) based on the sales of investments. Therefore the more the fluctuation of securities in overseas secondary market presents, the larger the differences in income statements must be recognized. In previous year, the Company recognized a large amount of unrealized gains from revaluation of trading securities of 213.43 million baht, compared to the amount of 2.23 million baht this year. This factor can affect the vast changes. However, the Company maintains a strong policy in investments and expects to have appropriate returns.



#### 1.4 The Foreign Currency Exchange Rate

The Company and its subsidiaries operate both import and export businesses and generate similar proportions in both international and domestic sales. The change of baht value affects sales income. At the beginning of 2013, baht was strong, compared to the US. Dollars but by the end of the same year, baht value was in reverse. Therefore the Company had used the method, “Natural Hedge” to prevent risk from currency exchange. For the differences between foreign currency payments received from the sales and the amount to be paid for imported goods, mostly the Company will buy a derivative contract as risk prevention. Therefore the amount of baht received will depend on the currency value of that period. However, by the end of 2013, there was a fluctuation of currency exchange, the Company lost its opportunity to take advantage of the increasing value of baht while purchasing of derivative contract in advance, and on the date of payment received due to the decrease of baht value. The related business groups affected by this factor were textile, elastic, adhesive tape and vacuum bottles. All are in the industrial manufacturing and sales.

#### 1.5 Marketing and Competitions

Subsidiary companies that are in the business of rubber product manufacturing and sales confronted the high price of raw materials, “Natural rubber”. The price had been continually rising since the last 2 years, driving the products’ cost to skyrocket. Consequently, the competition was high as a lot of customers turned to use products made out of synthetic rubber. Therefore, sales decreased as so did its market share. The net profit of this business segment had decreased by 30%.

#### 1.6 Policy, Strategies and Options for Business

In the past, the Company had a policy to expand its foreign investments for several years besides the investments in Thailand. It was the way to extend business base and expect high return. However, if the situation changes, the Company will adjust its direction and proceed appropriately in accordance with economic climate. For example, in 2013, the decision was to dispose the investments of 3 power plants under Jiangsu-Union Cogeneration Group Co., Ltd. in the People’s Republic of China. Because the Company foresaw the high level of uncertainty of profit, or the return might not worth the investment.

For the properties investments in Jiashan City, the People’s Republic of China, the project is still going according to the goals or investment policy. In 2012, the project’s Phase I was delivered and at the end of 2013, Phase II was delivered. Therefore, the recognition of this investments’ profit share is recorded.

#### 1.7 The Important Change of Accounting Standards

Since the new accounting standards became effective on 1 January 2013, the adoption of TAS 12 Income Taxes had significant effect on the Company and its group. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year’s financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognized the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements. The significant cumulative effect in 2013 according to the financial statements are the recognitions of profit share among the associates had increased 0.56 million baht, Income tax expenses had increased 73.61 million baht, increase in gains on changes in value of available-for-sale investments for 33.33 million baht and decrease in profit attributable to equity holders of the company for 76.39 million baht. Besides according to financial statements Note 28 Income Tax, presenting the current year’s tax reconciliation entries of 131.33 million baht needs to be paid to the Revenue Department, and others presenting the list of income tax expenses based on income statements of consolidated financial statements 204.95 million baht.

## 1.8 Non-Recurring Item

According to the causes of changes in business operation on the above-mentioned in item 1, in 2013, the gain of 284.21 million baht from disposals of investments shown on separate financial statements and 139.70 million baht gained shown on consolidated financial statements are gains on disposals of long-term investments as its details was mentioned earlier. This is a non-recurring item and did not come from normal business operations but from the adjusted strategy to counter the changes of the situation appropriately.

## 2. The Performance and the Ability to Make Profits

### 2.1 Sales or Service Income

The Company earned income from sales and service in 2013 of 9,418.15 millions baht, 85.37 million baht more compared to 9,332.79 million baht earned in 2012. However, when dividing information into separate segments, the net sales on textile business had decreased 71 million baht. It is composed of the decreasing textile sales in China and the increasing sales in Thailand. In 2013, the world textile market was generally high in supply and low in demand. The business was so sluggish that the sale price could not be adjusted while the cost was rising in general. For business in plastics, rubber and metal segments, the overall sales had also decreased to 371 million baht, due to the reduced production of plastic parts for automotive industry. Purchasing orders due to the Government's First Car Policy were significantly less as well. Then, the unusual increase of purchasing orders to compensate the production lost to the big flood in 2011 came to an end, combined with the slowing down of domestic economy, the sales in automotive declined. Consequently, manufacturing of plastic parts used in the automotive industry by subsidiaries reduced. As for the rubber segment, the cost of raw material which is natural rubber was rising continually since 2012. Later on, the rubber price was lowered but did not return to normal. As a result, the company's rubber products were getting expensive. Most customers turned to use products made out of synthetic rubber. Therefore the Company's sales on rubber were decreasing. As for the sales of vacuum bottles, since economy during the first half of the year was not good, less purchase orders were received. Though there were increasing orders at the second half of the year, the total sales were still less than those of 2012. However, the sales of computer products had been increasing significantly to 537 million baht due to the expansion of our market, increasing the number of customers. For the energy segment in the People's Republic of China, the total sales had rose slightly at 11 million baht due to the rising sales of cogeneration. For other investments, the sales lessened 37 million baht, due to overseas subsidiaries' declining trading. To summarize, the total sales was increasing in general, due to the above-mentioned trading.

### 2.2 Other Income

In 2013, the Company and its subsidiaries earned their other income, besides their sales and service, mostly from investment transactions for the total of 1,042.87 million baht which was 131.72 million baht or 1.25% of total income, less than those earned in 2012 at 1,174.59 million baht. The main factors that caused changes are as following:

2.2.1 The benefit from investments in associates held for sale yielded the Company 111.50 million baht less. This was due to the receipt of the extra dividend income from Jiangsu-Union Cogeneration Group, in the previous year when the Company, under the sale contract, sold its investments to a Chinese party that had no any relationship with the Company. The related government sector had granted the right of investment transfer during the first quarter of 2013. Therefore there is no income in the current year or in other words, the income is reduced.



- 2.2.2 Gains on disposals of investment in 2013 was 139.70 million baht when in 2012, the total loss was 39.29 million baht. Thus, the earning on this segment is 178.99 million baht increase. The main factor came from gains from the disposals of investments with 3 energy companies of Jiangsu-Union Cogeneration Group. The other was gains from the disposal of investments in Yunnan Energy Qujing Union Power Co., Ltd., based on cost method and restated by profit (loss) share previously recognized by the Company, combining with the dividend income received after unrecognized gain of profit (loss) share.
- 2.2.3 Interest income had increased 42.9 million baht due to the cash flow up from the above mentioned investment transactions. Hence, the return was increased.
- 2.2.4 For investment transactions, in 2013 at the end of period, the balance of marketable securities must be restated to the market price. However, that same day the price of secondary security market was decreased throughout the regions. Therefore, the unrealized gain from revaluation of trading securities is worth only 2.23 million baht, when it was 213.44 million baht in 2012 under the same circumstances. As a result, this income was reduced 211.21 million baht.
- 2.2.5 Rental income had decreased 61.44 million bath while, in comparison with other incomes, was up 72.58 million baht. The reason was Company's partner terminated the lease contract prior the expired date, as a result, the rental income had decreased during vacant period. However, the company received a penalty fee due to early termination of the lease, also recorded as other income, resulting in the increase of other income with this same amount. In summary, for net profit, these 2 entries were not affected.

For other components of other incomes, besides the above-mentioned, they were similar to those in the previous year.

## 2.3 Cost and Expenses of Sales and Services

In 2013, the Company and its subsidiaries generated cost of sales and services at 8,280.60 million baht, which was 106.58 million baht less than 8,387.18 million baht generated in 2012. The main cause was consistent with those decreasing trading transactions as mentioned in Note 2.1 (Sales or Service Income). Except, the sales of trading and energy segments were increasing. The increase of sales included those of the local textile business. Its cost of sales did not rise in proportion with its increasing sales. In summary, in 2012, the cost of sales was 89.87% of total sales. But in 2013, the cost of sales was 87.92% of total sales, indicating the ability to control cost efficiently.

The sale expenses in 2013 were 272.89 million baht which was 4.82 million baht less than 277.71 million baht in 2012. Therefore, the percentage of the sale expense compared to the total sales was 2.90% in 2013 and 2.98% in 2012. The number in 2013 was lower than those of 2012 indicating the efficient improvement of sale expense administration.

Administration expenses in 2013 were 755.92 million baht, 5.69 million baht less, compared to 761.61 million baht in 2012. Thus, the difference was not significant, though the normal expenses were slightly reduced. All incurring administration expenses are considered common in this business practice. The extra expenses besides administration expenses were withholding tax. In 2013, it was 119.88 million baht or 108.03 million baht more, compared to 11.86 million baht in 2012. It was withholding tax written off in the People's Republic of China, incurred by the transfer of gains from disposal of investments and the dividend income to Thailand. The Company's right of tax credit could not be validated. Since the Company had no further tax obligation in Thailand and its tax credit cannot be deferred to next year, therefore, it was necessary to write it off as the expenses occurred in that year.

Continuing from the information item 2.2.5 of the early termination of lease contract by company's partner. The Company has been looking for the new prospective renter, and so far there is not any. The rental property that once earned the company income, under the current opposite situation, has become an asset that has not generated revenue. According to the accounting standards, the company has recorded it as loss on impairment of property, plant and equipment and investment properties of 56.24 million baht in total as shown on profit and loss financial statements year 2013.

## 2.4 Profit

In 2013, the Company and its subsidiaries gained gross profit of 1,137.55 million baht, 191.95 million baht higher than year 2012 that gained 945.60 million baht of gross profit. The percentage of gross profit year 2013 was 12.08%, or 1.95% higher, compared to gross profit of 10.13% in year 2012. The increase sales of local textiles and computers are the main factors. Although, the cost of sales did not rise in proportion with the increasing sales resulting in the Company's higher gross profit.

For profit rate from operation, in 2013, based on equity method, the Company and its subsidiaries earned operation profit rate of 12.46%, or 1.45% less, compared to 13.91% in 2012. The main factor was the recognized decrease in profit attributable to the Company's associates for 126.67 million baht or 1.21% of the total income. The main cause was from the previous year when the Company recognized the profit attributable from "Uni-fibre Co., Ltd.," one of the Company's associates' sales of property in the upcountry which had not been used. Therefore this profit occurred one time only and did not come from normal operation as there was none this year. Nevertheless, the profit rate derived from this operation, compared to those generated by general investments, is still significantly high.

In 2013, the percentage between net profit and total income (before profit sharing) was 9.99%, or 1.61% less, compared to 11.60% of the total income in 2012. It was because of the decreased percentage between the operation profit and the total income was 1.45% less, according to the previously mentioned. Then combined it with the differences of income tax rate expenses based on the increased total income (1.89% in 2013 and 1.62% in 2012) equaled 0.27%, deducted by the differences of the ratios between financial expenses and the decreased total income of 0.11% (0.58% in 2013 and 0.69% in 2012) which resulted in 1.61% decreasing ratio between net profit and total income. After 1.33% of the total income was attributed to the Stakeholders with non-controlling interests of the subsidiaries, the rest would be net profit for the Company's equity holders, which was 8.66% of the total income in 2013. This is considered substantially high, compared to most investments' returns.

Return on Equity (ROE) to the shareholders in 2013 was 5.59% or 2.04% less when compared to 7.63% in 2012. It was the result of 270.97 million baht decrease of net profit in 2013. However, in 2013 considered there was a growth in business as its sales had generated the return to the gross profit of 1.95%. But due to the earlier mentioned reason, the operation's profit rate decreased 1.45% and net profit rate decreased 1.61%. Plus, in 2013, there was no recognition of extra profit from the company's associates as it happened in 2012, therefore the return on equity to the shareholders decreased 2.04%, compared to the previous year.

According to the Company's consolidated financial statements in 2013, profit for the year before attribute to equity holders of the Company and non-controlling interests of the subsidiaries was 1,082.53 million baht in total. The net cash from operating activities was 901.74 million baht, showing that the cash net profit was at 83.30%. The balance will be kept under account receivables until the end of the period prior to the due date. Thus, the Company's operating activities has a good liquidity.

## 2.5 Return on Equity Holders (ROE)

In 2013, according to the Company and its subsidiaries' consolidated financial statements, based on accounting standards' equity method with recognition of profit (loss) sharing from the Company's associates, the net profit the Company earned to its shareholders was 938.53 million baht or 3.24 baht per share (based on weighted average number of ordinary shares and deducted by shares held by the associates) and the return rate was 5.59% in average. This is much higher than the interest earned from financial institutes' fixed accounts. Also, see the second of the last paragraph on item 2.4 for the components of ROE analysis.

For separated financial statements, based on cost method, had net profit of 1,449.77 million baht or 4.83 baht per share. In 2012, the net profit was 1,017.99 million baht or 3.39 baht per share. Therefore, in 2013, the Company earned net profit of 431.78 million baht or 1.44 baht more per share which was 42.48% more. The reason for the higher return had mentioned earlier under the Company's performance in 2013.

The Company holds the dividend payment policy based on performance no lesser than 1/3 of annual net profit after deduction of retained loss (if any). This is the net profit of separated financial statements (based on cost method) pending on business liquidity and company's cash expenses. However, the Company has been consistently paid the dividend to the shareholders in appropriate rate. Therefore on 20 March 2014, the company's Board of Directors had proposed to the shareholders meeting for approval of paying the dividend to the shareholders at the rate of 2.00 baht per share or 41.39% of net profit based on cost method.

History of company's dividend payment compared to net profit per share based on cost method as following:

Unit: Baht

Year	rate of dividend per share	net profit per share (cost method)	dividend rate per profit (%)
2012	1.50	3.39	44.25
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

## 3. Ability to Asset Management

As of 31 December 2013, according to consolidated financial statements, the Company and its subsidiaries held the total assets of 21,474.52 million baht, which was 1,960.92 million baht or 8.37% less than those of 23,435.44 million baht in 2012.

The asset structure is composed of current assets, investments in subsidiaries and associates, other investments, fixed assets and other non-current assets, all of which are the reflection of company's main operation which focuses on investments in various categories.

### 3.1 Compositions of Asset and Cause of Changes

The composition of assets is calculated by proportionately comparing to the total assets each year. At the end of 2013, the main components were consisted of current assets 44.99%, investment fund 33.95% , investment property 5.72%, property, plant and equipment 14.15% (including fixed assets 19.87%) and other non-current assets 1.19%. When compared to the changes of assets' composition in 2012, the major change was of current assets which increased 6.33% or 600.20 million baht more. These came from 3 main reasons. First, the Company gained 112 million baht more for trading investment fund by purchasing overseas marketable securities when the market price was low. Secondly, some of the Company's associates' such as computers and vacuum bottles, made higher sales during the latter half of the year. Therefore, at the end of the period, the sales brought up the not-yet-due accounts receivable value to 118 million baht and 152 million baht, respectively. Last, the Overseas Subsidiary issued a loan to the property investment project associate for approximately 270 million baht as working capital for project development. This transaction had no relationship within each other and its size had no significant impact when compared to the Company's net assets value.

For the investments, the Associate's investments fund decreased 2,004.11 million baht or 6.48% of the composition. The main cause came from the sales of investments in 2013. They were 3 power plants in Jiangsu, Heilongjiang and Yunnan Provinces, and a Citric Acid Factory, all in the People's Republic of China. This decision came after the study of their performances revealing disproportional return of investments due to the economic situation, changes of overseas government sector's policy and the sale of one power plant in Yunnan Province. Related details are shown on Financial Statements Note 12, titled The Investments in Associates Held for Sale and Note 15 (under sub-titled, the Disposals and changes in status of investments).

For fixed assets: property, plants and equipments, the asset's composition reduced 1.42% or 609 million baht. The main reason had no physical change in fixed assets. But in 2013, 2 subsidiaries in the textile business merged with one Associate which is a larger company, in the People's Republic of China. The merged companies, thus became an associate company. According to the accounting standards, all the Subsidiaries' asset values, liabilities and Subsidiaries' investments must be reduced by not adding to the consolidated financial statements, except presenting the recognition of profit (loss) sharing generated by associate's investments in consolidated financial statements only. Therefore the number of the above mentioned fixed assets was significantly reduced.

Other assets such as deferred tax assets was a change according to the temporary differences, resulted from income tax calculation, not from the operating performance. Its composition decreased slightly at 0.26%

Other assets besides the above-mentioned had no significant changes.

### 3.2 Asset Quality

On 31 December 2013, according to the consolidated financial statements, the balance of trade receivables and other receivables was 1,812.25 million baht which was 8.44% of the total assets. It is 237.84 million baht more than previous year which was 1,574.41 million baht. They are:

- (1) Trade Receivables - Related Parties was 28.55 million baht of which 9.63 million baht is expected to have payment in difficulty. This was because one Associate, "Ten Cate-Union Protective Fabrics Asia Co., Ltd.", went out of business due to its continuing losses. At present, this associate is going under liquidation.

- (2) Other receivables of 279.58 million baht were mostly advances, input tax refundable and prepaid expenses. 29.36 million baht of that amount was accrued utility receivables, incurred by other receivables - related parties. Since this segment was incurred by the previously mentioned Associate, the Company also anticipates repayment difficulties. Therefore the allowance for doubtful accounts of 38.99 million baht for trade - receivables and other receivables was recorded by the Subsidiary.
- (3) For Trade receivables - unrelated parties of 1,569.34 million baht, mostly are not yet due but there is some past due over 12 months of 31.63 million baht. The Company and its subsidiaries recorded of 26.23 million baht of allowance for doubtful accounts.

Once combined Trade receivables of 1,597.89 million baht and other receivables of 279.58 million baht, came the grand total of 1,877.47 million baht. The allowance for doubtful accounts was recorded for 65.22 million baht which was 3.47% of the total receivables. The Company and its subsidiaries believe that the amount of the allowance for doubtful accounts set for the mentioned receivables that may have repayment difficulties, will adequately handle the current situation. For other accrued incomes, the Company does not anticipate any problems and has been followed up and are expected to be paid within 1 year.

In 2013 Trade Receivables Turnover rate was 12.27 where in 2012 was 7.26. Obviously, the number indicated great performance. As a result, the average debt repayment period decreased in 2013 was 29 days, compared to 50 days in 2012. However, since the average Company's credit period is approximately 60 days, the company has demonstrated its ability to manage receivables account efficiently.

On 31 December 2013, the inventories' balance was at 1,347.22 million baht. Deducted by the expecting net value receivables of 52.75 million baht, the restated net inventories value would be 1,294.47 million baht or 6.03% of total assets. It was 79.42 million baht less, compared to year-end of 2012 which was at 1,373.89 million baht. Reducing the amount of raw materials and finished goods to necessities is a must. The group companies consistently performs internal control systems, doing inventory check and reports the age of inventory analysis for further administration. Also the Company evaluates relative market value assessment in case of higher inventory price or obsolescent inventories. The allowance for reduction of the inventory value will be recorded. In 2013, the amount of mentioned depreciation was recorded at 52.75 million baht or 3.92% of the total inventory balance. Therefore, the Company and its subsidiaries evaluated the amount for the allowance for the reduction of the inventory value was proportionate.

Inventory Turnover Ratio in 2013 was 19.95 while 15.89 in 2012. Therefore last year, the turnover of inventory was faster. The average of sales period in 2013 was 18 days, better those of year 2012 which was 23 days. Taking shorter sales period was shown the efficient inventory management in 2013.

In 2013, the Company and its subsidiaries had net investment of 7,291.88 million baht which was 33.95% of total assets. Compared to 2012, the investment in 2013 was 1,967.61 million baht less. The investments were composed of investments in associate and investments in other companies. There were significant movements and changes. The investments in associates was decrease 2,004.11 million baht due to the disposals of 4 investments in the People's Republic of China as explained in Item 3.1 (Compositions of Assets and Cause of Changes). Furthermore, there was an additional payment to the increasing proportion of investment in the property investment of Banyan Tree Indochina Hospitality Fund in Vietnam for 38.91 million baht. The project is under construction, partially done at the end of 2013 and ready to open for hotel and residential business. Besides, there was the increase in investments in securities held for sale which was considered an investment with good fundamental factor for 162.84 million baht. At the year-end 2013, there was a revaluation of investments in securities held for sale when at the same day the market value was much less than

those of the same time in 2012. Thus, there was a difference between the market price and the cost. That is the market price was higher than the latter 395.95 million baht while 562.39 million baht in 2012. Nevertheless, the investments were in good quality, at the rate of 9.14% of total assets which is considered a small proportion, according to the Company's investment policy. As for the investment in associates which was a long-term category, it was at the moderate proportion of 24.81%, considering the main operation of the Company is investing. It is an investment that requires business strategies to maintain its stability with long term follow-up. The information of investment regarding names of the companies, proportions, cost value, fair price value, and other related information can be found on the Financial Statement Note 12, 14, 15, and 16. In the past, the Company would evaluate the quality of investment, if a negative trend was found, the investments would be appropriately adjusted including recording the allowance for impairment of investments. At year-end 2013, there was a report of the allowance for impairment of investments according to the associates' consolidated financial statement for 302.65 million baht and 329.2 million baht in other companies, therefore the total was 631.85 million baht. The ratio of assets impairment and the investments of the total assets was at 2.94%. The Company believes that the number appeared on financial statements has indicated a proper amount, not too low or high.

For fixed assets of property, plant and equipment, as of 31 December 2013, it was 3,039.52 million baht according to the consolidated financial statement. Its Return on Fixed Asset was 35.95% or 5.71% less than those of 2012 which was 41.66%. This was due to the one-time profitable return from an associate's property sale. Therefore, in 2013 such the sale did not happen, its return was close to those in 2011 which was 32.87%, a normal level.

Total Asset Turnover based on ratio between total income and the total asset was 0.48. The total assets that yield income as much as half of the total asset value are considered in a good standard.

Besides, the Company had no impact from any intangible assets such as Goodwill. The Company and its subsidiaries do not have goodwill, except the Associate in the People's Republic of China that holds intangible assets for leasehold property. This is relatively similar to property account in Thailand where only business purpose is allowed.

## 4. Company's Capital's Adequacy and Liquidity

### 4.1 The Cash Flow Statement (Sources and uses of capital)

For the year ended on 31 December 2013, the Company and its subsidiaries held net cash flow from operating activities for 901.74 million baht, net cash from investing activities for 1,763.16 million baht and net cash spent on financing activities for 2,976.86 million baht. After restated by the translation adjustments of foreign currency exchange of 181.72 million baht more, the total of cash flow through the year decreased 130.24 million baht. But once combined with 5,715.99 million baht of cash & cash equivalents from the beginning of the year, at year-end 2013, the total cash flow was 5,585.75 million baht.

#### The Difference between Net Cash from Operating Activities and Operating Profit

When reevaluated 1,364.07 million baht profit from operating activities before changes in operating assets and liabilities, deducted by net receivables from accrued offsetting payables of 127.92 million baht and deducted by payment of non-current assets of 33.14 million baht, the Company got 1,200.23 million baht in cash return. Consequently, the Company spent 58.27 million baht on interest payment and 288.71 million baht on income tax payment while receiving 48.48 million baht as cash refund from income tax. Therefore, additional cash receipt of 901.74 million baht profit from operating activities was generated. Therefore, the Company and its subsidiaries' cash expenses were considered highly liquid and adequate for their operating activities.



The Company received net cash of 1,763.16 million baht from investing activities. The main factor was cash receipt of 4,725.91 million baht from the investment sales which led to other return of buying 2,928.64 million baht additional temporary investments. They are primarily in bonds which yield higher returns than those of fixed accounts. Additional investments were buying properties, plants and equipments for 337.13 million baht, along with more investments in plastic, rubber and metal industry following the Company's objectives. Also, there are additional investments in machines and equipments in subsidiaries' power plants in the People's Republic of China according to the Company's operating plan. Additional 223.91 million baht was spent on investment properties, primarily for new project in Nakhon Sri Thammarat Province. Finally, the receipt of 548.45 million baht of dividend income from investments transaction has brought the balance of 1,763.16 million baht in cash indicating excess liquidity.

For financing activities, in 2013 mostly were the due loan repayments, divided to 83.17 million baht for repayment of short-term loans, 2,202.82 million baht for repayment of international long-term loans, 76.99 million baht cash paid for liabilities under finance lease agreements and 604 million baht for dividend paid. To summarize, the Company maintained its liquidity and adequacy and was able to manage loan repayment under overall covenants and restrictions.

Therefore according to the 3 above-mentioned activities, combined with the net cash from the beginning of the year, at year-end 2013, the cash balance was 5,585.75 million baht indicating the company's high liquidity with adequate investment fund.

#### 4.2 Important Ratio of Liquidity

At year-end 2013, the Company held current assets and current liabilities at the ratio of 4.79 to 1. The ratio between quick liquidity and current liabilities was 4.15 to 1. This demonstrated the Company's ability of turning the liquidity assets into cash in order to pay the current liabilities in completeness. Therefore the Company and its subsidiaries held very high financial liquidity.

The Company had a financial structure policy by maintaining the debt to equity ratio at 0.15 to 1 which was better than the previous year of 0.36 to 1. It revealed the source of fund from account payables is very low when compared to those from the shareholders' equity. The lenders carried low risk in issuing loans. Therefore, if there is a new project in the future that needs and investment loan, it can be operated in high ratio since currently the company has very low liability.

The ratio of ability to pay interest was at 20.60 proving that the Company and its subsidiaries maintained adequate current cash flow to repay interest in completeness.

The shareholders' return rate is 5.59%, higher than the fixed account's interest rate offered by financial institutes.

The dividend payment is expected to pay the shareholders at the rate of 2.00 baht per share, which is 41.39% of the net profit based on cost method, complied with the company's dividend payment policy that cannot be less than 1/3 of the net profit based on cost method.

#### 4.3 Capital Expenditure

In 2013, the Company and its subsidiaries had the capital expenditure of domestic and international businesses under significant factors as following:

For domestic business, the capital expenditure was to increase investments on building renovation, acquisition of machineries, equipments, mold, electrical and utilities systems. Approximately 180 million baht was spent on maintaining the building for efficiency and to support the production's expansion, based on the business plan including improving its production line of plastic, rubber and metal segments. Another approximately 92 million baht was spent on acquisition of computer equipment for lease contract.

For international business, approximately 33 million baht was spent on the investments of subsidiaries' power plants' machinery and equipment in order to improve the production quality as well as cost reduction.

Increase of the purchase of short-term investments is not considered as capital expenditure.

#### 4.4 Adequacy of liquidity

At year-end 2013, the company and its subsidiaries' cash flow and cash equivalent was 5,585.75 million baht, showing quick liquidity ratio to current liability at 4.15 to 1 indicating the ability of Company and its subsidiaries to repay the current and non-liabilities in completeness in no time, yet held excess liquidity. Therefore the Company had adequate cash to pay dividend to the shareholders. To summarize, the Company and its subsidiaries maintained adequate liquidity.

### 5. Structure of Investments

On 31 December 2013, the Company and its subsidiaries had total liabilities of 2,627.37 million baht according to the source of investments shown on Consolidated Financial Statements. 18,847.15 million baht was categorized as equity attributable to owners of the Company or 0.15 to 1 debt to equity ratio. Therefore the source of investments from liabilities is considerably small portion of investments. It is approximately 1 or 1.5 to 1 when compared to others in general industries. Therefore the ratio of Company's liability is considered at a very low level. Thus, the Company's lenders were at low risk on the account of Company's repayments. In the future, if any business expansion requires additional investment, the Company still has ability to set up investment structure to increase the loan in large number, yet, maintain the appropriate level of liability.

#### 5.1 Liabilities

The Company and its subsidiaries' liabilities were classified to current liabilities of 2,016.07 million baht and non-current liabilities of 611.3 million baht, therefore, 2,627.37 million baht in total.

The current liabilities were composed of 90.54 million baht short-term loans from banks, 40.11 million baht trust receipts, 1,470.08 million baht trade and other receivables with scheduled repayment according to trade and other receivables, and 1,812.25 million baht in other receivables which is considered common in business operation. Once combined with other current liabilities of 415.35 million baht or 15.81% of total liabilities, the Company held the ratio of quick liquidity at 4.15 to 1, demonstrating the company's ability to repay the current liabilities in completeness yet with excess liquidity.

#### 5.2 Contractual Obligations in Liabilities and Off-Balance Sheet Arrangements

For non-current liabilities, there are 197.8 million baht long-term loans, net of current portion due within 1 year. It is the Subsidiaries' loan from local bank based on MLR (Minimum Loan Rate) with repayment schedule of monthly installments from 2014-2016. It is an unsecured loan that Company will bear no liability of any collateral. Under the loan agreement, 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 subsidiaries operations.

At year-end 2013, based on the Company's ability to pay the interest and portion due within one year of 2,074.34 million baht in total, the company held the balance of cash and cash equivalent of 5,585.75 million baht. It is 2.69 times the previously mentioned liabilities. Therefore the Company is confident in its liquidity to pay interest and loan that will be due in one year including those recurring in the future in completeness.

### 5.3 The Shareholders' equity

According to the consolidated financial statements, on 31 December 2013, the equity attributable to owners of the Company was 17,385.45 million baht. It was 1,182.97 million baht more compared to the equity of 16,202.48 million baht at the year-end 2012. The reasons of change came from:

5.3.1 The Performance, the Company's net profit grew 938.53 million baht more, resulting in the increase of 938.53 million baht in shareholders' equity. Besides there were dividend payments of 450 million baht as the resolution of the Annual General Meeting of the Shareholders, resulting in the decrease of 450 million baht in shareholders' equity.

5.3.2 The unrelated with the performance but with recognition of the increased profit (loss) or restated the total of shareholders' equity of 694.43 million baht was composed of:

- (1) The difference on translation adjustments of financial statements in foreign currency in 2013. It increased 829.99 million baht due to the much decreased value of baht currency compared to the year-end 2012.
- (2) Capital surplus on changes in value of available-for-sale investments decreased 134.29 million baht due to the regional wide decreasing price of marketable equity securities at year-end 2013.
- (3) Restated of retained earnings appropriated-other reserve, which is the recognized gains from Jiangsu-Union Cogeneration Group due to the disposal of investments in 2013. 16.30 million baht was written off resulting in the decrease of the same amount in retained earnings.
- (4) Restated the recognition of dividend payment to subsidiaries that held company's shares. According to the accounting standards of consolidated financial statements, dividend payment is not an expense. Therefore, 15.03 million baht was restated in addition to retained earnings amount.

The above mentioned are the causes that created changes in retained earnings which also effected the change on composition of shareholders' equity. Other compositions such as the registered capital and premium on common share had no changes.

## 6. Major Factors and Influences that may affect the Operations or Financial Position in the future.

Currently, the main business of the Company is investments. Therefore, the main income came from the investments' dividend in both domestic and international. The main factors and influences that may affect the operations or financial position in the future are:

1. The investments' return may not as expected based on many factors. Those that caused loss or below-expected profit are:
  - 1.1 The fluctuation of currency exchange and the uncertainty of baht value which can result in the uncertain amount of exported baht.
  - 1.2 The increasing wage rate causes increasing cost and results in less profit.
  - 1.3 The higher energy prices in world market may cause the cost of coal, used in power plants in which the Company invested, higher. The government's policy of additional investments to protect environments in the People's Republic of China may drive the capital cost higher as well.
  - 1.4 The change of calculating profit method, according to the new accounting standards, effective 2014 will be derived by the power plant in Thailand that the Company has invested in. It is regarding service concessions and interpretation of lease contract which may result in different unrealized gains according to the company's existing investment plan. If the recalculation under the new regulation is needed, it may cause less profit. Hence, less dividend.
2. The trend of overseas economy such as Europe and America is not clear in their economic recoveries. Thus, the quantity of exported products may not increase as the Company has planned, may also affect the profit in the future.

## 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.

In 2013, there was a sale of unused assets to a juristic person, which was considered as a related transaction. The information was disclosed via SET's media on 23 May 2013. The Company, as a result, would reduce the expenses on the asset's maintenance fee by receiving its return at the value appraised by independent appraisal. Then, this return would be used to further the benefit.

## 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).

In addition, the related transactions will undergo the considering measures and its comments will be made by the audit committee before proposing to the Board of Directors for final approval. Then, the information will be disclosed to SET according to relevant regulations.

## 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. Meanwhile, transactions of deposit and borrowing between the group companies remain unchanged because they have insisted on their effective financial management.

Related transactions in 2013 are shown on page 90-91.

## Related Transactions of Saha-Union Public Company Limited and Parties Possibly in Conflict in 2013

Party's Name	Type of Relationship	Related Transaction			
		Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
1. 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.
2. 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.
3. 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.
4. Union Industries Corp., Ltd.	One of 10 major related shareholders	1. Dividend Income/Payment 2. Rental Income/Expenses	33.70 10.80	From resolution of the Shareholders' Meeting Contract price	Return on investment.
5. Uni-Fibre Co., Ltd.	One of 10 major related shareholders	1. Deposits 2. Interest Receivables/ Payables 3. Dividend Income/Payment 4. Services Income 5. Interest Income/Expenses	12.20 0.01 20.33 0.01 0.24	Outstanding balance as of 31 December 2013 Outstanding balance as of 31 December 2013 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. In business transactions should have return on investment.
6. Union Multi-Capital Co., Ltd.	Major shareholder holding more than 30% of shares	1. Dividend Income/Payment	9.12	From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
7. Venus Thread Co., Ltd.	Major shareholder holding more than 30% of shares	1. Purchases/Sales of Merchandise 2. Rental Income 3. Account Receivables/ Payables	23.93 0.05 6.89	Comparable with market price Contract price Outstanding balance as of 31 December 2013	The purchasing of raw material should be made in large quantity to generate more bargaining power.
8. Union Spinning Mills Co., Ltd.	Major shareholder holding more than 30% of shares	1. Purchases/Sales of Merchandise 2. Rental Income/Expenses	25.75 0.13	Comparable with market price Contract price	The purchasing of raw material should be made in large quantity to generate more bargaining power.
9. Union Zip Co., Ltd.	Major shareholder holding more than 30% of shares	1. Purchases/Sales of Merchandise 2. Account Receivables/ Payables 3. Interest Income/Expenses	7.39 1.23 0.11	Comparable with market price Outstanding balance as of 31 December 2013 Referred to types and rates of a major commercial bank	The purchasing of raw material should be made in large quantity to generate more bargaining power.

## Related Transactions of Saha-Union Public Company Limited and Parties Possibly in Conflict in 2013

Party's Name	Type of Relationship	Related Transaction			
		Type of Transaction	Amount (Million Baht)	Pricing Policy	Necessity
10. Uni-Agro Co., Ltd.	Major shareholder holding more than 30% 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.
11. Union Properties Co., Ltd.	Major shareholder holding more than 30% of shares	1. Disposals of investment properties	9.00	Comparable with market price	To reduce the expenses and get the advantages from return on unused assets.
12. Union Shoes Co., Ltd.	Major shareholder holding more than 30% of shares	1. Deposits 2. Interest Receivables/ Payables 3. Interest Income/Expenses	28.63 0.08 0.53	Outstanding balance as of 31 December 2013  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. Outstanding balance as of 31 December 2013
13. Union Textile Industries Public Company Limited	Major shareholder	1. Purchases/Sales of Merchandise 2. Dividend Income/Payment 3. Account Receivables/ Payables	394.91  1.50 98.13	Comparable with market price  From resolution of the Shareholders' Meeting Outstanding balance as of 31 December 2013	The purchasing of raw material should be made in large quantity to generate more bargaining power.
14. Thai Rubber Enterprise Co., Ltd.	Major shareholder	1. Dividend Income/Payment 2. Rental Income/Expenses 3. Account Receivables/ Payables 4. Income/Other expenses	3.89 1.49 7.62  0.07	From resolution of the Shareholders' Meeting Contract price Outstanding balance as of 31 December 2013  Contract price	To develop and make use of its vacant plots of land by rental of property for rubber plantation.
15. Union Pioneer Public Company Limited	Major shareholder	1. Purchases/Sales of Merchandise 2. Dividend Income/Payment 3. Rental Income/Expenses 4. Account Receivables/ Payables	7.95  18.36 3.31 1.43	Comparable with market price  From resolution of the Shareholders' Meeting Contract price Outstanding balance as of 31 December 2013	The purchasing of raw material should be made in large quantity to generate more bargaining power and in the ordinary course of business should have return on investment.
16. Union Button Corp., Ltd.	Directors and related person holding more than 10% of shares	1. Rental Income/Expenses 2. Dividend Income/Payment	0.01  2.72	Contract price  From resolution of the Shareholders' Meeting	In the ordinary course of business should have return on investment.
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	8.50 0.16 0.66 0.42 0.05  0.10	Outstanding balance as of 31 December 2013 Referred to types and rates of a major commercial bank Contract price Contract price Outstanding balance as of 31 December 2013  Outstanding balance as of 31 December 2013	The Companies in the Group had their surplus liquidity and deposited the money with the Company for effective financial management
Total amount of related transaction in 2013			859.19		



# Audit Committee's Report

## To Shareholders,

The Audit Committee is comprised of three independent directors, namely Emeritus Professor Dr. Achara Chandrachai as Chairman, Mrs. Araya Arunanondchai and Miss Pakinee Prertitumrong. In the year 2013, five meetings were organized and attended by all members of the Audit Committee as below.

	<u>Number of Attendances</u>
• Emeritus Professor Dr. Achara Chandrachai	5
• Mrs. Araya Arunanondchai	4
• Miss Pakinee Prertitumrong	5

Participated in the meetings were the Company's Executives, internal auditors, a lawyer and external auditors. The performance of the Audit Committee can be summarized as follow:

### 1. Review of financial reports.

The Audit Committee reviewed the quarterly and yearly financial statements of the year 2013 audited by the external auditor to assure the Company's compliance with accounting standards and the regulations of the Stock Exchange of Thailand. Moreover, the Committee held a meeting, in absence of the Company's Executives, to discuss the observations and opinions independently with the external auditor and welcome his comments.

### 2. Review of corporate governance.

The Audit Committee oversaw the Company's rules and regulations, without any legal violations.

### 3. Review of risk management.

The Audit Committee reviewed a risk management report of the Company, with their remarks destined for the Risk Management Committee. The Committee confirmed the efficiency and suitability of risk management of the company.

### 4. Review of internal control and internal audit.

The Audit Committee examined, approved the yearly audit plan and assessed adequacy and suitability of internal control process of the Company. Furthermore, some useful suggestions were made for the purpose of improving efficiency of internal audit system.

### 5. Review of related transactions.

The Audit Committee reviewed, commented on related transactions or transactions with possible conflicts of interests and disclosed a complete and adequate report of the transactions in compliance with the regulations and requirements set forth by the Stock Exchange of Thailand, considering the Company's benefits.

### 6. Self-assessment.

The Audit Committee conducted individually a self-assessment of persons concerned according to the Charter of the Audit Committee and the best practice guidelines of the Stock Exchange of Thailand. The finding indicated very good quality.

### 7. Nomination of external auditor.

The Audit Committee decided on qualifications of external auditor and his proposed remuneration. Then, the Committee suggested its nomination to the Board of Directors who presented to the statutory shareholder meeting.

In conclusion, the Audit Committee emphasized on the importance of internal control for the sake of the Company's good corporate governance, efficient internal control process, including its compliance with the law and regulations related to business operation.

On behalf of the Audit Committee



**(Emeritus Professor Dr. Achara Chandrachai)**

Chairman of the Audit Committee  
Saha-Union Public Company Limited

# Board of Directors' Responsibility for the Financial Report

as of 31 December 2013

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 1 January 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 has been effective since 2 January 2011 and also the new accounting standards that became effective in 2013. 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 92.

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 31 December 2013.

On behalf of the Board of Directors



**(Miss Sriwarin Jirapakkana)**

Chairman



**(Miss Dalad Saphavichaikul)**

President

28 February 2014



# 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 2013, 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 judgement, 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 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

## Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.

**Termphong Opanaphan**

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

(Formerly known as "Ernst & Young Office Limited")

Bangkok: 28 February 2014

## Statement of financial position

As at 31 December 2013

Unit: Baht

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
<b>Assets</b>			(Restated)			(Restated)	
<b>Current assets</b>							
Cash and cash equivalents	7	5,585,749,063	5,715,986,514	4,368,506,221	3,247,887,949	1,196,782,873	741,112,306
Current investments	8	626,046,574	355,433,708	689,429,351	-	-	-
Trade and other receivables	10	1,812,249,600	1,574,406,351	1,449,071,953	207,565,846	161,044,519	225,537,679
Inventories	11	1,294,465,640	1,373,886,466	1,611,738,669	46,141,742	8,794	15,981,038
Short-term loans to related parties	9	318,246,000	24,509,000	-	303,256,000	306,927,000	249,815,000
Other current assets		23,637,735	15,972,908	7,806,983	1,876,165	1,024,455	760,358
<b>Total current assets</b>		9,660,394,612	9,060,194,947	8,126,553,177	3,806,727,702	1,665,787,641	1,233,206,381
Investments in associates held for sale	12	-	2,505,493,780	-	-	1,325,615,424	-
<b>Non-current assets</b>							
Restricted investments	13	27,794,820	12,699,000	12,699,000	-	-	-
Investments in subsidiaries	14	-	-	-	5,957,906,509	5,597,234,157	5,463,538,155
Investments in associates	15	5,328,834,365	4,827,455,560	7,458,013,938	2,056,305,814	1,902,276,512	3,127,852,526
Investments in other companies	16	1,963,048,477	1,926,548,087	1,728,052,811	1,796,655,458	1,805,064,754	1,591,958,539
Investment properties	17	1,228,180,691	1,093,127,307	1,033,279,668	576,634,242	696,455,586	650,674,583
Property, plant and equipment	18	3,039,516,434	3,648,614,093	3,374,680,330	55,230,118	71,705,672	81,211,321
Intangible assets - computer software		2,177,046	2,330,262	3,830,228	-	-	-
Deferred tax assets	4, 28	104,512,826	176,316,023	196,878,987	7,478,804	89,429,501	87,724,717
Other non-current assets	19	120,065,727	182,666,380	281,481,989	4,955,707	34,578,095	34,647,897
<b>Total non-current assets</b>		11,814,130,386	11,869,756,712	14,088,916,951	10,455,166,652	10,196,744,277	11,037,607,738
<b>Total assets</b>		21,474,524,998	23,435,445,439	22,215,470,128	14,261,894,354	13,188,147,342	12,270,814,119

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

## Statement of financial position (continued)

As at 31 December 2013

Unit: Baht

Note	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
<b>Liabilities and shareholders' equity</b>		(Restated)			(Restated)	
<b>Current liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	20	90,535,234	269,854,179	449,594,587	-	-
Trust receipts		40,112,027	23,323,283	52,320,719	36,216,819	23,323,283
Trade and other payables	21	1,470,078,645	1,726,170,438	1,562,153,131	123,910,873	70,911,352
Current portion of long-term loans	22	233,350,000	2,158,969,000	226,712,250	-	-
Current portion of liabilities under						
finance lease agreements	23	73,455,202	63,311,303	60,822,346	-	-
Deposits from related parties	9	12,198,451	37,327,089	40,741,229	900,334,012	747,170,772
Income tax payable		39,437,572	53,963,745	45,187,586	-	-
Deposits from the disposals of investments						
in associates held for sale	12	-	461,082,881	-	-	-
Other current liabilities		56,906,994	58,269,872	57,731,668	578,333	578,333
<b>Total current liabilities</b>		2,016,074,125	4,852,271,790	2,495,263,516	1,061,040,037	841,983,740
<b>Non-current liabilities</b>						
Long-term loans, net of current portion	22	197,800,000	475,000,000	2,291,298,485	-	-
Liabilities under finance lease agreements, net						
of current portion	23	69,067,038	64,398,191	37,516,853	-	-
Provision for long-term employee benefits	24	253,233,968	223,928,022	224,888,942	17,126,281	17,800,173
Deferred tax liabilities	4, 28	80,939,993	113,966,440	79,345,126	74,983,754	103,864,781
Other non-current liabilities		10,257,018	56,469,901	55,321,821	-	-
<b>Total non-current liabilities</b>		611,298,017	933,762,554	2,688,371,227	92,110,035	121,664,954
<b>Total liabilities</b>		2,627,372,142	5,786,034,344	5,183,634,743	1,153,150,072	963,648,694

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

## Statement of financial position (continued)

As at 31 December 2013

Unit: Baht

Note	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
<b>Shareholders' equity</b>		(Restated)			(Restated)	
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	3,000,000,000	3,000,000,000
Issued and fully paid						
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	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	2,599,000,000	2,599,000,000
Retained earnings						
Appropriated						
Statutory reserve	26 1,041,417,539	1,035,837,837	1,028,071,051	750,000,000	750,000,000	750,000,000
Other reserve	125,874,452	282,929,805	265,830,016	-	-	-
Unappropriated	10,055,978,781	9,417,235,933	8,667,562,843	6,459,809,268	5,460,039,524	4,892,043,101
Other components of shareholders' equity	563,179,119	(132,522,029)	(43,373,294)	299,935,014	415,459,124	291,488,246
Equity attributable to owners of the Company	17,385,449,891	16,202,481,546	15,517,090,616	13,108,744,282	12,224,498,648	11,532,531,347
Non-controlling interests of the subsidiaries	1,461,702,965	1,446,929,549	1,514,744,769	-	-	-
<b>Total shareholders' equity</b>	18,847,152,856	17,649,411,095	17,031,835,385	13,108,744,282	12,224,498,648	11,532,531,347
<b>Total liabilities and shareholders' equity</b>	21,474,524,998	23,435,445,439	22,215,470,128	14,261,894,354	13,188,147,342	12,270,814,119

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



# Income statement

For the year ended 31 December 2013

Unit: Baht

Note	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Revenues</b>				
Sales and service income 30	9,418,153,487	9,332,786,736	1,137,084,877	1,075,087,888
Dividend income	239,516,842	242,284,187	735,462,791	790,825,849
Rental income	162,792,041	224,237,435	141,938,140	198,517,102
Interest income	134,660,015	91,740,492	77,415,682	31,763,461
Gains on disposals of investments	139,703,519	-	284,209,411	1,034,526
Benefit from investments				
in associates held for sale 12	-	111,503,383	600,316,609	111,503,383
Unrealised gains from revaluation				
of trading securities	2,230,098	213,435,858	-	-
Other income	363,977,428	291,392,925	88,613,176	23,919,782
<b>Total revenues</b>	10,461,033,430	10,507,381,016	3,065,040,686	2,232,651,991
<b>Expenses</b>				
Cost of sales and services	8,280,602,849	8,387,181,162	1,117,257,201	1,061,756,904
Selling expenses	272,887,512	277,706,981	9,328,278	10,085,283
Administrative expenses	755,916,681	761,606,233	211,062,240	223,803,393
Withholding tax written off	119,887,842	11,858,777	119,887,842	11,858,777
Losses on disposals of investments	-	39,297,887	-	-
Losses on impairment of property, plant and equipment	4,410,991	-	4,410,991	-
Losses on impairment of				
investment properties (reversal)	51,833,803	(1,500,000)	51,833,803	-
Loss on impairment of investments (reversal)	40,945	931,796	-	(108,316,151)
<b>Total expenses</b>	9,485,580,623	9,477,082,836	1,513,780,355	1,199,188,206
<b>Profit before share of profit from investments</b>				
in associates, finance cost and income tax expenses	975,452,807	1,030,298,180	1,551,260,331	1,033,463,785
Share of profit from investments in associates 15	374,440,427	501,114,109	-	-
<b>Profit before finance cost</b>				
and income tax expenses	1,349,893,234	1,531,412,289	1,551,260,331	1,033,463,785
Finance cost	(62,416,100)	(76,080,875)	(12,158,758)	(6,430,693)
<b>Profit before income tax expenses</b>				
Income tax expenses 28	1,287,477,134	1,455,331,414	1,539,101,573	1,027,033,092
	(204,949,359)	(178,139,750)	(89,331,829)	(9,036,669)
<b>Profit for the year</b>	1,082,527,775	1,277,191,664	1,449,769,744	1,017,996,423
<b>Profit attributable to:</b>				
Equity holders of the Company	938,533,617	1,209,505,624	1,449,769,744	1,017,996,423
Non-controlling interests of the subsidiaries	143,994,158	67,686,040		
	1,082,527,775	1,277,191,664		
<b>Basic earnings per share (Baht)</b>				
Profit attributable to equity holders of the Company 29	3.24	4.17	4.83	3.39

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

# Statement of comprehensive income

For the year ended 31 December 2013

Unit: Baht

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Profit for the year		1,082,527,775	(Restated) 1,277,191,664	1,449,769,744	(Restated) 1,017,996,423
<b>Other comprehensive income:</b>					
Exchange differences on translation of					
Financial statements in foreign currency		839,152,705	(228,013,972)	-	-
Gains (losses) on change in value of					
available-for-sale investments	16	(167,677,826)	172,736,083	(144,405,138)	154,963,598
Income tax effect	28	34,880,600	(37,564,661)	28,881,028	(30,992,720)
<b>Other comprehensive income for the year</b>		706,355,479	(92,842,550)	(115,524,110)	123,970,878
<b>Total comprehensive income for the year</b>		1,788,883,254	1,184,349,114	1,334,245,634	1,141,967,301
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,634,234,765	1,120,356,889	1,334,245,634	1,141,967,301
Non-controlling interests of the subsidiaries		154,648,489	63,992,225		
		1,788,883,254	1,184,349,114		

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

# Statement of changes in shareholders' equity

For the year ended 31 December 2013

Unit: Baht

## Consolidated financial statements

	Equity attributable to owners of the Company										Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Other components of equity						Total other components of shareholders' equity						
	Other comprehensive income			Other components of shareholders' equity			Total equity attributable to owners of the Company						
	Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments	The Company's shares held by the subsidiaries (Note 25)	Deficit on investment in subsidiary arising as a result of acquisition of additional shares at a price over than the net book value at the acquisition date									
Issued and fully paid share capital	Share premium	Retained earnings											
		Appropriated - statutory reserve	Appropriated - other reserve	Unappropriated									
3,000,000,000	2,599,000,000	1,028,071,051	265,830,016	8,483,298,419	(99,554,759)	394,067,347	(234,404,410)	(28,022,567)	32,085,611	15,408,285,097	1,494,613,713	16,902,898,810	
-	-	-	-	184,264,424	662,974	(76,121,879)	-	-	(75,458,905)	108,805,519	20,131,056	128,936,575	
3,000,000,000	2,599,000,000	1,028,071,051	265,830,016	8,667,562,843	(98,891,785)	317,945,468	(234,404,410)	(28,022,567)	(43,373,294)	15,517,090,616	1,514,744,769	17,031,835,385	
-	-	-	-	1,209,505,624	(225,299,063)	136,150,328	-	-	(89,148,735)	1,120,356,889	63,992,225	1,184,349,114	
-	-	-	-	-	-	-	-	-	-	-	(18,008,969)	(18,008,969)	
-	-	-	-	(450,000,000)	-	-	-	-	-	(450,000,000)	(113,798,476)	(563,798,476)	
-	-	-	-	15,034,041	-	-	-	-	-	15,034,041	-	15,034,041	
-	-	-	-	(434,965,959)	-	-	-	-	-	(434,965,959)	(113,798,476)	(548,764,435)	
-	-	7,766,786	-	(7,766,786)	-	-	-	-	-	-	-	-	
-	-	-	17,099,769	(17,099,769)	-	-	-	-	-	-	-	-	
3,000,000,000	2,599,000,000	1,035,837,837	282,929,805	9,417,235,933	(324,190,848)	454,095,796	(234,404,410)	(28,022,567)	(132,522,029)	16,202,481,546	1,446,929,549	17,649,411,095	
3,000,000,000	2,599,000,000	1,035,837,837	282,929,805	9,252,682,816	(323,777,086)	566,681,870	(234,404,410)	(28,022,567)	(19,522,193)	16,150,928,265	1,424,646,301	17,575,574,566	
-	-	-	-	164,553,117	(413,762)	(112,586,074)	-	-	(112,999,836)	51,553,281	22,283,248	73,836,529	
3,000,000,000	2,599,000,000	1,035,837,837	282,929,805	9,417,235,933	(324,190,848)	454,095,796	(234,404,410)	(28,022,567)	(132,522,029)	16,202,481,546	1,446,929,549	17,649,411,095	
-	-	-	-	938,533,617	829,988,168	(134,287,020)	-	-	695,701,148	1,634,234,765	154,648,489	1,788,883,254	
-	-	-	(16,300,461)	-	-	-	-	-	(16,300,461)	(16,300,461)	-	(16,300,461)	
-	-	-	-	(450,000,000)	-	-	-	-	-	(450,000,000)	29,115,806	29,115,806	
-	-	-	-	-	-	-	-	-	-	-	(168,990,879)	(618,990,879)	
-	-	-	-	15,034,041	-	-	-	-	-	15,034,041	-	15,034,041	
-	-	-	-	(434,965,959)	-	-	-	-	-	(434,965,959)	(168,990,879)	(603,956,838)	
-	-	5,579,702	-	(5,579,702)	-	-	-	-	-	-	-	-	
-	-	-	(140,754,892)	140,754,892	-	-	-	-	-	-	-	-	
3,000,000,000	2,599,000,000	1,041,417,539	125,874,452	10,055,978,781	505,797,320	319,808,776	(234,404,410)	(28,022,567)	563,179,119	17,385,449,891	1,461,702,965	18,847,152,856	

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

# Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2013

Unit: Baht

## Separate financial statements

Issued and fully paid share capital	Share premium	Retained earnings		Other component of equity	Total shareholders' equity
		Appropriated – statutory reserve	Unappropriated	Surplus on change in value of available-for-sale investments	
3,000,000,000	2,599,000,000	750,000,000	4,804,318,384	364,360,307	11,517,678,691
-	-	-	87,724,717	(72,872,061)	14,852,656
3,000,000,000	2,599,000,000	750,000,000	4,892,043,101	291,488,246	11,532,531,347
-	-	-	1,017,996,423	123,970,878	1,141,967,301
-	-	-	(450,000,000)	-	(450,000,000)
3,000,000,000	2,599,000,000	750,000,000	5,460,039,524	415,459,124	12,224,498,648
3,000,000,000	2,599,000,000	750,000,000	5,370,610,023	519,323,905	12,238,933,928
-	-	-	89,429,501	(103,864,781)	(14,435,280)
3,000,000,000	2,599,000,000	750,000,000	5,460,039,524	415,459,124	12,224,498,648
-	-	-	1,449,769,744	(115,524,110)	1,334,245,634
-	-	-	(450,000,000)	-	(450,000,000)
3,000,000,000	2,599,000,000	750,000,000	6,459,809,268	299,935,014	13,108,744,282

### Balance as at 31 December 2011

#### - as previously reported

Cumulative effect of change in accounting policy for income tax (Note 4)

### Balance as at 31 December 2011

#### - as restated

Total comprehensive income for the year (restated)

Dividend paid (Note 32)

### Balance as at 31 December 2012

#### - as restated

### Balance as at 31 December 2012

#### - as previously reported

Cumulative effect of change in accounting policy for income tax (Note 4)

### Balance as at 31 December 2012

#### - as restated

Total comprehensive income for the year

Dividend paid (Note 32)

### Balance as at 31 December 2013

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

# Cash flow statement

For the year ended 31 December 2013

Unit: Baht

## Cash flows from operating activities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Profit before tax	1,287,477,134	1,455,331,414	1,539,101,573	1,027,033,092
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	690,679,561	705,267,050	81,960,245	103,342,638
Allowance for doubtful accounts (reversal)	42,360,637	6,821,927	102,000	(201,732)
Reversal of reduction of cost of inventories to net realisable value	(3,870,890)	(137,312,806)	-	-
Losses (gains) on disposals/write-off of property, plant and equipment	(1,839,817)	6,515,867	(1,577,592)	(1,285,138)
Losses (gains) on disposals/write-off of investment properties	(4,120,856)	56,368	(4,120,856)	87,909
Losses on impairment of property, plant and equipment	4,410,991	-	4,410,991	-
Losses on impairment of investment properties (reversal)	51,833,803	(1,500,000)	51,833,803	-
Recognition of deferred income from use of plants	(47,444,566)	-	-	-
Losses on impairment of investments (reversal)	40,945	931,796	-	(108,316,151)
Withholding tax written off	119,887,842	11,858,777	119,887,842	11,858,777
Unrealised gains from revaluation of trading securities	(2,230,098)	(213,435,858)	-	-
Share of profit from investments in associates	(374,440,427)	(501,114,109)	-	-
Losses (gains) on disposals of investments	(139,703,519)	39,297,887	(284,209,411)	(1,034,526)
Unrealised losses (gains) on exchange	10,240,470	(14,598,843)	2,352,687	(335,273)
Dividend received from investments	(239,516,842)	(242,284,187)	(735,462,791)	(790,825,849)
Benefit from investments in associates held for sale	-	(111,503,383)	(600,316,609)	(111,503,383)
Provision for long-term employee benefits (reversal)	47,331,073	9,635,815	(472,644)	796,828
Interest income	(134,660,015)	(91,740,492)	(77,415,682)	(31,763,461)
Interest expenses	57,631,018	71,038,321	11,840,910	6,263,815
Profit from operating activities before changes in operating assets and liabilities	1,364,066,444	993,265,544	107,914,466	104,117,546
Operating assets (increase) decrease				
Trade and other receivables	(360,182,960)	(122,528,981)	(46,229,440)	65,354,335
Inventories	15,959,534	375,165,008	(46,132,948)	15,972,244
Other current assets	(7,663,530)	(8,202,094)	(851,710)	(264,097)
Other non-current assets	(33,143,608)	36,628,568	113,089	(1,021,679)
Operating liabilities increase (decrease)				
Trade and other payables	232,257,529	201,800,852	52,998,624	(25,778,060)
Other current liabilities	5,728,686	614,373	-	578,333
Other non-current liabilities	(16,793,444)	(10,013,920)	(201,247)	(911,821)
Cash from operating activities	1,200,228,651	1,466,729,350	67,610,834	158,046,801
Cash paid for interest	(58,269,359)	(70,018,777)	(11,840,014)	(5,029,886)
Cash paid for income tax	(288,707,594)	(182,577,740)	(127,593,737)	(24,938,727)
Cash refund from income tax	48,486,125	76,494,328	28,417,816	-
<b>Net cash from (used in) operating activities</b>	<b>901,737,823</b>	<b>1,290,627,161</b>	<b>(43,405,101)</b>	<b>128,078,188</b>

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





# Notes to consolidated financial statements

For the year ended 31 December 2013

## 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, Phrakonong, Bangkok.

## 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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	
			2013	2012
			Percent	Percent
<b>Textile business</b>				
Shanghai Saha-Union Thread Industry Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding)	Contract manufacture and distribution of textile products	China	-	64.00
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding)	Thread-dyeing services	China	-	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	
			2013 Percent	2012 Percent
Plastic, rubber and metal business				
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
Trading business				
Computer Union Co., Ltd.	Computer dealer	Thailand	98.15	97.73
Computer Union Systems Co., Ltd.	Computer dealer	Thailand	98.15	97.73
(99.99 percent owned by Computer Union Co., Ltd.)				
Energy business				
Jiashan-Union Cogeneration Co., Ltd.	Power generation	China	75.96	75.96
Investment and others business				
Saha-Union International Ltd.	Investment and other	Hong Kong	99.98	99.98
Saha-Union Investment (China) Co., Ltd.	Investment	China	100.00	100.00
Union Energy (Hong Kong) Co., Ltd.	Investment	Hong Kong	99.98	99.98
(100.00 percent owned by Saha-Union International Ltd.)				
Shanghai Dacity Co., Ltd.	Sales and services	China	100.00	100.00
(100.00 percent owned by Saha-Union Investment (China) Co., Ltd.)				
Union Technology (2008) Plc.	Investment	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
Union Energy (China) Co., Ltd.	Investment	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			Percent	Percent
<b>Investment and others business</b> (continued)				
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
Saha-Union Property Co., Ltd.	Investment	Thailand	99.99	-
Saha-Union Wealth Plus Co., Ltd.	Investment	Thailand	99.99	-
Union Nakhon Co., Ltd.	Real estate	Thailand	75.00	-

- 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

Below is a summary of the accounting standards that became effective in the current accounting year and those that will become effective in the future.

#### (a) Accounting standards that became effective in the current accounting year

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:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

#### TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		Effective date
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

## Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company and its subsidiaries' management believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

#### 4. Cumulative effect of the change in accounting policy due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the change described in Note 3 to the financial statements to its significant accounting policy, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.



The amounts of adjustments affecting the statements of financial position and the statements of income and comprehensive income are summarised below.

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
<b>Statements of financial position</b>						
Increase in investments in associates	12,092	11,487	11,403	-	-	-
Increase in deferred tax assets	104,513	176,316	196,879	7,479	89,430	87,725
Increase in deferred tax liabilities	80,940	113,966	79,345	74,984	103,865	72,872
Increase in non-controlling interests of the subsidiaries	25,644	22,284	20,131	-	-	-
Increase in unappropriated retained earnings	88,156	164,553	184,265	7,479	89,430	87,725
Decrease in other components of shareholders' equity	(78,135)	(113,000)	(75,459)	(74,984)	(103,865)	(72,872)

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	For the years ended ended 31 December		For the years ended ended 31 December	
	2013	2012	2013	2012
<b>Income statements</b>				
Increase in share of profit from investments in associates	563	164	-	-
Increase (decrease) in income tax	73,615	17,699	81,951	(1,705)
Increase in profit attributable to non-controlling interest of the subsidiaries	3,345	2,176	-	-
Increase (decrease) in profit attributable to equity holders of the Company	(76,397)	(19,712)	(81,951)	1,705
Increase (decrease) in basic earnings per share (Baht)	(0.2635)	(0.0680)	(0.2732)	0.0057
<b>Statements of comprehensive income</b>				
Increase (decrease) in exchange differences on translation of financial statements in foreign currency	1,549	(1,077)	-	-
Increase (decrease) in gains on changes in value of available-for-sale investments	33,332	(36,488)	28,881	(30,993)

## **5. Significant accounting policies**

### **5.1 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.

#### *Dividends*

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

#### *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.

### **5.2 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.

### **5.3 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.

### **5.4 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.

## 5.5 Investments

- a) Investments in securities held for trading 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 other 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 impairment loss.
- 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 impairment loss.
- 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 fair value of unit trusts is determined from net asset value.

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.

## 5.6 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 and assets under construction which are 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.

## 5.7 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 the 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 construction.

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

#### **5.8 Intangible assets - Computer software**

Computer Software is recognised at cost. Following the initial recognition, Computer Software is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

#### **5.9 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.

#### 5.10 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.

#### 5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.


Gains and losses on exchange are included in determining income.

#### 5.12 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.

### 5.13 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.

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

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

#### 5.14 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.

#### 5.15 Income tax

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

##### Current tax

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

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

##### Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## 6. 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 judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the 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 investment in securities

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.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### 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.

## 7. Cash and cash equivalents

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	1,404	2,317	143	60
Bank deposits	3,292,479	5,212,803	1,047,745	896,723
Short-term bonds	2,291,866	500,867	2,200,000	300,000
Total	5,585,749	5,715,987	3,247,888	1,196,783

As at 31 December 2013, bank deposits in saving accounts, fixed deposits and short-term bonds carried interests between 0.01 and 2.56 percent per annum (2012: between 0.01 and 3.00 percent per annum).

## 8. Current investments

As at 31 December 2013 and 2012, the balances of subsidiaries' current investments are as follow:

Unit: Thousand Baht

Consolidated financial statements			
2013		2012	
Cost/ Book value	Fair value	Cost/ Book value	Fair value
<b>Trading securities</b>			
Overseas marketable equity securities	410,145	298,273	281,210
Less: Allowance for change in value of investments	(16,839)	(19,069)	
Translation adjustments	(161)	2,006	
<b>Total trading securities - net</b>	<b>393,145</b>	<b>281,210</b>	
<b>Debt securities held to maturity - current portion</b>			
Debt instruments of private sector	60,121	34,224	
Bonds	27,781	-	
<b>Total debt securities held to maturity - current portion</b>	<b>87,902</b>	<b>34,224</b>	
<b>Fixed bank deposits with an original maturity within one year</b>			
Fixed deposits of local commercial bank	145,000	40,000	
<b>Total fixed bank deposits with an original maturity within one year</b>	<b>145,000</b>	<b>40,000</b>	
<b>Current investments - net</b>	<b>626,047</b>	<b>355,434</b>	

During the year 2013, the subsidiaries have gains on disposals of current investments amounting to Baht 17 million (2012: losses amounting to Baht 75 million) and have dividend income amounting to Baht 9 million (2012: Baht 24 million).

## 9. 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 31 December		Pricing policy
	2013	2012	
<b>Transactions with associates</b>			
Sales of merchandise	185	257	Cost plus margin
Service income	2	4	Contract price
Rental income	14	20	Contract price
Purchases of merchandise	541	561	Resale price reduced by a margin
Lendings (weighted average from outstanding balances at month end)	155	13	Interest rate with reference to the loan interest rate of local commercial bank in China
Interest income	7	-	Interest rate with reference to the loan interest rate of local commercial bank in China
Deposits (weighted average from outstanding balances at month end)	23	50	Interest rate with reference to the deposit interest rate of local commercial bank
Interest expenses	-	1	Interest rate with reference to the deposit interest rate of local commercial bank
<b>Transactions with related companies</b>			
Sales of merchandise	7	6	Cost plus margin
Service income	4	4	Contract price
Rental income	1	1	Contract price
Purchases of merchandise	2	2	Resale price reduced by a margin



Unit: Million Baht

Service income  
Rental income

For the years ended		Pricing policy
31 December		
2013	2012	
592	521	Cost plus margin
5	5	Contract price
14	7	Contract price
-	120	Market price
345	297	Interest rate with reference to the loan interest rate of local commercial bank
24	20	Interest rate with reference to the loan interest rate of local commercial bank
819	537	Interest rate with reference to the deposit interest rate of local commercial bank
15	11	Interest rate with reference to the deposit interest rate of local commercial bank
57	84	Cost plus margin
2	2	Contract price
9	-	Market price
472	461	Resale price reduced by a margin
23	50	Interest rate with reference to the deposit interest rate of local commercial bank
-	1	Interest rate with reference to the deposit interest rate of local commercial bank
3	3	Contract price
1	1	Contract price

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related parties are as follows:

Unit: Thousand Baht

**Trade and other receivables - related parties**  
(Note 10)

Subsidiaries	-	-
Associates	57,232	45,052
Related companies (related by shareholding)	683	549
Total	57,915	45,601
Less: Allowance for doubtful accounts	(38,995)	-
Total trade and other receivables - related parties, net	18,920	45,601

**Trade and other payables - related parties**  
(Note 21)

Associates	36,996	80,689
Related companies (related by shareholding)	343	1,018
Total trade and other payable - related parties	37,339	81,707

**Deposits from related parties**

Subsidiaries	-	-
Associates	12,198	37,327
Total deposits from related parties	12,198	37,327

Consolidated financial statements		Separate financial statements	
2013	2012	2013	2012
-	-	165,298	120,389
57,232	45,052	8,121	6,867
683	549	-	-
57,915	45,601	173,419	127,256
(38,995)	-	-	-
18,920	45,601	173,419	127,256
36,996	80,689	28,166	31,922
343	1,018	-	-
37,339	81,707	28,166	31,922
-	-	888,136	709,844
12,198	37,327	12,198	37,327
12,198	37,327	900,334	747,171

**Short-term loans to related parties**

As at 31 December 2013 and 2012, the balance of short-term loans between the Company and its subsidiaries and those related parties and the movement are as follows:

Unit: Thousand Baht

**Short-term loans to related parties**

Associates		
Jiashan-Union Development Co., Ltd.	-	254,413
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	-	21,576
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	24,509	-
<b>Total short-term loans to related parties</b>	24,509	275,989

Consolidated financial statements			
Balance as at 31 December 2012	Increase during the year	Translation adjustments	Balance as at 31 December 2013
-	254,413	15,287	269,700
-	21,576	-	21,576
24,509	-	2,461	26,970
24,509	275,989	17,748	318,246

Unit: Thousand Baht

#### Short-term loans to related parties

##### Subsidiaries

Computer Union Co., Ltd.

Union Construction Corp., Ltd.

Union Rubber Products Corp., Ltd.

Total

Less: Allowance for doubtful accounts

#### Total short-term loans to related parties - net

Separate financial statements			
Balance as at 31 December 2012	Increase during the year	Translation adjustments	Balance as at 31 December 2013
306,827	2,024,000	(2,033,971)	296,856
13,100	-	-	13,100
-	6,300	-	6,300
319,927	2,030,300	(2,033,971)	316,256
(13,000)	-	-	(13,000)
306,927	2,030,300	(2,033,971)	303,256

#### Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

Unit: Million Baht

Short-term employee benefits

Post-employment benefits

Total

Consolidated financial statements		Separate financial statements	
2013	2012	2013	2012
107	109	26	31
1	2	-	-
108	111	26	31

#### Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with their related parties, as described in Note 33.4 to the financial statements.

## 10. Trade and other receivables

Unit: Thousand Baht

### Trade receivables - related parties

Aged on the basis of due dates

Not yet due	7,339	26,823	173,419	127,256
Past due				
Up to 3 months	11,581	-	-	-
6 - 12 months	9,635	8,895	-	-
Total	28,555	35,718	173,419	127,256
Less: Allowance for doubtful accounts	(9,635)	-	-	-
Total trade receivables - related parties, net	18,920	35,718	173,419	127,256

Total trade receivables - related parties, net

### Trade receivables - unrelated parties

Aged on the basis of due dates

Not yet due	1,138,034	1,071,024	13,800	19,027
Past due				
Up to 3 months	304,529	171,160	-	-
3 - 6 months	86,404	74,333	-	-
6 - 12 months	8,743	34,764	-	-
Over 12 months	31,634	39,881	1,410	2,016
Total	1,569,344	1,391,162	15,210	21,043
Less: Allowance for doubtful accounts	(26,236)	(34,583)	(1,410)	(1,894)
Total trade receivables - unrelated parties, net	1,543,108	1,356,579	13,800	19,149
Total trade receivables - net	1,562,028	1,392,297	187,219	146,405

Total trade receivables - unrelated parties, net

Total trade receivables - net

## Other receivables

Advances	34,375	44,760	1	1
Prepaid corporate income tax	20,489	19,213	325	-
Prepaid expenses	29,611	22,278	-	833
Accrued income	50,093	37,917	11,198	9,158
Input tax refundable	45,072	25,157	8,231	3,774
Other receivables - related parties	29,360	9,883	-	-
Others	70,582	22,901	592	874
Total	279,582	182,109	20,347	14,640
Less: Allowance for doubtful accounts	(29,360)	-	-	-
Total other receivables, net	250,222	182,109	20,347	14,640
Total trade and other receivables - net	1,812,250	1,574,406	207,566	161,045

Less: Allowance for doubtful accounts

Total other receivables, net

Total trade and other receivables - net

## 11. Inventories

Unit: Thousand Baht

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories – net	
	2013	2012	2013	2012	2013	2012
Finished goods	352,917	534,116	(25,463)	(31,544)	327,454	502,572
Semi products	18,587	20,178	(578)	(953)	18,009	19,225
Work in process	118,818	107,055	(829)	(765)	117,989	106,290
Raw materials	427,532	562,060	(3,867)	(3,961)	423,665	558,099
Packing materials	30,285	28,475	(1,604)	(3,364)	28,681	25,111
Spare parts and factory supplies	100,297	112,329	(20,409)	(21,981)	79,888	90,348
Goods in transit	298,780	72,241	-	-	298,780	72,241
Total	1,347,216	1,436,454	(52,750)	(62,568)	1,294,466	1,373,886

Unit: Thousand Baht

	Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories – net		
	2013	2012	2013	2012	2013	2012	
	Goods in transit	46,142	9	-	-	46,142	9
	Total	46,142	9	-	-	46,142	9

## 12. Investments in associates held for sale

As disclosed in Note 11 to the financial statements for the year ended 31 December 2012, the Company and Saha-Union Investment (China) Co., Ltd. (subsidiary) entered into agreements to sell investments in three associates during the year 2012 and received the advance from the disposals amounting to Baht 461 million. Subsequently, the Company and Saha-Union Investment (China) Co., Ltd. completed registration of the share transfers to a non-related party in March 2013. As a result, the status of the three associates changed to non-related parties. The Company and Saha-Union Investment (China) Co., Ltd. recorded the disposal transactions and recognised gains on the disposals of the investments in the current year.

Details of the disposals of investments are as follow;

Unit: Thousand Baht

Associates	Consolidated financial statements				
	Selling price per contract	Consideration received in current year before registering share transfer	Total selling price and consideration	Carrying amount based on equity method until the date of investment classification	Gains on disposals of investments
Jiangsu-Union Cogeneration Group Co., Ltd.	1,503,038	634,937	2,137,975	2,000,632	137,343
Huanan-Union Spring Cogeneration Co., Ltd.	178,257	57,307	235,564	208,264	27,300
Yixing-Union Biochemical Co., Ltd.	221,126	84,550	305,676	296,598	9,078
<b>Total</b>	<b>1,902,421</b>	<b>776,794</b>	<b>2,679,215</b>	<b>2,505,494</b>	<b>173,721</b>
Less: Recognition of exchange differences on translation of financial statements in foreign currencies					(85,206)
Gains on disposals of investments - net					88,515

Unit: Thousand Baht

Associates	Separate financial statements			
	Selling price per contract	Carrying amount based on cost method	Gains on disposals of investments	Consideration received in current year before registering share transfer
Jiangsu-Union Cogeneration Group Co., Ltd.	1,237,106	1,093,794	143,312	508,020
Huanan-Union Spring Cogeneration Co., Ltd.	128,772	96,602	32,170	41,307
Yixing-Union Biochemical Co., Ltd.	132,749	135,219	(2,470)	50,990
<b>Total</b>	<b>1,498,627</b>	<b>1,325,615</b>	<b>173,012</b>	<b>600,317</b>

### 13. Restricted investments

These represent fixed deposits and the bonds of subsidiaries which pledged with the local banks to secure a bank guarantee and credit facilities.

## 14. 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	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Textile business</b>  Shanghai Saha-Union Thread Industry Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding)  Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding)  Union Textile Industries Plc.  Union Garment Co., Ltd.	(Million Baht)	(Million Baht)	(%)	(%)				
	-	24	-	64.00	-	49,950	-	-
	(Million RMB)							
	-	4	-	82.00	-	57,096	-	-
	(Million USD)							
	600	600	51.42	51.42	321,181	321,181	-	5,986
	50	50	99.99	99.99	70,345	70,345	13,248	22,497
					391,526	498,572	13,248	28,483
					53,084	53,084	18,359	14,687
<b>Plastic, rubber and metal business</b>  Union Pioneer Plc.  Union Plastic Plc.  Union Zojirushi Co., Ltd.  Union Stainless Steel Products Co., Ltd.	75	75	52.71	52.71	53,084	53,084	18,359	14,687
	250	250	49.69	49.69	235,433	235,433	45,188	27,236
	300	300	51.00	51.00	153,659	153,659	89,046	47,277
	40	40	98.00	98.00	52,411	52,411	28,224	21,168



Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(%)	(%)				
	Baht)	Baht)						
	(Except for other specified currencies)							
<b>Plastic, rubber and metal business (continued)</b>								
Union Rubber Products Corp., Ltd.	20	20	99.99	99.99	16,111	16,111	-	9,400
Thai Rubber Enterprise Co., Ltd.	32	32	50.69	50.69	17,179	17,179	3,893	9,895
					527,877	527,877	184,710	129,663
<b>Trading business</b>								
Computer Union Co., Ltd.	100	100	98.15	97.73	102,012	101,298	53,000	52,775
Computer Union Systems Co., Ltd.	5	5	98.15	97.73	-	-	-	-
(99.99 percent owned by Computer Union Co., Ltd.)					102,012	101,298	53,000	52,775
<b>Energy business</b>								
Jiashan-Union Cogeneration Co., Ltd.	11	11	75.96	75.96	251,073	251,073	34,982	22,295
	(Million USD)				251,073	251,073	34,982	22,295
<b>Investment and others business</b>								
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)							

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Million) Baht	(Million) Baht	(%)	(%)				
	(Except for other specified currencies)							
<b>Investment and others business (continued)</b>								
Union Energy (Hong Kong) Co., Ltd.	223	223	99.98	99.98	-	-	-	-
(100.00 percent owned by Saha-Union International Ltd.)	(Million HKD)							
Shanghai Dacity Co., Ltd.	1	1	100.00	100.00	-	-	-	-
(100.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	(Million RMB)							
Union Technology (2008) Plc.	120	120	99.66	99.66	120,057	120,057	47,467	-
Saha-Union Holding Co., Ltd.	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	-	-
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	-	-
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	-	-

Unit: Thousand Baht

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Million Baht)	(Million Baht)	(%)	(%)				
<b>Investment and others business (continued)</b>								
saha-Union Property Co., Ltd.	125	-	99.99	-	125,000	-	-	-
Saha-Union Wealth Plus Co., Ltd.	125	-	99.99	-	125,000	-	-	-
Union Nakhon Co., Ltd.	210	-	75.00	-	157,499	-	-	-
<b>Total</b>					5,257,863	4,850,364	47,467	-
<b>Less: Allowance for impairment of investments in subsidiaries</b>					<b>6,530,351</b>	<b>6,229,184</b>	<b>333,407</b>	<b>233,216</b>
<b>Total investments in subsidiaries - net</b>					<b>(572,444)</b>	<b>(631,950)</b>		
					<b>5,957,907</b>	<b>5,597,234</b>		

During the current year, there were the following significant changes in the subsidiaries.

#### Additional investment in new subsidiaries

The Company has invested in 3 new subsidiaries, as follows;

Unit: Million Baht

New subsidiaries	Nature of business	Shareholding (percent)	Approved by	Approved date	Registration date	Registered share capital	Registered and paid-up share capital
Saha-Union Property Co., Ltd.	Investment	99.99	The meeting of Board of director No. 3/2013	21 March 2013	22 April 2013	500	125
Saha-Union Wealth Plus Co., Ltd.	Investment	99.99	The meeting of Board of director No. 3/2013	21 March 2013	16 May 2013	500	125
Union Nakhon Co., Ltd.	Real Estate	75.00	The meeting of Board of director No. 7/2013	25 July 2013	22 August 2013	350	210
<b>Total</b>							<b>460</b>

#### Mergers of the businesses of subsidiaries and associate

In April 2013, the relevant Chinese government agency approved a merger request made by the Saha-Union Group, comprising Saha-Union Plc., Saha-Union Investment (China) Co., Ltd. (subsidiary), Union Energy (Hong Kong) Co., Ltd. (subsidiary) and a non-related Chinese shareholder, in order to merge the business of the following 2 subsidiaries and an associate which are principally engaged in textile business:

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

The recipient of the merged businesses is Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. and the merger resulted in a restructuring of shareholding, as a result of which the Saha-Union Group has significant influence over Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. The Company therefore changed the status of Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. from a subsidiary to an associate, effective from the date that the merger was approved.

Significant information regarding the merger is below.

Unit: Thousand Baht

Consolidated financial statements								
Company	Before merger				After merger			
	Former status	Former shareholding (percent)	Former book value under cost method	Former book value under equity method	New status	New shareholding (percent)	New book value under cost method	New book value under equity method
	Subsidiary	64	61,051	28,980	Dissolution	-	-	-
	Subsidiary	82	128,626	71,530	Associate	57	500,595	368,305
	Associate	50	310,918	245,799	Dissolution	-	-	-
Total			500,595	346,309			500,595	368,305
Add: Share of loss under the equity method during the current period after merger								
Net book value of investment under the equity method as at 31 December 2013								
(5,909)								
362,396								

Separate financial statements									
Company	Before merger				After merger				New book value under cost method, net
	Former status	Former shareholding (percent)	Former book value under cost method	Former allowance for impairment of investment	Former book value under cost method, net	New status	New shareholding (percent)	New book value under cost method	New allowance for impairment of investment
Shanghai Saha-Union Thread Industry Co., Ltd.	Subsidiary	45	49,951	(27,955)	21,996	Dissolution	-	-	-
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd.	Subsidiary	37	57,096	(31,551)	25,545	Associate	40	355,302	(103,985)
Shanghai Saha-Union Spinning Mill No.7 Co., Ltd.	Associate	40	248,255	(44,479)	203,776	Dissolution	-	-	-
<b>Total</b>			<b>355,302</b>	<b>(103,985)</b>	<b>251,317</b>			<b>355,302</b>	<b>(103,985)</b>
									<b>251,317</b>

As a result from the mergers of the businesses, the Company transferred the allowance for impairment of investments in two subsidiaries, Shanghai Saha-Union Thread Industry Co., Ltd. and Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. which amounting to Baht 28 million and Baht 32 million, respectively, to the allowance for impairment of investments in new associates instead. Consequently, as at 31 December 2013, the Company recorded allowance for impairment of investments in subsidiaries totaling Baht 572 million in order to reflect the future expected return on investments.

## 15. Investments in associates

### 15.1 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		
			31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	1 January 2012
			(%)	(%)					
<b>Textile business</b>									
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. (2013: New associate from merger - Note 14)	Contract manufacture and distribution of textile products	China	57.57	-	500,595	-	362,396	-	-
Shanghai Saha-Union Spinning Mill No.7 Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding)	Spinning	China	-	50.00	-	310,918	-	256,889	303,749
Union Micronean Co., Ltd.	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	44.48	44.48	2,550	2,550	18,629	20,173	26,393
Union Spinning Mills Co., Ltd.	Manufacture and distribution of thread	Thailand	51.99	51.99	46,563	46,563	83,056	95,280	125,676
Union Zip Co., Ltd. (99.79 percent owned by Union Industries Corp., Ltd.)	Manufacture and distribution of zippers	Thailand	24.85	24.85	-	-	16,374	13,579	12,504
Venus Thread Co., Ltd. (98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)	Manufacture and distribution of thread and yarn	Thailand	24.90	24.90	-	-	21,093	27,207	33,914
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	61,986	67,216	66,549
					553,459	363,782	563,534	480,344	568,785



Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	1 January 2012
			(%)	(%)					
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	163,363	152,469	154,022
			39.91	39.91	51,559	51,559	219,827	216,406	181,155
Union Nifco Co., Ltd.	Manufacture and distribution of plastic parts and molds	Thailand			70,825	70,825	383,190	368,875	335,177
Energy business Shangyu Hangzhou-Union Cogeneration Co., Ltd. Yunnan Energy Luliang-Union Cogeneration Co., Ltd. Jiangsu-Union Cogeneration Group Co., Ltd. (2012: Changed status to associate held for sale) (2013: Changed status to non-related party) Huanan-Union Spring Cogeneration Co., Ltd. (2012: Changed status to associate held for sale) (2013: Changed status to non-related party) Pingbian Xian Yunnan Energy Union Power Co., Ltd. (25.00 percent owned by Saha-Union Investment (China) Co., Ltd.) (2013: Changed status to non-related party)	Power generation	China	50.00	50.00	514,653	514,653	919,679	824,137	897,002
	Power generation	China	50.00	50.00	445,914	445,914	287,046	271,467	338,594
	Power generation	China	-	-	-	-	-	-	2,114,670
	Power generation	China	-	-	-	-	-	-	220,029
	Power generation	China	-	25.00	-	34,066	-	27,769	68,859
					960,567	994,633	1,206,725	1,123,373	3,639,154

Unit: Thousand Baht

Company	Nature of business	Country of Incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	1 January 2012
<b>Investment and others business</b>			(%)	(%)				(Restated)	
Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	29.65	29.65	273,029	273,029	233,982	200,475	155,045
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Manufacture of automobile carpets	China	35.00	35.00	218,108	218,108	325,303	293,448	291,421
Jiashan-Union Development Co., Ltd.	Real estate	China	49.00	49.00	676,832	676,832	763,279	652,027	581,320
Zhejiang-Union Property Co., Ltd.	Real estate	China	35.00	-	169,793	-	186,828	-	-
Saha-Union International Taipei Ltd.	Investment	Taiwan	42.30	42.30	386	386	3,126	3,146	3,133
Yixing-Union Biochemical Co., Ltd. (2012: Changed status to associate held for sale) (2013: Changed status to non-related party)	Manufacture of Citric acid	China	-	-	-	-	-	-	299,478
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	361,119	349,077	156,208
Uni-Agro Co., Ltd.	Investment and agriculture	Thailand	44.94	44.94	20,465	20,465	16,473	16,331	15,934
Union Thread Industries Co., Ltd.	Investment	Thailand	35.99	35.99	51,861	51,861	753,669	746,823	719,615
Union Industries Corp., Ltd.	Investment and real estate rental	Thailand	29.46	29.46	43,328	43,328	351,796	336,170	322,206
Venus Product Co., Ltd. (99.86 percent owned by Union Thread Industries Co., Ltd.)	Investment	Thailand	24.86	24.86	-	-	1,793	1,795	1,769

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	1 January 2012
<b>Investment and others business (continued)</b> Union Capital Co., Ltd. (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. (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. (99.30 percent owned by Union Industries Corp., Ltd.) Union Management and Service Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.) Union Asset Management Co., Ltd. (99.99 percent owned by Union Industries Corp., Ltd.) Union Property Co., Ltd. (45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent by Union Thread Industries Co., Ltd. and 15.00 percent by Union Industries Corp., Ltd.)			(%)	(%)			(Restated)		
	Investment	Thailand	26.42	26.42	-	-	59,838	49,296	40,767
	Investment	Thailand	32.70	32.70	94,999	94,999	106,846	97,323	87,445
	Investment	Thailand	24.73	24.73	-	-	1,157	1,091	1,023
	Distribution of fuel and employee transportation services	Thailand	24.86	24.86	-	-	3,042	1,910	1,426
	Apartment, office building space and warehouse rental	Thailand	24.90	24.90	-	-	4,047	3,469	2,524
	Investment and real estate rental	Thailand	27.43	27.43	-	-	807	835	-

Unit: Thousand Baht

Company	Nature of business	Country of Incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method			
			31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	1 January 2012	
			(%)	(%)				(Restated)		
<b>Investment and others business (continued)</b>										
Union Somkid Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd. and 20.00 percent by Union Industries Corp., Ltd.)	Real estate rental	Thailand	29.36	29.36	-	-	-	-	-	-
Union Chidlom Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd. and 20.00 percent by Union Industries Corp., Ltd.)	Real estate rental	Thailand	29.36	29.36	-	-	-	-	-	-
Union Chamchuri Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd. and 20.00 percent by Union Industries Corp., Ltd.)	Real estate rental	Thailand	29.36	29.36	-	-	21	-	-	-
Union Phrom Phong Co., Ltd. (45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent by Union Thread Industries Co., Ltd. and 15.00 percent by Union Industries Corp., Ltd.)	Real estate rental	Thailand	27.43	-	-	-	-	-	-	-
Soldev Co., Ltd. (40.00 percent owned by Computer Union Co., Ltd.)	Develop and distribution of computer software	Thailand	40.00	-	2,000	-	2,259	-	-	-
					1,606,601	1,434,808	3,175,385	2,753,216	2,679,314	
<b>Discontinued operation group</b>										
Yunnan Energy Qujing-Union Power Co., Ltd. (2013: Changed status to non-related party)	-	China	-	50.00	-	509,690	-	101,648	101,648	
					-	509,690		101,648	101,648	

Unit: Thousand Baht

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method		
			31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013	31 December 2012	1 January 2012
<b>Liquidated group</b> Ten Cate-Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textile Industries Plc.)	-	Thailand	(%)	(%)				(Restated)	
			24.62	24.62	190,000	190,000	-	-	133,936
			190,000	190,000	190,000	190,000	-	-	133,936
<b>Total</b>			<b>3,381,452</b>	<b>3,563,738</b>	<b>5,328,834</b>	<b>4,827,456</b>	<b>7,458,014</b>		

## 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	
			2013	2012	2013	2012	2013	2012	2013	2012
Textile business  Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. (2013: New associate from merger - Note 14) Shanghai Saha-Union Spinning Mill No.7 Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding) Union Micronclean Co., Ltd.			(%)	(%)						
	Contract manufacture and distribution of textile products	China	39.59	-	355,302	-	(103,985)	-	251,317	-
	Spinning	China	-	40.00	-	248,255	-	(44,479)	-	203,776
	Manufacture and distribution of anti-electrostatic and dust clothing	Thailand	25.00	25.00	1,251	1,251	-	-	1,251	1,251
	Manufacture and distribution of thread	Thailand	25.00	25.00	46,563	46,563	-	-	46,563	46,563
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.87	49.87	3,751	3,751	-	-	3,751	3,751
					406,867	299,820	(103,985)	(44,479)	302,882	255,341
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
	Manufacture and distribution of plastic parts and molds	Thailand	30.00	30.00	31,556	31,556	-	-	31,556	31,556
					50,822	50,822	-	-	50,822	50,822

Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2013	2012	2013	2012	2013	2012	2013	2012
Energy business			(%)	(%)						
	Power generation	China	25.00	25.00	257,481	257,481	-	-	257,481	257,481
	Power generation	China	40.00	40.00	417,271	417,271	(161,289)	(161,289)	255,982	255,982
Investment and other business					674,752	674,752	(161,289)	(161,289)	513,463	513,463
	Manufacture of Phthalic anhydride and Fumaric acid and associated products	China	23.85	23.85	218,958	218,958	(36,826)	(36,826)	182,132	182,132
	Manufacture of automobile carpets	China	25.00	25.00	152,218	152,218	-	-	152,218	152,218
Jiangsu Zhonglian-Union Carpet Co., Ltd.	Real estate	China	39.00	39.00	538,703	538,703	-	-	538,703	538,703
Jiashan-Union Development Co., Ltd.	Real estate	China	35.00	-	169,793	-	-	-	169,793	-
Zhejiang-Union Property Co., Ltd.	Investment	Taiwan	10.00	10.00	386	386	-	-	386	386
Saha-Union International Taipei Ltd.	Investment / Agency and service business /	Thailand	25.67	25.67	30,800	30,800	-	-	30,800	30,800
Uni-Fibre Co., Ltd.	Distribution of textile products and other materials									
Uni-Agro Co., Ltd.	Investment and agriculture	Thailand	30.00	30.00	20,465	20,465	(547)	(547)	19,918	19,918
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
					1,226,512	1,056,719	(37,373)	(37,373)	1,189,139	1,019,346



Company	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2013	2012	2013	2012	2013	2012	2013	2012
Discontinued operation group	-	China	(%)	(%)						
			-	45.19	-	481,017	-	(417,712)	-	63,305
Total					-	481,017	-	(417,712)	-	63,305
			2,358,953	2,563,130	(302,647)	(660,853)	2,056,306	1,902,277		

Yunnan Energy Qujing-Union Power Co., Ltd.  
(2013: Changed status to non-related party)

## 15.2 Share of profit/loss and dividend received

During the years, the Company has 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	
	2013	2012	2013	2012
<b>Textile business</b>		(Restated)		
Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. (2013: New associate from merger - Note 14)	(29,926)	-	-	-
Shanghai Saha-Union Spinning Mill No.7 Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding)	(1,108)	(39,975)	-	-
Union Micronclean Co., Ltd.	4,321	6,153	2,875	7,750
Union Spinning Mills Co., Ltd.	(12,268)	(12,326)	-	8,750
Union Zip Co., Ltd. (99.79 percent owned by Union Industries Corp., Ltd.)	11,491	9,275	-	-
Venus Thread Co., Ltd. (98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)	(2,006)	5,245	-	-
Union Universe Co., Ltd.	(3,084)	636	1,122	935
	(32,580)	(30,992)	3,997	17,435
<b>Plastic, rubber and metal business</b>				
Union Thai-Nichiban Co., Ltd.	18,385	7,388	7,491	8,941
Union Nifco Co., Ltd.	76,421	65,803	43,803	38,103
	94,806	73,191	51,294	47,044
<b>Energy business</b>				
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	202,266	186,748	95,774	92,563
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	(23,018)	(56,930)	-	-
Jiangsu-Union Cogeneration Group Co., Ltd. (2012: Changed status to associate held for sale) (2013: Changed status to non-related party)	-	190,364	-	167,780
Huanan-Union Spring Cogeneration Co., Ltd. (2012: Changed status to associate held for sale) (2013: Changed status to non-related party)	-	(5,994)	-	-
Pingbian Xian Yunnan Energy Union Power Co., Ltd. (25.00 percent owned by Saha-Union Investment (China) Co., Ltd.) (2013: Changed status to non-related party)	-	(2,919)	-	-
	179,248	311,269	95,774	260,343

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	
	2013	2012	2013	2012
<b>Investment and others business</b>		(Restated)		
Taixing Union Zond Chemicals Co., Ltd.	12,211	10,314	-	-
Jiangsu Zhonglian-Union Carpet Co., Ltd.	16,244	17,328	10,355	6,133
Jiashan-Union Development Co., Ltd.	46,778	84,605	-	-
Zhejiang-Union Property Co., Ltd.	(1,788)	-	-	-
Saha-Union International Taipei Ltd.	(160)	(25)	-	-
Yixing-Union Biochemical Co., Ltd.	-	(117,205)	-	-
(2012: Changed status to associate held for sale)				
(2013: Changed status to non-related party)				
Uni-Fibre Co., Ltd.	12,198	192,543	-	-
Uni-Agro Co., Ltd.	142	396	-	-
Union Thread Industries Co., Ltd.	14,504	17,477	8,963	8,963
Union Industries Corp., Ltd.	10,833	9,690	6,723	6,723
Venus Product Co., Ltd.	(2)	26	-	-
(99.86 percent owned by Union Thread Industries Co., Ltd.)				
Union Capital Co., Ltd.	10,542	8,529	-	-
(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.	9,523	9,878	-	-
(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.	61	62	-	-
(99.30 percent owned by Union Industries Corp., Ltd.)				
Union Management and Service Co., Ltd.	1,132	484	-	-
(99.83 percent owned by Union Industries Corp., Ltd.)				
Union Asset Management Co., Ltd.	578	945	-	-
(99.99 percent owned by Union Industries Corp., Ltd.)				
Union Property Co., Ltd.	(28)	835	-	-
(45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent by Union Thread Industries Co., Ltd., and 15.00 percent by Union Industries Corp., Ltd.)				

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	
	2013	2012	2013	2012
<b>Investment and others business (continued)</b>		(Restated)		
Union Somkid Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd. and 20.00 percent by Union Industries Corp., Ltd.)	(1)	(129)	-	-
Union Chidlom Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd., 20.00 percent by Union Industries Corp., Ltd.)	6	(398)	-	-
Union Chamchuri Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd., 20.00 percent by Union Industries Corp., Ltd.)	58	(38)	-	-
Union Phrom Phong Co., Ltd. (45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent by Union Thread Industries Co., Ltd., and 15.00 percent by Union Industries Corp., Ltd.)	(124)	-	-	-
Soldev Co., Ltd. (40.00 percent owned by Computer Union Co., Ltd.)	259	-	-	-
	132,966	235,317	26,041	21,819
<b>Liquidated group</b>				
Ten Cate-Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textile Industries Plc.)	-	(87,671)	-	-
	-	(87,671)	-	-
<b>Total</b>	<b>374,440</b>	<b>501,114</b>	<b>177,106</b>	<b>346,641</b>

For the year 2012, the Company and Saha-Union Investment (China) Co., Ltd. (subsidiary) 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 2012 to the date of investment classification.

### 15.3 Summarised financial information of associates

Financial information of the associates is summarised below:

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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Textile business</b> Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. (2013: New associate from merger - Note 14) Shanghai Saha-Union Spinning Mill No.7 Co., Ltd. (2013: Merged and changed status to a new associate under the restructuring of shareholding) Union Micronclean Co., Ltd. Union Spinning Mills Co., Ltd. Union Zip Co., Ltd. (99.79 percent owned by Union Industries Corp., Ltd.) Venus Thread Co., Ltd. (98.96 percent owned by Union Thread Industries Co., Ltd and 1.04 percent by Union Spinning Mills Co., Ltd.) Union Universe Co.,Ltd.	23	-	1,254	-	598	-	529	-	(54)	-
	(Million USD)									
	-	128	-	816	-	300	-	239	-	(80)
		(Million RMB)								
	5	5	54	61	17	21	93	99	8	12
<b>Plastic, rubber and metal business</b> Union Thai-Nichiban Co., Ltd. Union Nifco Co., Ltd.	200	200	443	428	179	144	541	512	(20)	(23)
	100	100	224	205	58	50	212	203	46	37
	300	300	573	626	188	216	684	778	(8)	20
	8	8	136	143	7	9	22	39	(9)	1
	15	15	505	468	99	90	899	879	46	18
	100	100	647	742	207	309	1,165	1,220	140	134

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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Energy business</b>										
Shangyu Hangzhou-Union Cogeneration Co., Ltd.	200 (Million RMB)	200 (Million RMB)	3,538	2,564	1,787	1,006	2,384	2,320	405	375
Yunnan Energy Luliang-Union Cogeneration Co., Ltd.	25 (Million USD)	25 (Million USD)	957	924	152	150	415	275	(46)	(114)
Pingbian Xian Yunnan Energy Union Power Co., Ltd. (25.00 percent owned by Saha-Union Investment (China) Co., Ltd.) (2013: Changed status to non-related party)	- (Million RMB)	30 (Million RMB)	-	584	-	473	-	53	-	(24)
<b>Investment and other business</b>										
Taxing Union Zond Chemicals Co., Ltd.	28 (Million USD)	28 (Million USD)	1,823	1,654	1,034	978	1,479	758	41	(39)
Jiangsu Zhonglian-Union Carpet Co., Ltd.	57 (Million RMB)	57 (Million RMB)	1,534	1,336	607	500	1,064	1,180	46	50
Jiashan-Union Development Co., Ltd.	41 (Million USD)	41 (Million USD)	3,055	3,482	1,498	2,152	2,000	1,837	95	173
Zhejiang-Union Property Co., Ltd.	100 (Million RMB)	- (Million RMB)	621	-	87	-	4	-	(5)	-
Saha-Union International Taipei Ltd.	5 (Million TWD)	5 (Million TWD)	11	11	1	1	-	-	-	-
Uni-Fibre Co., Ltd.	120	120	972	1,062	59	123	41	502	23	363
Uni-Agro Co., Ltd.	65	65	65	67	-	-	2	3	-	1
Union Thread Industries Co., Ltd.	200	200	2,811	2,939	11	12	87	148	47	112
Union Industries Corp., Ltd.	150	150	1,633	1,665	2	5	99	115	80	75

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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Investment and other business (continued)</b>										
Venus Product Co., Ltd.	2	2	9	9	-	-	-	-	-	-
(99.86 percent owned by Union Thread Industries Co., Ltd.)										
Union Capital Co., Ltd.	250	250	1,000	1,059	-	10	45	39	40	32
(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	1,216	1,299	-	-	34	36	29	30
(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.	1	1	6	5	-	-	-	-	-	-
(99.30 percent owned by Union Industries Corp., Ltd.)										
Union Management and Service Co., Ltd.	4	4	22	21	6	9	28	29	5	2
(99.83 percent owned by Union Industries Corp., Ltd.)										
Union Asset Management Co., Ltd.	60	60	78	76	2	2	11	12	2	4
(99.99 percent owned by Union Industries Corp., Ltd.)										
Union Property Co., Ltd.	450	342	454	346	1	1	4	3	-	1
(45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent by Union Thread Industries Co., Ltd. and 15.00 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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Investment and others business (continued)</b>										
Union Somkid Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd. and 20.00 percent by Union Industries Corp., Ltd.)	60	60	60	60	-	-	2	1	-	-
Union Chidlom Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd. and 20.00 percent by Union Industries Corp., Ltd.)	60	60	59	59	-	-	2	-	-	(1)
Union Chamchuri Co., Ltd. (39.99 percent owned by Uni-Fibre Co., Ltd., 40.00 percent by Union Thread Industries Co., Ltd. and 20.00 percent by Union Industries Corp., Ltd.)	40	40	40	40	-	-	-	-	-	-
Union Phrom Phong Co., Ltd. (45.00 percent owned by Uni-Fibre Co., Ltd., 30.00 percent by Union Thread Industries Co., Ltd. and 15.00 percent by Union Industries Corp., Ltd.)	80	-	80	-	-	-	1	-	-	-
Soldev Co., Ltd. (40.00 percent owned by Computer Union Co., Ltd.)	5	-	25	-	15	-	27	-	1	-
<b>Discontinued operation group</b>										
Yunnan Energy Qujing-Union Power Co., Ltd. (2013: Changed status to non-related party)	-	28 (Million USD)	-	878	-	99	-	180	-	-
<b>Liquidated Group</b>										
Ten Cate-Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textiles Industries Plc.)	-	385	-	377	-	321	-	655	-	(141)

During the years 2013 and 2012, there were significant changes of associates as the following:

#### 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
<b>2013</b>					
Saha-Union Plc.	Acquired of investment in Zhejiang-Union Property Co., Ltd.	Increased in an associated company	Increased in an associated company	169,793	169,793
Uni-Fibre Co., Ltd.	Acquired of investment in Union Phrom Phong Co., Ltd.	Increased in an associated company	Increased in an associated company	-	-
Union Thread Industries Co., Ltd. and Union Industries Corp., Ltd. (associates)					
Computer Union Co., Ltd. (subsidiary)	Acquired of investment in Soldev Co., Ltd.	Increased in an associated company	Increased in an associated company	2,000	-
<b>Total</b>				<b>171,793</b>	<b>169,793</b>
<b>2012</b>					
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.				
<b>Total</b>				<b>-</b>	<b>-</b>

## Disposals and changes in status of investments

Unit: Thousand Baht

Company	Description	Effects in consolidated financial statements	Effects in separate financial statements	Net cash received	
				Consolidated financial statements	Separate financial statements
<b>2013</b> Saha-Union Plc. and Saha-Union Investment (China) Co. Ltd. (subsidiary)	Disposed of investment in Yunnan Energy Qujing-Union Power Co., Ltd.	<ul style="list-style-type: none"> <li>- Yunnan Energy Qujing-Union Power Co., Ltd. changed the status to non-related party.</li> <li>- The Company recorded a gain amounting to Baht 36 million on the disposals of investment under the equity method.</li> </ul>	<ul style="list-style-type: none"> <li>- Yunnan Energy Qujing-Union Power Co., Ltd. changed the status to non-related party.</li> <li>- The Company recorded a gain amounting to Baht 110 million on the disposals of investment under the cost method.</li> </ul>	192,210	173,568
				192,210	173,568


## Liquidation

Company	Approved by	Approved date	Registration date	Current status
<b>2013</b> Ten Cate-Union Protective Fabric Asia Co., Ltd.	The Extraordinary Meeting of Shareholders No. 1/2013	11 March 2013	22 March 2013	Under liquidation

## Increase in registered shares capital

Unit: Thousand Baht

Company	Capital increase No.	Approved by	Approved date	Registration date	Registered and paid-up share capital			Net cash paid for Capital increase	
					Registered and paid-up share capital before increase	No. of shares (Shares)	Par value (USD)	Consolidated financial statements	Separate financial statements
<b>2012</b> Taixing Union Zond Chemicals Co., Ltd.	1	The Board of Director's Meeting	5 September 2012	11 October 2012	17,100,000	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	24,600,000	1	(131,187)	(78,712)
<b>Total</b>								<b>(176,814)</b>	<b>(124,339)</b>



As a result of the transfer of allowance for impairment of investment in a new associate (as described in Note 14 to the financial statements) amounting to Baht 60 million and the reduction of allowance for impairment of investment as a result of the disposal of investment in Yunnan Energy Qijing-Union Power Co., Ltd. amounting to Baht 418 million. As a result, as at 31 December 2013, the Company recorded allowance for impairment of investments in associates totaling Baht 303 million in order to reflect the future expected return on investments.

Share of profit from investments in 6 associates accounted for under the equity method amounting to approximately Baht 16 million, as included in the income statement for the year ended 31 December 2013 (2012: 11 companies, the share of profit Baht 45 million), was calculated from financial statements prepared by the management of those companies, and not audited by their auditors. However, the management believes that there would be no material difference if those financial statements had been audited by the associates' auditors.

## 16. 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

Unit: Thousand Baht

Company	Shareholding percentage		Cost method	
	2013	2012	2013	2012
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			41,251	41,251
Total investments in ordinary shares			1,102,031	1,102,031
Less: Allowance for impairment of investments			(329,201)	(330,397)
Investments in ordinary shares - net			772,830	771,634

#### Investments in available-for-sale securities

Unit: Thousand Baht

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2013	2012	2013	2012	2013	2012
Saha Pathana Inter-Holding Plc.	27,508	27,508	170,811	236,024	198,319	263,532
Bangkok Bank Plc.	230,096	220,787	278,589	329,708	508,685	550,495
Electricity Generating Plc.	30,514	18,650	4,031	11,550	34,545	30,200
Ratchaburi Electricity Generating Holding Plc.	32,024	21,641	6,001	13,014	38,025	34,655
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	232,971	(63,302)	(42,362)	208,580	190,609
Others	202,241	70,958	(177)	14,465	202,064	85,423
Total investments in available-for-sale securities	794,265	592,515	395,953	562,399	1,190,218	1,154,914
<b>Total investments in other companies - net</b>					<b>1,963,048</b>	<b>1,926,548</b>

## Separate financial statements

### Investments in ordinary shares

Unit: Thousand Baht

Company	Shareholding percentage		Cost method	
	2013	2012	2013	2012
	(%)	(%)		
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	732,500
Value Creation Inc.	0.18	0.18	328,280	328,280
Others			33,801	33,801
Total investments in ordinary shares			1,094,581	1,094,581
Less: Allowance for impairment of investments			(335,700)	(335,700)
Investments in ordinary shares - net			758,881	758,881

### Investments in available-for-sale securities

Unit: Thousand Baht

Company	Cost		Surplus (deficit) on changes in value of investments		Fair value	
	2013	2012	2013	2012	2013	2012
Saha Pathana Inter-Holding Plc.	27,508	27,508	170,811	236,024	198,319	263,532
Bangkok Bank Plc.	204,402	204,402	270,558	318,723	474,960	523,125
Banyan Tree Indochina Hospitality Fund, L.P.	271,882	232,971	(63,302)	(42,362)	208,580	190,609
Others	159,063	61,979	(3,148)	6,939	155,915	68,918
Total investments in available-for-sale securities	662,855	526,860	374,919	519,324	1,037,774	1,046,184
Total investments in other companies - net					1,796,655	1,805,065

During the current year, the Company and its subsidiaries received dividends from their investments in ordinary shares and available-for-sale securities totaling Baht 230 million (2012: Baht 242 million), with the Company receiving Baht 225 million (2012: Baht 211 million).



## 17. Investment properties

The net book value of investment properties as at 31 December 2013 and 2012 is presented below.

Unit: Thousand Baht

	Consolidated financial statements				Separate financial statements			
	Land and land improvement awaiting development	Factory and office building for rent	Assets under construction	Total	Land and land improvement awaiting development	Factory and office building for rent	Assets under construction	Total
<b>As at 31 December 2013</b>								
Cost	791,630	2,727,759	52,632	3,572,021	586,689	1,928,942	-	2,515,631
<u>Less</u> Accumulated depreciation	(31,541)	(2,151,351)	-	(2,182,892)	(20,915)	(1,773,234)	-	(1,794,149)
<u>Less</u> Allowance for impairment loss	(4,413)	(156,535)	-	(160,948)	(4,413)	(140,435)	-	(144,848)
Net book value	755,676	419,873	52,632	1,228,181	561,361	15,273	-	576,634
<b>As at 31 December 2012</b>								
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	702,158	389,603	1,366	1,093,127	567,228	127,862	1,366	696,456

A reconciliation of the net book value of investment properties for the years 2013 and 2012 is presented below.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net book value at beginning of year	1,093,127	1,033,280	696,456	650,675
Acquisition of assets	223,911	2,228	831	121,366
Disposals - net book value	(5,483)	(222)	(5,483)	(222)
Transferred from property, plant and equipment - net book value	30,175	169,498	-	9,262
Depreciation for the year	(82,753)	(109,814)	(63,336)	(84,625)
Allowance for impairment loss (increase) decrease during the year	(51,834)	1,500	(51,834)	-
Translation adjustments	21,038	(3,343)	-	-
Net book value at end of year	1,228,181	1,093,127	576,634	696,456

The fair value of the investment properties as at 31 December 2013 and 2012 stated below.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Land and land improvement awaiting development	1,500,641	1,493,265	867,418	852,718
Factory and office building for rent	904,537	1,017,043	130,230	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 has been determined based on market prices, while that of the factory and office building for rent has been determined using the income approach. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

## 18. Property, plant and equipment

Unit: Thousand Baht

Cost	Consolidated financial statements					
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others
As at 1 January 2012	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)
Transfers to investment properties	(8,952)	-	(216,828)	-	-	-
Category rearrangement	-	-	399,878	-	-	(399,878)
Translation adjustments	-	-	(19,389)	-	(15,140)	(15,083)
As at 31 December 2012	164,109	13,719	1,905,506	5,431,649	650,331	1,594,797
Additions	-	468	83,431	73,780	32,369	238,964
Disposals/write-off	-	-	(16,666)	(96,395)	(3,382)	(152,750)
Transfers	-	4,388	46,765	78,502	-	(129,655)
Decrease from mergers of the businesses of subsidiaries	-	-	-	-	-	(552,235)
Transfers to investment properties	-	-	(30,175)	-	-	-
Translation adjustments	-	-	63,205	-	65,301	(17,187)
As at 31 December 2013	164,109	18,575	2,052,066	5,487,536	744,619	981,934
						9,448,839

Consolidated financial statements (continued)						
	Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others
						<b>Total</b>
-	-	6,669	843,691	3,851,827	234,113	894,795
-	-	357	81,842	319,895	45,897	138,595
-	-	-	(60,133)	(82,748)	(1,165)	(95,405)
-	-	-	(56,593)	(10)	-	321
-	-	-	104,082	-	-	(104,082)
-	-	-	(3,292)	-	(5,543)	(3,213)
-	-	7,026	909,597	4,088,964	273,302	831,011
-	-	585	96,758	320,920	46,698	133,418
-	-	-	(16,241)	(95,500)	(1,939)	(150,685)
-	-	-	-	3,203	-	(3,203)
-	-	-	-	-	-	(82,065)
-	-	-	9,434	-	31,146	886
-	-	7,611	999,548	4,317,587	349,207	729,362
-	-	-	-	-	-	6,403,315

**Accumulated depreciation**

As at 1 January 2012	
Depreciation for the year	
Depreciation on disposals/write-off	
Transfers to investment properties	
Category rearrangement	
Translation adjustments	
As at 31 December 2012	
Depreciation for the year	
Depreciation on disposals/write-off	
Transfers	
Decrease from mergers of the businesses of subsidiaries	
Translation adjustments	
As at 31 December 2013	

## Allowance for impairment loss

As at 1 January 2012

Decrease during the year

As at 31 December 2012

Increase during the year

Decrease during the year

As at 31 December 2013

## Net book value

As at 31 December 2012

As at 31 December 2013

## Depreciation for the year

2012 (Baht 511 million included in manufacturing cost, and the balance in selling and administrative expenses)

2013 (Baht 522 million included in manufacturing cost, and the balance in selling and administrative expenses)

Consolidated financial statements (continued)						
Land	Land improvement	Leasehold improvement, buildings and facilities	Machinery and equipment	Power plants	Others	Total
-	-	-	1,799	-	101	1,900
-	-	-	(303)	-	-	(303)
-	-	-	1,496	-	101	1,597
-	-	-	496	-	4,932	5,428
-	-	-	(917)	-	(100)	(1,017)
-	-	-	1,075	-	4,933	6,008
164,109	6,693	995,909	1,341,189	377,029	763,685	3,648,614
164,109	10,964	1,052,518	1,168,874	395,412	247,639	3,039,516
The balance in selling and administrative expenses)						586,586
The balance in selling and administrative expenses)						598,379

Separate financial statements				
	Land	Buildings and facilities	Machinery and equipment	Others
<b>Cost</b>				<b>Total</b>
As at 1 January 2012	27,502	135,036	204,779	318,192
Additions	-	1,957	-	16,991
Disposals/write-off	-	-	(776)	(6,448)
Transfers	-	3,142	-	(3,142)
Transfers to investment properties	(8,952)	-	-	-
As at 31 December 2012	18,550	140,135	204,003	325,593
Additions	-	940	-	5,774
Disposals/write-off	-	-	(651)	(8,479)
As at 31 December 2013	18,550	141,075	203,352	322,888
<b>Accumulated depreciation</b>				
As at 1 January 2012	-	126,705	202,478	274,098
Depreciation for the year	-	2,783	1,394	13,448
Depreciation on disposals/write-off	-	-	(776)	(4,883)
Transfers to investment properties	-	-	(10)	321
As at 31 December 2012	-	129,488	203,086	282,984
Depreciation for the year	-	2,582	411	14,539
Depreciation on disposals/write-off	-	-	(647)	(7,236)
As at 31 December 2013	-	132,070	202,850	290,287
				625,207

**Allowance for impairment loss**

As at 1 January 2012

As at 31 December 2012

Increase during the year

Decrease during the year

As at 31 December 2013

**Net book value**

As at 31 December 2012

As at 31 December 2013

**Depreciation for the year**

2012 (included in selling and administrative expenses)

2013 (included in selling and administrative expenses)

Unit: Thousand Baht

Separate financial statements (continued)				
Land	Buildings and facilities	Machinery and equipment	Others	Total
-	-	917	100	1,017
-	-	917	100	1,017
-	-	496	4,932	5,428
-	-	(917)	(100)	(1,017)
-	-	496	4,932	5,428
18,550	10,647	-	42,509	71,706
18,550	9,005	6	27,669	55,230
				17,625
				17,532



As at 31 December 2013, a subsidiary had equipment under finance lease agreements with net book values amounting to Baht 133 million (2012: Baht 125 million).

As at 31 December 2013, 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 3,965 million (2012: Baht 3,640 million) and the Company only Baht 562 million (2012: Baht 563 million).

## 19. Other non-current assets

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Withholding tax	42,695	71,742	-	28,418
Leasehold	35,332	71,601	-	-
Others	42,039	39,323	4,956	6,160
Total other non-current assets	120,066	182,666	4,956	34,578

## 20. Bank overdrafts and short-term loans from financial institutions

Unit: Thousand Baht

	Interest rate (percent per annum)	Consolidated financial statements	
		2013	2012
Bank overdrafts	Based on MOR	14,735	17,467
Short-term loans from financial institutions	Based on MLR	75,800	252,387
<b>Total</b>		90,535	269,854

## 21. Trade and other payables

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties	37,339	44,943	28,166	31,922
Trade payables - unrelated parties	1,035,560	926,102	73,574	15,322
Payable from purchases of investments -related parties	-	36,764	-	-
Other payables	102,757	390,378	515	2,427
Accrued expenses	236,476	294,338	19,370	18,973
Others	57,947	33,645	2,286	2,267
Total trade and other payables	1,470,079	1,726,170	123,911	70,911

## 22. Long-term loans

Unit: Thousand Baht

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements	
			2013	2012
1. Loan from local bank	Based on MLR	Monthly installments from 2014 to 2016	431,150	495,000
2. Loan from overseas bank	Based on interest rate of bank in China	Installments within 2013	-	2,138,969
Total			431,150	2,633,969
Less: Current portion			(233,350)	(2,158,969)
Long-term loans, net of current portion			197,800	475,000

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 subsidiaries' operations.

## 23. Liabilities under finance lease agreements

Unit: Thousand Baht

Liabilities under finance lease agreements
Less: Deferred interest expenses
Total
Less: Portion due within one year
Liabilities under finance lease agreements - net of current portion

Consolidated financial statements	
2013	2012
148,701	132,929
(6,179)	(5,220)
142,522	127,709
(73,455)	(63,311)
69,067	64,398

Computer Union Co., Ltd. (subsidiary) and Computer Union Systems Co., Ltd. (subsidiary) have 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

Future minimum lease payments
Deferred interest expenses
Present value of future minimum lease payments

As at 31 December 2013	
Less than 1 year	1 - 4 years
77	71
(4)	(2)
73	69

Unit: Million Baht

Future minimum lease payments
Deferred interest expenses
Present value of future minimum lease payments

As at 31 December 2012	
Less than 1 year	1 - 4 years
67	66
(3)	(2)
64	64

## 24. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement as at 31 December 2013 and 2012, were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Present value of defined benefit obligation	377,743	337,211	31,795	30,823
Fair value of plan assets	(124,509)	(113,283)	(14,669)	(13,023)
Net defined benefit liability	253,234	223,928	17,126	17,800

Changes in present value of defined benefit obligation and fair value of plan assets were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Defined benefit obligation at beginning of year</b>	337,211	315,710	30,823	29,006
Current service cost	26,675	20,289	1,166	1,680
Interest cost	12,195	11,809	774	1,049
Transferred from related company	694	5,374	-	-
Actuarial loss (gain)	19,687	-	(767)	-
Benefits paid during the year	(18,719)	(15,971)	(201)	(912)
<b>Defined benefit obligation at end of year</b>	377,743	337,211	31,795	30,823
<b>Fair value of plan assets at beginning of year</b>	113,283	90,821	13,023	11,091
Change in fair value	6,520	10,667	895	1,202
Transferred from related company	612	1,244	-	-
Contribution by the Company and its subsidiaries	13,670	16,156	1,017	901
Benefits paid during the year	(9,576)	(5,605)	(266)	(171)
<b>Fair value of plan assets at end of year</b>	124,509	113,283	14,669	13,023

Plan assets comprise bank deposits, bonds, and equity and debt instruments in active market.

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

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	26,675	20,289	1,166	1,680
Interest cost	12,195	11,809	774	1,049
Actuarial loss (gain) recognised during the year	19,687	-	(767)	-
<b>Total expenses recognised in profit or loss</b>	<b>58,557</b>	<b>32,098</b>	<b>1,173</b>	<b>2,729</b>
Line items under which such expenses are included in profit or loss				
Cost of sales	38,520	11,763	-	-
Selling and administrative expenses	20,037	20,335	1,173	2,729

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	3.7	4.0	3.7	4.0
Future salary increase rate (depending on age of employee)	3.5 - 6.5	3.5 - 6.5	3.5 - 6.5	3.5 - 6.5
Staff turnover rate (depending on age of employee)	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 four years are as follows:

Unit: Thousand Baht

	Defined benefit obligation	
	Consolidated financial statements	Separate financial statements
Year 2013	377,743	31,795
Year 2012	337,211	30,823
Year 2011	315,710	29,006
Year 2010	298,343	25,612
Year 2009	448,987	23,692

## 25. 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.

## 26. 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.

## 27. Expenses by nature

Significant expenses by nature are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	1,299,137	1,246,698	59,632	60,703
Depreciation and amortisation expenses	691,438	706,166	81,960	103,343
Rental expenses from operating lease agreements	40,786	50,659	12,029	14,444
Transportation expenses	81,872	86,132	5,769	4,738
Raw materials and consumables used	2,945,756	3,494,264	-	-
Changes in inventories of finished goods and work in process	(116,883)	19,876	(46,133)	9
Withholding tax written off	119,888	11,859	119,888	11,859
Losses on disposals of investments	-	39,298	-	-
Losses on impairment of investment properties	51,834	-	51,834	-

## 28. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

Unit: Thousand Baht

### Current income tax:

Current income tax charge

### Deferred tax:

Relating to origination and reversal

of temporary differences

Effects of changes in the applicable tax rates

### Income tax expenses reported in the statement of comprehensive income

Consolidated financial statements		Separate financial statements	
2013	2012	2013	2012
	(Restated)		(Restated)
131,334	160,441	7,381	10,742
75,289	14,902	81,951	(1,961)
(1,674)	2,797	-	256
204,949	178,140	89,332	9,037

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

Unit: Thousand Baht

Deferred tax relating to exchange differences  
on translation of financial statements  
in foreign currency

Deferred tax relating to gain (loss) on change  
in value of available-for-sale investments

Total

Consolidated financial statements		Separate financial statements	
2013	2012	2013	2012
	(Restated)		(Restated)
1,549	(1,077)	-	-
33,332	(36,488)	28,881	(30,993)
34,881	(37,565)	28,881	(30,993)



Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012, were as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit before tax	1,287,477	1,455,331	1,539,102	1,027,033
The separation of accounting profit before tax of the Company and its subsidiaries to each applicable tax rate are as the following:				
Exemption from corporate income tax	17	(47)	-	-
Applicable tax rate 16.5 percent	81,598	249,238	-	-
Applicable tax rate 20.0 percent	847,815	1,464	1,539,102	-
Applicable tax rate 23.0 percent	-	1,054,522	-	1,027,033
Applicable tax rate 25.0 percent	358,047	150,154	-	-
Accounting profit before tax multiplied by applicable tax rate	272,538	321,496	307,820	236,217
Effects of changes in the applicable tax rates	(1,674)	2,797	-	256
Effects of:				
Promotional privileges	(19,371)	-	-	-
Tax exempt dividend revenue	(43,248)	(71,062)	(256,386)	(206,586)
Share of profit from investments in associates	(74,888)	(115,256)	-	-
Additional expense deductions allowed	(20,749)	(65,604)	(857)	(162)
Non-deductible expenses	65,636	35,027	27,420	3,274
Losses on impairment of assets	10,981	(4,915)	10,973	(24,361)
Gains on disposals of investment under equity method	27,624	9,222	-	-
Tax losses for the year which unrecognised				
To deferred tax asset	-	75,366	-	-
Others	(11,900)	(8,931)	362	399
Total	(65,915)	(146,153)	(218,488)	(227,436)
Income tax expenses reported in the income statement	204,949	178,140	89,332	9,037

The components of deferred tax assets and deferred tax liabilities are as follows:

Unit: Thousand Baht

	Consolidated statements of financial position			Separate statements of financial position		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
<b>Deferred tax assets</b>						
Allowance for diminution in value of inventories	5,177	5,175	4,410	-	-	-
Allowance for impairment of investment in associates	-	83,543	83,543	-	83,543	83,543
Accumulated depreciation - Plant and equipment	13,832	12,272	8,057	5,145	3,419	1,691
Provision for long-term employee benefits	47,294	41,512	43,228	2,334	2,468	2,491
Unused tax loss	21,834	21,785	46,016	-	-	-
Deferred income	11,267	10,212	9,273	-	-	-
Others	5,109	1,817	2,352	-	-	-
<b>Total</b>	104,513	176,316	196,879	7,479	89,430	87,725
<b>Deferred tax liabilities</b>						
Gain on re-measuring available-for-sale investments	80,402	112,480	76,072	74,984	103,865	72,872
Others	538	1,486	3,273	-	-	-
<b>Total</b>	80,940	113,966	79,345	74,984	103,865	72,872

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company and its subsidiaries have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

As at 31 December 2013, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 322 million (2012: Baht 142 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

## 29. 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	
	2013	2012	2013	2012
Profit attributable to equity holders of the Company (Baht)	938,533,617	(Restated) 1,209,505,624	1,449,769,744	(Restated) 1,017,996,423
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)	3.24	4.17	4.83	3.39


## 30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have five reportable segments as follows:

- Textile segment, which is the contract manufacture and distribution of textile products and garments
- Plastic, rubber and metal segment, which is the manufacture and distribution of rubber, elastic products, finished elastic products, plastic products, vacuum bottles and stainless steel kitchenware
- Trading segment, which is the operation of a computer dealership
- Energy segment, which is power generation
- Investment and others segment, which is principally the operation of an investment business

No other operating segments have been aggregated to form the above reportable operating segments.



The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company and its subsidiaries' central administrative activities, financing activities (including finance costs and finance income) and income taxes are managed on a group basis. Therefore these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2013 and 2012, respectively.

Unit: Million Baht

For the years ended 31 December

	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from external customers	1,269	1,335	4,695	5,051	2,905	2,368	533	522	16	57	-	-	9,418	9,333
Inter-segment revenues	15	20	-	15	1	1	-	-	9	5	(25)	(41)	-	-
Total revenues	1,284	1,355	4,695	5,066	2,906	2,369	533	522	25	62	(25)	(41)	9,418	9,333
Segment operating profit (loss)	113	(21)	616	632	270	210	125	117	14	7	-	-	1,138	945
Unallocated income and expenses:														
Dividend income													239	354
Rental income													163	224
Interest income													135	92
Other income													506	505
Selling expenses													(273)	(278)
Administrative expenses													(932)	(811)
Share of profit from investments in associates													374	501
Finance cost													(62)	(76)
Income tax expenses													(205)	(178)
Non-controlling interests of the subsidiaries													(144)	(68)
Profit for the year													939	1,210

Below is the segment assets of the Company and its subsidiaries' operating segment as at 31 December 2013 and 2012.

Unit: Million Baht

As at 31 December

	Textile segment		Plastic, rubber and metal segment		Trading segment		Energy segment		Investment and others segment		Elimination of inter-segment revenues		Consolidated financial statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Current investments	40	40	133	-	-	-	-	-	453	315	-	-	626	355
Trade and other receivables	150	222	588	460	871	738	100	81	103	73	-	-	1,812	1,574
Inventories	293	318	604	715	348	328	3	12	46	1	-	-	1,294	1,374
Investments in associates held for sale	-	-	-	-	-	-	-	-	-	2,505	-	-	-	2,505
Investments in subsidiaries	-	-	-	-	-	-	-	-	2,250	2,171	(2,250)	(2,171)	-	-
Investments in associates	323	284	87	86	2	-	-	-	4,917	4,457	-	-	5,329	4,827
Investments in other companies	2	2	11	10	-	-	-	-	1,950	1,915	-	-	1,963	1,927
Investment properties	44	47	4	4	-	-	-	-	1,180	1,042	-	-	1,228	1,093
Property, plant and equipment	300	825	1,428	1,586	146	147	396	377	770	714	-	-	3,040	3,649
Unallocated assets	56	207	391	433	83	49	107	86	5,546	5,356	-	-	6,183	6,131
Total assets	1,208	1,945	3,246	3,294	1,450	1,262	606	556	17,215	18,549	(2,250)	(2,171)	21,475	23,435

Transfer prices between business segments are set out in Note 9 to the financial statements.

### Geographic information

Revenue from external customers is based on locations of the customers.

Unit: Million Baht

Revenue from external customers

Thailand

Japan

China

United Kingdom

Others

Total

For the years ended 31 December	
2013	2012
4,693	4,347
2,872	3,133
753	839
380	335
720	679
9,418	9,333

### Major customer

For the year 2013, a subsidiary has revenue from one major customer in amount of Baht 2,305 million, arising from sales by the plastic, rubber and metal segment (2012: Baht 2,520 million derived from one major customer, arising from sales by the plastic, rubber and metal segment).

## 31. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by BBL Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company contributed Baht 1 million (2012: Baht 1 million) to the fund.

## 32. Dividends

Unit: Baht

Dividends	Approved by	Total dividends	Dividend per share
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
Final dividends for 2012	Annual General Meeting of the shareholders on 25 April 2013	450,000,000	1.50
Total for 2013		450,000,000	1.50

## 33. Commitments and contingent liabilities

### 33.1 Capital commitments

As at 31 December 2013, the subsidiaries had capital commitments of Baht 35 million (2012: Baht 9 million), relating to the purchases of machinery and building improvements.

### 33.2 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		
2013	2012	2013	2012	
Payable:				
In up to 1 year	24	38	-	12
In over 1 and up to 5 years	14	16	-	-
In over 5 years	12	13	-	-



### 33.3 Commitment to purchase raw materials

As at 31 December 2013, the Company had commitments to purchase raw materials with two oversea companies amounting to 1,200 Metric tons (2012: 420 Metric tons) with reference to contract prices. Deliveries of raw materials will occur within the year 2014.

### 33.4 Guarantees

- 33.4.1 As at 31 December 2013, there were outstanding bank guarantees amounting to Baht 242 million (2012: Baht 207 million) issued by banks on behalf of the Company and its subsidiaries and the Company only: Baht 28 million (2012: 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 192 million (2012: Baht 174 million) to guarantee contractual performance, Baht 47 million (2012: Baht 26 million) to guarantee electricity use and Baht 3 million (2012: Baht 7 million) to guarantee others.
- 33.4.2 The Company has provided guarantees in the ordinary course of business to a trade account payable against certain obligations of Computer Union Co., Ltd. (subsidiary), charging such company 1 percent of the guarantee amount as a fee. The outstanding guarantees as at 31 December 2013 were Baht 115 million (2012: Baht 115 million).
- 33.4.3 Saha-Union Investment (China) Co., Ltd. (subsidiary) has provided a guarantee, proportionate to its shareholders, to secure loans provided by commercial banks in China to two associates as the following:
- Shangyu Hangzhou-Union Cogeneration Co., Ltd., amounting to RMB 150 million (2012: RMB 150 million).
  - Zhejiang Saha-Union Feilun Thread Industries Co., Ltd., amounting to RMB 20 million (2012: RMB 20 million).
- 33.4.4 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.

## 34. Financial instruments

### 34.1 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, trust receipts, trade and other payables, deposits from related parties, liabilities under finance lease agreements 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 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

#### Financial assets

Cash and cash equivalents	3,248
Trade and other receivables	-
Short-term loans to related parties	303

#### Financial liabilities

Trust receipts	36
Trade and other payables	-
Deposits from related parties	900

#### Separate financial statements

As at 31 December 2013		
Floating interest rate	Non-interest bearing	Total
3,248	-	3,248
-	208	208
303	-	303
3,551	208	3,759
36	-	36
-	124	124
900	-	900
936	124	1,060

Unit: Million Baht

#### Financial assets

Cash and cash equivalents	1,197
Trade and other receivables	-
Short-term loans to related parties	307

#### Financial liabilities

Trust receipts	23
Trade and other payables	-
Deposits from related parties	747

#### Separate financial statements

As at 31 December 2012		
Floating interest rate	Non-interest bearing	Total
1,197	-	1,197
-	161	161
307	-	307
1,504	161	1,665
23	-	23
-	71	71
747	-	747
770	71	841

### Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arise 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	
	2013	2012	2013	2012	2013	2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	12	9	7	7	32.8136	30.6316
Japanese yen	4	24	23	23	0.3130	0.3545
HK dollar	26	24	-	-	4.2316	3.9510

Foreign exchange contracts outstanding are summarised below.

#### As at 31 December 2013

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	4	25	31.1000 - 32.9900	29.2480 - 32.8500	May 2014 - June 2014
Euro	-	4	-	38.3800 - 44.1500	May 2014 - June 2014
Japanese yen	-	8	-	0.3145 - 0.3317	May 2014

#### As at 31 December 2012

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	2	25	30.6800 - 31.0000	30.5500 - 32.1973	May 2013 - September 2013
Euro	-	2	-	38.9800 - 43.1500	March 2013 - July 2013
Japanese yen	-	121	-	0.3612 - 0.4068	June 2013



### **34.2 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.

### **35. 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 2013, the Group's debt-to-equity ratio was 0.14:1 (2012: 0.33:1) and the Company's was 0.09:1 (2012: 0.08:1).

### **36. Approval of financial statements**

These financial statements were authorised for issue by the Company's authorised directors on 28 February 2014.

### **Audit fee**

The auditors of the Company and its subsidiaries in the year 2013 were Mr. Termphong Opanaphan, Certified Public Account (Thailand) No. 4501 or Miss Thipawan Nananuwat, Certified Public Account (Thailand) No. 3459 or Mr. Krisada Lertwana, Certified Public Account (Thailand) No. 4958 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 2013, the Company and its subsidiaries have paid the audit fee to Ernst & Young Office Ltd., totaled Baht 8,628,000.- 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 2013, 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.





## Section

### 1. Rights of Shareholders (page 59-61)

- 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 before 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;

### 2. Equal Treatment to Shareholders (page 61-62)

- 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;

### 3. Consideration of Roles of Stakeholders (page 62-63)

- 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 63-65)

- 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;

### 5. Responsibilities of the Board of Directors (page 65-69)

- 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 and Other Important



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, Phrakonong, Bangkok 10260, Thailand

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

Fax : (66-2) 331-5668

[www.sahaunion.co.th](http://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.

For more information, please visit the Securities and Exchange Commission's website at [www.sec.or.th](http://www.sec.or.th) or the Company's website at [www.sahaunion.co.th](http://www.sahaunion.co.th)

## **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, Certified Public Account No. 4501 or Miss Thipawan Nananuwat, Certified Public Account No. 3459 or Mr. Krisada Lertwana, Certified Public Account No. 4958, 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 Company Limited

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

### Union Garment Co., Ltd.

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

Branch : 205 Moo 4 Sukhumvit Road Km.39.5, Bangpoo Mai,  
Samutprakarn 10280  
Tel : (66-2) 323-9285-6  
Fax : (66-2) 323-9181

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

### 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

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

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

## Plastic, Rubber and Metal Business

### Union Pioneer Public Company Limited

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 Company Limited

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, Phrakong, Bangkok 10260

Tel : (66-2) 311-5111-9, 311-6881-2

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

### **Shangyu Hangzhou-Union Cogeneration Co., Ltd.**

Wei Jiu Road, Shangyu Industrial Area, Hangzhou Bay,

Zhejiang Province, China

### **Yunnan Energy Luliang-Union Cogeneration Co., Ltd.**

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

### **Ratchaburi Power Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakong, 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 Company Limited**

1828 Sukhumvit Road, Bangchak, Phrakong, 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, Phrakong, 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 Technology Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong, 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

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

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), Bangsamak,  
Bangpakong, Chachoengsao 24180

Tel : (66-38) 842-108

Fax : (66-38) 842-109

#### **Saha-Union Property Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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

Fax : (66-2) 331-5668

#### **Saha-Union Wealth Plus Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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

Fax : (66-2) 331-5668

#### **Union Nakorn Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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

Fax : (66-2) 331-5668

#### **Uni-Fibre Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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  
Tel : (66-2) 514-7555, 530-0511-24  
Fax : (66-2) 539-6153

#### **Union Industries Corp., 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 Sime Darby (Thailand) Co., Ltd.**

20<sup>th</sup> 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, 4<sup>th</sup> 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

#### **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

#### **Zhejiang-Union Property Co., Ltd.**

Zhiwei Huayuan, Yanxunqiao, Zhenjiangqiao, Shaoxing County,  
Zhejiang Province, China

#### **Saha-Union International Ltd.**

1A Yuk Yat Street, 6/F, Fook Shing Building, Tokwawan,  
Kowloon, Hong Kong  
Tel : (852) 2365-0211-2  
Fax : (852) 2363-2641

12<sup>th</sup> Floor, Bangkok Bank Building, No. 28 Des Voeux Road,  
Central, Hong Kong  
Tel : (852) 2521-2260  
Fax : (852) 2521-0021

#### **Saha-Union Investment (China) Co., Ltd.**

#31A-C, No. 18 Cao Xi Road (North), Shanghai 200030, China  
Tel : (86-21) 5459-0378, 5459-0678, 5459-0526  
Fax : (86-21) 6427-9117

#### **Saha-Union International (Taipei) Ltd.**

15<sup>th</sup> Floor, Bangkok Bank Building, No. 121 Sung Chiang Road,  
Taipei 10429, Taiwan  
Tel : (88-62) 2506-7264-5  
Fax : (88-62) 2506-9712

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