

UNION PLASTIC

Union Plastic Public Company Limited



Moderation

Reasonable

Immunity

UP

Knowledge with Integrity



Annual Report 2009

Quality Policy

We attempt built the Products and Services for our Customers Satisfaction on Basic Improvement Continuously.

Environmental Policy

The Company is concerned with the environment and thoroughly under following procedures:

1. Strictly follow legal and other requirements to which the organization subscribes.
2. Using resources in the most efficiency and worth for best benefit.
3. Focus on operation management and prevention of pollution affect to environment by determine objective and target then deploy review and continuous improvement.
4. Promoting Awareness the environment to all employees by training and support participation.



Vision

To be world class competitive company

Missions

- 1 To be number one in quality products and delivery
- 2 Price competitiveness in the market
- 3 Multi level and channels at formal and informal access to the company
- 4 Dominant in the best services with added value to customer
- 5 Differentiated applying of customer experiences and expertise
- 6 To be good corporate governance.

Values

- 1 Adherence in honesty and rely on truth with courage of speaking and doing the right things.
- 2 Moving forward and Excellence not to hesitate. Target on the challenge goal and endeavor to achieve.
- 3 Dependence on quality and result on the mean of minimizing of time and cost.
- 4 Open mind for new idea. Looking for knowledge from everywhere and everyone for improvement and great advantages
- 5 Attempt and condent on teamwork without boundary of diversity.
- 6 Using the brain for thinking. Developing capability of thinking. To deliberate and to be clever.
- 7 Seeking and no fear of change. Avoid multi-steps of working

Message from Chairman	2
Major Financial and Information Summary.....	3
Board of Directors	4
Bio-data of The Boards of Directors	5
Company's Business Overview.....	11
Activities Overview.....	12
Shareholding Sturcture and The Management.....	13
• Shareholders	13
(A) Top 10 Major Shareholders of Union Plastic PCL.....	13
(B) Directors' Shareholding.....	13
• Dividend Payment Policy of the Company and its Subsidiary.....	13
• Management.....	14
• Organization Chart.....	14
• Sturcture of the Board of Directors and the Management.....	14
• List of Directors' Name and Scope of Authorities & Duties of Each Commiittee	15
1. Board of Directors.....	15
2. Audit Committee.....	16
3. Nominating and Remuneration Committee.....	17
4. Management Committee.....	17
Selection of Directors and Excutives.....	18
Remuneration of Directors, Directors of Committee, Executives and Other Monetary Rewards.....	18
Compliance with the Principles of Good Corporate Governance of Listed Companies in the year 2006.....	19
1) Rights of Shareholders.....	19
2) Equitable Treatment of Shareholders.....	20
3) Roles of Stakeholders.....	21
4) Information Disclosure and Transparency.....	22
5) Responsibilities of the Board of Directors	23
Control on Use of Internal Information.....	25
Internal Control	25
Rick Factors	26
Explanation and Analysis of the Financial Status and Operating Results.....	27
Report of the Audit Committee.....	28
Report of the Board of Directors' Responsibilities for the Financial Report.....	29
Report of Independent Auditor	30
Financial Statements.....	31
Note to Consolidated Financial Statements.....	39
Audit Fee/Non-Audit Fee.....	56
Related Party Transactions.....	57
General Information.....	59
Index of the Principles of Good Corporate Governance for Listed Companies for the year 2006.....	60
Index of Form 56-2	60

Message from Chairman



A handwritten signature in black ink, which appears to read "Panas Simasathien".

(Dr. Panas Simasathien)

Chairman

Due to the economic recession of the world and Thailand continued from 2008 to 2009 together with the domestic political problem, every industrial sector especially the automotive sector postponed their investment while consumers spent carefully, only the necessities. As a consequence, Company's sales in the first and second quarter of 2009 in automotive industry and motorcycle industry significantly declined compared to the budget. In the third and fourth quarter of 2009, 4 industries which are Company's major customers, namely automotive industry, motorcycle industry, electrical appliance industry and others, had their sales improvement in line with the world economy and the economic recovery in ASEAN countries, which brought about the improvement of Company's operating result in the second half of the year. Even though one of Company's subsidiary companies, had to wind down its business due to the impact from economic crisis, which affected the operating result of the Company, the change of the Management method and the expenses control measure for cost reduction together with the market expansion to cover larger customer bases, the Company was able to maintain a fair net profit.

In 2009, Company's total sales according to the Consolidated financial statement amounted to Baht 691 million, substantially reduced by Baht 356 million or at 34 percent compared to 2008. Net Profit in the portion of all shareholders in 2009 was Baht 14 million, decreased from 2008 by Baht 53 million.

On behalf of the Board of Directors, I expressed my sincere thank to shareholders, customers, business partners and all concerned parties including the Management and every employee of the Company for their mutual corporation to support the Company's operation. I would like to ensure that the Company will continue its profitable operation coupled with social and environmental responsibility to respond to your trust and confidence in the Company.

Major Financial and Information Summary

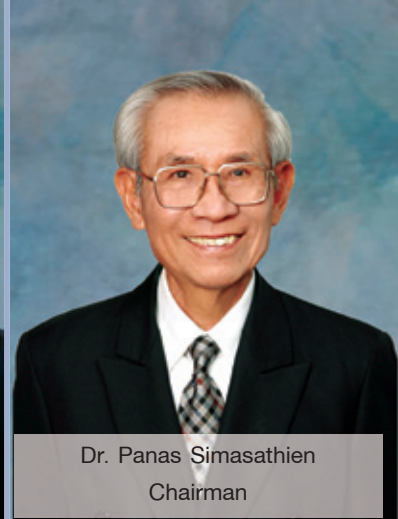
Unit : Baht 1,000

	2009	2008	2007	2006	2005
Revenues					
Total Revenues	735,033	1,103,684	1,048,014	1,108,457	1,182,601
Sales revenues	690,930	1,046,618	998,401	1,065,701	1,141,405
Interest income	-	-	1,223	605	-
Other income	44,103	56,855	47,621	39,993	37,177
Share of profit from investment for using equity method	3	211	769	2,158	4,019
Profit (Loss) before income tax and extraordinary transaction	8,890	81,431	81,169	119,979	64,410
Interest expenses	25	448	1,952	8,183	7,327
Income tax	9,255	(12,401)	(17,093)	(22,060)	(7,006)
Profit before minority shareholders' interest	13,686	68,793	62,124	89,736	50,077
Minority shareholders' Net Profit (Loss)	(14,075)	2,151	(4,206)	(6,636)	(7,979)
Net Profit (Loss)	(390)	66,642	57,918	83,101	42,098
Earnings per share (Baht)	0.55	2.67	2.32	3.32	1.68
Dividend					
Issued and fully paid-up shares (shares)	25,000	25,000	25,000	25,000	25,000
Dividend per share (Baht/share)	1.15	2.50	2.50	2.50	1.00
Total Dividend Payment (Baht)	28,750	62,500	62,500	62,500	25,000
Dividend Payment Ratio (%)	210.07	88.99	99.54	75.21	59.39
Total Assets	732,425	802,670	854,851	898,470	957,876
Total Liabilities	185,750	191,009	245,286	282,229	406,372
Total Shareholders' equity	546,675	611,661	609,565	616,241	551,504
Major Financial Ratio Summary					
Liquidity Ratio (times)	2.16	2.18	1.82	1.79	1.30
Current Ratio (times)	0.62	0.56	0.75	1.11	0.30
Gross Profit (%)	12.04	12.10	15.21	16.20	13.52
Net Profit (%)	1.86	6.04	5.53	7.50	3.56
Return on Equity (%)	2.36	10.90	9.45	14.23	7.63
Return on Assets (%)	(0.05)	8.30	6.61	8.95	4.27
Debt to Equity Ratio (time)	0.34	0.31	0.40	0.48	0.74

Board of Directors



Dr. Ammuay Viravan
Honorary Chairman



Dr. Panas Simasathien
Chairman



Ms. Sriwarin Jirapakkhana
Vice Chairman



Assoc. Prof. Dr. Pakpachong Vadhanasindhu
Chairman of Audit Committee/
Independent Director



Mr. Buncherd Tangiertpaibul
Audit Committee/
Independent Director



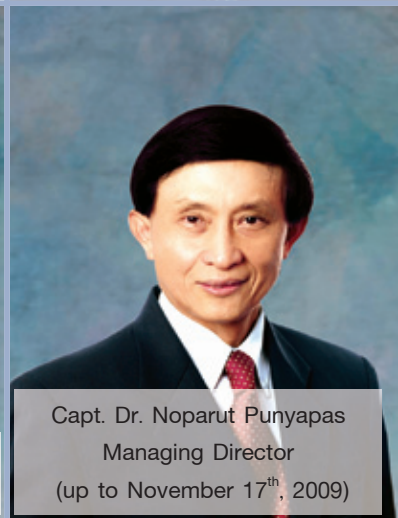
Ms. Jutatip Arunanondchai
Audit Committee/
Independent Director



Mr. Sompop Amatayakul
Independent Director



Dr. Thitivat Suebsaeng
Director



Capt. Dr. Noparut Punyapas
Managing Director
(up to November 17th, 2009)



Mr. Pongsak Thiengviboonvong
Deputy Managing Director



Mr. Aksornprasit Darakananda
Director



Mr. Vacharaphong Darakananda
Director



Mr. Nantiya Darakananda
Director

Bio-data of Board of Directors

1. Dr. Panas Simasathien

Age 77 years

Nationality Thai

Position in the Company

- Chairman (Replaced Capt. Dr. Noparut Punyapas's Director position since November 18th, 2009)

Education

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

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Certification Program (DCP) Class 2/2000

Experiences

- 1972 - 1978 : Director General, Comptroller General Department • 1978 - 1982 : Director General, the Revenue Department
- 1982 - 1992 : Permanent Secretary, Ministry of Finance • 1982 - 1992 : Chairman, Krung Thai Bank PCL. • 1992 : Finance Minister • 1993 - 1995 : Chairman, The Electricity Generating Authority of Thailand (EGAT)

Present Position

Listed Companies

- Vice Chairman of Administration : Saha - Union PCL. • Chairman : Union Plastic PCL. • Vice Chairman : Union Textiles Industries PCL. • Chairman : Union Technology (2008) PCL. • Director : Siam Cement PCL.

Non-listed Companies

- Chairman : Union Technology Co., Ltd. • Chairman : Computer Union Co., Ltd. • Chairman : Union Energy Co., Ltd. • Vice Chairman and Executive Chairman : Siam Piwat Co., Ltd.

Other Positions

- Chairman : The National Economic and Social Development Board • Chairman : Council of State Group 12 : The Council of State

Years of Directorship

- 1 month

2. Miss Sriwarin Jirapakkhana

Age 62 years

Nationality Thai

Position in the Company

- Vice Chairman • Nominating and Remuneration Committee

Education

- MBA in Management, SASIN Graduate Institute of Business Administration, Chulalongkorn University • B.A. in Accounting, Chulalongkorn University • Management Information System, International Labour Organization • Dynamic Management for International Executives Program, International Management Development Department of Syracuse University, U.S.A.

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) Class 18/2004

Experiences

- 1999 - 2006 : Chairman : Union Plastic PCL. • 1999 - 2004 : Chairman : Union Thai - Nichiban Co., Ltd. • 1999 - 2004 Chairman : Union Zojirushi Co., Ltd. • 1999 - 2007 : President : Saha - Union PCL. • 2002 - 2006 : President : Union Textiles Industries PCL.

Present Position

Listed Companies

- Chairman : Union Textiles Industries PCL. • Chairman : Union Pioneer PCL. • Vice Chairman : Finance and Investments : Saha - Union PCL. • Vice Chairman : Union Plastic PCL. • Vice Chairman : Union Technology (2008) PCL.

Non-listed Companies

- Chairman : Union Nifco Co., Ltd. • Director : Companies in Saha - Union Group

Other position

- N/A

Years of Directorship

- 10 Years

3. Assoc. Prof. Dr. Pakpachong Vadhanasindhu

Age 59 years

Nationality Thai

Position in the Company

- Chairman of Audit Committee and Independent Director

Education

- B. Comm., M. Comm., Chulalongkorn University • M.B.A. University of Nebraska at Omaha • D.B.A. United States International University

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) Class 58/2009

Experiences

- 2004 - 2008 : Director of Master Management in International Business Program • 2003 - Head of International Business Management Major Faculty of Commerce and Accountancy, Chulalongkorn University • 2007 - Present Sub Committee of Performance Assessment Committee of the government Enterprise, Ministry of Finance • Business Consultant in Human Resources Management and Strategic Planning

Present Position

Listed Companies

- Chairman of Audit Committee and Independent Director : Union Plastic PCL.

Non-listed Companies

- Audit Committee and Independent Director Combodian Commercial Bank Ltd.

Other position

- N/A

Years of Directorship

- 9 months

4. Mr. Buncherd Tanglertpaibul

Age 52 years

Nationality Thai

Position in the Company

- Audit Committee and Independent Director • Nominating and Remuneration Committee

Education

- B.A. in Law, Thammasat University

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program Class 79/2009

Experiences

- 2000 - Present : Managing Director : Top Ocean Consolidation Service (Bangkok) Co., Ltd.

Present Position

Listed Companies

- Audit Committee and Independent Director : Union Plastic PCL.

Non-listed Companies

- Managing Director : Top Ocean Consolidation Service (Bangkok) Co., Ltd.

Other position

- N/A

Years of Directorship

- 9 months

5. Miss Jutatip Arunanondchai

Age 39 years

Nationality Thai

Position in the Company

- Audit Committee and Independent Director

Education

- Imperial College, University of London, London, UK. • B.Sc. Mathematics with Management • University of Exeter, Exeter, UK. M.B.A. in International Management • University of Wales, UK. MA in Architectural Interior Design • Chulalongkorn University, Bangkok, Thailand MA in Economic Law

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) 78/2009 • Audit Committee Program (ACP) 26/2009 • Monitoring the Internal Audit Function 5/2009 • Monitoring the System of Internal Control and Risk Management (MIR) 6/2009 • Monitoring Quality of Financial Reporting (MFR) 9/2009

Experiences

- 2003 - 2006 : Corporate Finance Manager : TA Orange Co., Ltd. • 2006 - Present : Executive Director : Rajburi Sugar Co., Ltd. and Group Companies • 2009 - Present : Independent Director/Recruiting and Remuneration Committee : Thai Sugar Terminal PCL.

Present Position

Listed Companies

- Audit Committee and Independent Director : Union Plastic PCL. • Independent Director and Recruiting and Remuneration Committee : Thai Sugar Terminal PCL.

Non-listed Companies

- Executive Director : Rajburi Sugar Co., Ltd. and Group Companies • Director : Chiangmai Night Bazaar Co., Ltd.,

Other position

- N/A

Years of Directorship

- 9 months

6. Mr. Sompop Amatayakul

Age 69 years

Nationality Thai

Position in the Company

- Independent Director and Chairman of the Nomination & Remuneration Committee

Education

- Honorary Doctorate in Business Administration, National Institute of Development Administration • Honorary Doctorate in Commerce, Thammasat University, Thailand • B.BA University of the Thai Chamber of Commerce, Thailand

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- General Management Course, University of California, Berkeley U.S.A. • International Management Course, Columbia University, U.S.A • Director Accreditation Program (DAP), Thai Institute of Director (IOD), Thailand

Experiences

- Deputy Minister of Industry • President : Saha - Union PCL. • Chairman of the Board : Bangkok Metropolitan Bank PCL. • Chairman of the Board : The State Railway of Thailand • General Manager : IBM Thailand Co., Ltd.

Present Position

Listed Companies

- Vice Chairman and Chairman of Audit Committee : Saha - Union PCL. • Chairman of Audit Committee : ESSO Thailand PCL. • Chairman of Audit Committee : Union Technology 2008 PCL. • Independent Director : Union Textile PCL. • Independent Director : Union Plastic PCL. • Independent Director : Union Pioneer PCL.

Non-listed Companies

- Executive Chairman : B.B. Business Management Co., Ltd.

Other position

- N/A

Years of Directorship

- 11 years 7 months

7. Dr. Thitivat Suebsaeng

Age 56 years

Nationality Thai

Position in the Company

- Director

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 Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) Class 21/2004

Experiences

- 2003 - 2004 : Director : Union Education Management Co., Ltd. • 2003 - 2007 : Managing Director : Saha - Union Investment (China) Co., Ltd. • 2008 - December 2009 : Chairman : Union Plastic PCL.

Present Position

Listed Companies

- President : Saha - Union PCL. • Director : Union Textiles Industries PCL. • Director : Union Pioneer PCL. • Director : Union Technology (2008) PCL.

Non-listed Companies

- Chairman : Union Zojirushi Co., Ltd. • Chairman : Union Stainless Steel Products Co., Ltd. • Chairman : Union Garment Co., Ltd. • Chairman : Union Thai - Nichiban Co., Ltd. • Director : Union Nifco Co., Ltd. • Director : Union Energy (China) Co., Ltd. • Director : 7 Electricities Generating Companies in China • Director : Ten Cate - Union Protective Fabric Asia Co., Ltd.

Other position

- N/A

Years of Directorship

- 17 years

8. Capt. Dr. Noparut Punyapas

Age 60 years

Nationality Thai

Position in the Company

- Managing Director (held the position to November 17th, 2009) • Authorized Director

Education

- Ph.D. in Mechanical Engineering, Georgia Institute of Technology, Atlanta Georgia U.S.A.

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) Class 12/2004

Experiences

- 1995 - 1996 : Managing Director : VR (Thailand) Co., Ltd. • 1997 - 1999 : Vice President, Engineering and Maintenance : Siam Integrated Cold Rolled Steel PCL. • 1999 - 2001 : Managing Director : Union Nifco Co., Ltd.

Present Position

Listed Companies

- N/A

Non-listed Companies

- N/A

Other position

- N/A

Years of Directorship

- 9 years

9. Mr. Pongsak Thiengviboonvong

Age 53 years

Nationality Thai

Position in the Company

- Deputy Managing Director • Authorized Director

Education

- High Vocational Certificate for Industry

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) Class 5/2003

Experiences

- August 1995 - 2006 : Managing Director : Union Footwear PCL. • 1997 - 2009 : Managing Director : Banpai Union Footwear PCL.
- 1999 - 2009 : Managing Director : Jakkarat Union Footwear Co., Ltd. • 2000 - 2009 : Managing Director : Uni - Soles Co., Ltd.
- 2002 - 2007 : Managing Director : Phon Union Footwear Co., Ltd.

Present Position

Listed Companies

- Deputy Managing Director : Union Plastic PCL.

Non-listed Companies

- Director : Union Shoes Co., Ltd. • Director : Burirum Union Shoes Co., Ltd. • Director : Venus Shoes Co., Ltd.

Other position

- N/A

Years of Directorship

- 2 years

10. Mr. Aksornprasit Darakananda

Age 48 years

Nationality Thai

Position in Company

- Director

Education

- B.Sc. in Chemical Engineering, Georgia Institute of Technology, U.S.A.

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Certification Program (DCP) Class 5/2001 • Diploma awarded by passing the Examination of Australia IOD in 2001

Experiences

- 1991 - 2009 : Director and Executive Director : Union Energy (China) Co., Ltd. • 1994 - 2009 : Director : Union Energy Co., Ltd.
- 1999 - 2009 : Director : Saha Union Holding Co., Ltd. • 2001 - 2009 : Director : Chiangmai Night Bazaar Co., Ltd.

Present Position

Listed Companies

- Director : Saha - Union PCL. • Director : Union Textiles Industries PCL. • Director : Union Plastic PCL.

Non-listed Companies

- Managing Director : Venus Thread Co., Ltd. • Director : Union Thread Industries Co., Ltd. • Director : Union Industries Co., Ltd.
- Director : Union Spinning Mill Co., Ltd. • Director : Union Energy Co., Ltd. • Director : Saha Union Holding Co., Ltd.
- Director : Union Nifco Co., Ltd. • Director : Union Thai - Nichiban Co., Ltd. • Director : Union Zojirushi Co., Ltd. • Director : Union Rubber Products Corporation Ltd. • Director : Thai Rubber Enterprise Co., Ltd. • Director : Union Kotec Molds Co., Ltd.
- Director : Companies in Saha - Union Group

Other position

- N/A

Years of Directorship

- 9 years

11. Mr. Vacharaphong Darakananda

Age 44 years

Nationality Thai

Position in Company

- Director

Education

- B.Sc. in Physics, Harvey Mudd College, California, U.S.A.

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) Class 2/2003 • Director Certification Program (DCP) Class 69/2006

Experiences

- 1999 - 2000 : General Manager : Saha - Union PCL. (Sriracha) • 2001 - December 2006 : Director : Union Textiles Industries PCL.

Present Position

Listed Companies

- Director : Saha - Union PCL. • Director : Union Plastic PCL. • Director : Union Pioneer PCL. • Managing Director : Union Technology (2008) PCL.

Non-listed Companies

- Managing Director : Union Tehcnology Co., Ltd. • Director : Union Thread Industries Co., Ltd. • Director : Union Industries Corp., Ltd. • Director : Union Spinning Mill Co., Ltd. • Director : Venus Thread Co., Ltd. • Director : Union Micron Clean Co., Ltd. • Director : Union Garment Co., Ltd. • Director : Computer Union Co., Ltd. • Director : Computer Union Systems Co., Ltd. • Director : Union Thai - Nichibun Co., Ltd. • Director : Companies in Saha - Union Group

Other position

- N/A

Years of Directorship

- 9 years

12. Mr. Nantiya Darakananda

Age 41 years

Nationality Thai

Position in Company

- Director

Education

- MBA in Business Administration, SASIN Graduate Institute of Business Administration, Chulalongkorn University • B.Sc. in Applied Physics, University of California, Davis, U.S.A.

IOD'S Accreditation and Certification Training Program about the Responsibility and Skills of being the Director

- Director Accreditation Program (DAP) Class 2/2003

Experiences

- Asistant to the Executive Vice Chairman : Saha - Union PCL. • Asistant Manager : Union Button Corp., Ltd. • Director : Union Thread Industries Co., Ltd. • Director : Union Industries Crop., Ltd.

Present Position

Listed Companies

- Director : Saha - Union PCL. • Director : Union Plastic PCL. • Director : Union Pioneer PCL.

Non-listed Companies

- President : Venus Tehcnology Co., Ltd. • Presidentl : Venus Gas Technology Co., Ltd. • Managing Director : V 2 Logistics Co., Ltd. • Director : Union Button Corp., Ltd. • Director : Star EDU Co., Ltd.

Other position

- N/A

Years of Directorship

- 11 years

Company's Business Overview

The Company operated the business as the manufacturer and provider of manufacturing services of plastic parts and injection molds are as follows:

1. Provide the service of manufacturing plastic parts for industrial work through (Thermoplastic Injection Manufacturing) In addition, the Company also provides fully integrated production process such as decoration service, spray, assembling, silkscreen and Hot Stamp. Bangpakong Production Factory has increased its production capacity and modernized its production process to meet the requirement of customers.

2. Provide the service of manufacturing plastic injection molds by using CAD/CAM technology to design and fabricating the molds including using High Speed Machining to speed up the molding process.

- Products**

The Company classifies products according to type of services provided to customers.

1. Plastic parts including automotive parts, parts of electrical appliances, household products and thermos flasks.
2. Molds including molds of the automotive parts, parts of electrical appliance parts and sanitary wares and other types of mold according to customers' requirement.

- Income Structure**

The Company's main income derives from the service of manufacturing plastic parts and the plastic injection molds and sales of the products. Details are as follows:

Products/Services	Year 2009		Year 2008		Year 2007	
	Income (1000 Baht)	%	Income (1000 Baht)	%	Income (1000 Baht)	%
1. Plastic parts	657,641	95	964,931	92	887,882	89
2. Producing molds	33,289	5	81,687	8	110,519	11
Total Income	690,930	100	1,046,618	100	998,401	100



Activities Overview

Educational Activities



Children's Day : January 7th, 2009 Company's Staff participated in the donation of the educational equipments and hosted the free lunch to children at the Pre-kindergarten Child Care Center, Wat Bam Pen Nuer, Minburi District, Bangkok.

Religious Activities



Visakha Bucha Day : May 7th, 2009 Company's Staff jointly donated money to buy flower to offer to Wat Bam Pen Nuer, Minburi District, Bangkok.

Social Activities



February 8th, 2009 : Company's staff participated in the assistance and development project by making a school-name sign and painting the school building as well as granting the scholarships and educational equipments to the Wat Praditaram School, Tambon Nongsang Amphur Prajantacam Prajinburi.

Environmental Activities



August 9th, 2009 : Company's staff participated in the 'Mangrove Forest Planting Project' with the purpose of rehabilitation and revival of the ecology of the mangrove forest at Bangpoo Recreation Center, Quartermaster Royal Thai Army, on the occasion of the Queen's Birthday on August 12th, 2009.

Shareholding Structure and the Management

- Shareholders

(A) Top 10 Major Shareholders of Union Plastic PCL.

No	List of Shareholders	Number of Shares		Percentage (%) of Shares	
		April 3rd, 2008	April 2nd, 2009	April 3rd, 2008	April 2nd, 2009
1	Saha - Union PCL.	12,380,130	12,380,130	49.52	49.52
2	Sri Thai Super Ware PCL.	2,400,000	2,400,000	9.60	9.60
3	Bangkok Insurance PCL.	2,079,060	2,089,060	8.32	8.36
4	Mr. Tinnakorn Thongthai	580,000	580,000	2.32	2.32
5	Mr. Krit Thongthai	535,520	535,520	2.14	2.14
6	Mr. Sumeth Darakananda	394,900	394,900	1.58	1.58
7	Thai NVDR Co., Ltd.	292,500	311,900	1.17	1.25
8	Mrs. Karnjana Suwavit	250,240	262,240	1.00	1.05
9	Wattana Soponpanich Co., Ltd.	253,660	253,660	1.01	1.01
10	Mrs. Karnjana Suwavit	250,000	250,000	1.00	1.00

(B) Directors' Shareholding

No	Director's Name	Number of Shares		Percentage (%) of Shares	
		2008	2009	2008	2009
1	Dr. Panas Simasathien	-	-	-	-
2	Ms. Sriwarin Chirapakkhana	-	-	-	-
3	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	-	-	-	-
4	Mr. Buncherd Tanglerpaibul	-	9,660	-	0.039
5	Ms. Jutatip Arunanondchai	-	-	-	-
6	Mr. Sompop Amatayakul	-	-	-	-
7	Dr. Thitivat Suebsaeng	-	-	-	-
8	Capt. Dr. Noparut Punyapas	-	-	-	-
9	Mr. Pongsak Thiengviboonvong	4,500	4,500	0.018	0.018
10	Mr. Aksornprasit Darakananda	-	-	-	-
11	Mr. Vacharaphong Darakananda	-	-	-	-
12	Mr. Nantiya Darakananda	-	-	-	-

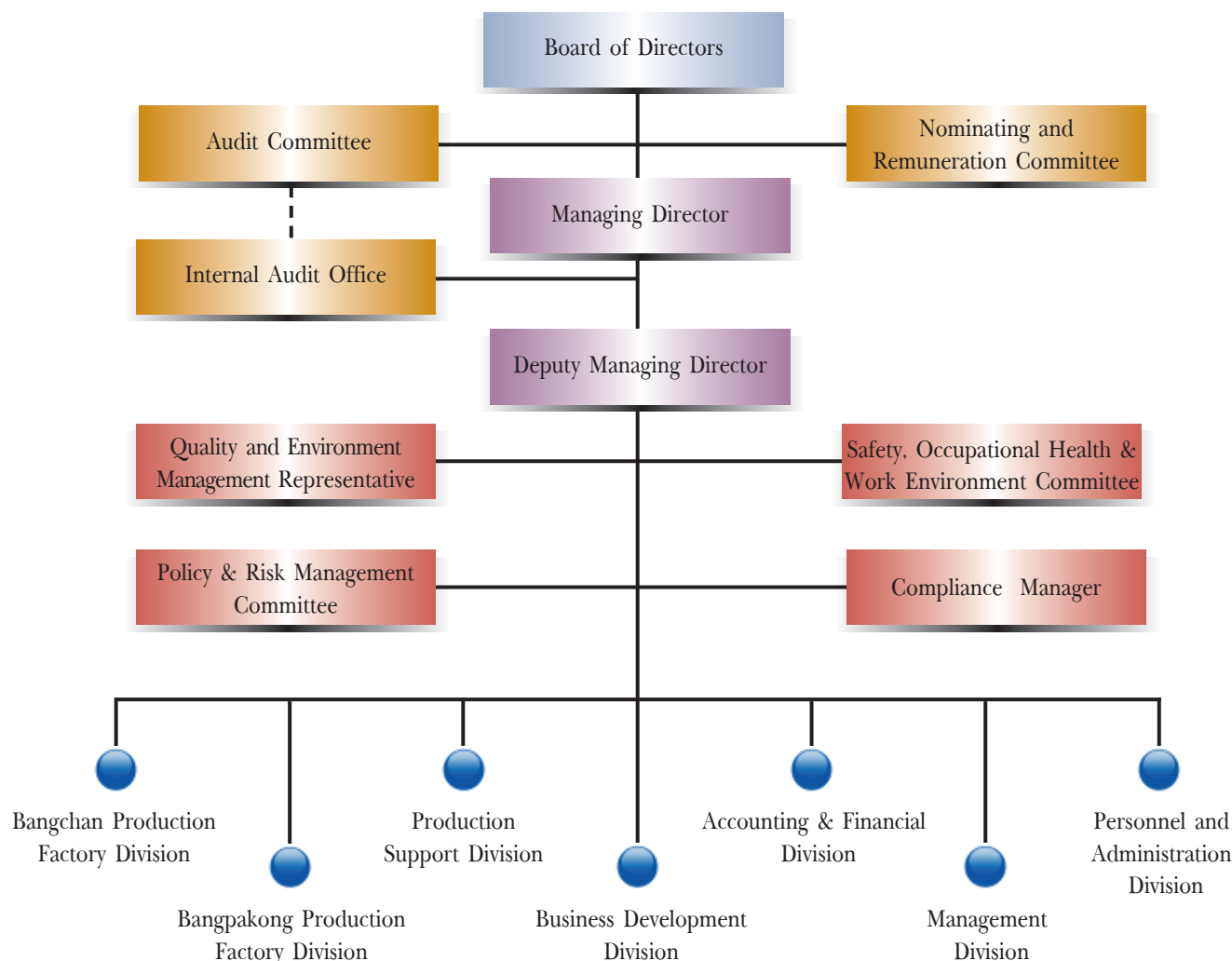
Remark : Dr. Panas Simasathien has served as the Director position since November 18th, 2009 replacing Capt. Dr. Noparut Punyapas who have resigned from his position.

- Dividend Payment Policy of the Company and its Subsidiary

The Company has a policy to pay dividend based on the performance of the Company, financial structure and financial status as well as the regularity of dividend payment. The Company has not fixed the dividend payment ratio.

- **Management**

- Organization Chart



Structure of the Board of Directors and the Management

The Board of Directors comprises Directors who are the outsiders or full-time executives of the Company. They are selected based on their good qualifications, education background, capabilities and experience from various occupations. They represent the shareholders in supervising and protecting the Shareholders' interest. The Board of Directors is empowered to supervise, control and manage the Company in compliance with the law, memorandum & articles of association and policies of the Company including the resolutions of the Board of Directors Meeting and shareholders' Meeting with integrity, prudence, transparency, independence from the Management as well as taking the maximum benefit of the Company, shareholders and all stakeholders in to consideration.

Board of Directors must have at least five board members, at least half of which residing in the kingdom and not less than three quarters of the Board of Directors must be Thai citizens.

Election of the Directors is carried out in the shareholders' meeting according to the following process:

- (1) Each shareholder is entitled to cast one vote per one share.
- (2) In the election of the Director, one or several Directors altogether as a group can be elected in one time depending upon the decision of Shareholders' Meeting. For each voting, shareholders can cast their votes according to total number of shares held based on (1) and these votes cannot be divided in order to vote for any other person or group.
- (3) Director's election is decided by the majority votes. In case of equal votes, the Chairman has a deciding vote. In case there are a large number of Director's vacancies and Board of Directors cannot form the quorum, the remaining Directors can act on behalf of the Board of Directors to convene the Shareholders' Meeting to elect the Directors to fill up all the vacancies. The Meeting must be done within one month starting from the date the number of Directors is less than the quorum and the replacing Director will be on duty for the remaining term of the former Director.

Criteria and Nominating of Directors

Director nominees must possess the following qualifications and do not have any legal restrictions:

- (1) Having the qualifications and no legal restriction as prescribed by the Public Company Act, Securities and Exchange Act including the Good Corporate Governance of the Listed Companies.
- (2) Having knowledge, capability and independence with suitable age and good health in order to perform the role of the Director with care, loyalty and dedication of his time to the Company's duties. Moreover, they should have creative thinking and courage to express their opinions in the meeting and/or they shall be reputable businessmen with integrity and good working experience.
- (3) Having the specific skill and capability in one of these fields i.e. Company's business, accounting & finance, strategic management, good corporate governance, law & regulations
- (4) Nominating and Remuneration Committee is responsible to consider the nominees' qualifications, which have no legal restriction as mentioned above and submit the nomination to the Board of Directors for approval prior to further submission to the shareholders' meeting for final approval.

• List of Directors' Name and Scope of Authorities & Duties of Each Committee are as follows:

1. Board of Directors : Attendance Records and Remuneration of Each Director

No	Name of Directors	Position	No. of Meeting Attendances		Remuneration (Baht)	
			2008	2009	2008	2009
1	Dr. Panas Simasathien	Chairman	-	0/12	-	6,000
2	Ms. Sriwarin Chirapakkhana	Vice Chairman	11/12	12/12	72,000	72,000
3	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of Audit Committee and Independent Director	-	7/12	-	54,000
4	Mr. Buncherd Tanglertpaibul	Director of Audit Committee and Independent Director	-	8/12	-	54,000
5	Ms. Jutatip Arunanondchai	Director of Audit Committee and Independent Director	-	9/12	-	54,000
6	Mr. Sompop Amatayakul	Independent Director	2/12	6/12	72,000	42,000
7	Dr. Thitivat Suebsaeng	Director	12/12	12/12	126,000	90,000
8	Capt. Dr. Noparut Panyapas	Managing Director	12/12	10/12	72,000	60,000
9	Mr. Pongsak Thiengviboonvong	Deputy Managing Director	11/12	11/12	66,000	72,000
10	Mr. Aksornprasit Darakananda	Director	8/12	8/12	72,000	72,000
11	Mr. Vacharaphong Darakananda	Director	11/12	12/12	72,000	72,000
12	Mr. Nantiya Darakananda	Director	7/12	7/12	72,000	72,000
Mr. Amarin Patranawik is the Company Secretary						

Remarks :

1. With effect from March 18th, 2009 Assoc. Prof. Dr. Pakpachong Vadhanasindhu has held the position of Chairman of Audit Committee/Independent Director replacing Mrs. Sangsawang Malikamas while Mr. Buncherd Tanglertpaibul and Ms. Jutatip Arunanondchai have held the positions of Independent Directors replacing Mr. Sompop Amatayakul and Mr. Nattapong Sukhavisidh respectively.
2. In 2009 Mrs. Sangsawang Malikamas, Mr. Sompop and Mr. Nattapong Sukhavisidh attended 2 out of 5 Meetings .
3. Mr. Sompop Amatayakul has held the position of Director replacing Mr. Damri Darakananda, who resigned from his Directorship according to the resolution the Board of Directors Meeting No. 5/2009 on May 20th, 2009.
4. Dr. Panas Simasathien has held the Director's position replacing Capt. Dr. Noparut Panyapas who have resigned from his position since November 18th, 2009 and has held the Chairman's position replacing Dr. Thitivat Suebsang since December 24th, 2009 as well.
5. Remuneration of Chairman is Baht 6,000 per month, previously Baht 12,000 per month while remuneration of each Director is Baht 6,000 per month and each Director of Audit Committee is Baht 10,000 per month, previously Baht 6,000 per month. Each Director of Nominating and Remuneration Committee will receive Baht 6,000 per meeting (resolution of the Board of Directors Meeting No. 3/2009 on March 18th, 2009).

Scope of Authorities and Duties of the Board of Directors

1. Establish the policy and direction of the Company's business operation as well as supervise and control the Management to operate in accordance with the stipulated policy efficiently and effectively.
2. Appoint and remove staff of the Company. The Board of Directors will assign one or several Directors to act on its behalf.
3. Determine the retirement benefit of the staff or employees of the Company or any persons who perform the activities for the Company despite the fact that they work on permanent or temporary basis.
4. Determine the interim dividend payment to shareholders
5. Ensure the compliance with the law, memorandum & articles of association as well as the resolutions of the Shareholders' Meeting
6. To function according to the scope of authority and duties of the Board of Directors, the Board can assign one or several Directors or other person to act on its behalf. The authorized persons are two Directors signing their names together with the seal of the Company, can bind the Company.

Board of Directors consists of 4 Independent Directors, including:

No	Name	Position
1	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Independent Director
2	Mr. Buncherd Tanglerpaibul	Independent Director
3	Ms. Jutatip Arunanondchai	Independent Director
4	Mr. Sompop Amatayakul	Independent Director

Remarks :

- Independent Directors meet the minimum requirement of SEC; Independent Directors is stipulating to be equal to one-thirds of total Directors or at least 3 persons.
- With effect from March 18th, 2009 Assoc. Prof. Dr. Pakpachong Vadhanasindhu has held the position of Independent Director replacing Mrs. Sangsawang Malikamas while Ms. Jutatip Arunanondchai has held the positions of Independent Directors replacing Mr. Nattapong Sukhavisidh and Mr. Buncherd Tanglerpaibul has been appointed as the Independent Director.
- Independent Directors have a term of 2 years (2007-2009) according to the resolution of the Board of Directors Meeting No11/2007 on November 23rd, 2007.

Selection Criteria of the Independent Directors

The Company selectively extends an invitation to persons with recognized knowledge, capability, experience, vision, understanding of the Company's own and the related business as well as having sufficient time to perform the duties of Independent Director. The Company expects that they can use their knowledge, capability and useful opinion appropriately for the Company's business operation. The Company prescribes the definition of the Independent Director according to the minimum requirement stipulated by the SEC.

Board Meeting

The Company will hold the Board of Directors Meeting at least once a month to follow up on the results of Company's operation and to determine whether it achieve the objectives or targeting plan or not. In 2009 the Company held 12 Board of Directors Meetings and all Directors except those who had other engagement, attended every Meeting.

2. Audit Committee

The Audit Committee is appointed by the Board of Directors, comprises of at least 3 Directors whose qualifications meet the requirement of SET and at least one of them has the knowledge and experience in finance and accounting. All of them must be Independent Directors and shall not be the Managing Director. Moreover, the Audit Committee can appoint an advisor and a Company's staff suitable to act as Secretary to the Audit Committee.

The Audit Committee has a term of 2 years. The Directors of the Audit Committee can be reappointed. In case of vacancy by reasons other than expiration of the term, the Board of Directors can appoint the qualified person to fill the vacancy in order to have sufficient members of the Audit Committee. The replacing Director will be in the office for the remaining term of the vacant position. Moreover, to ensure the achievement of the goal, the Board of Directors have delegated the authority to the Audit Committee to carry out the duties in connection with the Management, Internal Auditor and Independent Auditor as well as other authorization including making the other operating units conform to their roles and duties in connection with the Audit Committee as stipulated in the Charter of the Audit Committee.

Audit Committee consists of 3 Directors, including:

No	Name	Position	No. of Meetings Attendance	
			2008	2009
1	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of Audit Committee and Independent Director	-	3/5
2	Mr. Buncherd Tanglerpaibul	Audit Committee and Independent Director	-	3/5
3	Ms. Jutatip Arunanondchai	Audit Committee and Independent Director	-	3/5

Remarks :

- With effect from March 18th, 2009 Assoc. Prof. Dr. Pakpachong Vadhanasindhu has held the position of Chairman of the Audit Committee/Independent Director replacing Mrs. Sangsawang Malikamas while Mr. Buncherd Tanglerpaibul and Ms. Jutatip Arunanondchai have held the positions of Independent Directors replacing Mr. Sompop Amatayakul and Mr. Nattapong Sukhavisidh respectively.
- In 2009 Mrs. Sangsawang Malikamas, Mr. Sompop and Mr. Nattapong Sukhavisidh attended 2 out of 5 Meetings .
- Total remuneration for of Audit Committee for the year was totally Baht 270,000.

Scope of Duties and Responsibilities of the Audit Committee

- Review to ensure that the financial statements are prepared accurately and sufficiently in accordance with the generally acceptable accounting standards.

2. Review to ensure the Company has effective and appropriate Internal Control and Internal Audit System as well as to review the independence of Internal Audit Office including the approval of the appointment, transfer and discharge of manager of the Internal Audit Office.
3. Review to ensure that the Company complied with the regulations of the SEC, SET and law relating to Company's business.
4. Review, select and nominate the Independent Auditor together with the proposed remuneration as well as arranging the meeting with the Independent Auditor without the Management participation at least once a year.
5. Review the related party transactions or the potential conflicts of interest to ensure the compliance with law and regulations of SET, appropriateness and the maximum benefit of the Company.
6. Prepare the Audit Committee Report for disclosure in the Annual Report. The Report will be signed by the Chairman of Audit Committee and shall at least comprise the following information:
 - (a) Correctness, completeness, reliability of Company's financial statements
 - (b) Opinion on sufficiency of the Internal Control System of the Company
 - (c) Opinion on the compliance with law and regulations of the SEC & SET and law relating to Company's business
 - (d) Opinion on the appropriateness of the Independent Auditor
 - (e) Opinion on the potential conflict of interest transactions
 - (f) Number of the Audit Committee Meeting and the attendance record of each Audit Committee
 - (g) Opinion or general remark obtained by the the Audit Committee during the operation according to the Charter or regulations of the Audit Committee
 - (h) Other matters that the shareholders or investors should be informed under the scope of duties and responsibility assigned by the Board of Directors
7. Notify the Management of any mistake or defect found and ensure that correction will be implemented soonest.
8. Follow up and assess the result of the operation that the Audit Committee deems important.
9. Perform any other operation assigned by the Board of Directors.

3. Nominating and Remuneration Committee

Nominating and Remuneration Committee is appointed by the Board of Directors and majority members (2/3) of the Committee are Independent Directors.

Nominating and Remuneration Committee consists of 3 Directors, including:

No	Name	Position	No. of Meeting Attendances	
			2008	2009
1	Mr. Sompop Amatayakul	Chairman of Nominating and Remuneration Committee	1/2	2/2
2	Ms. Sriwarin Chirapakkhana	Nominating and Remuneration Committee	2/2	2/2
3	Mr. Buncherd Tanglerpaibul	Nominating and Remuneration Committee	-	1/2

Remark :

1. Mr. Buncherd Tanglerpaibul was appointed as Director of Nominating and Remuneration Committee, replacing Ms. Sangsawang Malikamas on March 18th, 2009.
2. Term of Nominating and Remuneration Committee : Resolution of the Board of Directors Meeting No. 3/2009 on March 18th, 2009.
3. Remuneration of Nominating and Remuneration Committee for the year was totally Baht 18,000.

Scope of Authority and Duties of Nominating and Remuneration Committee

1. Select qualified individuals for the Director positions and nominate them to the Board of Directors for consideration.
2. Establish the selection guidelines of Directors in accordance with the criteria and process of Director selection.
3. Establish the guidelines for the remuneration of the Directors.
4. Determine the amount of remuneration of the Directors and propose it to the Board of Director for consideration.

4 Management Committee consists of:

- (1) Managing Director and Deputy Managing Director are selected and appointed by the Board of Directors, having authority and duties duly assigned by the Board of Directors. Persons who qualified for these positions must have good qualifications, knowledge, experience and capability in overseeing and protecting the Company's interest while operating the business according to the Board of Directors' policies and the consideration of the shareholders and stakeholders..
- (2) Management : At present the Management Organization Chart consists of 7 operation groups according to the following line of command:
 - 2.1 Managing Director's operating consists of Deputy Managing Director, Policy and Risk Management Committee, Representative of Quality and Environmental Management, Safety, Occupational Health & Work Environment Committee, Internal Audit Office and Compliance Manager.
 - 2.2 Production consists of plastic parts manufacturing of Bangchan Production Factory, Bangpakong Production Factory, Spray Factory and Mold Factory.

- 2.3 Production Support consists of Engineering, Quality Assurance, New Product and TPS.
- 2.4 Business Development consists of the Marketing and Sales.
- 2.5 Management consists of Purchasing and IT.
- 2.6 Accounting & Financial consists of Accounting & Financial.
- 2.7 Personnel & Administration consists of Personnel & Administration and Central Maintenance.

Management Committee consists of 9 executives, including:

Name	Position	Education
1. Capt. Dr. Noparut Punyapas	Managing Director	Ph.D in Mechanical Engineering, Georgia Institute of Technology, Atlanta, Georgia, U.S.A.
2. Mr. Pongsak Thiengviboonvong	Deputy Managing Director	High Vocational Certificate in Industry
3. Mr. Boonlert Noorak	Bangchan Production Factory Manager	Senior High School
4. Mr. Wisit Saitaidoo	Bangpakong Production Factory Manager	High Vocational Certificate
5. Mr. Tanong Plangpramul	Production Support Manager	High Vocational Certificate
6. Mr. Anupong Rengputipong	Business Development Manager	MBA. in Business Administration, Ramkhamhaeng University
7. Mr. Kawin Choowichien	Management Manager	M.Sc. Polymer Science, Loughborough University
8. Ms. Wannapa Krajomthong	Accounting & Financial Manager	BBA Sukhothai Dhammathiraj University
9. Mr. Pakasit Unhasut	Personnel & Administration Manager	MBA. in Business Administration, Kerk University

Scope of Authority and Duties of the Management Committee

1. Determine an action plan to achieve the target and objective of the mission assigned by the Board of Directors.
2. Supervise and monitor the policy and various action plans assigned by the Board of Directors.
3. Consider and approve the urgent and important matters within the Management's scope of authority and duties and financial approval limit assigned by Board of Directors then submit such matters for Board of Directors approval afterwards.
4. Study and explore the opportunity for new business then submit it for the Board of Directors approval.
5. Perform specific task or duties assigned by the Board of Directors.

Selection of Directors and Executives

Selection of the Company's Directors is based on the Criteria and Selection Procedure of Directors mentioned in the Structure of the Board of Directors and the Management. Directors and executives act as representatives in overseeing and protecting the shareholders' interest while controlling and managing the Company with sincerity, honesty, carefulness, prudence and transparency to ensure the compliance with the law, memorandum & articles of association and policies of the Company, resolutions of the Board of Directors and Shareholders' Meeting by taking the maximum benefit of the Company, shareholders and all stakeholders into consideration. Executives is selected from outsiders or full time executives of the Company, possessing qualifications, knowledge, capability and experience from various occupations suitable to carry out the scope of authority and duties of the Management Committee mentioned above.

Remuneration of Directors, Directors of Committees, Executives and Other Monetary Rewards

According the articles of association of the Company, Directors are entitled to receive remuneration from the Company in form of reward, meeting fee, allowance, retirement compensation, bonus or other forms of benefit specified in the articles of association or in the specific amount or in accordance with the payment guidelines determined by Shareholders' Meeting for one time or permanent basis but subject to change.

Remuneration of the executives is based on the principles and policy determined by the Board of Directors depending on the performance of each executives.

Remuneration of Directors, Directors of Committees, executives and other monetary rewards were as follows:

- Meeting fee of the Board of Directors and Directors of the Committees Total Baht 1,152,000.- (based on the resolution of Shareholders' Meeting on April 22th, 2009 which approved the amount of not exceeding Baht 1,500,000)
- Other compensation to Directors and Directors of the Committees N/A
- Remuneration of the executives (Managing Director, Deputy Managing Director, Division Managers and Factory Managers) Total Baht 11.74 million
- Other monetary rewards of the executives

The Company paid the additional amount of 3% of the base salary to the Provident Fund of Deputy Managing Director and 3 Managers.

Remarks:

1. Dr. Panas Simasathien has held the Director position replacing Capt. Dr. Noparut Punyapas (resigned) since November 18th, 2009.
2. Dr. Panas Simasathien has held the Chairman position replacing Dr. Thitivat Suebsaeng since December 24th, 2009.

Compliance with the Principles of Good Corporate Governance of Listed Companies in the Year 2006 is classified into 5 Sections as follows:

Section 1 : Rights of Shareholders

Section 2 : Equitable Treatment of Shareholders

Section 3 : Roles of Stakeholders

Section 4 : Information Disclosure and Transparency

Section 5 : Responsibilities of the Board of Directors

Good Corporate Governance Policies

- In 2009 the Company complied with the Good Corporate Governance Principles of SET by taking into consideration the responsibility to staff, shareholders, customers, competitors, communities, society, environment and all group of stakeholders. Moreover, the Company has adhered to the management motto of "Integrity Quality Service". Regarding the compliance with the Principles of the Good Corporate Governance of the SET, the Company has complied with the principle of each section as follows:

Section 1: Rights of Shareholders

• Policies concerning the right of shareholders

The Company has a policy regarding the rights of shareholders by taking the right of shareholders into consideration and promoting them to exercise their rights covering the basic legal rights such as profit sharing of the Company, trading or transfer of shares, obtaining sufficient news and Company's information, attending the shareholders' meeting to exercise the right to appoint or remove the Directors, approve the Directors' remuneration, appoint the Independent Auditor and approve the audit fee and be informed of other matters affecting the Company.

• Giving the opportunity to shareholders to study the information prior to the Shareholders' Meeting

- In 2009 the Company held the 16th Annual General Shareholders' Meeting on April 22th, 2009 in the Meeting Room, Head Office Building of Saha - Union PCL. at No. 1828 Sukhumvit Road, Bangchak Sub-district, Phrakanong District, Bangkok.
- The Company sent the invitation letters for the Shareholders' Meeting, specifying date, time, place and Agenda of the Meeting together with the accurate and complete information and supporting documents for the Meeting.
- The Company sent the invitation letters together with the supporting documents for the Meeting to shareholders at least 7 days prior to the Meeting.
- The Company disseminated the invitation letter to shareholders together with the supporting documents in both Thai and English 30 days prior to the Meeting (disseminated on March 20th, 2009) via the Company's Website (<http://www.unionplastic.co.th>) and SET news.

• Convenience for Shareholders

- In 2009 the Company held the 16th Annual General Shareholders' Meeting on April 22th, 2009 in the Meeting Room, Head Office Building of Saha - Union PCL. at No. 1828 Sukhumvit Road, Bangchak Sub-district, Phrakanong District, Bangkok because Company's Head Office and Branch Offices located in the suburb area, which were inconvenient to travel whereby the selected place was more convenient for shareholders because it located adjacent to the main road and had easy access to sky train.
- The Company arranged sufficient number of personnel for checking the documents of shareholders attending the Meeting and prepared duty stamps for the proxies and ballots for important voting such as election of the Director.

• Appoint the proxy to attend the Meeting

- In the last Annual General Shareholders' Meeting, the Company allowed all shareholders an opportunity to appoint the proxies to attend the Meeting and vote on their behalf.
- The Company prescribed to use Proxy (Form B) where the shareholders can vote separately on each matter. In addition, in case of Director's election, shareholders can exercise the right to elect the Director on individual basis.
- Provided the information on the Independent Directors such as name, surname, age, address and conflict of interest, if any, to enable shareholders to use this information in case of appointing the Independent Directors as their proxies.
- Nominated 3 Independent Directors as the options for shareholders to appoint as their proxies.
- Advised Shareholders to bring certain documents, which were required in the Meeting as well as the steps of appointing the proxy.
- Disclosed the information on exercising the rights as well as criteria, procedure and steps of appointing the proxies 30 days prior to the Meeting (desseminated on March 20th, 2009) via Company's website and SET News.

- **Shareholders' Meeting**

- In the previous Annual General Shareholders' Meeting, the Company allowed shareholders to register at least an hour before the Meeting started. Upon opening the Meeting, the Chairman announced number of shareholders attending the Meeting by themselves and by proxies and introduced the Directors attending the Meeting. 9 Directors attended the Meeting while 2 Director absented due to other engagement. Attendance record of Directors was 81.81 percent of total number of Directors.
- The Company explained the criteria, method, steps of the voting and vote counting to shareholders before the opening of Meeting and shareholders had the right to exercise their votes according to the stipulated item in the Agenda of the Invitation Letter. Every shareholder could vote equally and no shareholder was restricted from his right to vote in each item of the Agenda, besides there was no change of important information in the Meeting.
- Chairman allowed the shareholders to query and express their opinions to full extent as well as answered the important questions in every point until they were satisfied and had no more questions. Then voting was carried out according to the Agenda of the Meeting without shuffling any items in the Agenda. Details are showed in Minutes of the 16th Annual General Shareholders' Meeting.
- Disseminated the Minutes of the Meeting on Company's website and SET News within 14 days from the Meeting Date (disseminated on May 6th, 2009).
- Election of the Directors in the Shareholders' Meeting was carried out according to the following criteria and procedure:
 - (1) One shareholder was entitled to exercise one vote per one share
 - (2) Election of Directors might be conducted on individual basis or several Directors together as a group in one time to replace total number of Directors required to be elected in that Meeting as the Shareholders' Meeting deemed appropriate provided that in each resolution, each shareholder had to cast all of the votes according to (1) to one nominee or group of nominees without separating the votes to any individual or group.
 - (3) Election of the Directors is based on the majority votes. In case of equal votes, Chairman had a deciding vote.

Section 2: Equitable Treatment of Shareholders

- **Policy regarding the equitable treatment of Shareholders**

The Board of Directors has prescribed that shareholders will get equal treatment and their basic rights according to Section 1 (Right of Shareholders) protected in order to build shareholders' confidence that the Board of Directors has supervised to ensure the appropriate spending of shareholders' money which is the important factor to build the confidence to invest in the Company.

- **No new item in the Agenda without advance notice**

In the previous Annual General Shareholders' Meeting, the Company did not add new item to the Agenda of the Invitation Letter delivered in advance in order to give shareholders sufficient time to study the information before making decision.

- **Giving an opportunity to Minority shareholders to add item in the Agenda**

- In the previous Annual General Shareholders' Meeting, the Company had a policy for minority shareholders' convenience by allowing them to propose additional item to the Agenda prior to the Shareholders' Meeting, thus, the Company had prepared the form, criteria and method for proposing additional item to the Agenda. The Company also specified the proposing period (December 29th, 2008 - January 31th, 2009) in order to allow the Board of Directors to consider whether the additional items be included to the Agenda of the Invitation Letter or not.
- The Company disseminated the form, criteria and method in proposing the additional items to the Agenda not less than 3 months prior to the Meeting Date on Company's website and SET News (disseminated on December 29th, 2008).

- **Giving an opportunity to minority shareholders to nominate the Director candidates**

- The Company gave an opportunity to minority shareholders to nominate the Director candidates in the appropriate item of the Agenda.

- **Equitable rights of all shareholders**

- In the previous Annual General Shareholders' Meeting, the Company stipulated that every shareholder could exercise their rights at one vote per share.
- The Company sent the Proxy (Form B) to shareholders, which enabled shareholders to vote for or against or absent from vote in each matter.
- For the election of Director, shareholders could exercise their right to elect the Director on individual basis.
- Shareholders obtained the information on the Independent Directors such as name, surname, age, address and conflict of interest if any, which enabled the shareholders to use this information in appointing the Independent Director as their proxies. The Company proposed 3 Independent Directors as options for their proxies.
- Shareholders were advised to bring the documents required for the Meeting and the steps of appointing the proxy.
- The Company prepared ballots for voting in the important items in the Agenda such as Director Election.

- **Conflict of interest**

- In case the Company executed transaction with the major shareholders, Directors, executives or related persons, if any, the Board of Directors would set the measures and policy to convert this transaction into normal transaction with general

trading conditions similar to the general transactions with ordinary persons by taking optimum benefit of the Company into consideration. The transaction should be approved by person who does not have any conflict of interest.

- In case the Company approved the transaction that had long-term binding effect with related party such as sale and purchase of goods and etc., if any, the Company would monitor to ensure the compliance with the conditions throughout the binding period and also monitor the investment in the related companies, affiliates and subsidiaries regularly.
- **Preventing measure for using insider information**
 - The Company had set up the measures and policy to prevent the use of insider information and to keep the Company's confidential information as prescribed in the Work Regulations of employees together with the written system to prevent the use of insider information. These measures have been informed and practiced by all employees.
 - The Company prescribed that Directors and the executives had the duties to report their legal shareholding to the Board of Directors on regular basis.

Section 3: Roles of the Stakeholders

Treatment policy to each group of stakeholders

The Company recognized the right of each group of stakeholders and had set up the policy to treat each group of stakeholders equally according to their rights pursuant to the related laws, which were summarized below:

- **Employee** : The Company committed to develop knowledge, promote good work environment and provide other welfare for the stability of employees as follows:
 - **Personnel development**
Held activities on training and seminars to educate and enhance working skill to employees.
 - **Arranging the safety, welfare and other benefits for employees on fair and appropriate basis as follows:**
 - o Set up the Safety, Occupational Health and Work Environment Committee and Employees' Welfare Committee
 - o Provided free transportation for the employees, medical care and other welfare
 - o Held activities on entertainment and sport such as sporting activities inside and outside the Company
 - o Set up the health club and held health activities such as Project for Guidelines Development of Food Consumption in order to control the Lipid level in blood of persons with the condition of high lipid level in blood.
- **Shareholders**: The Company made commitment and took responsibility firmly and continuously to generate the appropriate profit/return to shareholders.
- **Customers**: The Company paid attention and took responsibility to customers with written quality policy. The Company had been accredited by ISO 9001, ISO/TS 16949 standard quality guarantee certificates. The Company produced quality products with good standard and had never delivered rejected products to customers. The Company kept customer's information confidential and provided the personnel to accept the complaints from customers and resolve the problems as soon as possible.
- **Trading Partners**: The Company purchased goods and provided services to customers according to the normal trading conditions and fairly complied with the contracts.
- **Competitors**: The Company competed under fair and good competing rules, avoiding dishonest method without destruction of the competitor.
- **Creditors**: The Company complied with the loan conditions or other related conditions with the creditors and avoiding dishonest action.
- **Policy on community, social and environmental care**
 - The Company engaged in the policy on community, social and environmental care by supporting and participating in helping and development of the social contribution activities and environmental care with the emphasis on employees' participation.
 - **Environmental Care**
The Company has a policy on environmental care by managing and control the production process of the Company to generate lesser the impact on the environment by compliance with the environmental standards seriously and continuously, effectively use of the resources and recycling the resources, application of the energy saving measures and etc. in order to maximize production efficiency and reduce various kinds of pollutions, which create the global warming effect. The Company puts an emphasis on the participation of the employees in conservation, overseeing and protection of the environment as follows:
 - **Compliance with the environmental standards seriously and continuously**
The Company had been evaluated and achieved the certification under ISO 14001:2004 granted by Moody International (Thailand) Ltd. on September 5th, 2008 (to be expired on September 4th, 2011).
 - **Effectively use of resources and recycling the resources**
The Company has installed the Filter Press machine and tested the appropriate type of filter cloth, which suitable for the waste water from the spray painting activities as well as improvement of the sewage system and water pipeline system to enable water to be recycled.

- **Energy saving measures**

- Campaign for energy saving such as switch off the air conditioners, electric fans, every type of electrical appliances when not in use.
- Change the light lamps from fluorescent lamps to the energy saving lamps using lower watts, in case require low intensity of light.
- Investigate and repair the worn out Cap Blank.
- Set the temperature of Cooling Tower of the Factory to 28 degree Celsius.
- Check if there is any leakage in the air pump and install Reserve Tank for the air pump. Connect the air ducts in series in every production line.

• **Complaint channels and sources of complaint**

- The Company has provided the channels for reporting the complaints or source of complaints via employees' suggestion box and directly via the concerned units as well as via Independent Directors or Directors of the Audit Committee.
- The Company provided the process for consideration, investigation, follow-up and resolve of the complaints and reported the results of the follow-up and resolve of the complaints in the operation meeting regularly.

Section 4: Information Disclosure and Transparency

• **Information disclosure and transparency policies**

The Board of Directors disclosed the important information related to the Company both financial and non financial information transparently, accurately, completely and on timely basis in both Thai and English via various easily accessed channels such as Company's website, SET News, Annual Report and etc.

• **Disclosure of the remuneration of Directors and the Management**

The Company had the policy to pay the remuneration to the Directors and the executives, which reflected the duties and responsibility of each Director according to the rules and policies prescribed by the Board of Directors linking up with the operating results and performance of each Director and executive. Details of the remuneration are shown in the Annual Report page 18 under the topic of 'Remuneration of Directors, Directors of Committee, Executives and other Monetary Rewards'.

• **Disclosure of role and duties of the Board of Directors and Committees**

- The Company disclosed the role and duties of the Board of Directors, Audit Committee, Nominating and Remuneration Committee in the Annual Report page 15-18 under the topic of Management.
- The Company disclosed the number of Board of Directors Meeting and the attendance record of each Director of the Board, the Audit Committee, Nominating and Remuneration Committee in the Annual Report on page 15-18 under the topic of Management.

• **Disclosure of Committees' performance in the previous year**

The Company disclosed the performance of the Audit Committee in the Annual Report on page 28 in the Report of the Audit Committee.

• **Disclosure of Shareholding Structure**

The Company disclosed the list of top 10 shareholders in the Annual Report on page 13 under the topic of Shareholders and also on Company's website

• **Disclosure of Related Party Transactions**

In case of related party transactions if any, the Company disclosed the name of persons that had connected transactions, relationship, types of transaction, pricing policy, value of the transactions in the Annual Report on page 24 under the topic of Conflict of Interest.

• **Disclosure of the Securities Possession of Directors and the Executives**

- The Company has prescribed the policy that Directors and the executives (according to the definition of SEC and SET) have to report every transaction of their sales and purchase of Company's shares.
- The information was disclosed in the Annual Report on page 25 under the topic of Control on Use of Internal Information.

• **Disclosure of Financial Statements**

- The Board of Directors was responsible for the consolidated statements of the Company and its subsidiaries together with the financial information as shown in the Annual Report. The financial statements were prepared according to the generally acceptable accounting standards in Thailand by using the appropriate accounting policy for the business, which is the regular practice of the Company. The financial statements contained correct, complete and true information in accordance with the accounting standards and disclosed sufficient significant information in 'Notes to Consolidated Financial Statements'.
- Report of the Board of Directors' Responsibility for the Financial Statements signed by Chairman and Director.
- Details of the Report of Board of Directors' responsibility for the Financial Statements are shown in the Annual Report page 29

- **Investor Relations Unit**

- The Company has policies on transparent, correct, complete and fair disclosure of information and provides the channel for the shareholders and investors to access the important information of the Company such as Shareholders' Meeting, overall status of the Company, Board of Directors shareholders, significant financial information, financial statements, Company's news, Form 56-1, Annual Report and etc. on Company's website (<http://www.unionplastic.co.th>) under the topic of Investor Relations.

Section 5: Responsibilities of the Board of Directors

- **Policy on Board of Directors' responsibilities**

The Board of Directors consists of Directors that are outsiders or full-time permanent executives recruited from persons with good qualifications, knowledge, capability, and experience from various professions to act as representative overseeing and keeping shareholders' interest. The Board of Directors has duties to control and manage the Company to ensure the compliance with law, memorandum & articles of association, policies of the Company including resolutions of the Board of Directors Meeting and Shareholders' Meeting with integrity, honesty, independence from the Management and the consideration for the optimum benefit of the Company, shareholders and all groups of stakeholders.

1. Structure of the Board of Directors

The Company determined number of Director and components of the Board of Directors with approval from the Board of Director and Shareholders' Meeting.

- Board of Directors consists of 11 Directors, including:
 - 4 Independent Directors (minimum requirement of SEC is one-third of total Directors)
 - 1 executive and 10 non-executives
- The Company prescribed qualification of Independent Directors in accordance with the minimum requirement of SEC to ensure true independence of Independent Director, which is suitable for the business.
- The Company clearly defined the roles and duties of Chairman and Managing Director. Chairman and Managing Director were two separated persons. Chairman has no relationship with the Management in order to separate the role of setting up the policy and supervising from regular management. The Company defined scope of authority and duties of each level of executives with absolute separation of authority and responsibilities for approval, recording the accounting transactions and overseeing Company's assets in order to prevent anybody from having unlimited authority.
- Company Secretary has a duty to issue the Invitation Letter for the Meeting, record Minutes of the Meeting as well as coordinating on matters related to the Meeting.
- Regarding the term of the Director, the Company prescribes that one-thirds of the Directors will be retired annually according to Company's articles of association

2. Committee of the Company

- The Company has 2 Committees, namely 1. Audit Committee 2. Nominating and Remuneration Committee.
- The Audit Committee has 3 members duly appointed from Independent Directors who have qualifications pursuant to the announcement of SEC and SET in the Board of Directors Meeting. The Nominating and Remuneration Committee has 3 members duly appointed by the Board of Directors and majority members (2/3) of the Committee are Independent Directors.
- Chairman of the Board of Directors is not the Chairman or member of Audit Committee or Nominating and Remuneration Committee.
- The Audit Committee has a term of 2 years. The member of Audit Committee can be re-elected after retirement at the end of the term.
- Details of the Committee are shown on in the Annual Report on page 16-18 under the topic of Management.
- **Roles and duties of Committees**
 - The Company disclosed the roles, authority and duties of Audit Committee and Nominating and Remuneration Committee in the Annual Report on page 16-17 under the topic of Management.
 - The Company disclosed number of the Committee Meeting and attendance records of each Director of the Audit Committee and Nominating and Remuneration Committee in the Annual Report on page 16-17 under the topic of Management.
- **Performance of Committee in the previous year**
 - The Company disclosed the performance of the Audit Committee in the previous year in the Annual Report on page 28 under the topic of Report of the Audit Committee.

3. Role, duties and responsibilities of the Board of Directors

- The Board of Directors has duties according to the articles of association including control and managing the Company to ensure the compliance with the law, memorandum & articles of association and resolutions of Board of Directors and Shareholders' Meeting.

- The Board of Directors participated in determination of the policies, plans and strategies of the Company.
 - The Board of Directors participated in consideration and approval of the important matters related to the operation of the Company such as financial targets, policies, plans, strategies and budget including supervision and control to ensure that the Management operated according to the stipulated policies, plans and strategies efficiently and effectively.
 - The Board of Directors supervised to ensure that the Company complied with the Principles of Good Corporate Governance and also participated in determination of the standard of good behavior in the Work Regulations and punishment in case of violation. Employees are well informed and hold on to this practice including the emphasis on integrity, honesty, virtue and no exploitation of the persons related to Company's business and adhering to the motto of 'Integrity Quality Service'
- **Conflict of Interest**
- In case the Company executed the transaction with the major shareholders, Directors, the Management or their related persons, the Board of Directors would apply a measure and policy to convert the transaction to a normal transaction with general trading conditions given to ordinary persons by taking maximum benefit of the Company into consideration, besides the transaction was approved by person who did not have conflict of interest in that transaction
 - In case the Company approved the transaction that had long-term binding effect with related person such as sales and purchase of goods and etc. The Company followed up to ensure the compliance with the agreed trading conditions throughout the binding period together with the follow-up on the investments in the related companies, subsidiaries and affiliated companies on regular basis.
- **Set up the internal control system and internal audit system on the operation, financial reports, compliance with law, regulations and policies. Details are as follows:**
- **Internal Audit Office** is the unit that has liberty in operating its duties and is responsible for audit of the control system by submitting the audit report directly to the Audit Committee and review the internal control system of the Company regularly once a year apart from review the internal control system of each system of the Company.
 - **Risk Management** is conducted by analysis and assessment of the result of the indicators according to the Balance Score Card covering 6 sides of view and by the follow up system via regular Operation Meetings including follow up and advising on the point raised by the Board of Directors Meeting that has an impact on the Company.
- 4 Board Meeting**
- The Board of Directors prescribed the Board of Directors Meeting schedule one year in advance and notified each Director of such Meeting Schedule to allow each Director to arrange time to attend the Meetings.
 - The Board of Directors held Board Meeting regularly once a month to report and follow up the Company's operating results as well as to consider the quarterly financial statements and the annual information disclosure form (Form 56-1) prior to the submission to SET and SEC.
 - Company Secretary prepared and sent the Invitation Letter together with the Agenda and supporting documents for the Meeting to Directors 7 days prior to the Meeting in order to give Directors sufficient time to study the information before attend the Meeting.
 - Chairman and Managing Director jointly considered selecting the matters to be included in the Agenda of the Board of Directors Meeting.
 - Chairman allocated sufficient time for Directors to discuss the important issues thoroughly and discreetly. Directors paid attention to all issues raised in the Meeting including the issue of the corporate governance.
 - Chairman, Managing Director, Deputy Managing Director and all Directors attended every Meeting except the case of traveling abroad or engaging in other mission or sickness.
 - Managing Director invites top executives to attend the every Board of Directors Meeting in order to inform the additional details on finance and accounts.
 - The Company promoted the Board of Director to access the additional necessary IT from Managing Director or Company Secretary or other assigned executives within the stipulated scope of policy.
- 5. Self-assessment of the Board of Director and the Management**
- Self-assessment of the Board of Directors' performance was carried out at least once a year to allow the Board of Directors to jointly review its performance and problems for further improvement.
- 6. Directors' remuneration**
- The Company had a transparent process for determination of Directors' remuneration, which was considered by the Nominating and Remuneration of Directors and approved by the Shareholders' Meeting.
 - Remuneration of Directors was comparable with those in the same level and same industry in consideration of experience, duties, accountability and responsibilities including expected benefit from each Director. Directors with additional assigned duties and responsibilities such as Directors of Audit Committee would obtain additional Meeting fees.
 - Remuneration of Managing Director and top executives was complied with the guidelines and policy stipulated by the Board of Directors whereby the level of the compensation was based on the operating results of the Company and performance of each executives.
- 7. Knowledge development for Directors and Executives**
- The Company has encouraged and supported Company's Directors to participate in the training courses regarding the role and duties of Director such as DCP, DAP arranged by IOD.

Control on Use of Internal Information

Control on Use of Internal Information

The Company has the guidelines in supervising the disclosure of the Company's confidential information to public by prescribing that every employee has to comply with the regulations of keeping the Company's information confidential. Employee, who violates or does not comply with the regulations, will be punished according to the Company's disciplinary procedure. In addition every year, the Company prescribes that Directors and executives have to sign the certificate to certify that they will not conduct any action that will cause conflict of interest with the Company nor to use Company's confidential information whether for their own benefit or not or cause damage to the Company nor to disclose such information to public, sellers, service providers, competitors, outsiders except for the information communicated in the normal course of business or the information disseminated to public. The Company has notified Directors and executives to report their interest and possession of securities to the SEC according to the Clause 59 of Securities and Exchange Act B.E. 2335 and the announcement of the Capital Market Commission.

Internal Control

The Board of Directors has assigned the Audit Committee to be responsible for the review of the suitability and effectiveness of the Internal Control System established by the Management of the Company to ensure that the internal control system of the Company can reduce the risk in business operation, can protect the assets of company from losses or improperly used by unauthorized persons, enable the Company's personnel to comply with the law and concerned regulations, make the financial reports accurate and reliable as well as to protect shareholders' investment.

The Audit Committee reviewed the suitability and effectiveness of the Internal Control System and Internal Audit through jointly consideration with the Internal Auditor and reported to the Board of Directors for acknowledgement or consideration on quarterly basis. In the previous year, the Audit Committee expressed an opinion and recommendation to the Management in the important matters. In addition, from the meeting with the external auditor, Ernst & Yong Office Limited, the auditor of the Financial Statements for 2009, expressed the opinion that the overall Internal Control System of the Company was satisfactory and no mistake found to have material impact on the expression of Auditor's opinion in the Financial Statements.

In the Board Meeting No. 1/2010 on January 20th, 2010, which the Audit Committee participated in the Meeting, the Board of Directors reviewed the efficiency of the Internal Control System based on the consideration of 5 main components of the Internal Control System namely organization and environment, risk management, management operation control, information technology system & communication and follow up system. The Board of Directors opined that the Company had appropriately complied with 5 components of the Internal Control System.

Risk Factors

In the business of producing plastic goods, the Company encountered numbers of problems and obstacles including increasing numbers of competitors and aggressive competition from change of business environment particularly competitors from China which have very low production cost especially the labor cost. The Company realized the importance and necessity to adjust the strategy and modernize the management especially the application of Good Corporate Governance, Internal Control System and good risk management to increase professional management's efficiency, transparency, verification, fairness and maximum benefit to all concerned parties including public, investors and shareholders. Significant risks of Company are summarized as below:

- **Securities Risk**

The Company and its subsidiaries had insured their Fixed Assets such as buildings and machinery against fire and accident at the reasonable amount to protect the risk from fire and accident.

- **Risk from Raw Material necessary to the manufacturing**

The Company bought 99% of plastic pellets domestically. However, prices of plastic pellets in the world market had strong impact on cost of the raw material of plastic goods since plastic pellets are by-product of crude oil refining. If the crude oil price in the world market increased, the price of plastic pellets and the product cost would increase accordingly. The fluctuation of prices depended on the market condition and other factors such as demand and supply of plastic pellets, exchange rates and etc. Thus, if the plastic pellets price in the world market increased, the domestic price would also increase. The Company had measures to cope with the risk as follows:

1. Check and compare the price of plastic pellets from more than 1 supplier before placing the purchase order.
2. Follow the trend of the plastic pellet prices from both domestic and foreign suppliers.
3. If there is an increase of plastic pellet price, the Company will not be liable to the risk of the price fluctuation since the employer of the contract has agreed to take the risk by shouldering the burden from the price adjustment in accordance with the change of raw material price.

- **Credit Risk**

Details are shown in the Notes to Consolidated Financial Statements, No 27.1 under the topic of 'Financial risk management'.

- **Interest Rate Risk**

Details are shown in the Notes to Consolidated Financial Statements, No 27.1 under the topic of 'Financial risk management'.

- **Foreign Currency Risk**

Details are shown in the Notes to Consolidated Financial Statements, No 27.1 under the topic of 'Financial risk management'.

Explanation and Analysis of the Financial Status and Operating Results

Profitability: Union Plastic PCL. and its subsidiary had decreased profitability in 2009 compared to 2008. Return on Assets (ROA) decreased from 8.30% in 2008 to (0.05)% in 2009 while Return on Equity (ROE) decreased from 10.90% to 2.36% respectively. Earnings per Share (EPS) decreased from Baht 2.67 in 2008 to Baht 0.55 in 2009 and Profit from Operation reduced from 7.78% to 1.21% respectively. Meanwhile Total Assets Turnover declined from 1.38 times in 2008 to 0.90 time in 2009. Regarding the Gross Profit Margin, in 2009 the Company had Gross Profit Margin of 12.04% slightly lower than 12.10% in 2008 whereas the Net Profit Margin downed from 6.04% to 1.86% in the respective period due to the impact from the economic recession worldwide particularly in the automotive industry, which resulted in lower purchasing orders from customers, thus caused the Company's subsidiary to suffer from continuous losses and has ceased its operation since April 25th, 2009. The Company realized the loss from devaluation of assets of the subsidiary company in the Profit and Loss Statements and received lower dividends from long-term investment.

The reason why the Total Assets Turnover in 2009 reduced to 0.90 time was because of lower sales. Current Ratio increased from 1.81 times in the previous year to 1.85 times. Inventory Turnover lowered from 16.86 circles to 12.66 circles due to lower sales in 2009 whereas inventories at year-end dropped slightly. Average Receivable Collection Period lengthened from 55 days to 76 days because sales in the fourth quarter of 2009 adjusted higher. Internal credit term and most of the payables not yet due, had no problem on debt collection because the major debtors are the reputable auto manufacturers in Thailand and the Company had made a provision for doubtful accounts equaled to the expected amount of uncollected debts. Average Sales Turnover was 29 days.

Return on Equity (ROE) of the Company and its subsidiary plunged sharply from 10.90% in 2008 to 2.36% in 2009 because of realized loss of the subsidiary company.

Earnings per Share decreased from Baht 2.67 in 2008 to Baht 0.55 in 2009 due to significant decline of Net Profit by 80.51% because Company's major customers were in the automotive sector, which were severely affected by the economic recession as a consequence of financial crisis in the U.S.A. in the previous year that had aggressive impact on the global economy and also affected Company's business operation plan and financing including assets value of the Company and realized loss of the subsidiary company.

Risk Analysis : Regarding the analysis of the short-term risk or analysis of Company's liquidity regarding the short-term debts repayment, it was found that the Current Ratio and Quick Ratio for the last 2 years, the Company's liquidity in 2009 lowered slightly compared to 2008 with the Current Ratio of 2.16 times in 2009 and 2.18 times in 2008 and Quick Ratio of 1.85 times and 1.81 times in the respective period.

Long-term Debt Repayment Ability : Considered the overall financial status, the Company had potential to repay the long term debt without impact of any risk. Based on the positive Cash Flows from Operating Activities in 2009, it was supporting point that the Company should be able to repay the long-term debts.

In short since the Company's main source of fund derived from Cash Flows from Operating Activities in 2009, the Company expected that the debt repayment risk was very low because the company did not have any obligation and liabilities.

Based on the analysis of the financial statements of Union Plastic PCL, it was found that the Company had lower ability to generate profit margin in 2009 compared to 2008 due to the following causes:

- Decreasing revenues from plastic parts was due to the economic recession worldwide, affecting various industries especially the automotive industry which is the Company's major customers.
- Rising price of the plastic pellets, the main raw material, was due to the increasing oil price.

Revenues from producing injection molds decreased 145.39% from the previous year because the subsidiary company, engaging in providing the service of manufacturing and repairing molds, was affected by the economic recession, which resulted in lower purchasing orders starting from Q4/2009; consequently, it suffered from continuous losses and has wound down its operation since April 2nd, 2009.

Total Assets decreased because of the reduction of the Current Assets particularly Account Receivable as a result of lower sales. Most of the Accounts Receivable was not yet due and it was expected no uncollected debts. Thus, taking the current status of debtors in to consideration, the Company did not make any provision for bad debts.

As far as devaluation of Assets was concerned, the Company would record the loss from devaluation of Assets when there was an indicator that the expected value of Assets would be lower than the book value.

Regarding the financial structure, the Company used the Overdrafts Facility and Loans from domestic financial institutions to invest in business improvement. Most of the fund derived from profit from the operation. The Company had good liquidity. Most of Current Liabilities derived from purchasing the production factors, machinery and production tools & equipments.

Report of the Audit Committee

To Shareholders

The Audit Committee duly appointed by the Board of Director consists of 3 Independent Directors, including : Assoc. Prof. Dr. Pakpachong Vadhanasindhu as Chairman, Mr Buncherd Tanglerpaibul and Jutatip Arunanondchai, has operated the duties under the scope and responsibilities assigned by the Board of Directors and submitted the report on the review result of the Audit Committee to the Board of Directors on quarterly basis. Significant details are summarized below:

- **Review of the quarterly Financial Statements and the Financial as Statement for year 2009** : The Audit Committee participated in the meeting with the Independent Auditor and the Management to review the quarterly financial statements and financial statements for year 2009 and opined that the financial statements were prepared according to the generally accepted accounting standards.
- **Review of the Internal Control System** : The Audit Committee approved the audit plan for year 2010 while reviewed and assessed the sufficiency of internal control system. Besides, the Audit Committee also reviewed the audit results and reviewed the compliance with regulations, laws relating to the business including the follow-up on the correction and improvement suggested by the Audit Committee.
- **Audit Committee's Meeting for year 2009** : The Audit Committee held totally 5 meetings which each committee attended all the Meetings.
- **Self – assessment of the Audit Committee** : The Audit Committee conducted self-assessment of its performance according to the regulations of the Audit Committee and opined that most of Audit Committee's duties complied with the regulations.
- **Consideration, selection and appointment of the Independent Auditor together with the proposed audit fee** : The Audit Committee expressed its opinion to the Board of Director in requesting for the approval to appoint the Independent Auditor and to fix audit fee for year 2010 in the Annual General Shareholders' Meeting.

On behalf of the Audit Committee



(Assoc. Prof. Dr. Pakpachong Vadhanasindhu)
Chairman of Audit Committee
Union Plalstic Public Company Limited

Report of the Board of Directors' Responsibilities for the Financial Report

The Board of Directors is responsible for the Consolidated Financial Statements of the Company and its subsidiary and financial information disclosed in the Annual Report. The aforementioned financial statements were prepared according to the generally accepted accounting standards by applying the appropriate accounting policies on consistency basis with careful judgment and best estimation during the preparation. Moreover, significant information was sufficiently disclosed in the Notes to the Financial Statements.

The Board of Directors is responsible for setting up the good Internal Control System as well as supervises and controls to ensure the compliance with the system. The Board of Directors reported the assessment information of the Internal Control System to the Independent Auditor and the Audit Committee on quarterly basis, covering mistakes and important changes of the Internal Control System including the inappropriate actions which might affect the preparation of the report of the Company and the subsidiary in order to comply with the law and to be completeness and correctness.

The Board of Directors has appointed the Audit Committee consists of Independent Directors and Director who is not the executive responsible for the quality of financial report and Internal Control System. Opinion of the Audit Committee on these matters appeared in the Report of the Audit Committee is shown in the Annual Report.

Thus, the Board of Directors opined that the Internal Control System of the Company, in all was in the satisfactory level and could create reasonably confidence, reliability and certainty that the Company had disclosed the significant information of the financial statements of the Company and its subsidiary as at December 31th, 2009 correctly and completely.

On behalf of the Board of Directors



(Dr. Panas Simasathien)
Chairman



(Dr. Thitivat Suebsaeng)
Director

Report of Independent Auditor

To the Shareholders of Union Plastic Public Company Limited

I have audited the accompanying consolidated balance sheet of Union Plastic Public Company Limited and its subsidiary as at 31 December 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Union Plastic Public Company Limited for the same year. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of Union Plastic Public Company Limited and its subsidiary and the separate financial statements of Union Plastic Public Company Limited for the year ended 31 December 2008 were audited in accordance with generally accepted auditing standards by another auditor of our firm who, under his report dated 18 February 2009, expressed an unqualified opinion on those financial statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Plastic Public Company Limited and its subsidiary, and of Union Plastic Public Company Limited, as at 31 December 2009, the results of their operations, and cash flows for the year then ended, in accordance with generally accepted accounting principles.



(Termphong Opanaphan)

Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited

Bangkok: 11 February 2010

Balance sheets

Union Plastic Public Company Limited and its subsidiary

As at 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Assets					
Current assets					
Cash and cash equivalents	6	132,578,266	102,362,505	119,927,593	89,130,656
Trade accounts and notes receivable					
Related parties	7	11,018,646	10,026,673	11,018,646	10,026,673
Unrelated parties - net		118,114,116	150,159,984	117,734,116	135,738,123
Total trade accounts and notes receivable - net	8	129,132,762	160,186,657	128,752,762	145,764,796
Inventories - net	9	43,316,295	52,721,910	43,316,295	46,832,570
Other current assets		1,405,290	1,832,521	1,358,115	1,842,444
Total current assets		306,432,613	317,103,593	293,354,765	283,570,466
Non-current assets					
Investment in subsidiary - net	10	-	-	24,099,960	38,999,960
Investment in associate	11	8,152,545	8,149,483	2,499,990	2,499,990
Other long-term investment	12	19,997,200	19,997,200	19,997,200	19,997,200
Property, plant and equipment - net	13	350,369,151	419,611,333	325,109,771	365,045,167
Intangible asset - net	14	2,821,577	3,836,510	2,821,577	3,341,416
Other non-current assets					
Withholding income tax	15	44,652,276	33,935,300	44,650,643	33,930,127
Others		-	37,000	-	-
Total non-current assets		425,992,749	485,566,826	419,179,141	463,813,860
Total assets		732,425,362	802,670,419	712,533,906	747,384,326

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

Balance sheets (continued)

Union Plastic Public Company Limited and its subsidiary

As at 31 December 2009 and 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable					
Related parties	7	1,595,873	1,324,370	1,595,873	1,324,370
Unrelated parties		114,413,172	114,393,025	114,209,872	113,439,993
Total trade accounts payable		116,009,045	115,717,395	115,805,745	114,764,363
Amounts due to related parties	7	1,070,957	-	1,070,957	-
Current portion of liabilities under					
finance lease agreements	16	205,875	205,875	-	-
Other current liabilities					
Accrued expenses		19,932,861	21,098,279	19,792,946	20,451,810
Accounts payable for purchase of equipment		939,442	2,915,255	939,442	2,915,255
Advance received from customers		1,263,000	1,811,887	1,263,000	100,000
Others		2,381,185	3,684,042	2,375,019	2,768,911
Total current liabilities		141,802,365	145,432,733	141,247,109	141,000,339
Non-current liabilities					
Liabilities under finance lease agreements - net					
of current portion	16	343,125	549,000	-	-
Provision for employee compensation					
and pension expenses		43,604,808	45,027,264	43,604,808	45,027,264
Total non-current liabilities		43,947,933	45,576,264	43,604,808	45,027,264
Total liabilities		185,750,298	191,008,997	184,851,917	186,027,603

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

Balance sheets (continued)

Union Plastic Public Company Limited and its subsidiary

As at 31 December 2009 and 2008

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
Shareholders' equity					
Share capital					
Registered					
25,000,000 ordinary shares of Baht 10 each		250,000,000	250,000,000	250,000,000	250,000,000
Issued and fully paid					
25,000,000 ordinary shares of Baht 10 each		250,000,000	250,000,000	250,000,000	250,000,000
Share premium		167,200,000	167,200,000	167,200,000	167,200,000
Retained earnings					
Appropriated - statutory reserve	17	62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		53,870,871	102,682,058	47,981,989	81,656,723
Equity attributable to the Company's shareholders		533,570,871	582,382,058	527,681,989	561,356,723
Minority interest - equity attributable to minority shareholders of subsidiary		13,104,193	29,279,364	-	-
Total shareholders' equity		546,675,064	611,661,422	527,681,989	561,356,723
Total liabilities and shareholders' equity		732,425,362	802,670,419	712,533,906	747,384,326

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

Income statements

Union Plastic Public Company Limited and its subsidiary

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales and service income		690,929,832	1,046,617,531	676,445,958	984,117,865
Other income					
Scrap sales		5,470,225	12,464,170	5,464,431	12,374,621
Dividend receipt from investment in subsidiary	10	-	-	3,899,996	7,799,992
Dividend receipt from other long-term investment	12	26,596,276	35,787,470	26,596,276	35,787,470
Others		12,036,686	8,603,750	11,835,190	7,529,565
Total revenues		735,033,019	1,103,472,921	724,241,851	1,047,609,513
Expenses					
Cost of sales and services		607,734,610	916,936,720	594,392,942	877,026,936
Selling expenses		28,705,964	29,098,521	28,043,299	28,920,487
Administrative expenses		42,907,878	53,289,697	32,673,196	46,333,042
Management's remuneration	7	22,236,616	22,717,215	16,155,635	12,686,617
Loss on impairment of assets of subsidiary	1.2	24,561,149	-	-	-
Loss on impairment of investment in subsidiary	10	-	-	14,900,000	-
Total expenses		726,146,217	1,022,042,153	686,165,072	964,967,082
Income before share of income from investment in associate		8,886,802	81,430,768	38,076,779	82,642,431
Share of income from investment in associate	11	3,062	210,839	-	-
Income before finance cost and corporate income tax		8,889,864	81,641,607	38,076,779	82,642,431
Finance cost		(24,716)	(447,738)	(11)	(5,568)
Income before corporate income tax		8,865,148	81,193,869	38,076,768	82,636,863
Corporate income tax	20	(9,254,752)	(12,400,600)	(9,254,752)	(12,400,600)
Net income (loss) for the year		(389,604)	68,793,269	28,822,016	70,236,263
Net income (loss) attributable to:					
Equity holders of the parent		13,685,563	66,642,110	28,822,016	70,236,263
Minority interests of the subsidiary		(14,075,167)	2,151,159		
		(389,604)	68,793,269		
Basic earnings per share	21				
Net income attributable to equity holders of the parent		0.55	2.67	1.15	2.81

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

Statements of changes in shareholders' equity

Union Plastic Public Company Limited and its subsidiary

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to the parent's shareholders						
	Issued and paid up share capital	Share premium	Retained earnings		Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiary	Total
			Appropriated - statutory reserve	Unappropriated			
Balance as at 31 December 2007	250,000,000	167,200,000	62,500,000	98,536,698	578,236,698	31,328,213	609,564,911
Net income for the year	-	-	-	66,642,110	66,642,110	-	66,642,110
Dividend paid (Note 24)	-	-	-	(62,496,750)	(62,496,750)	(4,200,008)	(66,696,758)
Minority interest - equity attributable to minority shareholders of subsidiary	-	-	-	-	-	2,151,159	2,151,159
Balance as at 31 December 2008	250,000,000	167,200,000	62,500,000	102,682,058	582,382,058	29,279,364	611,661,422
Balance as at 31 December 2008	250,000,000	167,200,000	62,500,000	102,682,058	582,382,058	29,279,364	611,661,422
Net income for the year	-	-	-	13,685,563	13,685,563	-	13,685,563
Dividend paid (Note 24)	-	-	-	(62,496,750)	(62,496,750)	(2,100,004)	(64,596,754)
Minority interest - equity attributable to minority shareholders of subsidiary	-	-	-	-	-	(14,075,167)	(14,075,167)
Balance as at 31 December 2009	250,000,000	167,200,000	62,500,000	53,870,871	533,570,871	13,104,193	546,675,064

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

Statements of changes in shareholders' equity (continued)

Union Plastic Public Company Limited and its subsidiary

For the years ended 31 December 2009 and 2008

(Unit: Baht)

Separate financial statements

	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2007	250,000,000	167,200,000	62,500,000	73,917,210	553,617,210
Net income for the year	-	-	-	70,236,263	70,236,263
Dividend paid (Note 24)	-	-	-	(62,496,750)	(62,496,750)
Balance as at 31 December 2008	250,000,000	167,200,000	62,500,000	81,656,723	561,356,723
Balance as at 31 December 2008	250,000,000	167,200,000	62,500,000	81,656,723	561,356,723
Net income for the year	-	-	-	28,822,016	28,822,016
Dividend paid (Note 24)	-	-	-	(62,496,750)	(62,496,750)
Balance as at 31 December 2009	250,000,000	167,200,000	62,500,000	47,981,989	527,681,989

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

Cash flow statements

Union Plastic Public Company Limited and its subsidiary

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities:				
Income before tax	8,865,148	81,193,869	38,076,768	82,636,863
Adjustments to reconcile income before tax to net cash provided by (used in) operating activities:				
Share of income from investment in associate	(3,062)	(210,839)	-	-
Unrealised (gains) losses on exchange	9,205	(145,377)	9,205	(145,377)
Gain on sales of equipment	(636,988)	(450,972)	(615,245)	(3,806)
Loss on impairment of assets of subsidiary (Note 1.2)	24,561,149	-	-	-
Loss on impairment of investment in subsidiary (Note 10)	-	-	14,900,000	-
Allowance for doubtful accounts	1,270,511	850,000	-	-
Allowance for diminution in value of inventories (reverse)	3,993,522	(396,896)	3,993,522	(396,896)
Depreciation and amortisation	65,811,165	73,311,469	59,086,364	63,171,359
Dividend receipt from investment in subsidiary	-	-	(3,899,996)	(7,799,992)
Dividend receipt from other long-term investment	(26,596,276)	(35,787,470)	(26,596,276)	(35,787,470)
Provision for employee compensation and pension expenses	4,030,407	10,484,773	4,030,407	10,484,773
Interest income	(814,790)	(1,147,116)	(735,538)	(1,066,923)
Interest expenses	24,716	401,644	11	5,568
Income from operating activities before changes in operating assets and liabilities	80,514,707	128,103,085	88,249,222	111,098,099
Operating assets (increase) decrease				
Trade accounts and notes receivable	29,774,179	36,555,888	17,002,829	18,230,460
Inventories	3,962,574	(16,796,382)	(477,247)	(14,033,320)
Other current assets	511,804	3,239,730	568,902	2,995,409
Other non-current assets	36,999	(250,875)	-	(247,231)
Operating liabilities increase (decrease)				
Trade accounts payable	291,650	(33,511,879)	1,041,382	(26,942,578)
Accrued expenses	(1,165,418)	(4,294,414)	(658,864)	(1,624,112)
Other current liabilities	(6,611,703)	(4,650,166)	(3,784,976)	(3,596,712)
Cash from operating activities	107,314,792	108,394,987	101,941,248	85,880,015
Cash received from interest income	730,217	1,147,116	650,965	1,066,923
Cash paid for interest expenses	(24,716)	(452,675)	(11)	(5,568)
Cash paid for withholding income tax	(19,803,905)	(27,788,247)	(19,803,090)	(27,783,074)
Cash received from withholding income tax	4,356	1,751	-	-
Net cash from operating activities	88,220,744	81,302,932	82,789,112	59,158,296

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

Cash flow statements (continued)

Union Plastic Public Company Limited and its subsidiary

For the years ended 31 December 2009 and 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from investing activities :				
Acquisition of plant and equipment	(17,419,233)	(14,354,043)	(17,379,557)	(12,266,040)
Repayment of equipment payable	(2,915,255)	(7,840,360)	(2,915,255)	(7,840,360)
Increase in intangible assets	(589,489)	(2,503,356)	(589,490)	(2,503,356)
Increase in other long-term investment	-	(12,000,000)	-	(12,000,000)
Dividend receipt from investment in subsidiary	-	-	3,899,996	7,799,992
Dividend receipt from other long-term investment	26,596,276	35,787,470	26,596,276	35,787,470
Proceeds from sales of equipment	919,472	594,254	892,605	3,840
Net cash from (used in) investing activities	6,591,771	(316,035)	10,504,575	8,981,546
Cash flows from financing activities:				
Decrease in bank overdrafts	-	(2,364)	-	(2,364)
Repayment of long-term loan from financial institution	-	(17,327,000)	-	-
Dividend paid	(62,496,750)	(62,496,750)	(62,496,750)	(62,496,750)
Dividend of subsidiary paid to minority shareholders	(2,100,004)	(4,200,008)	-	-
Net cash used in financing activities	(64,596,754)	(84,026,122)	(62,496,750)	(62,499,114)
Net increase (decrease) in cash and cash equivalents	30,215,761	(3,039,225)	30,796,937	5,640,728
Cash and cash equivalents at beginning of year	102,362,505	105,401,730	89,130,656	83,489,928
Cash and cash equivalents at end of year	132,578,266	102,362,505	119,927,593	89,130,656
Supplemental cash flows information				
Non-cash transactions				
Increase in vehicle under financial lease agreement	-	1,647,000	-	-
Acquisition of equipment on credit	939,442	2,915,255	939,442	2,915,255

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

Notes to Consolidated financial statements

Union Plastic Public Company Limited and its subsidiary

For the years ended 31 December 2009 and 2008

1. General information

1.1 Corporate information

Union Plastic Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Saha-Union Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the contract manufacture of thermoplastics. The Company is also engaged in the contract manufacture and repair of molds, but revenue from related sales and services are not material. Its registered address is 11/1 Moo 14, Bangchan Industrial Estate, Serithai Road, Minburi, Bangkok.

1.2 Subsidiary information

Union Kotec Molds Company Limited ("the Subsidiary") is principally engaged in the contract manufacture and repair of molds, but with revenues not material to the consolidated financial statements. It was affected by the economic downturn in the prior year, with customer orders falling since the fourth quarter of 2008. Accordingly, the Subsidiary has suffered consecutive operating losses, and on 24 April 2009, a meeting of its Board of Directors passed resolutions to cease the Subsidiary's operations, effective from 25 April 2009, and pay compensation totaling Baht 4.8 million to 37 employees in accordance with labour law.

On 11 January 2010, the meeting of the Subsidiary's Board of Directors No.1/2010 passed a resolution to dissolve the company. The Subsidiary is currently in the process of dissolution with the Ministry of Commerce.

Financial information of the Subsidiary for the year ended 31 December 2009 as included in the consolidated financial statements, is as summarised below.

The classes of assets and liabilities

	(Unit: Baht)
	As at 31 December 2009
Assets	
Cash and cash equivalents	12,650,673
Trade accounts receivable - net	380,000
Plant and equipment - net	25,259,381
Other assets - net	48,807
Total assets	38,338,861
Liabilities	
Accounts payable	203,300
Liabilities under finance lease agreements	549,000
Other liabilities	146,081
Total liabilities	898,381
Net assets value	37,440,480

Operating results

	(Unit: Baht)	
	For the year ended 31 December	
	2009	2008
Revenues	15,246,324	64,249,566
Expenses	(30,875,156)	(57,661,238)
Operating income (loss)	(15,628,832)	6,588,328
Loss on impairment of assets	(24,561,149)	-
Income (loss) before finance cost	(40,189,981)	6,588,328
Finance cost	(24,705)	(442,169)
Net income (loss) for the year	(40,214,686)	6,146,159

Net cash flows

	(Unit: Baht)	
	For the year ended 31 December	
	2009	2008
Net cash from operating activities	5,431,632	22,144,636
Net cash used in investing activities	(3,912,804)	(9,297,581)
Net cash used in financing activities	(2,100,004)	(21,527,008)
Net cash outflow	(581,176)	(8,679,953)

Although the Subsidiary's operation have ceased, the Company has continued engaging in the contract manufacture and repair of molds.

The announcement of the cessation in the Subsidiary's business is an indication that the Subsidiary's assets may be impaired. The Company's management therefore has assessed fair value of the Subsidiary's assets and recorded allowance for impairment of the following assets in the current year.

	(Unit: Baht)
Allowance for impairment of inventories	1,449,518
Allowance for impairment of plant and equipment	22,860,330
Allowance for impairment of intangible assets	251,301
Total	24,561,149

1.3 Economic crisis

The financial crisis experienced by the United States of America over the past two years has had a far reaching adverse effect on the global economy. At present, the economic crisis has eased. However, it continues to affect the business and financial plans of Thailand enterprises and asset values, and there remains uncertainty as to when the global economy will return to normalcy. These financial statements have been prepared on the basis of facts currently known to the Company, and on estimates and assumptions currently considered appropriate. However, they could be adversely affected by an array of future events.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession 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 30 January 2009, 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 the Company (“the Company”) and the following subsidiary (“the Subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at		Revenues as a percentage to the consolidated total revenues for the year ended	
					31 December		31 December	
			2009	2008	2009	2008	2009	2008
			%	%	%	%	%	%
Union Kotec Molds Co., Ltd.	Contract manufacture and repair of molds	Thailand	65	65	5.23	11.05	2.07	5.82

- b) The Subsidiary are fully consolidated as from the date of acquisition, 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 subsidiary are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- e) Minority interests represent the portion of net income or loss and net assets of subsidiary that is not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

- 2.3 The separate financial statements, which present investments in subsidiary and associate presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards to match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to in these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2550)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The Company has assessed impairment of the Subsidiary's discontinued assets as discussed in note 1.2 to the financial statements and recorded allowance for impairment of such assets in the current year.

Moreover, the management has assessed the effect of these standards and believes that Accounting Treatment Guidance for Business Combination under Common Control and Accounting Treatment Guidance for Leasehold Right

are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007) and TFRS 5 (revised 2007) do not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allows early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 and TAS 40 are not relevant to the business of the Company, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when products are delivered and title passed to customers. Sales are the invoiced and delivery order value, excluding value added tax, of goods supplied after deducting discounts and allowances.

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.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

Allowance for diminution in value of inventories will be provided for obsolete, slow-moving or deteriorated inventories.

4.5 Investments

- Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- Investment in associate is accounted for in the consolidated financial statements using the equity method.
- Investments in subsidiary and associate are accounted for in the separate financial statements using the cost method.

4.6 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 (if any).

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

Buildings and building improvement	-	5, 20	years
Machinery and equipment	-	5, 10, 15	years
Tools and equipment	-	5	years
Furniture and fixtures	-	3, 5	years
Motor vehicles	-	5	years

Depreciation is included in determining income.

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

4.7 Intangible assets

On the date of acquisition, intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the useful economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is recognised in the income statement.

The intangible asset is computer software with finite useful lives of 3 and 5 years.

4.8 Related party transactions

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

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

4.9 Long-term leases

Leases of property, plant or 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 other long-term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the assets.

4.10 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At each reporting date, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less

costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.12 Employee benefits

Salary, wages, bonuses and contribution to the social security fund and provident fund are recognised as expenses when incurred.

4.13 Provisions

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

4.14 Income tax

Income tax is provided in the accounts based on the taxable profits determined in accordance with tax legislation.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments 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 judgment 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 judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance of diminution in value of inventory

In determining an allowance of diminution in value of inventory, the management makes judgment and estimates net realisable value of inventory based on the amount the inventories are expected to realise. 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 judgment and estimates expected loss from stock obsolescence based upon aging profile of inventories and the prevailing economic condition.

Impairment of investment in subsidiary

Impairment testing on investment in subsidiary required management to estimate the amount that will receive as a result of the dissolution of the subsidiary.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

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

Pension and post-retirement benefits

Employee compensation and pension expenses are provided in the accounts by reference to the provisions of labour laws and the Company's personnel regulations, and are determined based upon the probability that employees in each age group will work until reaching their retirement age.

6. Cash and cash equivalents

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash and deposits at financial institutions	51,662,839	102,362,505	39,012,166	89,130,656
Treasury bills	80,915,427	-	80,915,427	-
Total	132,578,266	102,362,505	119,927,593	89,130,656

7. Related party transactions

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

	(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements		Pricing policy
	2009	2008	2009	2008	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	1	1	Contract price
<u>Transactions with related companies</u>					
Sales of merchandise and services	48	74	48	74	Cost plus margin
Other income	6	5	6	5	Cost plus margin
Purchases of merchandise	5	14	5	14	Cost plus margin of related companies

The balances of the accounts as at 31 December 2009 and 2008 between the Company and those related parties are as follows:

(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<u>Trade accounts receivable - related parties</u>				
Related companies				
Union Zojirushi Co., Ltd.	4,209,155	4,409,465	4,209,155	4,409,465
Union Stainless Steel Products Co., Ltd.	1,305,005	618,675	1,305,005	618,675
Union Spinning Mill Co., Ltd.	2,084,525	991,688	2,084,525	991,688
Union Nifco Co., Ltd.	3,343,961	3,460,769	3,343,961	3,460,769
Others	76,000	546,076	76,000	546,076
Total trade accounts receivable - related parties	11,018,646	10,026,673	11,018,646	10,026,673
<u>Trade accounts payable - related parties</u>				
Related companies				
Venus Shoes Co., Ltd.	-	257,308	-	257,308
Union Zojirushi Co., Ltd.	52,376	13,166	52,376	13,166
Union Nifco Co., Ltd.	1,532,886	1,032,936	1,532,886	1,032,936
Others	10,611	20,960	10,611	20,960
Total trade accounts payable - related parties	1,595,873	1,324,370	1,595,873	1,324,370
<u>Amount due to - related parties</u>				
Related companies				
Venus Shoes Co., Ltd.	238,307	-	238,307	-
Union Technology (2008) Plc.	825,000	-	825,000	-
Others	7,650	-	7,650	-
Total amount due to - related parties	1,070,957	-	1,070,957	-

Directors and management's remuneration

In 2009 the Company and its subsidiary paid salaries, bonuses, meeting allowances and gratuities to their directors and management totaling Baht 22.2 million (Separate financial statements: Baht 16.2 million) (2008: Baht 22.7 million, Separate financial statements: Baht 12.7 million).

8. Trade accounts and notes receivable

The balances of trade accounts and notes receivable as at 31 December 2009 and 2008, aged on the basis of due dates, as summarised below.

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Related parties:					
Age of receivables					
Not yet due		11,018,646	10,026,673	11,018,646	10,026,673
Total		11,018,646	10,026,673	11,018,646	10,026,673
Unrelated parties:					
Age of receivables					
Not yet due		118,113,294	150,003,336	117,733,294	135,709,875
Past due					
Up to 3 months		-	156,648	-	28,248
3 - 6 months		1,271,333	-	822	-
Over 12 months		-	850,000	-	-
		119,384,267	151,009,984	117,734,116	135,738,123
Less: Allowance for doubtful accounts		(1,270,511)	(850,000)	-	-
Total		118,114,116	150,159,984	117,734,116	135,738,123
Total trade accounts and notes receivable - net		129,132,762	160,186,657	128,752,762	145,764,796

9. Inventories

		(Unit: Baht)							
		Consolidated financial statements							
		Allowance of diminution in value of inventory							
		Reduction cost to net							
		Cost		realisable value		Stock obsolescence		Inventory-net	
		2009	2008	2009	2008	2009	2008	2009	2008
Finished goods		9,674,370	19,991,024	(5,407)	(76,557)	(812,920)	(499,350)	8,856,043	19,415,117
Work in process		16,960,596	11,098,809	-	-	(649,148)	(31,663)	16,311,448	11,067,146
Raw materials		16,760,581	14,664,895	(804,156)	-	(2,256,774)	(1,583,508)	13,699,651	13,081,387
Spare parts and factory supplies		7,691,451	9,294,844	(645,363)	-	(2,596,935)	(136,584)	4,449,153	9,158,260
Total		51,086,998	55,049,572	(1,454,926)	(76,557)	(6,315,777)	(2,251,105)	43,316,295	52,721,910
		Separate financial statements							
		Allowance of diminution in value of inventory							
		Reduction cost to net							
		Cost		realisable value		Stock obsolescence		Inventory-net	
		2009	2008	2009	2008	2009	2008	2009	2008
Finished goods		9,674,370	15,864,440	(5,407)	(76,557)	(812,920)	(499,350)	8,856,043	15,288,533
Work in process		16,960,596	11,098,809	-	-	(649,148)	(31,663)	16,311,448	11,067,146
Raw materials		15,956,425	13,780,216	-	-	(2,256,774)	(1,583,508)	13,699,651	12,196,708
Spare parts and factory supplies		7,046,088	8,416,767	-	-	(2,596,935)	(136,584)	4,449,153	8,280,183
Total		49,637,479	49,160,232	(5,407)	(76,557)	(6,315,777)	(2,251,105)	43,316,295	46,832,570

10. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2009	2008	2009	2008	2009	2008
			(%)	(%)		
Union Kotec Molds Co., Ltd.	60,000,000	60,000,000	65	65	38,999,960	38,999,960
Less: Allowance for impairment of investment					(14,900,000)	-
Net book value					<u>24,099,960</u>	<u>38,999,960</u>

During 2009, the Company received dividend of Baht 3.9 million from the subsidiary (2008: Baht 7.8 million).

The balance sheet as at 31 December 2009 of Union Kotec Mold Company Limited (the subsidiary) showed total net assets attributable to the Company's investment of Baht 24.3 million, which is lower than the cost of the investment in the separate financial statements. During the current year, the Company has set aside allowance for impairment against this investment of Baht 14.9 million, so that its net book value reflects the actual amount that the Company expects to receive as a result of the dissolution of the subsidiary.

11. Investment in associate

11.1 details of associate:

Company's name	Nature of business	Country of incorporation	(Unit: Baht)					
			Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2009	2008	2009	2008	2009	2008
			(%)	(%)				
P.S.V. Molds Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,499,990	2,499,990	8,152,545	8,149,483
Total					<u>2,499,990</u>	<u>2,499,990</u>	<u>8,152,545</u>	<u>8,149,483</u>

Company's name	Nature of business	Country of incorporation	(Unit: Baht)			
			Separate financial statements			
			Shareholding percentage		Cost	
			2009	2008	2009	2008
			(%)	(%)		
P.S.V. Molds Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,499,990	2,499,990
Total					<u>2,499,990</u>	<u>2,499,990</u>

11.2 Share of income and dividend received

During the years, the Company has recognised its share of net income from investment in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income from investment in associate during the year		Dividend received during the year	
	2009	2008	2009	2008
P.S.V. Molds Co., Ltd.	3,062	210,839	-	-
Total	3,062	210,839	-	-

11.3 Summarised financial information of associate

Financial information of the associate is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Net income for the year ended 31 December	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
P.S.V. Molds Co., Ltd.	10	10	46	46	13	14	19	30	-	1

12. Other long-term investment

(Unit: Baht)

	Consolidated and separate financial statements					
	Shareholding percentage		Investment value		Dividend received during the year	
	2009	2008	2009	2008	2009	2008
Investment in ordinary shares	(%)	(%)				
Union Nifco Co., Ltd.	19.99	19.99	19,997,200	19,997,200	26,596,276	35,787,470
Total			19,997,200	19,997,200	26,596,276	35,787,470

13. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements								
	Land	Buildings and building improvement	Machinery and equipment	Tools and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
Cost:								
31 December 2008	80,212,331	214,451,527	647,888,089	199,235,394	31,590,823	9,895,653	7,695,866	1,190,969,683
Additions	-	19,235	812,628	1,060,655	188,385	-	16,277,772	18,358,675
Disposals	-	-	-	(1,065,675)	(119,255)	(5,992)	-	(1,190,922)
Transfer between classes of accounts	-	2,592,000	-	19,056,480	-	-	(21,648,480)	-
31 December 2009	80,212,331	217,062,762	648,700,717	218,286,854	31,659,953	9,889,661	2,325,158	1,208,137,436
Accumulated depreciation:								
31 December 2008	-	104,337,872	492,949,957	140,123,302	28,058,358	5,888,861	-	771,358,350
Depreciation for the year	-	10,065,159	30,825,010	20,866,262	1,674,723	1,026,890	-	64,458,044
Depreciation on disposals	-	-	-	(785,502)	(113,278)	(2,273)	-	(901,054)
31 December 2009	-	114,403,031	523,774,967	160,204,062	29,619,802	6,913,478	-	834,915,340
Allowance for impairment loss:								
31 December 2008	-	-	-	-	-	-	-	-
Increase during the year	-	7,463,480	14,674,897	296,770	84,919	340,264	-	22,860,330
Decrease from disposals	-	-	-	(3,793)	(3,592)	-	-	(7,385)
31 December 2009	-	7,463,480	14,674,897	292,977	81,327	340,264	-	22,852,945
Net book value:								
31 December 2008	80,212,331	110,113,655	154,938,132	59,112,092	3,532,465	4,006,792	7,695,866	419,611,333
31 December 2009	80,212,331	95,196,251	110,250,853	57,789,815	1,958,824	2,635,919	2,325,158	350,369,151
Depreciation for the year:								
2008 (Baht 65.8 million included in manufacturing cost, and the balance in administrative expenses)								71,638,768
2009 (Baht 57.0 million included in manufacturing cost, and the balance in administrative expenses)								64,458,044

(Unit: Baht)

Separate financial statements								
	Land	Buildings and building improvement	Machinery and equipment	Tools and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	Total
Cost:								
31 December 2008	80,212,331	197,639,335	583,556,271	196,751,215	28,762,585	6,780,494	7,695,866	1,101,398,097
Additions	-	19,235	812,628	1,020,978	188,385	-	16,277,772	18,318,998
Disposals	-	-	-	(1,049,425)	-	(5,992)	-	(1,055,417)
Transfer between classes of accounts	-	2,592,000	-	19,056,480	-	-	(21,648,480)	-
31 December 2009	80,212,331	200,250,570	584,368,899	215,779,248	28,950,970	6,774,502	2,325,158	1,118,661,678
Accumulated depreciation:								
31 December 2008	-	100,496,433	467,558,653	138,329,272	25,430,715	4,537,857	-	736,352,930
Depreciation for the year	-	9,594,796	25,531,652	20,627,507	1,598,125	624,955	-	57,977,035
Depreciation on disposals	-	-	-	(775,785)	-	(2,273)	-	(778,058)
31 December 2009	-	110,091,229	493,090,305	158,180,994	27,028,840	5,160,539	-	793,551,907
Net book value:								
31 December 2008	80,212,331	97,142,902	115,997,618	58,421,943	3,331,870	2,242,637	7,695,866	365,045,167
31 December 2009	80,212,331	90,159,341	91,278,594	57,598,254	1,922,130	1,613,963	2,325,158	325,109,771
Depreciation for the year:								
2008 (Baht 57.8 million included in manufacturing cost, and the balance in administrative expenses)								62,487,373
2009 (Baht 53.9 million included in manufacturing cost, and the balance in administrative expenses)								57,977,035

As at 31 December 2009, the subsidiary had motor vehicle under finance lease agreement with net book values amounting to Baht 1.0 million.

The subsidiary has mortgaged parts of its machinery with a total net book value as at 31 December 2009 of Baht 10.8 million (2008: Baht 21.2 million) as collateral for credit facilities granted by a commercial bank.

As at 31 December 2009, certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 528.0 million (2008: Baht 482.5 million).

14. Intangible asset

Details of intangible asset which is computer software are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cost	10,731,735	10,142,245	5,788,149	5,198,659
Accumulated amortisation	(7,658,857)	(6,305,735)	(2,966,572)	(1,875,243)
Allowance for impairment	(251,301)	-	-	-
Net book value	<u>2,821,577</u>	<u>3,836,510</u>	<u>2,821,577</u>	<u>3,341,416</u>
Amortisation expenses included in the income statements for the year	<u>1,353,122</u>	<u>1,672,701</u>	<u>1,109,329</u>	<u>683,986</u>

15. Withholding income tax

As at 31 December 2009, withholding income tax is comprised of withholding income tax paid from 2006 to 2009, which its 2006 to 2008 are in the process of being audited by the Revenue Department. The management of the Company believes that the Company will recover the full amount of such tax.

16. Liabilities under finance lease agreements

	(Unit: Baht)	
	Consolidated financial statements	
	2009	2008
Liabilities under finance lease agreements	614,880	845,460
Less: Deferred interest expenses	(65,880)	(90,585)
Total	<u>549,000</u>	<u>754,875</u>
Less: Current portion	(205,875)	(205,875)
Liabilities under finance lease agreements - net of current portion	<u>343,125</u>	<u>549,000</u>

The subsidiary has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 4 years.

As at 31 December 2009, Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Baht)		
	Less than 1 year	1-4 years	Total
Future minimum lease payments	230,580	384,300	614,880
Deferred interest expenses	(24,705)	(41,175)	(65,880)
Present value of future minimum lease payments	<u>205,875</u>	<u>343,125</u>	<u>549,000</u>

17. 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% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

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

As at 31 December 2009 and 2008, the Company has the statutory reserve of Baht 62.5 million which has reached 25% of its registered share capital.

18. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated financial		(Unit: Baht)	
	statements		Separate financial	
	2009	2008	2009	2008
Salary and wages and other employee benefits	147,645,831	204,183,227	138,468,548	183,208,650
Depreciation	64,458,043	71,638,768	57,977,035	62,487,373
Amortisation expenses	1,353,122	1,672,701	1,109,329	683,986
Raw materials and consumables used	392,966,496	622,257,247	391,004,128	605,016,593
Changes in inventories of finished goods and work in progress	4,454,868	(3,898,502)	328,284	(150,805)

19. Promotional privileges

The subsidiary has received promotional privileges from the Board of Investment for the manufacture of mold, pursuant to the promotion certificate No. 1435(2)/2547 issued on 21 January 2004. Subject to certain imposed condition, the privileges include an exemption from corporate income tax, in an amount up to 100% of investment, excluding in land and working capital, on income from the promoted operations for a period of 8 years from the date the promoted operations commenced generating revenues (24 April 2004), and any losses incurred during this period can be carried forward for 5 years after the expiry of the income tax exemption. In addition, dividends paid to the shareholders from the income of the promoted operations are exempted from income tax during the corporate income tax exemption period.

The subsidiary's operating revenues are below shown divided according to promoted and non-promoted operations.

	Promoted operations		Non-promoted operations		(Unit: Million Baht)	
	Total		Total			
	2009	2008	2009	2008	2009	2008
Revenues from sales and services	14	61	1	3	15	64

20. Corporate income tax

The subsidiary is not liable to corporate income tax on its income for the year ended 31 December 2008 since most of the income was derived from the promoted operations which are exempted from corporate income tax. In addition, the subsidiary has tax losses brought forward from previous years which exceed income from non-promoted operations for the year.

21. Basic earnings per share

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year.

22. Segment information

The Company is principally engaged in the contract manufacture of thermoplastics. It also engages in the contract manufacture and repair of molds, but revenues from this business are not material. Its operations are carried on only in Thailand. Therefore, revenue, operating income and total assets as presented in the financial statements concern only this segment.

The subsidiary is principally engaged only in the contract manufacture and repair of molds and its operations are carried on only in Thailand. However, the amount of revenue of the subsidiary in this segment is not material to the consolidated financial statements.

23. Provident fund

The Company, the subsidiary and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and those companies contributed to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2009, the Company and its subsidiary contributed Baht 1.7 million (the Company only: Baht 1.6 million) (2008: Baht 1.6 million, the Company only: Baht 1.6 million) to the fund.

24. Dividends

(Unit: Baht)			
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2007	Annual General Meeting of the shareholders on 23 April 2008	62,500,000	2.50
Dividends that some shareholders are not entitles to receive		(3,250)	
Net dividends paid		62,496,750	
Final dividends for 2008	Annual General Meeting of the shareholders on 22 April 2009	62,500,000	2.50
Dividends that some shareholders are not entitles to receive		(3,250)	
Net dividends paid		62,496,750	

25. Credit facilities

The Company's credit facilities (bank overdraft and short-term loan) are unsecured; however, the Company undertook not to dispose of or transfer or create any obligations to its assets as stipulated in loan agreements, unless prior written consent has been obtained from the banks.

The subsidiary's credit facilities (bank overdraft and long-term loan) are secured by the mortgage of parts of its machinery as mentioned in note 13 to the financial statement.

26. Commitments and contingent liabilities

26.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of land, office equipment and service agreements. The terms of the agreements are generally between 1 and 4 years.

As at 31 December 2009, future minimum lease payments required under these operating leases contracts were as follows.

	(Unit: Million Baht)
	Consolidated and Separate financial statement
Payable within:	
Less than 1 year	1.3
2 to 4 years	0.4

26.2 Guarantees

As at 31 December 2009, there were outstanding bank guarantees of approximately Baht 8.5 million issued by the bank on behalf of the Company in respect of electricity use. There was outstanding bank guarantee of approximately Baht 0.1 million in respect of electricity use, issued by the bank on behalf of the subsidiary.

27. Financial instruments

27.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts and notes receivable and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade accounts and notes receivable. The Company and its subsidiary 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 subsidiary do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the balance sheet.

Interest rate risk

The Company and its subsidiary are exposed to interest rate risk relating primarily to their cash at banks. However, since most of the financial assets and liabilities bear non-interest, floating interest rate or fixed which are close to the market rate, the interest rate risk of the Company and its subsidiary is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2009 classified by type of interest rates are summarised in the table below.

	Consolidated financial statements				
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)				(% p.a.)
<u>Financial Assets</u>					
Cash and cash equivalents	81	51	1	133	0.5 - 1.1
Trade accounts and notes receivable	-	-	139	139	-
Investment in associate	-	-	8	8	-
Other long-term investment	-	-	20	20	-
	81	51	168	300	
<u>Financial liabilities</u>					
Trade accounts payable	-	-	116	116	-
	-	-	116	116	

	Separate financial statements				
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
	(Million Baht)				(% p.a.)
<u>Financial Assets</u>					
Cash and cash equivalents	81	39	-	120	0.5 - 1.1
Trade accounts and notes receivable	-	-	138	138	-
Investment in subsidiary	-	-	24	24	-
Investment in associate	-	-	2	2	-
Other long-term investment	-	-	20	20	-
	81	39	184	304	
<u>Financial liabilities</u>					
Trade accounts payable	-	-	116	116	-
	-	-	116	116	

Foreign currency risk

The Company and its subsidiary believe that their exposure to foreign currency risk is low since there were few foreign currency transactions during the year and the amount of each individual transaction was quite low.

27.2 Fair values of financial instruments

Since the majority of the Company and its subsidiary's 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 balance sheets.

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 instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

28. Capital management

The primary objectives of the Company and its subsidiary's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2009, the Group's debt-to-equity ratio was 0.36:1 (2008: 0.31:1) and the Company's was 0.37:1 (2008: 0.33:1)

29. Approval of financial statements

These financial statements were authorised for issue by the Board of Directors on 11 February 2010.

Audit Fee

Audit Fee

No.	Name of Company	2009		2008	
		Name of Auditor	Audit Fee (Baht)	Name of Auditor	Audit Fee (Baht)
1	Union Plastic PCL.	Ernst & Yong Office Limited	740,000	Ernst & Yong Office Limited	740,000
2	Union Kotech Molds Co., Ltd. (Subsidiary)	Ernst & Yong Office Limited	235,000	Ernst & Yong Office Limited	230,000

Non-Audit Fee

No	Name of Company	2009				2008			
		Provider	Type of other Service	Other Service Fee (Baht)		Provider	Type of Other Service	Other Service Fee (Baht)	
				Amount Paid during the year	Amount Paid in the future			Amount Paid during the year	Amount Paid in the future
1	Union Plastic PCL.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Union Kotech Molds Co., Ltd. (Subsidiary)	N/A	N/A	N/A	N/Ao	N/A	N/A	N/A	N/A

Related Party Transactions

People with Common Interests and Related Party Transactions

Company Name	Saha - Union Public Company Limited
Address	1828 Sukumvit Road, Bangchak, Phrakonong, Bangkok
Type of Business	Plastic Industry Group, Electronics and Information Technology Group, Energy Group, Trading & Investment Group and Services
Registered Capital	Baht 3,000,000,000
Relationship	Major shareholder and common Directors
Shareholding (%)	Holds 49.52% shares in Union Plastic PCL. (12,380,130 shares) (as of December 31 th , 2009)

Board of Directors of Saha - Union PCL.

No	Name/Surname	
1	Mr. Damri	Darakananda
2	Dr. Panas	Simasathien
3	Mr. Sompop	Amatayakul
4	Mrs. Araya	Arunanondchai
5	Mr. Chakchai	Panichapat
6	Ms. Sriwarin	Jirapakkhana
7	Dr. Thitivat	Suebsaeng
8	Ms. Pakinee	Prettitumrong
9	Ms. Dalad	Sapthavichaikul
10	Mr. Chutindhon	Darakananda
11	Mr. Aksornprasit	Darakananda
12	Mr. Bovornrat	Darakananda
13	Mr. Vacharaphong	Darakananda
14	Mr. Nantiya	Darakananda
15	Mr. Yanyong	Tangchikul

Related Transactions with the Subsidiary and Associated Companies in normal trading practice as follows:

Company Name	Union Kotec Molds Co., Ltd
Address	99 Moo 5 Bangna - trad Road. Km. 38, Bangsamak, Bangpakong Chachoengsao
Type of Business	Mold Manufacturing
Registered Capital	Baht 60,000,000 : 6,000,000 ordinary shares, par value of Baht 10 per share
Relationship	Shareholder and common Directors
Shareholding (%)	65% (3,899,996 shares)
Major Shareholder	Union Plastic PCL.

Board of Directors of Union Kotec Molds Co., Ltd.

No	Name/Surname	
1	Dr. Thitivat	Suebsaeng
2	Capt. Dr. Noparut	Punyapas
3	Mr. Pongsak	Thiengviboonvong
4	Mr. Kwang	Jin Yoon
5	Mr. Jae	Ha Hong
6	Mr. Jang	Yong Sap

Authorized Directors

Signature of either Cap. Dr. Noparut Punyapas or Mr. Aksornprasit Darakananda together with signature of either Mr. Kwang Jin Yoon or Mr. Jang Yong Sap together with the company's seal will bind the Company.

Company Name	PSV Molds Co., Ltd.
Address	46/36 Moo 9 Bangpla, Bangplee, Samutprakarn
Type of Business	Manufacturing Service, Manufacture & Sales of Molds for equipments and tools manufacturing
Registered Capital	Baht 10,000,000 : 1,000,000 ordinary shares, par value of Baht 10 per share
Relationship	Shareholder
Shareholding (%)	25.00% (249,999 shares)
Major Shareholder	Mr. Varapong Jaisin

Board of Directors of PSV Molds Co., Ltd.

No	Name/Surname	
1	Ms. Varapong	Jaisin
2	Mr. Prasit	Teetakeaw
3	Mr. Chaiying	Sriprasert
4	Mr. Monrit	Komennok

Remark: Former name of this company is Union Prospack Co., Ltd. It registered the name change on December 20th, 2005 and the shareholding structure has been changed after the capital increase according to the resolution of the extraordinary shareholders' meeting No. 3/2005 on December 1st, 2005.

Company Name	Union Nifco Co., Ltd.
Address	99 Moo5 Bangna - Trad Road. (km.38), Bangsamak, Bangpakong, Chachoengsao
Type of Business	Plastic parts manufacturing
Registered Capital	Baht 100,000,000 : 1,000,000 ordinary shares, par value of Baht 100 per share
Relationship	Shareholder and common Directors
Shareholding (%)	19.9972% (199,972 shares)
Major Shareholder	Nifco Inc. Co., Ltd. (Japan)

Board of Directors of Union Nifco Co., Ltd.

No	Name/Surname	
1	Ms. Sriwarin	Jirapakkhana
2	Dr. Thitivat	Suebsaeng
3	Capt. Dr. Noparut	Punyapas
4	Mr. Suppakit	Puang-bua
5	Mr. Akira	Mitzusawa
6	Mr. Keniji	Zakurai
7	Mr. Vachaphong	Darakananda
8	Mr. Mamoru	Kurata
9	Mr. Yoshiaki	Notoya
10	Mr. Mazaru	Onodara

Nature of Related Party Transactions and Policy on Related Party Transactions:

1. The Company has important business transactions with related companies (related by having common shareholders and/or common Directors). Such business transactions are, in most case, sales and purchases of goods at the market price.
2. Measures and steps of approvals of the related party transactions are similar to the normal business practices with the other entities that are not related. No executives or shareholders that have conflict of interest involve in the approval.
3. Pricing policy for the purchases and sales of related party transactions is similar to the normal business practice with other entities that are not related, which are in accordance with the market price.

Related Party Transactions

Details are shown in the Notes to Consolidated Financial Statements No.7 under the topic of 'Related Party Transactions'.

General Information

General Information of Union Plastic PCL

- Type of Business Provide manufacturing services and manufacturing plastic parts and molds
- Head Office 11/1 Moo 14, Bangchan Industrial Estate, Serithai Road, Minburi, Bangkok 10510
Tel. 0-2517-0109-14 Fax. 0-2517-0529
Website <http://www.unionplastic.co.th>
- Branch No.1 99 Moo 5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180
Tel. (038) 842-415-18 Fax. (038) 842-418
- Registered Capital Fully paid-up 25,000,000 ordinary shares at par value of Baht 10 per share

Legal entities, which the Company holds 10% shares or more.

- **Subsidiary Company** **Union Kotec Molds Co., Ltd.**
- Type of Business Plastic injection mold manufacturing
- Head Office 99 Moo 5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180.
Tel. (038) 571-736 Fax. (038) 842-418
- Registered Capital 6,000,000 ordinary shares, par value of Baht 10 per share
- Shareholding 3,899,996 shares, 65% of total shares
- **Associated Company** **PSV Molds Co., Ltd.**
- Type of Business Manufacturing service, manufacture & sales of Molds for equipments and tools manufacturing
- Head Office 46/36 Moo 9 Bangpla, Bangplee, Samutprakarn.
Tel. 0-2315-5161-3
- Registered Capital Fully Paid - up 1,000,000 ordinary shares, par value of Baht 10 per share
- Shareholding 249,999 shares, 25% of total shares
- **Related Company** **Union Nifco Co., Ltd.**
- Type of Business Plastic parts manufacturing
- Head Office 99 Moo 5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180.
Tel. (038) 842-130-5 Fax. (038) 842-129
- Registered Capital Fully paid-up 1,00,000 ordinary shares, par value of Baht 100 per share
- Shareholding 199,972 shares, 19.9972% of total shares

Other References

- **Securities Registrar** **Thailand Securities Depository Co., Ltd.**
- Head Office 62 The Stock Exchange of Thailand Building Radchadapisek Road, Klongtoey, Bangkok 10110
Tel. 0-2359-1200-1 Fax. 0-2359-1259
- Securities Registrar Office 2/7 Moo 4 (North Park), Vibhavadee Rangsit Road, Toongsonhong, Laksi, Bangkok 10210
Tel. 0-2596-9000 Fax. 0-2832-4994-6
- **Auditor** **Ernst & Young Office Limited.**
- Mr. Narong Puntawong, or Mr. Supachai Phanyawattano or Ms. Siraporn Ouuanunkun or Mr. Termphong Opanaphan
Certified Public Account No. 3315, 3930, 3844 and 4501 consecutively
- Head Office 33rd Floor Lake Rajada Office Complex, 193/136 - 137 Rajadapisek Road, Klongtoey, Bangkok 10110
Tel. 0-2264-0777 Fax. 0-2264-0789, 0-2264-0790

Set Information References Guide

Index of the Principles of Good Corporate Governance for Listed Companies of the Year 2006

1	Rights of Sareholders.....	19 - 20
2	Equitable Treatment of Shareholders.....	20 - 21
3	Roles of Stakeholders.....	21 - 22
4	Information Disclosure and Transparency.....	22 - 23
5	Responsibilities of the Board of Directors.....	23 - 24

Index of Form 56-2

1	General Information.....	59
2	Major Financial and Information Summary.....	3
3	Company's Business Overview.....	11
4	Rick Factors.....	26
5	Shareholding Sturcture and The Management.....	13 - 18
5.1	Shareholders.....	13
5.2	Mangement.....	14
5.3	Remuneration of Directors, Directors of Committee, Executives and Other Monetary Rewards.....	18
5.4	Compliance with the Principles of Good Corporate Governance of Listed Companies in the year 2006.....	19 - 24
5.5	Control on Use of Internal Information.....	25
5.6	Internal Control.....	25
6	Related Party Transactions.....	57 - 58
7	Explanation and Analysis of the Financial Status and Operating Results.....	27
8	Financial Statements.....	31 - 38