



Prolong



Strength



Sustainable



Union Plastic Public Company Limited

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 confident 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.



Contents

Message from the Chairman	2
Major Financial and Information Summary.....	3
Board of Directors.....	4
Bio-data of The Boards of Directors.....	5
Company's Business Overview	10
Activities for Social Contribution.....	11
Shareholding Sturcture and The Management.....	12
• Shareholders.....	12
(a) List of the Top 10 Major Shareholders of Union Plastic PCL.....	12
(b) Directors' Shareholding.....	12
• Dividend Payment Policy of the Company.....	12
• Management.....	13
• Organization Chart.....	13
• Sturcture of the Board of Directors and the Management.....	13
• List of Directors' Name and Scope of Authorities & Duties of Each Committee.....	14
1. Board of Directors.....	14
2. Audit Committee.....	15
3. Nominating and Remuneration Committee.....	16
4. Management Committee.....	17
Selection of Directors and Excutives	17
Remuneration of Directors, Directors of Committee, Executives and Other Monetary Rewards	18
Good Corporate Governance	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	58
Related Party Transactions.....	59
General Information.....	61
Index of Form 56-2.....	62



Message from the Chairman



Panas Simasathien

(Dr. Panas Simasathien)
Chairman

In 2010 economic situation in Thailand continued to recover from end of 2009 in line with the world economy. Even though the political unrest during March to May 2010 had an impact on the confidence of the operators, consumers, and investors, such impact reduced when the turmoil ended and Thailand's economy in 2010 expanded as high as 7.8 percent compared to that of 2009. Major clients of the Company are in the auto industry, motorcycle industry and electrical industry, which expanded fairly well with higher sales growth. This resulted in Company's higher revenues by 32 percent compared to that 2009's revenues based on the unconsolidated statements.

However, the economic recovery also affected the operating cost as well particularly the rising oil prices, which resulted in higher cost of plastic pellets, the petrochemical product which are the main raw material, together with higher energy and transportation cost. Meanwhile the adjustment of minimum wages and labor shortage problem especially skill labors resulted in labor wage competition and higher labor cost. However, the Company had made an effort to control the cost of goods by improving the efficiency, reducing losses and developing skill labors by internal training to produce skill labors for replacement on continual basis. Besides, the Company has a plan to acquire the automatic machinery to replace the skill labor shortage. Thus the Company was able to maintain a fairly good profit margin.

Based on the consolidated statement for 2010, Company's Revenues from sales and services amounted to Baht 891 million, Baht 200 million higher than those of 2009 or an increase of around 29 percent. Total revenues amounted to Baht 926 million, Baht 191 million higher or 26 percent increase. Based on the consolidated financial statements, Net Profit under Majority Shareholders was Baht 50.5 million, increased from Baht 13.7 million in 2009.

On behalf of the Board of Directors, I expressed my sincere thank to shareholders, customers, business partners, executives, Company's employees and all concerned parties for their continued good support of the Company's operation. I would like to ensure that the Company will continue its profitable operation with transparent management coupled with business, social and environmental accountability in to respond to your trust and confidence in the Company.

Major Financial and Information Summary

Unit : Baht 1,000

	2010	2009	2008	2007	2006
Revenues					
Total Revenues	926,216	735,033	1,103,684	1,048,014	1,108,457
Sales revenues	890,957	690,930	1,046,618	998,401	1,065,701
Interest income	-	-	-	1,223	605
Other income	35,259	44,103	56,855	47,621	39,993
Share of profit from investment for using equity method	137	3	211	769	2,158
Profit (Loss) before income tax and extraordinary transaction	62,731	8,890	81,431	81,169	119,979
Interest expenses	53	25	448	1,952	8,183
Income tax	13,875	9,255	(12,401)	(17,093)	(22,060)
Profit before minority shareholders' interest	50,480	13,686	68,793	62,124	89,736
Minority shareholders' Net Profit (Loss)	(1,541)	(14,075)	2,151	(4,206)	(6,636)
Net Profit (Loss)	48,939	(390)	66,642	57,918	83,101
Earnings per share (Baht)	2.02	0.55	2.67	2.32	3.32
Dividend					
Issued and fully paid-up shares (shares)	25,000	25,000	25,000	25,000	25,000
Dividend per share (Baht/share)	2.00	1.15	2.50	2.50	2.50
Total Dividend Payment (Baht)	50,000	28,750	62,500	62,500	62,500
Dividend Payment Ratio (%)	99.05	210.07	88.99	99.54	75.21
Total Assets	738,947	732,425	802,670	854,851	898,470
Total Liabilities	174,181	185,750	191,009	245,286	282,229
Total Shareholders' equity	564,766	546,675	611,661	609,565	616,241
Major Financial Ratio Summary					
Liquidity Ratio (times)	2.64	2.16	2.18	1.82	1.79
Current Ratio (times)	0.62	0.62	0.56	0.75	1.11
Gross Profit (%)	12.37	12.04	12.10	15.21	16.20
Net Profit (%)	5.45	1.86	6.04	5.53	7.50
Return on Equity (%)	9.08	2.36	10.90	9.45	14.23
Return on Assets (%)	6.86	(0.05)	8.30	6.61	8.95
Debt to Equity Ratio (times)	0.31	0.34	0.31	0.40	0.48



Board of Directors



Dr. Panas Simasathien
Chairman



Ms. Sriwarin Jirapakkhana
Vice Chairman



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



Mr. Buncherd Tanglertpaibul
Audit Committee/
Independent Director



Ms. Jutatip Arunanondchai
Audit Committee/
Independent Director



Mr. Sompop Amatayakul
Independent Director



Dr. Thitivat Suebsaeng
Managing Director



Mr. Pongsak Thiengviboonvong
Deputy Managing Director



Mr. Vacharaphong Darakananda
Director



Mr. Nantiya Darakananda
Director

Bio-data of the Board of Directors

1. Mr. Panas Simasathien

Age 78 years

Nationality Thai

Position in the Company

- Chairman

Education

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

Training on Director's Role, Duties and Skill arranged by IOD

- 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 and Public Companies

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

Non-listed Companies

- Chairman : Computer Union Technology Co., Ltd. • Chairman : BIHC Trading Co., Ltd. • Vice Chairman & Chairman of the Executive Management : Siam Piwadhna Co., Ltd. • Director : CPB Equity Co., Ltd.

Other Positions:

- Chairman : The National Economic Social Development Board • Chairman of Section 12 of the Council of State : Office of the Council of State

Years of Directorship

- 1 year and 1 month

2. Miss Sriwarin Jirapakkhana

Age 63 years

Nationality Thai

Position in the Company

- Vice Chairman • Nominating and Remuneration Committee

Education

- M.B.A. (Management), SASIN Graduate Institute of Business Administration, Chulalongkorn University • B.A. 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.

Training on Director's Role, Duties and Skill arranged by IOD

- 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 and Public Companies

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

Non-listed Companies

- Chairman : Union Nifco Co., Ltd. • Chairman : Thai Rubber Enterprise Co., Ltd. • Chairman : Union Rubber Products Corp., Ltd. • Director : Companies in Saha - Union Group

Other position

- No

Years of Directorship

- 11 Years

3. Assoc. Prof. Dr. Pakpachong Vadhanasindhu

Age 60 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

Training on Director's Role, Duties and Skill arranged by IOD

- 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 and Public 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

- No

Years of Directorship

- 1 year 9 months

4. Mr. Buncherd Tanglerpaibul

Age 53 years

Nationality Thai

Position in the Company

- Audit Committee and Independent Director • Nominating and Remuneration Committee

Education

- B.A. in Law, Thammasat University

Training on Director's Role, Duties and Skill arranged by IOD

- Director Accreditation Program Class 79/2009

Experiences

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

Present Position

Listed and Public Companies

- Audit Committee and Independent Director : Union Plastic PCL.

Non-listed Companies

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

Other position

- No

Years of Directorship

- 1 year 9 months

5. Miss Jutatip Arunanondchai

Age 40 years

Nationality Thai

Position in the Company

- Audit Committee and Independent Director

Education

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

Training on Director's Role, Duties and Skill arranged by IOD

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

Experiences

- 1994 - 1999 : Manager : Daiwa Europe Co., Ltd. • 2002 - 2005 : Corporate Finance Manager : TA Orange Co., Ltd. • 2005 - Present : Managing Director : Rajburi Sugar Co., Ltd. and Group Companies • 2009 - Present : Independent Director and Nominating and Remuneration Committee : Thai Sugar Terminal PCL

Present Position

Listed and Public Companies

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

Non-listed Companies

- Executives Director : Rajburi Sugar Co., Ltd. and Group Companies • Managing Director : Rajburi Ethanol Co., Ltd.
- Executives Director : Tippamas Co., Ltd. • Director : Chiangmai Night Bazaar Co., Ltd. • Director : Net Gadget Co., Ltd. • Director : TSG Asset Co., Ltd. • Director : TS Oil Industry Co., Ltd. • Director : TS Transportation and Logistic Co., Ltd.

Other position

- No

Years of Directorship

- 1 Year 9 months

6. Mr. Sompop Amatayakul

Age 70 years

Nationality Thai

Position in the Company

- Chairman of the Nominating and Remuneration Committee and Independent Director

Education

- Honorary Doctorate in Business Administration, National Institute of Development Administration (NIDA) • Honorary Doctorate in Commerce, Thammasat University • B.B.A., University of the Thai Chamber of Commerce, Thailand • Commercial and Accounting Faculty (3rd year), Thammasat University

Training on Director's Role, Duties and Skill arranged by IOD

- General Management Course, University of California, Berkeley U.S.A. • International Management Course, Columbia University, U.S.A. • Director Accreditation Program (DAP) Class 75/2008

Experiences

- 1996 - 1997 : Deputy Minister of Industry • 1994 - 1996 : President : Saha-Union PCL. • Chairman : Bangkok Metropolitan Bank PCL. • Chairman : State Railway of Thailand • General Manager : IBM Thailand Co., Ltd.

Present Position

Listed and Public Companies

- Vice Chairman of the Audit & Assessment of the Domestic Entities • Chairman of the Audit Committee, Independent Director : Saha - Union PCL • Chairman of the Audit Committee, Independent Director : ESSO Thailand PCL. • Independent Director : Union Textiles Industries PCL. • Independent Director : Union Plastic PCL.

Non-listed Companies

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

Other position

- No

Years of Directorship

- 12 years 7 months

7. Dr. Thitivat Suebsaeng

Age 57 years

Nationality Thai

Position in the Company

- Managing Director

Education

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

Training on Director's Role, Duties and Skill arranged by IOD

- Director Accreditation Program (DAP) Class 21/2004

Experiences

- 1990 – 1991 : Head of the Chemistry Department, Faculty of Science Ramkhamhaeng University • 2002 - 2003 : Director : Union Education Management Co., Ltd. • 2003 - 2007 : Director and General Manager : Saha - Union Investment (China) Co., Ltd. • 2004 – 2009 : Director, 7 Electricity Generating Companies in China • 2008 – Dec 2009 : Chairman : Union Plastic PCL.

Present Position

Listed and Public Companies

- President : Saha-Union PCL. • Chairman : Union Plastic 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 Micron Clean Co., Ltd. • Chairman : Union Thai-Nichiban Co., Ltd. • Chairman : Union Universe Co., Ltd. • Director : Union Nifco Co., Ltd. • Director : Union Energy (China) Co., Ltd. • Director : Tencate - Union Protective Fabric Asia Co., Ltd.

Other position

- No

Years of Directorship

- 18 years

8. Mr. Pongsak Thiengviboonvong

Age 54 years

Nationality Thai

Position in the Company

- Deputy Managing Director

Education

- High Vocational Certificate for Industry

Training on Director's Role, Duties and Skill arranged by IOD

- 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 and Public Companies

- Deputy Managing Director : Union Plastic PCL.

Non-listed Companies

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

Other position

- No

Years of Directorship

- 3 years

9. Mr. Vacharaphong Darakananda

Age 45 years

Nationality Thai

Position in Company

- Director

Education

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

Training on Director's Role, Duties and Skill arranged by IOD

- 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. • Assistant Manager : Venus Thread Co., Ltd. • 2007 - 2008 : Director : Union Thai - Nichiban Co., Ltd.

Present Position

Listed and Public Companies

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

Non-listed Companies

- Managing Director : Union Technology Co., Ltd. • Managing Director : Union Thai - Nichiban Co., Ltd. • Director : Union zojiruchi Co., Ltd. • Director : Union Industries Co., Ltd. • Director : Union Thread Industries Co., Ltd. • Director, Union Computer Co., Ltd. • Director : Union Spinning Mill Co., Ltd. • Director : Venus Thread Co., Ltd. • Director : Union Computer Systems Co., Ltd. • Director : Thai Rubber Enterprises Co., Ltd. • Director : Union Rubber Corporation Co., Ltd. • Director : Union Nifco Co., Ltd. • Director : Companies in Saha - Union Group

Other position

- No

Years of Directorship

- 10 years

10. Mr. Nantiya Darakananda

Age 42 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.

Training on Director's Role, Duties and Skill arranged by IOD

- Director Accreditation Program (DAP) Class 2/2003

Experiences

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

Present Position

Listed and Public Companies

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

Non-listed Companies

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

Other position

- No

Years of Directorship

- 12 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 the industrial plastic parts through Thermoplastic Injection Molding. In addition, the Company also provides fully integrated production process such as finishing, spray painting, 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 Characteristic

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

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 manufacturing and sale of plastic parts and the plastic injection molds. Details are as follows:

Products / Services	Year 2010		Year 2009		Year 2008	
	Income (1,000 Baht)	%	Income (1,000 Baht)	%	Income (1,000 Baht)	%
1. Plastic Parts	886,069	99.45	657,641	95.00	964,931	92.00
2. Producing molds	4,888	0.55	33,289	5.00	81,687	8.00
Total Income	890,957	100	690,930	100	1,046,618	100



Activities for Social Contribution



Social Activity

On May 1st, 2010 Company's staff participated in the helping and development project by painting the school's building, presenting the scholarship and educational tools as well as providing free lunch to students of Wat Pradittaram School in Prachinburi Province.



Environmental Activity

On Tuesday June 1st, 2010 staff representatives participated in volunteer for environmental development project by participating in the San Saap Canal Dredging as well as collecting garbage and water hyacinth in San Saap Canal and community around Bang Chan Industrial Estate in Khet Minburi, Bangkok Metropolis.



Religious Activity

On July 23rd, 2010 on the occasion of Asarnha Bucha Day and Buddhist Lent Day, staff cooperately offering candles to Wat Bam Pen Nuer in Khet Min Buri, Bangkok Metropolis.



Educational Activity

On June 25th, 2010 representatives of the Company jointly donated computer to Wat Bam Pen Nuer School in Khet Min Buri, Bangkok Metropolis.



Activity with Customer

Activity with customer : Bangkok - Kanchana Buri Rally with Thai Honda Manufacturing Co., Ltd. on November 20th -21st, 2010.

Shareholding Structure and the Management

• Shareholders

(a) List of the Top 10 Major Shareholders of Union Plastic Public Company Limited

No	Name	Number of Shares Held		Percentage (%)	
		April 2 nd , 2009	April 1 st , 2010	April 2 nd , 2009	April 1 st , 2010
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.	2,089,060	2,093,160	8.36	8.37
4	Mr. Tinnakorn Thongthai	580,000	580,000	2.32	2.32
5	Mr. Krit Thongthai	535,520	494,120	2.14	1.98
6	Mr. Sumeth Darakananda	394,900	394,900	1.58	1.58
7	Mr. Boon Thongthai	205,500	270,000	0.82	1.08
8	Mrs. Karnjana Suwanavit	262,240	262,240	1.05	1.05
9	Wattana Soponpanich Co., Ltd.	253,660	253,660	1.01	1.01
10	Mrs. Karnjana Suwanavit	250,000	250,000	1.00	1.00

(b) Directors' Shareholding

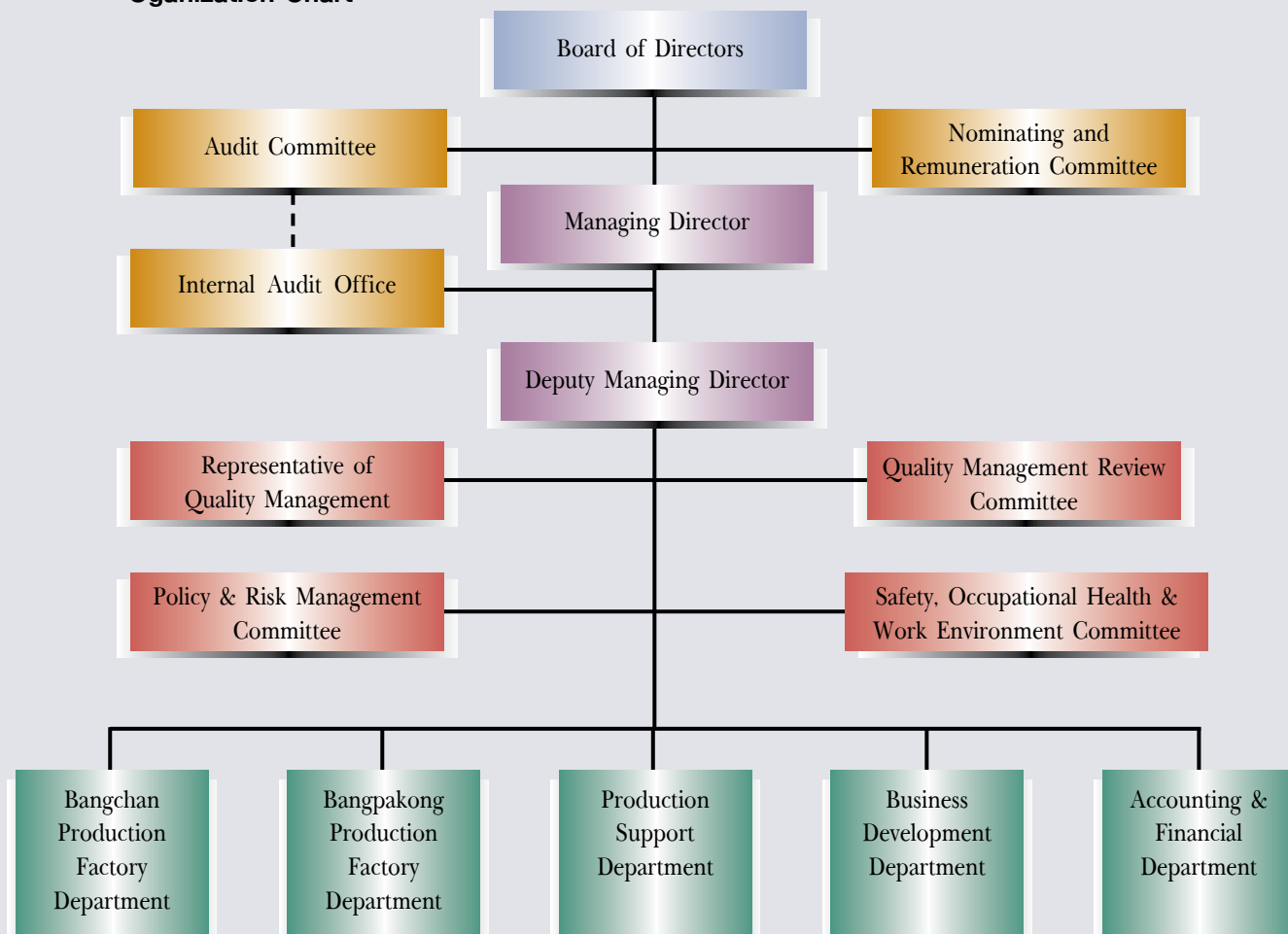
No	Director's Name	Number of Shares Held		Percentage (%)	
		2009	2010	2009	2010
1	Dr. Panas Simasathien	-	-	-	-
2	Ms. Sriwarin Jirapakkhana	-	-	-	-
3	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	-	-	-	-
4	Mr. Buncherd Tanglertpaibul	9,660	9,660	0.04	0.04
5	Ms. Jutatip Arunanondchai	-	-	-	-
6	Mr. Sompop Amatayakul	-	-	-	-
7	Dr. Thitivat Suebsaeng	-	-	-	-
8	Mr. Pongsak Thiengviboonvong	4,500	4,500	0.02	0.02
9	Mr. Vacharaphong Darakananda	-	-	-	-
10	Mr. Nantiya Darakananda	-	-	-	-

• Dividend Payment Policy of the Company

The Company's dividend payment policy : Dividend per year is based on the operating results and shall be paid at the rate of not less than one-third of the annual net profit net of the retained losses (if any) based on the separated financial statements of the Company.

- **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 qualifications, education background, capabilities and experience from various occupations. They represent the shareholders in supervising and protecting the shareholders' interests. The Board of Directors is empowered to control, supervise and manage the Company in compliance with the laws, Memorandum & Articles of Association and policies of the Company including the resolutions of the Board Meeting and Shareholders' Meeting with integrity, honesty, caution, prudence, transparency and independence from the Management by taking the maximum benefit of the Company, shareholders and all stakeholders into consideration.

Board of Directors must have at least five board members, at least half of which reside in the kingdom and not less than three quarters of the Board of Directors must be Thai citizens. Regarding the occupying of the Director's position, it is prescribed that one-third of Directors will be retired annually, in accordance with the Company's Articles of Association.

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 as Shareholders' Meeting opines appropriate. However, for each voting, shareholders can cast their votes according to total number of shares held according to (1) and these votes cannot be divided in order to vote for any 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 carried out within one month starting from the date the number of Directors is less than the quorum and the replacing Director shall hold office for the remaining term of the former Director.

• **Criteria and Selection Procedure of Directors**

Director nominees must possess the following qualifications and do not have any forbidden characteristics:

- (1) Possess the qualifications and no legal prohibited characteristics as prescribed by the Public Company Act, Securities and Exchange Act including the Good Corporate Governance of the Listed Companies.
- (2) Have knowledge, capability and independence with suitable age and good health in order to perform the duties of the Director with care and loyalty and full dedication of their time to the Company's duties. Moreover, they should have creative thinking, forthright manner and courage to express their opinion in the meetings and/or they shall be reputable businessmen with integrity and good working experience.
- (3) Possess 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 shall not have any legal prohibited characteristics mentioned above and to 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 Authority & Duties of Each Committee are as follows:**

1. Board of Directors : Board of Directors comprises 10 Directors. Attendance Record and Remuneration of Each Director are shown below:

No	Name of Directors	Position	No. of Meeting Attendances		Remuneration (Baht)	
			2009	2010	2009	2010
1	Dr. Panas Simasathien	Chairman	0/12	12/12	6,000	72,000
2	Ms. Sriwarin Jirapakkhana	Vice Chairman	12/12	11/12	72,000	72,000
3	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee / Independent Director	7/12	10/12	54,000	72,000
4	Mr. Buncherd Tanglerpaibul	Audit Committee / Independent Director	8/12	9/12	54,000	72,000
5	Ms. Jutatip Arunanondchai	Audit Committee / Independent Director	9/12	11/12	54,000	72,000
6	Mr. Sompop Amatayakul	Independent Director	6/12	10/12	42,000	72,000
7	Dr. Thitivat Suebsaeng	Managing Director	12/12	11/12	90,000	72,000
8	Mr. Pongsak Thiengviboonvong	Deputy Managing Director	11/12	12/12	72,000	72,000
9	Mr. Vacharaphong Darakananda	Director	12/12	12/12	72,000	72,000
10	Mr. Nantiya Darakananda	Director	7/12	8/12	72,000	72,000
Mr. Amarin Patranawik is the Company Secretary						

Scope of Authority 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 shall assign one or several Directors the power to act on its behalf.
3. Determine the retirement benefit for the staff or employees of the Company or any persons who work for the Company on permanent or temporary basis.
4. Determine the interim dividends for shareholders.
5. Ensure the compliance with the law, Memorandum & Articles of Association as well as the resolutions of the Shareholders' Meeting.
6. Function according to the scope of authority and duties of the Board of Directors, the Board of Directors may assign one or several Directors or other person to act on its behalf. The authorized persons shall be any two Directors signing together and affixed with the Company's seal, shall bind the Company.

Board of Directors comprises 4 Independent Directors namely:

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

Selection Criteria of the Independent Directors

The Company selectively extends the invitations to persons with recognized knowledge, capability, experience, vision, understanding of the Company's own and related business as well as having sufficient time to perform the duties to become the Company's Independent Directors. The Company expects that the above-mentioned Independent Directors can use their knowledge, capability and useful opinion appropriately for the Company's business operation. The Company prescribes the number of Independent Directors in accordance with the minimum requirement stipulated by the Securities & Exchange Commission (SEC), which shall be equal to one-third of total number of Directors. Moreover, the Independent Directors must possess qualification that meets the minimum requirement stipulated by the SEC to ensure the independence of the Directors and suitability for the Company's business.

Board Meeting

The Company will hold the Board Meeting at least once a month to follow up on the results of Company's operation in order to determine whether it achieves the objectives or target plan or not. In 2010 the Company held 12 Board Meetings and all Directors except those who had other engagement, attended every Board 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 the announcement of the Capital Market Supervisory Board, Stock & Exchange Commission (SEC) and Stock Exchange of Thailand (SET) and at least one of them must have sufficient knowledge and experience to review the reliability of the financial statements. All of them must be Independent Directors and shall not be the Chairman of the Board of Directors or Executive Directors. Moreover, the Audit Committee can appoint an advisor and one employee suitable to act as Secretary to the Audit Committee.

The Audit Committee has a term of 2 years. The retiring members 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 total members of the Audit Committee. The replacing member of the Audit Committee will be in the office for the remaining term of the vacant position. Moreover, to ensure that the Audit Committee achieve 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, Independent Auditor and other authorization as well as to ensure that the other operating units perform 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 namely:

No	Name	Position	No. of Meetings Attended	
			2009	2010
1	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee / Independent Director	3/5	4/4
2	Mr. Buncherd Tanglertpaibul	Audit Committee / Independent Director	3/5	4/4
3	Ms. Jutatip Arunanondchai	Audit Committee / Independent Director	3/5	3/4

Scope of Duties and Responsibilities of the Audit Committee

1. Review to ensure that the Company's financial statements are prepared accurately and sufficiently in accordance with the generally acceptable accounting standards.
2. Review to ensure that 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 complies with the Securities & Exchange law, regulations of the SET and laws relevant to Company's business.
4. Review, select and nominate the Independent Auditor together with the proposed remuneration as well as hold the meeting with the Independent Auditor without the Management participation at least once a year.
5. Review the connected transactions or potential conflicts of interest transactions in order to comply with law and regulations of SET and to ensure the appropriateness and 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 the Audit Committee and shall contain at least the following information:
 - (a) Correctness, completeness, reliability of Company's financial statements
 - (b) Opinion on adequacy of the Internal Control System of the Company
 - (c) Opinion on the compliance with Securities & Exchange law and regulations of SET or relevant laws 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 Director of the Audit Committee
 - (g) Opinion or general remark obtained by the Audit Committee during their operation under 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 results of the operation that the Audit Committee deems important.
9. Perform any other operations 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 and are not the Chairman of the Board of Directors.

Nominating and Remuneration Committee comprises 3 Directors namely:

No	Name	Position	No of Meetings Attended	
			2009	2010
1	Mr. Sompop Amatayakul	Chairman of the Nominating and Remuneration Committee	2/2	1/1
2	Ms. Sriwarin Jirapakkhana	Nominating and Remuneration Committee	2/2	1/1
3	Mr. Buncherd Tanglerpaibul	Nominating and Remuneration Committee	1/2	1/1

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. Set the Director selection guidelines in accordance with the criteria and process of Director selection.
3. Set the guidelines for Director remuneration.
4. Determine the amount of Directors' remuneration and propose it to the Board of Director for consideration.

4. Management Committee comprises

- (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 by taking the shareholders and stakeholders into consideration.
- (2) Management: At present the Management Organization Chart comprises 5 operation groups according to the following line of command:
 - 2.1 Managing Director's operating Group comprises Deputy Managing Director; Policy and Risk Management Committee; Representative of Quality Management; Quality Management Review Committee; Safety, Occupational Health & Work Environment Committee; Internal Audit Office; Personnel & Administration Division; Purchase Division and IT Unit.
 - 2.2 Production Group consists of Plastic Parts Manufacturing Factory, Spray painting & Assembly Factory and Mold Factory.
 - 2.3 Production Support Group consists of Engineering Division, Quality Control Division, Maintenance Division and Warehouse Division.
 - 2.4 Business Development Group consists of the Marketing and Sales Division.
 - 2.5 Accounting & Financial Group consists of Accounting Division and Financial Division.

Management Committee comprises 6 executives namely

Name	Position	Education
1. Dr. Thitivat Suebsaeng	Managing Director	Ph.D in Science (Chemical), Marquette University, U.S.A.
2. Mr. Pongsak Thiengviboonvong	Deputy Managing Director	
	Acting Production Support Manager	High Vocational Certificate in Industry
3. Mr. Boonlert Noorak	Bangchan Production Factory Manager	Senior High School
4. Mr. Wisit Saitaikoo	Bangpakong Production Factory Manager	High Vocational Certificate
5. Mr. Anupong Rengputipong	Business Development Manager	M.B.A. Ramkhamhaeng University
6. Ms. Wannapa Krajomthong	Accounting & Financial Manager	B.B.A. Sukhothai Dhammathiraj University

Scope of Authority and Duties of the Management Team

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 approval.
4. Study and explore the opportunity for new business then submit it for the Board 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 of shareholders 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 Team mentioned above.

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

According to 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 determined by the Shareholders' Meeting in a specific amount or in accordance with the established guidelines for each payment or on 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 executive.

Remuneration of Directors, Directors of Committees, Executives and Other Monetary Compensation were as follows:

- **Meeting fee of the Board of Directors and Directors of the Committees** Total Baht 1,106,000 (based on the resolution of Shareholders' Meeting on April 21st, 2010 which approved the amount of not exceeding Baht 1,500,000)
- **Other compensation to Directors and Directors of the Committees** No
- **Remuneration of the Management Team** (Managing Director, Deputy Managing Director, Department Managers and Factory Managers) Total Baht 9.1 million
- **Other Monetary Reward of the executives**

The Company paid the additional amount of 3% of the base salary to the provident fund of a Deputy Managing Director and 2 Managers.

Good Corporate Governance

- 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 2010 the Company complied with the Good Corporate Governance Principles of Stock Exchange of Thailand (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 "Virtue, Quality, Benefit". 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 other matters that had an impact on the Company.

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

• In 2010 the Company held the 17th Annual General Shareholders' Meeting on April 21st, 2010 in the Meeting Room, Head Office Building of Saha-Union Public Company Limited at No. 1828 Sukhumvit Road, Kwaeng Bangchak, Khet Phrakanong, Bangkok Metropolis.

• 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 together with the supporting documents in both Thai and English version 30 days prior to the Meeting (disseminated on March 22nd, 2010) via the Company's Website (<http://www.unionplastic.co.th>) and SET news.

• Facilitating shareholders with the convenience

• In 2010 the Company held the 17th Annual General Shareholders' Meeting on April 21st, 2010 in the Meeting Room, Head Office Building of Saha-Union Public Company Limited at No. 1828 Sukhumvit Road, Kwaeng Bangchak, Khet Phrakanong, Bangkok Metropolis 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 Directors.

• Appointing 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 (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.

- Publicized the information on exercising the rights as well as criteria, procedure and steps of appointing the proxies 30 days prior to the Meeting (publicized on March 22nd, 2010) 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. 8 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 whereby shareholders had the right to exercise their votes on the specific item in the Agenda on the Invitation Letter. Every shareholder could vote equally and no restriction on any shareholder's right to vote in each item on 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 without shuffling any items on the Agenda. Details are showed in Minutes of the 17th 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 4th, 2010).

- 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 altogether 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 his/her 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 has 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) will be 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 investment's confidence in the Company.

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

In the previous Annual General Shareholders' Meeting, the Company did not add any 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 expiration of the proposing period of the additional Agenda (December 29th, 2009-January 31st, 2010) 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 for proposing the additional Agenda not less than 3 months prior to the Meeting Date on Company's website and SET News (disseminated on December 29th, 2010).

- **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 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 (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 proxy selection.

- Shareholders were advised to bring the certain documents required for the Meeting and the steps of appointing the proxy.

- The Company prepared ballots for voting in the important 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 execute such transaction with general trading conditions similar to transactions with general persons by taking maximum 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 with long term obligation 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 obligated period as well as monitor the investment in the related, associated and subsidiary companies on regular basis.

- **Preventing measure for using insider information**

- The Company had set up the measures and policy to prevent the use of insider information in order to protect 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 : Role of the Stakeholders

- **Policy concerning treatment to each group of stakeholders**

The Company recognized the right of each group of stakeholders and had set up the policy that each group of stakeholders would be supervised by the Company pursuant to their relevant legal rights, which were summarized below:

- **Employee** : The Company committed to develop knowledge, promote good work environment and provide other welfare for security of employees as follows:

- **Personnel development**

Held activities on training and seminars to educate and enhance employees' working skill.

- **Arranging the safety, welfare and other benefits for employees on fair and appropriate basis as follows:**

- Set up the Safety, Occupational Health and Work Environment Committee and Employees' Welfare Committee
- Provided free transportation for the employees, medical care and other welfare
- Provide entertainment and sport activities such as sport activities inside and outside the Company

- **Shareholders** : The Company determined to be responsible to shareholders seriously and regularly by emphasizing on generating the appropriated profit or return to shareholders.

- **Customers** : The Company paid attention and took responsibility to customers pursuant to the written quality policy. The Company had been awarded the standard quality guarantee certificates such as ISO 9001 and ISO/TS 16949 certificate. The Company produced quality products with good standard and had never delivered rejected products to customers. The Company kept customer's information confidential and arranged personnel to accept the customers' complaints and resolved the problems as soon as possible.

- **Trading Partners** : The Company purchased goods and provided services to customers according to the normal trading conditions and complied with the contracts fairly.

- **Competitors** : The Company competed under fair and good competing rules, avoiding dishonest method and destroying competitor.

- **Creditors** : The Company complied with the loan conditions or other related conditions with the creditors and avoided any dishonest action.

- **Policy on community, social and environmental care**

- The Company had a policy on community, social and environmental care, which supported activities participating in helping and development of the community, social contribution and environmental care with the emphasis on employees' participation.

- **Environmental Care**

The Company had a policy on environmental care by managing and controlling the internal production process of the Company which created the least impact on the environment by complying with the environmental standard seriously and continuously. The Company utilized the resources efficiently and recycled the resources as well as used the energy conservation measure to maximize the production efficiency and reduce the pollutions that cause global warming problem. The Company put an emphasis on the employees' participation in conservation and supervision of environment as follows:

- **Compliance with the environmental standard seriously and continuously**

The Company was assessed and awarded the ISO14001:2004 certificate accredited by Moody International (Thailand) Ltd. on September 5th, 2008 (expired on September 4th, 2011).

- **Efficient utilization and recycling of resources**

The Company installed the Filter Press machine and tested the type of filter cloth appropriated for paint spray activities as well as improved the clean water and polluted water piping system to allow for the water recycling.

- **Energy conservation measures**

- Promoting electricity saving campaign such as turn on and off the electric fans and every electrical appliance when uses and stops using as well as choose electrical appliances that have the energy saving sticker.
- Changing the light bulb to energy saving lamp i.e. T5, T8 and etc.
- Repairing and testing Cap Blank, which was out-of-order to resume its effective function.
- Installation of the control system of the cooling tower fan using in the plant by setting the control temperature at 28 degree.
- Installation of the Inverter, which controls the function of the water pump of the cooling system to enable it to function at the suitable level in order to reduce power utilization.
- Changing the Water Chiller from Air Cool System to Water Cool System in order to reduce the power utilization.
- Checking the leaking of the air pressure system and installation of the Reserve Tank as well as adjusting the air pressure to the suitable function level.

- **Complaint channels and sources of complaint**

- The Company has opened the channels to lodge the complaints or source of complaints via employees' suggestion box and directly via the concerned operating units as well as via Independent Directors or Directors of the Audit Committee.
- There is a process for consideration, investigation, follow-up and improvement of the complaints and reported the results of the follow-up and improvement of the complaints in the operation meeting regularly.

Section 4 : Information Disclosure and Transparency

- **Policy on Information disclosure and transparency**

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 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 and the Management'.

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

- The Company disclosed the role, duties and authority of the Board of Directors, Audit Committee, Nominating and Remuneration Committee in the Annual Report page 14-16 under the topic of Management.
- The Company disclosed the number of Board Meeting, Audit Committee's Meeting, Nominating and Remuneration Committee's Meeting and the attendance record of each Director or member of the Committees in the Annual Report on page 14-16 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 12 under the topic of Shareholders and also on Company's website

- **Disclosure of Related Transactions**

In case of Related transactions, if any, the Company disclosed the name of persons that had related transactions, relationship, types of transaction, pricing policy, value of the transactions in the Annual Report on page 21 under the topic of Conflict of Interest.

- **Disclosure of the report of shareholding 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 as well as the financial information 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 the Statements'.

- Report of the Board of Directors' responsibility for the Financial Statements signed by Chairman and Managing 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

- **Responsibilities of the Board of Directors**

The Board of Directors consists of Directors who 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 protecting 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 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.

The Company clearly defined the roles, duties and authority of Chairman and Managing Director by separating the person holding Chairman's position from person holding Managing Director's position. Chairman has no relationship with the Management in order to separate the duties 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 duties and responsibility between approval & recording the accounting transactions and overseeing Company's assets in order to prevent anybody from having unlimited authority.

- **Role, duties and responsibility 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 goals, 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 related parties to Company's business and adhering to the motto of 'Integrity Quality Service'

- **Conflict of Interest**

- In case the Company executed the transactions with the major shareholders, Directors, executives or their related persons, the Board of Directors would apply a measure and policy to execute the transactions under the general trading conditions

as executes with ordinary persons by taking maximum benefit of the Company into consideration, besides the transaction was approved by person who did not have any conflict of interest in that transaction.

- In case the Company approved the transaction with long-term obligation with related persons 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 as well as followed up on the investments in the related companies, subsidiary and associated companies on regular basis.

- **Setting 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 an independent operating unit, which responsible for audit of the control system by reporting the audit result directly to the Audit Committee. It reviews the Internal Control System of the Company regularly once a year apart from audit 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 together with the follow up system via regular operation meetings including follow up and recommendation on the point that have an impact on the Company raised by the Board Meeting.

- **Board Meeting**

- The Board of Directors set up the Board 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 once a month regularly 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 the Board of 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 and selected the matters to be included in the Agenda of the Board 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 invited top executives to attend the every Board Meeting in order to inform the additional details on financial and accounting aspect.

- The Company promoted the Board of Director to access to the additional necessary information from Managing Director or Company Secretary or other assigned executives within the scope of stipulated policy.

- **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 their performance and problems for further improvement.

- **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 and also took experience, duties, accountability, responsibilities and expected benefit from each Director into consideration. Directors with additional assigned duties and responsibilities such as member of Audit Committee would obtain additional Meeting fees.

- Remuneration of Managing Director and top executives (CEO) 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.

- **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 and 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 confidential information of the Company. 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 the 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 intentionally or unintentionally including disclosing such information to customers, sellers, service providers, competitors or 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 interests and possession of securities to the SEC according to Clause 59 of Securities and Exchange Act B.E. 2535 and the announcement of the Capital Market Commission.

Internal Control

The Board of Directors has assigned the Audit Committee the duties and responsibility for the review of the suitability and effectiveness of the Internal Control System arranged by the Management of the Company in order to ensure that the internal control system of the Company is sufficient for reducing the risk in business operation, be able to 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 and to ensure the accuracy and reliability of 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 review 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 2010, expressed the opinion that the overall Internal Control System of the Company was satisfactory and found no mistake, which might have material impact on the expression of Auditor's opinion in the Financial Statements.

In the Board Meeting No. 1/2011 on January 19th, 2011, which the Audit Committee also attended the Meeting, the Board of Directors reviewed the effectiveness 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 all 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 changing business environment particularly competitors from China due to its 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.

The Company realized the importance of the risk management under the change that have an impact on the business on both internal and external factors. Since the risk management is the important component of every process of UP's business operation, which is linked together in every level, the Company set the risk management policy for every employee of the organization to follow and also established the Risk Management Committee to manage the overall risk for the maximum benefit. For the organizational level, the risk management will be systematically managed by the Board of Directors whereas the risk in the operational level will be supervised by the executive in charge of the operation of that unit. Therefore it is the responsibility of every unit to manage and control the risk to the acceptable level.

Important financial instruments of the Company and subsidiary as defined in the Accounting Standard No. 107 "List and disclosure of the information of the financial instruments", comprise cash and cash equivalent, trade receivable and investment. The Company and subsidiary companies have the following risks relating to these financial instruments and risk management policies:

- **Business Strategy Risk**

To sustain the growth rate of the business coupled with building the confidence in plastic business, the Company set a mission to become the plastic producing company with world class competitiveness including the objective to provide satisfactory services for customers on the continued improvement basis. To achieve such target the Company set the strategic plan for each unit by putting an emphasis on keeping the competitiveness and using the competitive advantage to add value to the business and becoming the important basis of the organization in search of sustainable excellence in the future.

- **Assets Risk**

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

- **Raw Materials Risk**

The Company locally purchased 100% of plastic pellets in Baht from domestic representatives. However, prices of plastic pellets in the world market had strong impact on raw material cost 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 production 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 following measures to cope with the risk:

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 in plastic pellet price, the Company will not be liable to the risk of the price fluctuation since the contractee (customer) has agreed to take the risk by shouldering the burden from the product price adjustment in accordance with the change of raw material price.

- **Foreign Currency Risk**

Details are shown in the Notes to Financial Statements, No 27.1 under the topic of 'Risk Management Policy'.

- **Interest Rate Risk**

Details are shown in the Notes to Financial Statements, No 27.1 under the topic of 'Risk Management Policy'.

- **Credit Risk**

Details are shown in the Notes to Financial Statements, No 27.1 under the topic of 'Risk Management Policy'.

Explanation and Analysis of the Financial Status and Operating Results

Profitability: Union Plastic Public Company Limited and its subsidiaries had higher profitability in 2010 compared to that of 2009. Return on Assets (ROA) increased from (0.05)% in 2009 to 6.86% in 2010 while Return on Equity (ROE) rose from 2.36% to 9.08% respectively. Earnings per Share (EPS) increased from Baht 0.55 in 2009 to Baht 2.02 in 2010 while Profit from Operation grew from 1.21% to 6.79% respectively. Meanwhile Total Assets Turnover rose from 0.90 time in 2009 to 1.21 times in 2010. Regarding the Gross Profit Margin, in 2010 the Company had Gross Profit Margin of 12.37% slightly higher than 12.04% in 2009 whereas the Net Profit Margin increased to 5.45% from 1.86% in the respective period.

The reason why the Total Assets Turnover in 2010 rose to 1.21 times was because of the efficiency of the Company's asset management, which meant sufficient utilization of assets to meet the customers' demand. Current Ratio increased from 1.85 times in the previous year to 2.22 times. Inventory Turnover increased from 12.66 times to 16.36 times due to sales expansion in 2010 whereas inventories at year-end increased compared to previous year-end. Average Receivable Collection Period shortened from 76 days to 54 days. Most of receivable not yet due did not have collection problem because the major debtors are reputable auto manufacturers in Thailand and the Company had already made a provision for doubtful accounts equaled the amount of expected uncollected debt. Average Sales Turnover was 22 days.

Return on Equity (ROE) of the Company and its subsidiaries grew up from 2.36% in the previous year to 9.09% because the operating result in 2010 was better than that of the previous years.

Earnings per Share increased from Baht 0.55 in 2009 to Baht 2.02 in 2010 because Company's net profit soared by 268.85% from the previous year because of higher purchasing orders from the customers plus the effective expenses control.

Risk Analysis: Regarding the analysis of the short-term risk or Company's liquidity regarding the short-term debts repayment, it was found that the Company had a good liquidity. Based on Current Ratio and Quick Ratio for the last 2 years, Company's liquidity in 2010 increased slightly compared to that of 2009 with the Current Ratio of 2.64 times in 2010 and 2.16 times in 2009 and Quick Ratio of 2.22 times and 1.85 times in the respective period.

Debt Repayment Ability: Considered the overall financial status, the Company had potential to repay debts without impact from any risks. Based on the Cash Flows from Operating Activities, in 2010 the Company had positive Cash Flow from Operating Activities, which was a supporting point that the Company was able to repay the 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 Public Company Limited it was found that the Company had ability to generate higher profit margin in 2010 compared to 2009 due to the following reasons:

- Increasing revenues of plastic parts in 2010 by 35% compared to those in 2009 due to the improving trend of economic situation from the end of 2009 onward, which resulted in higher purchasing orders of plastic parts particularly for cars and electrical appliances from the beginning of 2010.
- Upward price adjustment of plastic pellets, the main raw material, was due to the rising oil price.

For revenues from producing molds, the subsidiary company engaged in producing and repairing molds, suffered from the impact of economic recession, thus, lowered the purchasing orders from customers. Owing to the problem of continued losses, the subsidiary company has closed down its business since April 25th, 2009.

Total Assets increased slightly because of the growing of the Current Assets particularly Account Receivable as a result of sales expansion. Most of the Accounts Receivable was not yet due but expected no uncollected debts. The Company has made a provision for doubtful debts equal to the amount of expected uncollected debts based on the current status of debtors.

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 net book value.

Regarding the financial structure of the Company for investment and business improvement, most of the fund derived from profit from the operation during the year. The Company had good liquidity. Most of Current Liabilities derived from purchasing the production materials, machinery and equipment for goods production.

Report of the Audit Committee

To Shareholders of Union Plastic Public Company Limited

The Audit Committee of Union Plastic Public Company Limited comprises Dr. Pakpajong Watanasindh as Chairman of the Audit Committee, Mr. Banchoet Tangloetphaibun and Chuthathip Arunanondchai as members of the Audit Committee. The Audit Committee performed their duties under the scope and responsibilities assigned by the Board of Directors in accordance with the Charter and relevant regulations of Securities Exchange of Thailand. In 2010 the Audit Committee held 4 meetings and all members of the Audit Committee attended every meeting together with the executives, manager of the Internal Audit Office, Independent Auditor in the relevant agenda of meetings. The Audit Committee submitted the review report to the Board of Directors on quarterly basis. Summary of the significant operating results are as follows:

- **Review of the Financial Statements** The Audit Committee reviewed the quarterly financial statements and financial statements for year 2010 with the Independent Auditor and the relevant Executives to ensure that the financial statements of the Company and subsidiary were prepared correctly in accordance with the generally accepted accounting standards with sufficient, complete and reliable disclosure of the information including remarks and recommendation for the benefit of the Company.

- **Review of the Internal Control System** The Audit Committee considered the independence of the Internal Audit Office and made an opinion of the operating plan and number of staff as well as reviewed the internal audit results and followed up on the results of the correction and improvement of the significant issues in order to ensure the adequacy and suitability of the Company's internal control system as recommended by the Audit Committee. The Company assessed the adequacy of the Internal Control System in the Management level, whereby the Board of Directors acted as the assessor in the Board Meeting, which the Audit Committee attended in order to review the sufficiency and efficiency of the Company's Internal Control System.

- **Compliance with the regulations and relevant laws** The Audit Committee reviewed the legal compliance with the regulations under Securities and Exchange Act, regulations of SET or laws relevant to the Company's business in order to ensure that business operation was conducted according to the stipulated condition.

- **Review of the transactions with potential conflict of interest** The Audit Committee considered and reviewed connected transactions between the Company and subsidiary or associated companies including potential conflict of interest transactions whether they were carried out under normal business conditions and the essential of taking the maximum benefit of the Company into consideration.

- **Self – assessment of the Audit Committee** The Audit Committee conducted self-assessment of its performance according to the Charter of the Audit Committee and opined that most of Audit Committee's duties complied with the Charter of the Audit Committee.

- **Consideration of the appointment of the Independent Auditor together with the proposed audit fee for 2011.** The Audit Committee considered, selected and proposed to appoint the Independent Auditor and the audit fee to the Board of Directors for further approval. The Audit Committee proposed to appoint Ernst & Young Office Ltd., the international firm with network in various countries, as Union Plastic Public Company Limited's Independent Auditor for 2011 and fix the audit fee at Baht 830,000, Baht 30,000 higher than the previous year, for approval in the Annual General Shareholders' Meeting.

On behalf of the Audit Committee



(Assoc. Prof. Dr. Pakpachong Vadhanasindhu)

Chairman of the Audit Committee

Union Plastic Public Company Limited

February 23rd, 2011

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

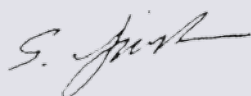
The Board of Directors is responsible for the Consolidated Financial Statements of the Company and its subsidiary and financial information disclosed in the Annual Report. The aforementioned Financial Statements were prepared according to the generally accepted accounting standards by applying the appropriate 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 for every year 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.

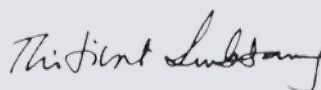
The Board of Directors has appointed the Audit committee consists of Independent Directors and Director who is not the executive responsible for the quality of Financial Report and Internal Control System. Opinion of the Audit Committee on these matters appeared in the Report of the Audit Committee is 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 31st, 2010 correctly and completely.

On behalf of the Board of Directors



(Miss Sriwarin Jirapakkhana)
Chairman
February 23rd, 2011



(Dr. Thitivat Suebsaeng)
Managing Director
February 23rd, 2011

Report of Independent Auditor

To the Shareholders of Union Plastic Public Company Limited

I have audited the accompanying consolidated balance sheets of Union Plastic Public Company Limited and its subsidiary as at 31 December 2010 and 2009, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Union Plastic Public Company Limited for the same years. 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 audits.

I conducted my audits 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 audits provide 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 2010 and 2009, the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited

Bangkok: 11 February 2011

Balance sheets

Union Plastic Public Company Limited and its subsidiary

As at 31 December 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	152,245,360	132,578,266	144,897,492	119,927,593
Trade accounts receivable					
Related parties	7	10,443,435	11,018,646	10,443,435	11,018,646
Unrelated parties - net		125,413,033	118,114,116	125,413,033	117,734,116
Total trade accounts receivable - net	8	135,856,468	129,132,762	135,856,468	128,752,762
Inventories - net	9	52,121,554	43,316,295	52,121,554	43,316,295
Other current assets		3,225,798	1,405,290	3,223,194	1,358,115
Total current assets		343,449,180	306,432,613	336,098,708	293,354,765
Non-current assets					
Restricted bank deposit		22,000	-	-	-
Restricted investment	10	9,000,000	-	9,000,000	-
Investment in subsidiary - net	11	-	-	17,600,000	24,099,960
Investment in associate	12	8,289,469	8,152,545	2,499,990	2,499,990
Other long-term investment	13	19,997,200	19,997,200	19,997,200	19,997,200
Property, plant and equipment - net	14	321,888,441	350,369,151	302,091,664	325,109,771
Intangible asset - net	15	3,471,557	2,821,577	3,471,557	2,821,577
Withholding income tax	16	32,829,418	44,652,276	32,829,418	44,650,643
Total non-current assets		395,498,085	425,992,749	387,489,829	419,179,141
Total assets		738,947,265	732,425,362	723,588,537	712,533,906

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 2010 and 2009

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable					
Related parties	7	1,291,634	1,595,873	1,291,634	1,595,873
Unrelated parties		102,826,552	114,413,172	102,826,552	114,209,872
Total trade accounts payable		104,118,186	116,009,045	104,118,186	115,805,745
Amounts due to related parties	7	241,397	1,070,957	241,397	1,070,957
Current portion of liabilities under					
finance lease agreement	17	-	205,875	-	-
Other current liabilities					
Accrued expenses		19,523,143	19,932,861	19,392,052	19,792,946
Accounts payable for purchase of equipment		1,832,790	939,442	1,832,790	939,442
Advance received from customers		2,376,000	1,263,000	2,376,000	1,263,000
Others		1,872,895	2,381,185	1,872,895	2,375,019
Total current liabilities		129,964,411	141,802,365	129,833,320	141,247,109
Non-current liabilities					
Liabilities under finance lease agreement - net					
of current portion	17	-	343,125	-	-
Provision for employee compensation and					
pension expenses		44,216,988	43,604,808	44,216,988	43,604,808
Total non-current liabilities		44,216,988	43,947,933	44,216,988	43,604,808
Total liabilities		174,181,399	185,750,298	174,050,308	184,851,917

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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
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	18	62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		75,602,510	53,870,871	69,838,229	47,981,989
Equity attributable to the Company's shareholders		555,302,510	533,570,871	549,538,229	527,681,989
Minority interest - equity attributable to minority shareholders of subsidiary		9,463,356	13,104,193	-	-
Total shareholders' equity		564,765,866	546,675,064	549,538,229	527,681,989
Total liabilities and shareholders' equity		738,947,265	732,425,362	723,588,537	712,533,906

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 2010 and 2009

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Sales and service income		890,956,696	690,929,832	890,956,696	676,445,958
Other income					
Scrap sales		10,335,096	5,470,225	10,335,096	5,464,431
Dividend receipt from investment in subsidiary	11	-	-	-	3,899,996
Dividend receipt from other long-term investment	13	15,097,886	26,596,276	15,097,886	26,596,276
Others		9,826,690	12,036,686	9,068,512	11,835,190
Total revenues		926,216,368	735,033,019	925,458,190	724,241,851
Expenses					
Cost of sales and services		780,706,492	611,621,867	780,706,492	598,280,199
Selling expenses		31,129,004	24,712,442	31,129,004	24,049,777
Administrative expenses		42,551,389	41,729,360	37,444,084	31,494,678
Management's remuneration	7	9,098,897	23,521,399	9,098,897	17,440,418
Loss on impairment of assets of subsidiary	1.2	-	24,561,149	-	-
Loss on impairment of investment in subsidiary	11	-	-	2,600,000	14,900,000
Total expenses		863,485,782	726,146,217	860,978,477	686,165,072
Income before share of income from investment in associate, finance cost and corporate income tax		62,730,586	8,886,802	64,479,713	38,076,779
Share of income from investment in associate	12	136,924	3,062	-	-
Income before finance cost and corporate income tax		62,867,510	8,889,864	64,479,713	38,076,779
Finance cost		(53,195)	(24,716)	-	(11)
Income before corporate income tax		62,814,315	8,865,148	64,479,713	38,076,768
Corporate income tax		(13,874,968)	(9,254,752)	(13,874,968)	(9,254,752)
Net income (loss) for the year		48,939,347	(389,604)	50,604,745	28,822,016
Net income (loss) attributable to:					
Equity holders of the parent		50,480,144	13,685,563	50,604,745	28,822,016
Minority interests of the subsidiary		(1,540,797)	(14,075,167)	-	-
		48,939,347	(389,604)		
Basic earnings per share	21				
Net income attributable to equity holders of the parent		2.02	0.55	2.02	1.15

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 2010 and 2009

	Consolidated financial statements						(Unit: Baht)
	Equity attributable to the parent's shareholders			Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders of subsidiary	Total	
	Issued and paid up share capital	Share premium	Retained earnings Appropriated - statutory reserve				
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 (loss) for the year	-	-	-	13,685,563	13,685,563	(14,075,167)	(389,604)
Dividend paid to the Company's shareholders (Note 24)	-	-	-	(62,496,750)	(62,496,750)	-	(62,496,750)
Dividend paid to minority interest of subsidiary	-	-	-	-	-	(2,100,004)	(2,100,004)
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
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
Net income (loss) for the year	-	-	-	50,480,144	50,480,144	(1,540,797)	48,939,347
Dividend paid to the Company's shareholders (Note 24)	-	-	-	(28,748,505)	(28,748,505)	-	(28,748,505)
Decrease in minority interest due to payment of reduced capital paid to minority shareholders of subsidiary	-	-	-	-	-	(2,100,040)	(2,100,040)
Balance as at 31 December 2010	250,000,000	167,200,000	62,500,000	75,602,510	555,302,510	9,463,356	564,765,866

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 2010 and 2009

	Separate financial statements				(Unit: Baht)
	Issued and paid up share capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
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
Balance as at 31 December 2009	250,000,000	167,200,000	62,500,000	47,981,989	527,681,989
Net income for the year	-	-	-	50,604,745	50,604,745
Dividend paid (Note 24)	-	-	-	(28,748,505)	(28,748,505)
Balance as at 31 December 2010	250,000,000	167,200,000	62,500,000	69,838,229	549,538,229

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities:				
Income before tax	62,814,315	8,865,148	64,479,713	38,076,768
Adjustments to reconcile income before tax to net cash provided by (used in) operating activities:				
Share of income from investment in associate	(136,924)	(3,062)	-	-
Unrealised losses on exchange	13,419	9,205	13,419	9,205
(Gain) loss on sales/write-off of equipment	558,465	(636,988)	1,290,016	(615,245)
Loss on impairment of assets of subsidiary	-	24,561,149	-	-
Loss on impairment of investment in subsidiary	-	-	2,600,000	14,900,000
Allowance for doubtful accounts	-	1,270,511	-	-
Allowance for diminution in value of inventories (reversal)	(3,711,494)	3,993,522	(3,711,494)	3,993,522
Depreciation and amortisation	61,867,381	65,811,165	57,198,045	59,086,364
Loss on impairment of assets	2,014,251	-	2,014,251	-
Write-off withholding tax	306,542	-	304,909	-
Dividend receipt from investment in subsidiary	-	-	-	(3,899,996)
Dividend receipt from other long-term investment	(15,097,886)	(26,596,276)	(15,097,886)	(26,596,276)
Provision for employee compensation and pension expenses	3,168,105	4,030,407	3,168,105	4,030,407
Interest income	(1,360,947)	(814,790)	(1,334,319)	(735,538)
Interest expenses	53,195	24,716	-	11
Income from operating activities before changes in operating assets and liabilities	110,488,422	80,514,707	110,924,759	88,249,222
Operating assets (increase) decrease				
Trade accounts receivable	(6,737,125)	29,774,179	(7,117,125)	17,002,829
Inventories	(5,093,765)	3,962,574	(5,093,765)	(477,247)
Other current assets	(1,721,546)	511,804	(1,766,117)	568,902
Other non-current assets	-	36,999	-	-
Operating liabilities increase (decrease)				
Trade accounts payable	(11,890,859)	291,650	(11,687,559)	1,041,382
Accrued expenses	(409,718)	(1,165,418)	(400,894)	(658,864)
Other current liabilities	(224,850)	(952,965)	(218,684)	1,667,887
Provision for employee compensation and pension expenses	(2,555,925)	(5,452,863)	(2,555,925)	(5,452,863)
Cash from operating activities	81,854,634	107,520,667	82,084,690	101,941,248
Cash received from interest income	1,261,985	730,217	1,235,357	650,965
Cash paid for interest expenses	(53,195)	(24,716)	-	(11)
Cash paid for withholding income tax	(26,532,230)	(19,803,905)	(26,532,230)	(19,803,090)
Cash received from withholding income tax	24,173,578	4,356	24,173,578	-
Net cash from operating activities	80,704,772	88,426,619	80,961,395	82,789,112

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 2010 and 2009

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Cash flows from investing activities:				
Acquisition of plant and equipment	(34,380,835)	(17,419,233)	(34,380,835)	(17,379,557)
Repayment of equipment payable	(939,442)	(2,915,255)	(939,442)	(2,915,255)
Increase in intangible assets	(1,920,560)	(589,489)	(1,920,560)	(589,490)
Increase in restricted investment	(9,000,000)	-	(9,000,000)	-
Dividend receipt from investment in subsidiary	-	-	-	3,899,996
Dividend receipt from other long-term investment	15,097,886	26,596,276	15,097,886	26,596,276
Received return of capital from subsidiary	-	-	3,899,960	-
Proceeds from sales of equipment	1,524,818	919,472	-	892,605
Increase in restricted bank deposit	(22,000)	-	-	-
Net cash from (used in) investing activities	(29,640,133)	6,591,771	(27,242,991)	10,504,575
Cash flows from financing activities:				
Repayment of liabilities under finance lease agreement	-	(549,000)	(205,875)	-
Dividend paid	(28,748,505)	(62,496,750)	(28,748,505)	(62,496,750)
Dividend of subsidiary paid to minority shareholders	-	(2,100,004)	-	-
Return of capital to minority shareholders of subsidiary	(2,100,040)	-	-	-
Net cash used in financing activities	(31,397,545)	(64,802,629)	(28,748,505)	(62,496,750)
Net increase in cash and cash equivalents	19,667,094	30,215,761	24,969,899	30,796,937
Cash and cash equivalents at beginning of year	132,578,266	102,362,505	119,927,593	89,130,656
Cash and cash equivalents at end of year	152,245,360	132,578,266	144,897,492	119,927,593
Supplemental cash flows information				
Non-cash transaction				
Purchase of equipment for which no cash has been paid	1,832,790	939,442	1,832,790	939,442

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 2010 and 2009

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. The registered office of the Company is at 11/1 Moo 14, Bangchan Industrial Estate, Serithai Road, Minburi, Bangkok.

1.2 Subsidiary information

On 24 April 2009, the meeting of the Board of Directors of Union Kotec Molds (the subsidiary) passed a resolution to cease its operations, effective from 25 April 2009. On 11 January 2010, the meeting of the subsidiary's Board of Directors No.1/2010 passed a resolution to dissolve itself. The subsidiary is currently in the process of dissolution.

Given the above fact, the subsidiary reviewed the going concern basis on which it prepared its financial statements, and concluded that the assumption is no longer appropriate. In order to comply with the Framework for the Preparation and Presentation of Financial Statements, the subsidiary thus decided to adopt a basis whereby assets would be recorded at their net realisable values and liabilities at amounts expected to be paid.

Financial information of the Subsidiary as at 31 December 2010 and 2009 as included in the consolidated financial statements, is as summarised below.

The classes of assets and liabilities

	(Unit: Baht)	
	2010	2009
Assets		
Cash and cash equivalents	7,347,868	12,650,673
Trade accounts receivable - net	-	380,000
Restricted bank deposit	22,000	-
Plant and equipment - net	19,796,777	25,259,381
Other assets - net	2,604	48,807
Total assets	27,169,249	38,338,861
Liabilities		
Accounts payable	-	203,300
Liabilities under finance lease agreement	-	549,000
Other liabilities	131,091	146,081
Total liabilities	131,091	898,381
Net assets value	27,038,158	37,440,480

Operating results

(Unit: Baht)

	For the years ended 31 December	
	2010	2009
Revenues	758,178	15,246,324
Expenses	(5,107,305)	(30,875,156)
Loss on impairment of assets	-	(24,561,149)
Loss before finance cost	(4,349,127)	(40,189,981)
Finance cost	(53,195)	(24,705)
Net loss for the year	(4,402,322)	(40,214,686)

Net cash flows

(Unit: Baht)

	For the years ended 31 December	
	2010	2009
Net cash from (used in) operating activities	(256,623)	5,431,632
Net cash from (used in) investing activities	1,524,818	(3,912,804)
Net cash used in financing activities	(6,549,000)	(2,100,004)
Net cash outflow	(5,280,805)	(581,176)

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 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2010	2009	2010	2009	2010	2009
			%	%	%	%	%	%
Union Kotec Molds Co., Ltd.	Contract manufacture and repair of molds	Thailand	65	65	3.68	5.23	0.08	2.07

- b) The Subsidiary is 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 is prepared using the basis as described in Note 1.2 to the financial statements.
 - 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 under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below.

- a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard which management expects the impact on the financial statements in the year when they are adopted.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced 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

- a) 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).
- b) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiary and associate are accounted for in the separate financial statements using the cost method net of allowance for loss on diminution in value.

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, 10, 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.7 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the 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 charged to 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 at the amount expected to be paid to the taxation authorities, based on 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		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cash	77,335	77,830	70,000	70,000
Bank deposits	52,310,507	51,585,009	44,969,974	38,942,166
Treasury bills	99,857,518	80,915,427	99,857,518	80,915,427
Total	152,245,360	132,578,266	144,897,492	119,927,593

As at 31 December 2010, bank deposits in saving accounts and treasury bills carried interests between 0.25 and 1.86% per annum (2009: between 0.50 and 1.10% per annum).

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
	2010	2009	2010	2009	
Transactions with subsidiary					
(eliminated from the consolidated financial statements)					
Rental income	-	-	-	1	Contract price
Transactions with related companies					
Sales of goods and services	52	48	52	48	Cost plus margin
Other income	8	6	8	6	Cost plus margin
Purchases of raw materials	8	5	8	5	Cost plus margin of related companies

The balances of the accounts as at 31 December 2010 and 2009 between the Company and those related parties are as follows:

(Unit: Baht)

	Consolidated and separate financial statements	
	2010	2009
Trade accounts receivable - related parties		
Related companies		
Union Zojirushi Co., Ltd.	6,153,354	4,209,155
Union Nifco Co., Ltd.	3,499,621	3,343,961
Union Stainless Steel Products Co., Ltd.	665,659	1,305,005
Union Spinning Mill Co., Ltd.	124,801	2,084,525
Others	-	76,000
Total trade accounts receivable - related parties	10,443,435	11,018,646
Trade accounts payable - related parties		
Related companies		
Union Nifco Co., Ltd.	1,137,461	1,532,886
Union Zojirushi Co., Ltd.	89,301	52,376
Others	64,872	10,611
Total trade accounts payable - related parties	1,291,634	1,595,873
Amounts due to - related parties		
Related companies		
Venus Shoes Co., Ltd.	234,797	238,307
Union Technology (2008) Plc.	-	825,000
Others	6,600	7,650
Total amounts due to - related parties	241,397	1,070,957

Directors and management's remuneration

In 2010 the Company had salaries, bonuses, meeting allowances and gratuities of its directors and management recognised as expenses totaling Baht 9.1 million (2009, the Company and its subsidiary: Baht 23.5 million, Separate financial statements: Baht 17.4 million).

8. Trade accounts receivable

The balances of Trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates, as summarised below.

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<u>Related parties:</u>				
Age of receivables				
Not yet due	10,443,435	11,018,646	10,443,435	11,018,646
Total	10,443,435	11,018,646	10,443,435	11,018,646
<u>Unrelated parties:</u>				
Age of receivables				
Not yet due	125,364,425	118,113,294	125,364,425	117,733,294
Past due				
Up to 3 months	48,608	-	48,608	-
3 - 6 months	-	1,271,333	-	822
Over 12 months	1,270,511	-	-	-
	126,683,544	119,384,267	125,413,033	117,734,116
Less: Allowance for doubtful accounts	(1,270,511)	(1,270,511)	-	-
Total	125,413,033	118,114,116	125,413,033	117,734,116
Total trade accounts receivable - net	135,856,468	129,132,762	135,856,468	128,752,762

9. Inventories

	(Unit: Baht)					
	Consolidated financial statements					
	Cost		Allowance of diminution in value of inventory		Inventories-net	
	2010	2009	2010	2009	2010	2009
Finished goods	11,329,481	9,674,370	(576,586)	(818,327)	10,752,895	8,856,043
Work in process	24,942,865	16,960,596	(518,034)	(649,148)	24,424,831	16,311,448
Raw materials	12,521,260	16,760,581	(1,424,110)	(3,060,930)	11,097,150	13,699,651
Spare parts and factory supplies	7,387,158	7,691,451	(1,540,480)	(3,242,298)	5,846,678	4,449,153
Total	56,180,764	51,086,998	(4,059,210)	(7,770,703)	52,121,554	43,316,295

(Unit: Baht)

	Separate financial statements					
	Cost		Allowance of diminution in value of inventory		Inventories-net	
	2010	2009	2010	2009	2010	2009
Finished goods	11,329,481	9,674,370	(576,586)	(818,327)	10,752,895	8,856,043
Work in process	24,942,865	16,960,596	(518,034)	(649,148)	24,424,831	16,311,448
Raw materials	11,717,104	15,956,425	(619,954)	(2,256,774)	11,097,150	13,699,651
Spare parts and factory supplies	6,741,795	7,046,088	(895,117)	(2,596,935)	5,846,678	4,449,153
Total	<u>54,731,245</u>	<u>49,637,479</u>	<u>(2,609,691)</u>	<u>(6,321,184)</u>	<u>52,121,554</u>	<u>43,316,295</u>

10. Restricted investment

This represents investment in Bank of Thailand bonds which is pledged as collateral to secure electricity use.

11. 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	
	2010	2009	2010	2009	2010	2009
			(%)	(%)		
Union Kotec Molds Co., Ltd.	54,000,000	60,000,000	65	65	35,100,000	38,999,960
Less: Allowance for impairment of investment					(17,500,000)	(14,900,000)
Net book value					<u>17,600,000</u>	<u>24,099,960</u>

During 2010, the Company has not received dividend from its subsidiary (2009: Baht 3.9 million).

The Extraordinary General Meeting of the subsidiary's shareholders held on 23 July 2010 approved the reduction of its registered and paid-up share capital from Baht 60 million (6 million ordinary shares of Baht 10 each) to Baht 54 million (6 million ordinary shares of Baht 9 each) by decreasing its registered and paid up capital of 6 million shares at Baht 1 per share in order to refund the capital to its shareholders. The Subsidiary registered the decrease in its capital with the Ministry of Commerce on 29 July 2010 and the Company had received Baht 3.9 million from such capital reduction.

During the current year, the Company's management set aside additional allowance for impairment loss on investment in the subsidiary of Baht 2.6 million, so that the net book value of such investment reflects the recoverable amount the Company expects to receive as a result of the subsidiary's dissolution.

12. Investment in associate

12.1 Details of associate:

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Carrying amounts based on equity method			
			2010 (%)	2009 (%)	Cost		2010	2009
P.S.V. Mould Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,499,990	2,499,990	8,289,469	8,152,545
Total					2,499,990	2,499,990	8,289,469	8,152,545

(Unit: Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2010 (%)	2009 (%)	2010	2009
P.S.V. Mould Co., Ltd.	Contract manufacture and sales of molds	Thailand	25	25	2,499,990	2,499,990
Total					2,499,990	2,499,990

12.2 Share of income and dividend received

During the years, the Company has recognised its share of 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	
	2010	2009	2010	2009
P.S.V. Mould Co., Ltd.	136,924	3,062	-	-
Total	136,924	3,062	-	-

12.3 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	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
P.S.V. Mould Co., Ltd.	10	10	49	46	16	13	31	19	1	-

13. Other long-term investment

(Unit: Baht)

Consolidated and separate financial statements						
	Shareholding percentage		Investment value		Dividend received during the year	
	2010	2009	2010	2009	2010	2009
Investment in ordinary shares	(%)	(%)				
Union Nifco Co., Ltd.	19.99	19.99	19,997,200	19,997,200	15,097,886	26,596,276
Total			19,997,200	19,997,200	15,097,886	26,596,276

14. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements								
	Buildings and		Machinery and equipment	Tools and equipment	Furniture and fixtures	Motor vehicles	Assets under installation and under construction	
	Land	improvement						Total
Cost:								
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
Additions	-	-	11,752,830	5,329,120	185,045	1,018,691	17,927,939	36,213,625
Disposals/write-off	-	(3,162,209)	(4,320,391)	(18,560,244)	(12,593,588)	(3,115,159)	-	(41,751,591)
Transfer between classes of accounts	-	-	10,452,195	8,539,520	-	-	(18,991,715)	-
31 December 2010	80,212,331	213,900,553	666,585,351	213,595,250	19,251,410	7,793,193	1,261,382	1,202,599,470
Accumulated depreciation:								
31 December 2009	-	114,403,031	523,774,967	160,204,062	29,619,802	6,913,478	-	834,915,340
Depreciation for the year	-	9,492,488	28,261,679	20,918,274	986,202	938,158	-	60,596,801
Depreciation on disposals/write-off	-	(3,129,586)	(4,286,729)	(17,489,639)	(12,440,462)	(1,981,628)	-	(39,328,044)
31 December 2010	-	120,765,933	547,749,917	163,632,697	18,165,542	5,870,008	-	856,184,097
Allowance for impairment loss:								
31 December 2009	-	7,463,480	14,674,897	292,977	81,327	340,264	-	22,852,945
Increase during the year	-	-	1,702,778	309,414	2,059	-	-	2,014,251
Decrease from disposal	-	-	-	-	-	(340,264)	-	(340,264)
31 December 2010	-	7,463,480	16,377,675	602,391	83,386	-	-	24,526,932
Net book value:								
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
31 December 2010	80,212,331	85,671,140	102,457,759	49,360,162	1,002,482	1,923,185	1,261,382	321,888,441
Depreciation for the year:								
2009 (Baht 57.0 million included in manufacturing cost, and the balance in administrative expenses)								64,458,044
2010 (Baht 52.5 million included in manufacturing cost, and the balance in administrative expenses)								60,596,801

(Unit: Baht)

	Separate financial statements							
							Assets under	
		Buildings and	Machinery and	Tools and	Furniture	Motor	installation	
	Land	building	equipment	equipment	and fixtures	vehicles	and under	Total
		improvement					construction	
Cost:								
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
Additions	-	-	11,752,830	5,329,120	185,045	1,018,691	17,927,939	36,213,625
Write-off	-	(3,162,209)	(4,320,391)	(18,560,244)	(12,593,588)	-	-	(38,636,432)
Transfer between classes of accounts	-	-	10,452,195	8,539,520	-	-	(18,991,715)	-
31 December 2010	80,212,331	197,088,361	602,253,533	211,087,644	16,542,427	7,793,193	1,261,382	1,116,238,871
Accumulated depreciation:								
31 December 2009	-	110,091,229	493,090,305	158,180,994	27,028,840	5,160,539	-	793,551,907
Depreciation for the year	-	9,143,297	24,288,629	20,827,081	958,988	709,470	-	55,927,465
Depreciation on write-off	-	(3,129,586)	(4,286,729)	(17,489,639)	(12,440,462)	-	-	(37,346,416)
31 December 2010	-	116,104,940	513,092,205	161,518,436	15,547,366	5,870,009	-	812,132,956
Allowance for impairment loss:								
31 December 2009	-	-	-	-	-	-	-	-
Increase during the year	-	-	1,702,778	309,414	2,059	-	-	2,014,251
31 December 2010	-	-	1,702,778	309,414	2,059	-	-	2,014,251
Net book value:								
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
31 December 2010	80,212,331	80,983,421	87,458,550	49,259,794	993,002	1,923,184	1,261,382	302,091,664
Depreciation for the year:								
2009 (Baht 53.9 million included in manufacturing cost, and the balance in administrative expenses)								57,977,035
2010 (Baht 52.5 million included in manufacturing cost, and the balance in administrative expenses)								55,927,465

As at 31 December 2010, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 569.2 million (2009: Baht 528.0 million).

During the current year, the subsidiary redeemed its machinery, which has been mortgaged as collateral against credit facilities, from a commercial bank.

15. Intangible asset

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

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cost	12,652,295	10,731,735	7,708,709	5,788,149
Accumulated amortisation	(8,929,437)	(7,658,857)	(4,237,152)	(2,966,572)
Allowance for impairment	(251,301)	(251,301)	-	-
Net book value	3,471,557	2,821,577	3,471,557	2,821,577
Amortisation expenses included in the income statements for the year	1,270,580	1,353,122	1,270,580	1,109,329

16. Withholding income tax

As at 31 December 2010, withholding income tax was comprised of withholding income tax of 2007, 2009 and 2010. The Company already received a refund of 2007 withholding income tax of Baht 9.5 million in full on 20 January 2011. The request for a refund of 2009 withholding tax is being examined by the Revenue Department officials. The management of the Company believes that the Company will recover a refund of such tax in full.

17. Liabilities under finance lease agreement

	(Unit: Baht)	
	Consolidated financial statements	
	2010	2009
Liabilities under finance lease agreement	-	614,880
Less: Deferred interest expenses	-	(65,880)
Total	-	549,000
Less: Current portion	-	(205,875)
Liabilities under finance lease agreement - net of current portion	-	343,125

The subsidiary has entered into the finance lease agreement with a leasing company for rental of motor vehicle for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreement is 4 years. During the current year, the subsidiary made repayment of all liabilities under finance lease agreement.

18. 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 2010 and 2009, the Company has the statutory reserve of Baht 62.5 million which has reached 25% of its registered share capital.

19. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Salary and wages and other employee benefits	164,865,330	147,645,831	164,865,330	138,468,548
Depreciation	60,596,801	64,458,043	55,927,465	57,977,035
Amortisation expenses	1,270,580	1,353,122	1,270,580	1,109,329
Repair and maintenance expenses	8,745,965	4,368,007	8,745,389	3,915,835
Transportation expenses	25,275,123	18,886,049	25,275,123	18,829,324
Raw materials and consumables used	538,153,469	392,966,496	538,153,469	391,004,128
Changes in inventories of finished goods and work in progress	(10,010,235)	5,314,772	(10,010,235)	1,188,189

20. 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.

(Unit: Million Baht)					
	Promoted operations		Non-promoted operations		Total
	2010	2009	2010	2009	2010 2009
Revenues from sales					
and services	-	14	-	-	- 14
Other income	-	-	1	1	1 1
Total income	-	14	1	1	1 15

The subsidiary is currently in the process of filing for cancellation of its BOI certificate with the Board of Investment.

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 engaged only in the contract manufacturing and repair of molds and operates only in Thailand. However, the portion of the subsidiary's revenue is not material to the consolidated financial statements. In addition, after the subsidiary ceased its operation as described in note 1.2 to the financial statements, it earns no revenue from the mentioned principal operation.

23. Provident fund

The Company, the subsidiary and their employees jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and those companies contributed to the fund monthly at a rate of 3% of the 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's rules. During 2009, the subsidiary terminated the provident fund.

During the year 2010, the Company contributed Baht 1.6 million (2009, the Company and its subsidiary: Baht 1.7 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 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	
Final dividends for 2009	Annual General Meeting of the shareholders on 21 April 2010	28,750,000	1.15
Dividends that some shareholders are not entitles to receive		(1,495)	
Net dividends paid		28,748,505	

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.

26. Commitments and contingent liabilities

26.1 Operating lease commitments

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

As at 31 December 2010, 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	0.2

26.2 Guarantees

As at 31 December 2010, there were outstanding bank guarantees of Baht 1.3 million (the Company only: Baht 1.2 million) issued by the bank on behalf of the Company and its subsidiary in respect of electricity use.

27. Financial instruments

27.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does 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 and treasury bills. 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 2010 classified by type of interest rates are summarised in the table below, with those financial assets that carries fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Consolidated financial statements					
	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
			(Million Baht)			(% p.a.)
Financial Assets						
Cash and cash equivalents	100	-	50	2	152	0.25 - 1.86
Trade accounts receivable	-	-	-	136	136	-
Restricted investment	-	9	-	-	9	2.60 - 2.75
Investment in associate	-	-	-	8	8	-
Other long-term investment	-	-	-	20	20	-
	100	9	50	166	325	
Financial liabilities						
Trade accounts payable	-	-	-	104	104	-
	-	-	-	104	104	

Separate financial statements

	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
			(Million Baht)			(% p.a.)
Financial Assets						
Cash and cash equivalents	100	-	43	2	145	0.25 - 1.86
Trade accounts receivable	-	-	-	136	136	-
Restricted investment	-	9	-	-	9	2.60 - 2.75
Investment in subsidiary	-	-	-	18	18	-
Investment in associate	-	-	-	2	2	-
Other long-term investment	-	-	-	20	20	-
	100	9	43	176	330	
Financial liabilities						
Trade accounts payable	-	-	-	104	104	-
	-	-	-	104	104	

Foreign currency risk

The Company believes that its 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, 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'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 2010, the Group's debt-to-equity ratio was 0.31:1 (2009: 0.34:1) and the Company's was 0.32:1 (2009: 0.35:1)

29. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Cost of sales and services	611,621,867	607,734,610	598,280,199	594,392,942
Selling expenses	24,712,442	28,705,964	24,049,777	28,043,299
Administrative expenses	41,729,360	42,907,878	31,494,678	32,673,196
Management's remuneration	23,521,399	22,236,616	17,440,418	16,155,635

30. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 11 February 2011.

Audit Fee

Audit Fee

No.	Name of Company	2010		2009	
		Name of Auditor	Audit Fee (Baht)	Name of Auditor	Audit Fee (Baht)
1	Union Plastic PCL.	Ernst & Yong Office Limited	800,000.-	Ernst & Yong Office Limited	740,000.-
2	Union Kotech Molds Co., Ltd. (Subsidiary)	Ernst & Yong Office Limited	100,000.-	Ernst & Yong Office Limited	235,000.-

Non-Audit Fee

No	Name of Company	2010				2009			
		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/A	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 10260
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 49.521% shares in Union Plastic Public Company Limited (12,380,130 shares) (as of April 1 st , 2010)

Board of Directors of Saha – Union Public Company Limited

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	Tangchitkul

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 24180
Type of Business	Mold Manufacturing
Registered Capital	Baht 54,000,000 : 6,000,000 ordinary shares, par value of Baht 9 per share
Relationship	Shareholder and common Directors
Shareholding (%)	65% (3,900,000 shares)
Major Shareholder	Union Plastic Public Company Limited

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

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

Authorized Directors

Any two Directors signing together and affixed with the Company's seal can bind the Company.

Company Name	PSV Mould Co., Ltd.
Address	46/36 Moo 9 Bangpla, Bangplee, Samutprakarn 10540
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 Mould Co., Ltd.

No	Name / Surname	
1	Ms. Varapong	Jaisin
2	Mr. Prasit	Teetakeaw
3	Mr. Chaiving	Sriprasert
4	Mr. Monrit	Komen-eak

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 19th, 2005

Company Name	Union Nifco Co., Ltd.
Address	99 Moo 5 Bangna – Trad Road. (km.38), Bangsamak, Bangpakong, Chachoengsao 24180
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	Ms. Dalad	Sapthavichaikul
4	Mr. Supakit	Puangbua
5	Mr. Vacharaphong	Darakananda
6	Mr. Takashi	Ukai
7	Mr. Koji	Watanabe
8	Mr. Yoshiaki	Notaya
9	Mr. Akira	Mizusawa
10	Mr. Masaru	Onodera

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

1. The Company has important business transaction 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 Public Company Limited

- **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 Moo5, Bangna - Trad Road (km.38), Tambol 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 Baht10 per share

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

- **Subsidiary Company**
Type of Business **Union Kotech Molds Co., Ltd.**
Head Office Plastic injection mold manufacturing
 99 Moo5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180
 Tel. (038) 571-736 Fax (038) 842-418
Registered Capital Fully paid-up 6,000,000 ordinary shares at par value of Baht 9 per share
Shareholding 3,900,000 shares, 65% of total shares
- **Associated Company**
Type of Business **PSV Mould Co., Ltd.**
Head Office Manufacturing service, manufacture & sales of molds for equipments and tools manufacturing
 46/36 Moo 9, Bangpla, Bangplee, Samutprakarn 10540
 Tel. 0-2315-5161-3
Registered Capital Fully paid-up 1,000,000 ordinary shares at par value of Baht 10 per share
Shareholding 249,999 shares, 25% of total shares
- **Related Company**
Type of Business **Union Nifco Co., Ltd.**
Head Office Plastic parts Manufacturing
 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 at par value of Baht 100 per share
Shareholding 199,972 shares, 19.9972% of total shares

Other References

- **Securities Register**
Head Office **Thailand Securities Depository Co., Ltd.**
 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, Toongsonghong, Laksi, Bangkok 10210
 Tel. 0-2596-9000 Fax 0-2832-4994-6
- **Auditor**
Ernst & Young Office Limited
 Mr. Supachai Phanyawattano or Ms. Siraporn Ouaanunkun or
 Mr. Termpong Opanaphan, Certified Public Accountant No. 3930, 3844 and 4501 consecutively
Head Office Lake Rachada Office Complex Building, 33rd Floor,
 193/136-137 Rachadapisek Road, Bangkok 10110
 Tel. 0-2264-0777 Fax 0-2264-0789, 0-2264-0790

Set Information References Guide

Good Corporate Governance

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	61
2	Major Financial and Information Summary	3
3	Company's Business Overview	10
4	Rick Factors	26
5	Shareholding Sturcture and The Management	12 - 18
5.1	Shareholders	12
5.2	Mangement	13
5.3	Remuneration of Directors, Directors of Committee, Executives and Other Monetary Rewards	18
5.4	Good Corporate Governance	19 - 24
5.5	Control on Use of Internal Information	25
5.6	Internal Control	25
6	Related Party Transactions	59 - 60
7	Explanation and Analysis of the Financial Status and Operating Results	27
8	Financial Statements	31 - 38