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## Message from the Chairman



In 2013, the Thai economy has been fluctuating and slowing down continuously since mid-year due to the decrease of the purchasing power of the Thai consumers and projected increase of household debts and expiration of the tax rebate measure in the first-time car buyer program; as a result, the Company's income has decreased; but its operating cost has continuously increased due to labour mobility to their domiciles and causing problems of labour shortage and increasing costs of energy, oil, electricity and freights; and it was predicted that such situation might adversely affect the operating results of the Company in 2014.

However, the Company has attempted to control its costs by means of reduction of losses and improvement of work efficiency and workmanship by organizing internal training programs to create more skilled labour for replacement thereof continuously; and has also planned to purchase automatic machines to solve problems of labour shortage; therefore, the Company was able to maintain its rates of earnings at a satisfactory level.

According to its consolidated financial statements of 2013, the Company had its incomes from sale and services, amounted to 911.5 million Baht, which was decreased by 11.46% or equal to 118.03 million Baht from those of 2012; and had its total incomes of 967.15 million Baht, which was decreased by 10.60% or equal to 114.63 million Baht from those of the previous year; and had its earnings as per separate financial statements amounted to 72.16 million Baht, which was decreased by 14.65 million Baht from those of 2012.

On behalf of the Board of Directors, I would like to thank all shareholders, customers, business partners, executives and employees of the Company, as well as all related parties, for their continuous supports of the Company's businesses; and I insist that the Company will do its best to have good operating results, with transparent management and responsibilities for businesses, society and the environment and without all types of fraud and bad faith, thus, to deserve the long-lasting trusts and confidence in the Company from all of you.

A handwritten signature in black ink, appearing to read 'Thitivat Suebsaeng'.

(Mr. Thitivat Suebsaeng)  
Chairman

# Major Financial and Information Summary

Unit : 1,000 (Baht)

	2013	2012	2011	2010	2009
		(Restated)			
<b>Revenues</b>					
<b>Total Revenues</b>	<b>966,657</b>	<b>1,081,540</b>	<b>849,156</b>	<b>926,216</b>	<b>735,033</b>
Sales	911,552	1,029,585	782,723	890,957	690,930
Interest income	-	-	-	-	-
Other income	55,106	51,954	66,433	35,259	44,103
Share of profit from investment in associate	1,736	860	679	137	3
<b>Profit (Loss) before finance cost and income tax expenses</b>	<b>84,154</b>	<b>106,023</b>	<b>67,271</b>	<b>62,857</b>	<b>8,890</b>
Finance cost	3	-	-	53	25
Income tax expenses	10,749	18,925	10,954	13,875	9,255
Profit for the year	73,402	87,194	57,657	50,470	13,686
<b>Non-controlling interests of subsidiary</b>	<b>-</b>	<b>(96)</b>	<b>(1,340)</b>	<b>(1,541)</b>	<b>(14,075)</b>
Net Profit (Loss) (Consolidated financial statements)	73,402	87,098	56,318	48,929	(390)
Net Profit (Loss) (Separate financial statements)	72,166	86,820	56,467	50,595	28,822
Earning per share (Baht) (Consolidated financial statements)	2.94	3.49	2.31	2.02	0.55
Earning per share (Baht) (Separate financial statements)	2.89	3.47	2.26	2.02	1.15
<b>Dividend</b>					
Issued and fully paid-up shares (shares)	25,000	25,000	25,000	25,000	25,000
Dividend per share (Baht/share)	2.85	3.65	2.20	2.00	1.15
Total Dividend Payment (Baht)	71,250	91,250	55,000	50,000	28,750
Dividend Payment Ratio (%) (Separate financial statements)	98.73	99.04	97.40	98.82	99.75
<b>Total Assets</b>	<b>763,512</b>	<b>810,587</b>	<b>740,041</b>	<b>739,230</b>	<b>732,425</b>
Total Liabilities	162,592	191,825	145,353	162,301	185,750
<b>Total Shareholders' equity</b>	<b>600,920</b>	<b>618,762</b>	<b>594,688</b>	<b>576,929</b>	<b>546,675</b>
<b>Major Financial Ratio Summary</b>					
Liquidity Ratio (times)	3.22	2.85	3.36	2.64	2.16
Current Ratio (times)	0.91	1.39	0.93	0.62	0.62
Gross Profit (%)	13.04	13.94	9.77	12.20	12.04
Net Profit (%)	7.59	8.06	6.79	5.45	1.86
Return on Equity (%)	12.04	14.37	9.94	8.98	2.36
Return on Assets (%)	9.33	11.25	7.86	6.86	(0.05)
Debt to Equity Ratio (times)	0.27	0.31	0.25	0.28	0.34

## Board of Directors



**Mr. Thitivat Suebsaeng**  
Chairman



**Assoc. Prof. Dr. Pakpachong  
Vadhanasindhu**  
Chairman of the Audit Committee/  
Independent Director/Nomination  
and Remuneration Committee



**Mr. Bancherd Tanglertpaibul**  
Audit Committee/Independent Director/  
Chairman of Nomination  
and Remuneration Committee



**Miss Jutatip Arunanondchai**  
Audit Committee/Independent Director



**Mr. Supod Kantavijit**  
Managing Director



**Miss Sriwarin Jirapakkana**  
Director



**Miss Dalad Saphavichaikul**  
Director



**Mr. Vacharaphong Darakananda**  
Director/Nomination  
and Remuneration Committee



**Mr. Nanthiya Darakananda**  
Director

# Bio-data of the Board of Directors and the Company Secretary

## 1. Mr. Thitivat Suebsaeng

- Chairman

**Age** 60 years

### Education

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

### IOD's Training

- Director Accreditation Program (DAP) Class 21/2004

### Experiences

- 1990 – 1991 Head of Departments, Chemistry, Faculty of Science, Ramkhamhaeng University • 2003 – 2007 Director and General Manager, Saha-Union Investment (China) Co., Ltd. • 2004 – 2009 Director, 7 Power Plants in China • 2007 – March 2013 Chairman, Union Zojirushi Co., Ltd. • 2007 – February 2013 Chairman, Union Stainless Steel Products Co., Ltd. • 2008 – December 2011 President, Saha-Union Public Company Limited • March 2008 – April 2012 Chairman, Union Garment Co., Ltd. • March 2008 – April 2013 Chairman, Union Micronclean Co., Ltd. • April 2008 – December 2011 Director, Union Pioneer Public Company Limited • April 2008 – April 2012 Chairman, Union Universe Co., Ltd. • June 2008 – March 2013 Director, TenCate-Union Protective Fabrics Asia Limited • January 2010 – December 2011 Managing Director, Union Plastic Public Company Limited • April 2012 – 2013 Director, Union Garment Co., Ltd.

### Current Positions

#### Listed Companies

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

#### Other Positions

#### Saha-Union Group Companies

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

**Years of Directorship** 21 years



## 2. Assoc. Prof. Dr. Pakpachong Vadhanasindhu

- Chairman of the Audit Committee/Independent Director/Nomination and Remuneration Committee

**Age** 63 years

### Education

- B.A., M.A. in Commerical and Accounting, Chulalongkorn University • MBA. U. OF NEBRASKA AT OMAHA • DBA., UNITED STATES INTERNATIONAL UNIVERSITY

### IOD's Training

- Director Accreditation Program (DAP) Class 58/2009 • Audit Committee Program (ACP) Class 36/2011 • Monitoring Fraud Risk Management (MFM) Class 6/2011 • Monitoring the Internal Audit Function (MIA) Class 12/2012 • Monitoring the Quality of Financial Reporting (MFR) Class 15/2012 • Monitoring the System of Internal Control and Risk Management (MIR) Class 14/2013

### Experiences

- 2004 - 2008 Director of Master Management in International Business Program • 2003 - 2007 Head of the International Business Management Course, Faculty of Commerce and Accountancy, Chulalongkorn University • 2004 - 2012 Sub-committee of Indices Determination for Assessment of the State Enterprises, Ministry of Finance • 2008 - 2010 Director of the Technology and Innovation Management Program, Chulalongkorn University • 2011 - 2013 Chairman of the Risk Management Committee and Independent Director, Cambodian Commercial Bank Ltd.

### Current Positions

#### Listed Companies

- Chairman of the Audit Committee and Independent Director, Union Plastic Public Company Limited

#### Other Positions

#### Other Companies

- Present, Lecturer on Business Ethic, Strategic Management, Entrepreneur • Present, Business Advisor for Organization and Personnel Management, Strategic Planning, Strategic Management and Innovation.

**Years of Directorship** 5 years



### 3. Mr. Bancherd Tanglertpaibul

- Audit Committee/Independent Director/Chairman of Nomination and Remuneration Committee

**Age** 55 years

#### Education

- B.A. in Faculty of Laws, Thammasat University

#### IOD's Training

- Director Accreditation Program (DAP) Class 79/2009 • Audit Committee Program (ACP) Class 36/2011 • Monitoring Fraud Risk Management (MFM) Class 6/2011 • Monitoring the Internal Audit Function (MIA) Class 12/2012 • Monitoring the Quality of Financial Reporting (MFR) Class 15/2012 • Monitoring the System of Internal Control and Risk Management (MIR) Class 14/2013

#### Experiences

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

#### Current Positions

##### Listed Companies

- Audit Committee and Independent Director, Union Plastic Public Company Limited

##### Other Positions

##### Other Companies

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

**Years of Directorship** 5 years



### 4. Miss Jutatip Arunanondchai

- Audit Committee/Independent Director

**Age** 42 years

#### Education

- BSc in Mathematics with Management, Imperial College, University of London • Master Degree 1. MBA in International Management, University of Exeter, UK 2. MA in Architectural Interior Design, University of Wales, UK 3. MA in Economics Law, Chulalongkorn University

#### IOD's Training

- 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 • Monitoring Fraud Risk Management (MFM) Class 6/2011

#### Experiences

- 1994 - 1999 Manager, Daiwa Europe Co., Ltd. • 2002 - 2005 Corporate Finance Manager, TA Orange Co., Ltd. • 2005 - Present Executive Director, Ratchaburi Sugar Co., Ltd. and Group Companies • 2009 - Present Independent Director and Nomination and Remuneration Committee, Thai Sugar Terminal Public Company Limited

#### Current Positions

##### Listed Companies

- Audit Committee and Independent Director, Union Plastic Public Company Limited • Independent Director and Nomination and Remuneration Committee, Thai Sugar Terminal Public Company Limited

##### Other Positions

##### Other Companies

- Executive Director, Ratchaburi Sugar Co., Ltd. and Group Companies • Executive Director, Ratchaburi Ethanol Co., Ltd. • Executive Director, Tippamas Co., Ltd. • Director, Net Gadget Co., Ltd. • Director, T.S.G. Asset Co., Ltd. • Director, T.S. Oil Industry Co., Ltd. • Director, T.S. Transport and Logistics Co., Ltd.

**Years of Directorship** 5 years

## 5. Mr. Supod Kantavijit

- Managing Director

**Age** 55 years

### Education

- MBA. in Management, Kasetsart University

### IOD's Training

- Director Accreditation Program (DAP) Class 93/2011 • Audit Committee Program (ACP) Class 38/2012

### Experiences

- 1992 - 2001 General Manager, Union Nifco Co., Ltd. • 2002 - 2005 Managing Director, Union Stainless Steel Products Co., Ltd.
- 2006 - January 2012 • Managing Director, Union Zojirushi Co., Ltd.

### Current Positions

#### Listed Companies

- 2012 - Present Managing Director, Union Plastic Public Company Limited

#### Other Positions

#### Saha-Union Group Companies

- 2011 - Present Managing Director, Union Stainless Steel Products Co., Ltd. • 2012 - Present, Director, Union Zojirushi Co., Ltd.

**Years of Directorship** 2 years



## 6. Miss Sriwarin Jirapakkana

- Director

**Age** 66 years

### Education

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

### IOD's Training

- Director Accreditation Program (DAP) Class 18/2004

### Experiences

- 1999 - 2004 Chairman, Union Thai-Nichiban Co., Ltd. • 1999 - 2004 Chairman, Union Zojirushi Co., Ltd. • 1999 - 2006 Chairman, Union Plastic Public Company Limited • 1999 - 2007 President, Saha-Union Public Company Limited • 1999 - April 2012 Chairman, Union Nifco Co., Ltd. • 1999 - May 2012 Chairman, Union Pioneer Public Company Limited • 2002 - 2006 Managing Director, Union Textile Industries Public Company Limited • 2005 - April 2012 Director, Union Thai-Nichiban Co., Ltd. • 2007 - 2010 Director, Union Plastic Public Company Limited • 2008 - 2012 Vice Chairman, Saha-Union Public Company Limited • 2011 Chairman, Union Plastic Public Company Limited • June - December 2012 Director, Union Pioneer Public Company Limited

### Current Positions

#### Listed Companies

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

#### Other Positions

#### Saha-Union Group Companies

- 1999 - Present Vice Chairman, Union Industries Corp. Ltd. • 1999 - Present Vice Chairman, Union Thread Industries Co., Ltd.
- 2005 - Present Director, Union Zojirushi Co., Ltd. • June 2011 - Present Chairman, Union Zip Co., Ltd. • June 2011 - Present Chairman, Venus Thread Co., Ltd. • April 2012 - Present Director, Union Nifco Co., Ltd. • Chairman and Director, Other Companies in Saha-Union Group

**Years of Directorship** 14 years

## 7. Miss Dalad Saphavichaikul

- Director

**Age** 57 years

### Education

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

### IOD's Training

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

### Experiences

- 1999 – 2007 Executive Director and Vice President, Saha-Union Public Company Limited • 1999 – 2011 Director, Saha-Union Public Company Limited

### Current Positions

#### Listed Companies

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

#### Other Positions

#### Saha-Union Group Companies

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

#### Other Companies

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

**Years of Directorship** 3 years

## 8. Mr. Vacharaphong Darakananda

- Director/Nomination and Remuneration Committee

**Age** 48 years

### Education

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

### IOD's Training

- Director Accreditation Program (DAP) Class 2/2003 • Director Certification Program (DCP) Class 69/2006 • Awarded Diploma by passing the Examination of Australian IOD Year 2006 • Role of the Compensation Committee (RCC) Class 15/2012

### Experiences

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

### Current Positions

#### Listed Companies

- 1994 – Present Director, Saha-Union Public Company Limited • 2007 – Present Director, Union Plastic Public Company Limited • 2007 – Present Director, Union Pioneer Public Company Limited • 2007 – Present Managing Director, Union Technology (2008) Public Company Limited

#### Other Positions

#### Saha-Union Group Companies

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

**Years of Directorship** 13 years



## 9. Mr. Nanthiya Darakananda

- Director

**Age** 45 years

### Education

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

### IOD's Training

- Director Accreditation Program (DAP) Class 2/2003

### Current Positions

#### Listed Companies

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

#### Other Positions

- - None -

**Years of Directorship** 15 years



## Bio-data of the Company Secretary

### Mr. Amarin Patranawik

- The Company Secretary

**Age** 59 years

### Education

- B.A. in Faculty of Law, Ramkhamhaeng University

### Experiences

- 1980 - 2008 Lawyer, Saha-Union Public Company Limited • 1983 - Present Lawyer • 1987 - Present The Company Secretary and the Assistant Company Secretary, Companies in Saha-Union Group • 1990 - Present Legal Consultant, Saha-Union Savings and Credit Co-operative Limited

### Current Positions

#### Listed Companies

- The Assistant Manager, the Corporate Secretariat Office, Saha-Union Public Company Limited • The Company Secretary, Union Pioneer Public Company Limited • The Company Secretary, Union Plastic Public Company Limited (Appointed for the Company Secretary since 2009)

#### Other Positions

#### Saha-Union Group Companies

- The Company Secretary, Union Garment Co., Ltd. • The Company Secretary, Union Micronclean Co., Ltd. • The Company Secretary, Union Rubber Products Corp., Ltd. • The Company Secretary, Thai Rubber Enterprise Co., Ltd.

**Years of the Company Secretary** 4 Years

## Company's Business Overview



As the manufacturer and provider of manufacturing services of plastic parts and injection molds, the Company's operations are as follows:

1. Provide the service of manufacturing the industrial plastic parts through Thermoplastic Injection Molding. In addition, the Company provides fully integrated production process such as furnishing, spray painting, assembling, Silkscreen and Hot Stamp. Bangpakong Production Factory has also 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/CAE technology to design and manufacture the molds and applying High Speed Machining to speed up the molding process.

### Significant change and development

For the business operation and management, during the past three years the company has been supplied with new equipment and manufacturing-related tools to improve the production efficiency, maintain products quality, and cost reduction which includes the production cost. This is to say, the company has improved the working environment by the development of new floor plant to support large machineries up to the standard, and the building of water-proof wall to mitigate the risk from flooding. The software applications have been employed to increase the working process flexibility and the ISO/TS 16949:2009 quality management system has been expanded to cover the Bangpakong Factory to support the rapidly growing automotive sector in the eastern region of the country.

### Product Characteristics

The Company's classifications of products, which are divided according to the requirements of customers, are as follows:

1. Plastic parts including automotive parts, parts of electrical appliances, household products and vacuum bottle.
2. Molds including molds of the automotive parts, parts of electrical appliance and sanitary wares and other types of molds according to customers' requirements.

### Income structure

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

Products/Services	Year 2013		Year 2012		Year 2011	
	Income (1,000 Baht)	%	Income (1,000 Baht)	%	Income (1,000 Baht)	%
1. Plastic Parts	839,246	86.82	987,453	91.31	740,193	87.33
2. Molds	72,306	7.48	42,132	3.89	42,530	5.02
3. Other Income	55,106	5.70	51,955	4.80	64,866	7.65
<b>Total Income</b>	<b>966,658</b>	<b>100</b>	<b>1,081,540</b>	<b>100</b>	<b>847,589</b>	<b>100</b>

## Corporate Social Responsibility (CSR) Activities



### Religious Activities: Buddhist Ceremony

Friday, July 19<sup>th</sup>, 2013: Representatives of the Employee Welfare Committee donated 99 (ninety-nine) electric bulbs in the Buddhist Lent Period at Wat Bangkleur, Bangkleur Sub-district, Bangpakong District, Chachoengsao.



### Religious Activities: Islamic Ceremony

Friday, December 27<sup>th</sup>, 2013: Representatives of the Management and employees joined with Islamic leaders on the religious ceremony to welcome the new year.



### Environmental Activities

Friday, February 22<sup>nd</sup>, 2013: Representatives of the Management and employees gave some dairy product packages/containers, fruit juice packages/containers jointly donated by Union Plastic (Public) Co., Ltd., in “**Social and Environmental Waste Separation**” Project, in cooperation with manufacturers of beverage packages/containers for recycling and production of learning equipment and materials to schools in the Club’s networks.



### Community Activities

Tuesday, June 18<sup>th</sup>, 2013: Representatives of the Management and employees donated 1 (one) set of unused musical instruments to teachers and students of SetthaBut Bamphen School in Minburi Sub-district, Minburi District, which is located in a local community nearby the Company’s workplace.



### Social Activities

Wednesday, June 5<sup>th</sup>, 2013: Representatives of the employees donated blood in 65 Million Thai People-United Blood Donation for “**Father of the Lands**” in an Auspicious Occasion of the 120<sup>th</sup> Anniversary of the Thai Red Cross Society Project in cooperation with the Office of Bangchan Industrial Estate.



## Respect for Human Rights and Fair Operating Practices



### Executives thanked all retired employees

Tuesday, April 30<sup>th</sup>, 2013 Company's representatives thanked all retired employees for their efforts and diligence on working for our company.



### Representatives of company's Welfare Committee visited an injured employee.

Monday, October 28<sup>th</sup>, 2013 Representatives of company's Welfare Committee visited an injured employee in a hospital.



### Annual Health Check-Up Activity

Wednesday, November 20<sup>th</sup>, 2013 The company considered on importance of employees' health therefore we provided them health check-up.



### New Employees Orientation

Thursday, November 27<sup>th</sup> – Friday, 29<sup>th</sup>, 2013 The company provided knowledge and understanding to new employees in order to make them perceive on company's background, Work Rules and Regulations, Compensation System, welfare, social security, work safety, Quality System, and Environmental Management System, etc.

# Shareholding Structure and Management

## • Shareholders

(1) Top ten shareholders of Union Plastic Public Co., Ltd. are as follows:

No.	Names of Shareholders	Number or Shares Held		Percentage (%)	
		April 5 <sup>th</sup> , 2012	April 4 <sup>th</sup> , 2013	April 5 <sup>th</sup> , 2012	April 4 <sup>th</sup> , 2013
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.	2,093,160	2,093,160	8.37	8.37
4	Mr. Sophon Wiraseranee	644,000	800,000	2.58	3.20
5	Mr. Tinnakorn Thongthai	580,000	580,000	2.32	2.32
6	Mr. Krit Thongthai	494,120	535,520	1.98	2.14
7	Mrs. Kanjana Suwantavit	512,240	512,240	2.05	2.05
8	Mr. Sumeth Darakananda	394,900	449,720	1.58	1.80
9	Mr. Boon Thongthai	322,200	331,200	1.29	1.32
10	Wattana Soponpanich Co., Ltd.	253,660	253,660	1.01	1.01

(2) The directors' shareholdings are as follows:

No.	Names of Shareholders	Number or Shares Held		Percentage (%)	
		2012	2013	2012	2013
1	Mr. Thitivat Suebsaeng	-	-	-	-
2	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	-	-	-	-
3	Mr. Buncherd Tanglertpaibul	9,660	9,660	0.04	0.04
4	Ms. Jutatip Arunanondchai	-	-	-	-
5	Ms. Sriwarin Jirapakkana	-	-	-	-
6	Ms. Dalad Saphavichaikul	-	-	-	-
7	Mr. Supod Kantavijit	-	-	-	-
8	Mr. Vacharaphong Darakananda	-	-	-	-
9	Mr. Nanthiya Darakananda	-	-	-	-

## • Dividend Payment

The Company's dividend payment policy is in accordance with its operation results at the rate of not less than one-third of annual net profit after the deduction of accumulated loss (if any) according to the separate financial statement

- **Management**
  - **Organization Chart**



- **The Board of Directors' Structure and Management**

The Board of Directors consists of directors who are either outsiders or full-time executives selected from the qualified, knowledgeable, and capable individuals with experiences from various occupations. Their authorities are to supervise and manage the Company in pursuance of the law, objective, rules and regulations, and resolutions of the Board of Directors' Meetings as well as shareholders' meetings. In addition, they must preserve the interests of the shareholders with integrity, care, vigilance, transparency, and independent from the management for the maximum benefits of the Company, shareholders, and relevant individuals.

The Board of Directors must comprise not less than 5 directors and not less than half of the total number of the directors must reside in Thailand. Furthermore, not less than three-fourth of the directors must have Thai nationality. Pursuant to the Company's regulations, one-third of the directors are required to have rotation in office of every year.

The directors' elections must be carried out in the Annual General Meeting of Shareholders, the procedure of which is as follows:

- (1) One shareholder is entitled to one vote per share.
- (2) Directors may be voted for individually or in group of the required number of directors as deemed appropriate. In each voting, shareholders must exercise their voting rights according to (1) and must not divide the voting right and transfer to any persons or groups.



- (3) Directors are elected by majority vote and in the case of a tie the Chairman will cast the final vote. In the case where the number of directors is less than the quorum, the remaining directors only have the right to act on behalf of the Board to arrange a shareholder meeting only for the purpose of acquiring directors to attain The required number. This must be conducted within 1 month since the date of which the number of directors is less than the quorum and the replacing directors' terms of office is equivalent to the remaining terms of the resigned directors.

- **Directors' Nomination Criteria and Procedure**

The candidates for the director positions must possess the following qualifications:

- (1) Must not possess forbidden characteristics as stipulated in the laws on public limited companies, securities and stock exchange laws, and good corporate governance of listed companies.
- (2) Be knowledgeable, capable, and independent to perform their duties of care and duties of loyalty and must fully dedicate their time to the Company. Also, they must be competent, matured, healthy both physically and spiritually, creative, straightforward and must not be reluctant to express their ideas in meetings and/or must be reputable businessmen with good working records and ethics.
- (3) Be an expert in at least one area, for example business, accounting and finance, strategic management, good corporate governance, law, or rules and regulations.
- (4) The Nomination and Remuneration Committee is responsible for proposing individuals with the above-mentioned qualifications to the Board for approval prior to acquiring approval from shareholders.

- Names and scope of authorities of each committee are as follows:

## 1. The Board of Directors

The Company has set the number of directors and the composition of the board. With the approval of the Board of Directors and the general meeting of shareholders.

No	Name	Position	2012			2013		
			No. of Meeting Attendances			No. of Meeting Attendances		
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Board of Directors	Audit Committee	Nomination and Remuneration Committee
1	Mr. Thitivat Suebsaeng	Chairman	11/12			12/12		
2	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee/ Independent Director/Nomination and Remuneration Committee	11/12	4/4	1/1	11/12	4/4	1/1
3	Mr. Buncherd Tanglerpaibul	Audit Committee/Independent Director/ Chairman of the Nomination and Remuneration Committee	11/12	4/4	1/1	10/12	4/4	1/1
4	Ms. Jutatip Arunanondchai	Audit Committee/ Independent Director	10/12	4/4		8/12	3/4	
5	Mr. Supod Kantavijit	Managing Director	12/12			12/12		
6	Ms. Sriwarin Jirapakkana	Director	12/12			12/12		
7	Ms. Dalad Saphavichaikul	Director	12/12			12/12		
8	Mr. Vacharaphong Darakananda	Director/Nomination and Remuneration Committee	9/12		1/1	12/12		1/1
9	Mr. Nanthiya Darakananda	Director	10/12			11/12		
With Mr. Amarin Patranawik as the Company Secretary								

### Scope of the Board of Director's Authorities

1. Regulate policies and direction of the Company as well as supervise the Management to operate in conformity with the policies effectively.
2. Appoint and terminate employees through either one director or more on behalf of the Company.
3. Reward the Company's officers, employees, or any individuals who work for the Company either full-time or part-time.
4. Set the interim dividend to shareholders.
5. Operate in accordance with the law, objectives, the Company's regulations, and resolutions of the shareholders' meetings.
6. The Board of Directors may appoint one director, directors, or other persons to act on behalf of the Board, in this respect, signatures of two directors with company stamp are required.

### The Company Secretary

Mr. Amarin Patranawik was appointed for the Company Secretary position since 2009, his responsibilities are described in Article 89/15, Article 89/17, Article 89/18 and Article 89/23 of the Securities and Exchange Act (Volume 4) B.E. 2551

**The Board of Directors consists of 3 independent directors** as follows:

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

### Criteria of Independent Directors' Nomination

The independent directors are selected based on the basis of their knowledge, capabilities, experiences, and understanding of the Company's business as well as related businesses. They must also have visions and adequate time to perform their duties and the post will be offered by the Company. The Company believes that the above-mentioned independent directors can utilize their knowledge and capabilities as well as appropriately provide useful suggestions regarding its operations. The Company has set the number of independent directors according to the minimum requirement of the Securities and Exchange Commission which prescribes that the number of independent must be at least one-third of the total number of directors. The independent directors' qualifications must be in compliance with the minimum requirement of the Securities and Exchange Commission in order that they are genuinely independent and suitable for the Company's business.

### The Board of Directors' Meetings

The Board of Directors' Meeting takes place at least once a month to follow-up on the operations to ensure that the objectives and plans are fulfilled. In 2013, there were 12 Board of Directors' Meetings and were attended by the directors who were not engaged in other arrangement.

## 2. The Audit Committee

The Audit Committee is appointed by the Board of Directors, comprising directors whose qualifications are in compliance with the notifications of the Capital Market Commission, the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET) which stipulate that there must be at least 3 members, one of which must be knowledgeable and experience enough to review the credibility of financial statements. In addition, all directors must have independence and do not hold the position of chairman or managing director. The Audit Committee has the right to appoint one advisor and felicitous officer to act as the Committee's Secretary.

The term of office of the Audit Committee is 2 years and the directors who resign in rotation can be re-appointed. In case of termination for other reasons other than resignation in rotation, the Board will appoint qualified personnel in replacement to attain the required number of directors as specified by the Board. The replacing directors' terms of office are equivalent to the remaining terms of the resigned directors. Besides, the Audit Committee is authorized by the Board to perform their tasks which are related to the Management, Internal Control, auditor, and other units in order to achieve their goals. Other divisions are required to follow their roles and duties concerning the Audit Committee as specified in the regulations of the Audit Committee.

**The Audit Committee comprises 3 directors** as follow:

No	Name	Position
1	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee
2	Mr. Buncherd Tanglertpaibul	Audit Committee
3	Ms. Jutatip Arunanondchai	Audit Committee
With Ms. Achara Maneesawath / Internal Audit Manager as the Secretary		

### Scope of Duties and Responsibilities of the Audit Committee

1. Review the Company's financial reports to ensure that they are correct, sufficient, and in accordance with generally-accepted accounting standards.
2. Examine the appropriateness and effectiveness of the internal control system as well as the internal audit. Monitor the independence of the Internal Audit Office and approve the appointment, transfer, and termination of the Internal Audit Manager.
3. Review to make sure that the Company operates in full compliance with securities and stock exchange laws, the Stock Exchange of Thailand's regulations, and concerned laws.
4. Consider, screen, and propose independent individuals to act as the Company's auditor as well as suggest their remunerations. Attend meetings with auditor without participation of the Management at least once a year.
5. Review related transactions or transaction that may cause conflicts of interest so that they are in conformity with the laws and the Stock Exchange of Thailand's regulations to ensure that they are sensible and contribute to the maximum benefits of the Company.
6. Prepare Audit Committee's reports to be disclosed in the Company's annual report. Such reports must be signed by the Chairman of the Audit Committee and at least contain the following information:
  - (1) Opinions on the correctness, completeness, and reliability of the Company's financial reports.
  - (2) Opinions on the adequacy of the internal control system.
  - (3) Suggestions on the Company's operations in pursuance of the securities and stock exchange laws, the Stock of Exchange's regulations, and related laws.
  - (4) Recommendations on the auditor's felicitousness.
  - (5) Opinions on the transactions with possible conflict of interest.
  - (6) The number of meetings of the Audit Committee and attendances of each director.
  - (7) Overall suggestions or observations on the Audit Committee's performance carried out according to the charter or its regulations.
  - (8) Other transactions which shareholders and investors should be aware of within the scope of duties and responsibilities as assigned by the Board.
7. Make sure that problems are rectified by the Management in timely manner.
8. Follow-up and evaluate operating results which are regarded as crucial by the Audit Committee.
9. Perform other tasks as assign by the Board.

### 3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the board of Directors and two-third of the member are independent directors and do not hold the position of the Company's Chairman.

**The Nomination and Remuneration Committee consists of 3 directors** as follows:

No	Name	Position
1	Mr. Buncherd Tanglertpaibul	Chairman of Nomination and Remuneration Committee
2	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Nomination and Remuneration Committee
3	Mr. Vacharaphong Darakananda	Nomination and Remuneration Committee

### Scope of Duties and Authorities of the Nomination and Remuneration Committee

1. Screen and propose candidates for the new director(s) to be considered in the Board of Directors' Meeting.
2. Set forth the direction to select directors according to the criteria and procedure in this regard.
3. Set the directors' remuneration policies.
4. Determine and propose the directors' remunerations for the Board's consideration.

### 4. The Company's Management comprises:

(1) The Managing Director is recruited and appointed by the Board of Directors. Their authorities are also assigned by the Board. They must be qualified, competent, and possess appropriate experience to be able to maintain the Company's interest. Additionally, they must operate in full compliance with the policies assigned by the Board and run the business with due regard to the shareholders and stakeholders.

(2) The executives and organization chart of the current organization structure consists of 5 units; the details of which are as follows:

- 2.1. The Managing Director's Office includes Quality Management Representative, Quality Management Review Committee, Risk Management Committee, Safety, Occupational Health and working Environment Committee, Environmental Management Review Committee, Safety and Environmental Unit, Environmental Management Representative, Internal Audit Office, Human Resources and Administration Division, Purchasing Division, and Information Technology Section.
- 2.2. Production Unit involves Plastic Parts Factories, Spray Painting and Assembly Plants, and Mold Manufacturing Plants.
- 2.3. Production Support Unit includes Engineering Division, Quality Control Division, Maintenance Division, Material Store Division and Production Technical Support Division.
- 2.4. Business Development Office comprises Marketing Division and Sales Division.
- 2.5. Accounting and Finance Office consists of Accounting Division and Finance Division.

**The Company's Management consists of 6 executives** as follows:

No.	Name	Position	Education
1	Mr. Supod Kantavijit	Managing Director	M.B.A., in Management Kasetsart University
2	Mr. Wichit Amphaiwan	Bangchan Production Factory Manager	Junior High School
3	Mr. Wisit Saitaidoo	Bangpakong Production Factory Manager	High Vocational Certificate
4	Mr. Anupong Rengputipong	Business Development Manager	M.B.A., Ramkhamhaeng University
5	Ms. Wannapa Krajomthong	Accounting & Financial Manager	B.B.A., Sukhothai Dhammathiraj University
6	Ms. Achara Maneesawath	Internal Audit Manager	M.P.P.M., National Institute of Development Administration

### Scope of Duties and Authorities of the Management

1. Initiate and fulfill operation plans as assigned by the Board to achieve goals and objectives.
2. Supervise and follow-up on the policies and operation plans as assigned by the Board.
3. Screen as well as approve important and urgent issues within the scope of authorities and budget set by the Board and propose to the Board for approval.
4. Study and seek opportunities of new business to be proposed to the Board for approval.
5. Perform other tasks as assigned by the Board.

### The Nomination of Directors and Executives

The nomination of directors is based on the criteria and procedure stated in “The Board of Directors’ Structure and Management”. The directors act as the Company’s representatives in maintaining the shareholders’ interests and have the authority to supervise and manage the Company in accordance with the law, the Company’s objectives, regulations and policies including resolutions of the Board of Directors’ Meetings as well as shareholders’ meetings. They must perform their duties with integrity, care, prudence, transparency with the aim of attaining maximum benefits for the Company, shareholders, and stakeholders. The Company’s executives are outsiders or permanent and full-time executives recruited from qualified, competent individuals with experiences in various fields to operate as per the above-mentioned scope of duties and authorities.

### Remunerations of the Directors and the Executives

#### Remunerations of the Directors

The company has a transparent policy to prescribe the remunerations of the directors, which has been considered by the Nomination and Remuneration Committee and approved by shareholders.

Remunerations of the directors are comparable with the industry practices and determined by considering experiences, responsibilities, and roles and obligations, including the benefits that are expected to be utilized from each director. The directors with additional responsibilities are entitled to receive higher remunerations, such as the Audit Committee will be eligible for a meeting fee.

The executives’ remunerations are in accordance with the principles and policies prescribed by the Board and are also in line with each executive’s performance.

#### Remunerations and other monetary remunerations of the Directors and Sub-Committee

Pursuant to the Company’s regulations, the directors have the rights to receive remunerations from the Company in the form of money, meeting fees, allowances, pension, bonus, or other forms of remunerations according to the regulations or as deemed appropriate in the shareholders’ meetings. The criteria of which may be laid down permanently or until further notice or it may be applicable for that particular case.

The executives’ remunerations are in accordance with the principles and policies prescribed by the Board and are also in line with each executive’s performance.

### Remunerations and other monetary remunerations of the Directors and Sub-Committee are as follows:

**Remark:** As per the resolution of the Annual General Shareholders' Meeting of April 24<sup>th</sup>, 2013, the approved budget of which was not to exceed 1,500,000 Baht.

No	Name	Position	2012				2013			
			Remunerations (Baht)				Remunerations (Baht)			
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
1	Mr. Thitivat Suebsaeng	Chairman	72,000			72,000	96,000			96,000
2	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee/ Independent director/Nomination and Remuneration Committee	72,000	132,000	6,000	210,000	96,000	132,000	6,000	234,000
3	Mr. Buncherd Tanglerpaibul	Audit Committee/Independent Director/ Chairman of the Nomination and Remuneration Committee	72,000	120,000	6,000	198,000	96,000	120,000	6,000	222,000
4	Ms. Jutatip Arunanondchai	Audit Committee/Independent Director	72,000	120,000		192,000	96,000	120,000		216,000
5	Mr. Supod Kantavijit	Managing Director	72,000			72,000	96,000			96,000
6	Ms. Sriwarin Jirapakkana	Director	72,000			72,000	96,000			96,000
7	Ms. Dalad Saphavichaikul	Director	72,000			72,000	96,000			96,000
8	Mr. Vacharaphong Darakananda	Director/ Nomination and Remuneration Committee	72,000		6,000	78,000	96,000		6,000	102,000
9	Mr. Nanthiya Darakananda	Director	72,000			72,000	96,000			96,000
Total			648,000	372,000	18,000	1,038,000	864,000	372,000	18,000	1,254,000

- Other remunerations of the Directors and Sub-Committee - none -

### Remunerations of Executives

- Remunerations of Executives are as follows:

Position	Salary and bonus per year (Baht)
Managing director and Executives	11.1 million baht

- Other remunerations of Executives

The Company contributed to the provident funds of Managing Director and 4 Executives at the rate of 3% of base salary.



# Good Corporate Governance

**Category 1 : Shareholders' Rights**

**Category 2 : Equitable Treatment to Shareholders**

**Category 3 : Stakeholders' Roles**

**Category 4 : Information Disclosure and Transparency**

**Category 5 : The Board of Directors' Responsibilities**

## Good corporate governance policy

In 2013, the Company operated in conformity with the Stock Exchange of Thailand's good corporate governance by taking into consideration its responsibilities toward employees, shareholders, customers, competitors, community, society, environment, and all stakeholders to create balance for every party. Also, the Company was managed under the motto "Integrity Quality Service". The operations of which are as follows:

## Category 1 : Shareholders' Rights

### Shareholders' rights policy

The shareholders' rights and the promotion of the exercise of such rights were taken into consideration by covering basic legal rights such as dividend, share acquisition and transfer, sufficient receipt of news and information, vote casting to appoint or terminate directors in shareholders' meetings, approve directors' remuneration, auditor's appointment and approve audit fee, and any other issues affecting the company, etc.

### The opportunity provided to shareholders to study the information prior to shareholders' meetings.

In 2013, the 20<sup>th</sup> Annual Shareholders' Meeting took place on 24<sup>th</sup> April, 2013 at the auditorium, head office of Saha-Union Public Co., Ltd. situated at 1828 Sukhumvit Road, Bangchak, Prakanong, Bangkok.

- Complete and correct sets of letter of invitation with date, time, venue, agendas, information, and documents were submitted to shareholders.

- The above-mentioned documents were sent to shareholders no less than 7 days prior to the meeting.

- The letter of invitation, information, and documents both in Thai and English were posted 30 days prior to the meeting (posted on 22<sup>nd</sup> March, 2013) on the company's website, <http://www.unionplastic.co.th>, as well as in the News for the Stock Exchange of Thailand.

### Facilities Provided to Shareholders

- In 2013, the 20<sup>th</sup> Annual General Meeting of Shareholders was held on 24<sup>th</sup> April, 2013 at the head office's auditorium of Saha-Union Public Co., Ltd., situated at 1828 Sukhumvit Road, Bangchak, Prakanong, Bangkok. This was due to the fact that the company's head office and branches are situated in the suburbs which are not convenient to shareholders whereas this venue is located on a main road with the sky train facility, hence a more convenient venue.

- Sufficient staff was provided to check the participating shareholders' documents. Duty stamps were also available for proxy purposes and ballots were provided for important agendas such as appointments of directors, etc.

### Appointment of Proxy

- In the previous Annual General Meeting of Shareholders, the Company gave an opportunity to every shareholder to authorize another person to vote on his/her behalf.

- Shareholders were required to use Proxy Form Khor (ก) so that they could cast their votes in the event of agreement, disagreement, or no vote and they could also vote for directors individually or in group of the required number of directors depending on the consent of the meeting.

- Should the shareholders want to vote by proxy via independent directors, details of independent directors, such as names, surnames, ages, addresses, were made available as well as the information on whether or not they had stakes in the matter.

- The Company proposed 2 independent directors for the shareholders to appoint in case of voting by proxy.

- List of required documents as well as suggestions on proxy procedure and criteria were supplied.

- Information on the exercise of proxy rights and procedure was posted for 30 days prior to the meeting (posted on 22<sup>nd</sup> March, 2013) on the company's website as well as in the News for the Stock Exchange of Thailand.

- Shareholders' Meetings**

- In the last Annual General Meeting of Shareholders, the shareholders were given an opportunity to register for not less than 1 hour prior to the meeting. They were also informed of the numbers of attendees and those who voted by proxy by the Chairman of the Board. All 9 directors attended the meeting and were introduced by the Chairman.

- Before the meeting, the shareholders were advised of voting criteria and procedure as well as ballot-counting practices. The shareholders had the rights to vote in accordance with the sequence of the agendas notified in the letter of invitation. They had their equal rights to cast their votes, that is to say, no shareholders' rights were limited in each agenda and no crucial information was changed during the meeting.

- The Chairman of the Meeting provided opportunities to shareholders to ask questions and expressed their opinions freely. He also completely answered all pivotal questions to the satisfaction of shareholders. Then the voting was conducted in sequential order as per the agendas, the details of which are shown in the 20<sup>th</sup> Annual General Meeting of Shareholders' Minutes of Meeting.

- The minutes of meeting were posted on the company's website as well as in the News for The Stock Exchange of Thailand within 14 days from the meeting date (posted on 5<sup>th</sup> May, 2013).

- The elections of directors are executed in accordance with the following criteria and procedure:**

- (1) A shareholder is entitled to one vote per share.

- (2) The elections of directors could be done individually or in group of the required number of directors depending on the consent of the meeting. However, each shareholder must only exercise his/her vote as per (1) and shall never divide the voting right and transfer the vote to other persons or groups.

- (3) Directors are elected by majority votes and in the case of a tie, the Chairman will cast the final vote.

## Category 2 : Equitable Treatment to Shareholders

- Policy on Equitable Treatment to Shareholders**

The Board of Directors has regulated that shareholders are treated equally and that their basic rights are protected according to Category 1 (Shareholders' rights) to create confidence to shareholders in terms of efficient use of their investments, which is a vital factor to enhance confidence to invest in the Company.

- No additional Agendas without prior notification to the shareholders**

In the previous Annual General Shareholder Meeting, the company did not include any additional agendas other than those stated in the letter of invitation, in order that the shareholders shall have enough time to study the information before making any decision.

- Provide the opportunity for the minority shareholders to propose the additional agendas**

- In the previous Annual General Meeting of Shareholders, the Company's policy facilitated the minority shareholders who wanted to add meeting agendas prior to the meeting by providing forms, criteria, and procedure in this respect including:

- Setting the deadline to propose additional agendas (from 1<sup>st</sup> October, 2012 - 31<sup>st</sup> December, 2012) for the Board's consideration and the Company's decision was deemed final.

- Forms, criteria, and procedure to propose additional agendas were posted for not less than 3 months prior to the meeting on the Company's website as well as the News for the Stock Exchange of Thailand (posted on 1<sup>st</sup> October, 2012).

- All shareholders exercise their rights equally.**

- In the previous Annual General Meeting of Shareholders, the Company regulated that shareholders' voting rights are equivalent to the number of shares held i.e. one vote per share.

- Proxy Form Khor (ข) was submitted to each shareholder so that they could exercise their voting rights on agreement, disagreement, or no vote.

- In the event of elections of directors, shareholders had the rights to vote for directors individually or in group of the required number of directors depending on the consent of the meeting.

- In case of voting by proxy via independent directors, shareholders were provided with details of independent directors such as names, surnames, ages, addresses, and the information on whether or not they had stakes in the matter. The company also proposed 2 independent directors in this regard.

- List of required documents as well as suggestions on proxy procedure were supplied.
- Ballots were provided in the event of important agendas such as elections of directors, etc.

- **Conflicts of Interest**

- In the case where the Company engages in business transactions with major shareholders, directors, executives, or other individuals related to them, the Board will implement measures and policies to ensure that those transactions are in consistent with general business conditions. In addition, these individuals will get the same treatment as others and the approvals of such transactions are obtained from those who have no stakes in the matters, with the Company's maximum benefits as the main objective.

- In the case where the Company approves any business transactions executed with related parties with long-term obligations such as purchases and sales of products, etc., the Company will follow-up to make sure that the agreed conditions are honored during the period when the obligation is in effect. Also, investments in concerned companies, affiliates, and subsidiaries will be regularly monitored.

- **Measures on Prevention of Internal Information Usage**

- The Company has established measures and policies to prevent internal information usage to maintain confidential data. Such measures and policies are included in the Staff Handbook and the prevention system is documented. Additionally, they are notified to all employees to make sure that they are strictly complied.

- The directors and managers responsible for reporting asset possession according to the law must regularly conduct the report to the Board.

### Category 3 : Stakeholders' Roles

- **Policies on treatment to each group of stakeholders**

The Company places the emphasis on the importance of every group of stakeholders and, therefore, has laid down policies to ensure that their legal rights are maintained, the summary of which is as follows :

- **Employees** : The Company's policies prohibit the violation of human rights. This can be found in the work regulation section under the heading of discipline and good behavior.

The Company is committed to enhancing knowledge, good working atmosphere as well as providing various benefits to create security to its employees as follows :

- **Human Resources Development**

Training and seminars are arranged to provide knowledge and working skills to staff.

- **Safety, welfare, and benefits are extended to employees equally and fairly as follows:**

- Safety, Occupational Health, and Working Environment Committee and Staff's Welfare Committee have been established.

- Employees are provided with transportation, medical treatments, and other social welfare.

- Recreational activities as well as indoor and outdoor sports are also provided.

- **Shareholders** : The Company is consistently and earnestly responsible for its shareholders as well as determined to make profits or suitable returns to shareholders.

- **Customers** : The Company is attentive and responsible to its customers by documenting its quality policy, acquiring ISO 9001, ISO/TS 16949, producing quality products, maintaining its standards, not delivering defected products to customers, keeping customers' confidentiality, providing officers to take care of customers' complaints and take the corrective action to the problem as soon as possible.

- **Business Partners** : Product purchasing verification is on equality, transparency, fair competition basis and takes into account of the need of product, worthiness and quality. The business partner comparison is conducted without discrimination and the agreement made by and between business partners is provided with documentation system. The committee is also appointed to consider various elements of relevant work and free from discrimination.

- **Competitors :**

- The company observes fair competition rules, avoids dishonest actions as well as does not ruin its competitors.
- The company has measures to prevent fraud in the organization explicitly as prescribed in company rules and regulations under the heading of discipline

- **Creditors :** The company complies with the loan condition or other related agreement made between the company and creditors and avoids any dishonest acts.

- **Community, Society, and Environmental Policies**

The Company has set up policies to look after community, society, and environment by advocating activities, assisting and developing social work and environment preservation with the emphasis on staff's participation in various activities.

- **Preservation of the Environment**

The Company has policies to preserve the environment by managing and controlling the company's production process to cause minimum impact to the environment, conscientiously and continually followed the environmental standards, using resources efficiently, reusing resources, and conducting energy saving measures etc. The goal is to increase maximum production and reduce pollution that could cause global warming. The Company has also emphasized on staff's participation in preserving the environment as follows :

- **Conscientiously and continually followed the environmental standards.**

The Company had been evaluated and ISO14001:2004 was bestowed by the BUREAU VERITAS CERTIFICATION (THAILAND). on 18<sup>th</sup> January, 2012 (the expiration date of which is 17<sup>th</sup> January, 2015).

- **Using resources efficiently and reusing resources**

- The Company reuses used papers and one-sided papers to reduce paper waste in the factory.
- The Company circulates hot air from the Hopper Dryer back again to reduce the workload of Heater(s). This is another way of saving energy without an effect on the operations.
- The Company collects dumped containers such as milk and juice cartons to donate and to recycle them.

- **Energy-Saving Measures**

- Change the factory's lamps from High-Bay 400W to Fluorescent T5 4x54W in Production Factory 1.
- Maintain Capacitor Bank that is used to control broken Power Factor in order for it to work to its full efficiency in Production Factory 1.
- Reduce the wind pressure of Air Compressors from 7.5 bar to 7.0 bar to reduce the use of electricity in Production Factory 1.
- Reduce the use of electricity by reducing the use of Air Compressor from 2 compressors to 1 in Production Factory 2.
- Change the factory's lamps from High-Bay 250W to Tornado 80W in Production Factory 2.
- Improve the Air Compressors Room to reduce the input temperature by at least 1 degree Celsius in Production Factory 2.
- Install Inverter to control the work of Blower Motor in Spray Painting Room to make it appropriate to the workload to reduce the use of electricity in Production Factory 3.
- Change Fluorescent from old-type Fluorescent of 36W to T5 28W throughout offices.

- **Complaint Channels**

- The Company has initiated channels to take complaints and various leads via staff's suggestion box, concerned offices, and Independent Directors as well as the Audit Committee.
- Complaints are rectified through the process of consideration, investigation, and follow-up. The results of the follow-ups and rectifications are regularly presented in the Operation Meetings.

## Category 4 : Information Disclosure and Transparency

- **Information Disclosure and Transparency Policy**

The Board has regulated that the disclosure of essential financial and non-financial information related to the Company both in Thai and English is transparent, correct, complete, and in a timely manner. This may be exercised through channels with easy access such as the Company's website, News for the Stock Exchange of Thailand, or annual reports, etc.

- **Disclosure of Directors' and Executives' Remunerations**

The Company has policies on its directors' and executives' remunerations that reflects each director's duties and responsibilities and the directors' and executives' remunerations are in compliance with the criteria and policies laid down by the Board which are in line with the Company's operating results. Each directors and senior executive's performances as well as details of their remunerations are demonstrated on page 19-20 of the Annual Report under the topic "Remunerations of the Directors and Executives".

- **Disclosure of Roles and Duties of the Board of Directors and Sub-Committee**

- The roles and authorities of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee are described on page 15-19 of the Annual Report under the topic "Management".

- The numbers of the Board of Directors' meetings and meeting attendances of each director in the meetings of the Board, the Audit Committee, the Nomination and Remuneration Committee are shown on page 15 of the Annual Report under the topic "Management".

- **Disclosure of Last year's Performance of Sub-Committee**

- The Audit Committee's performances are shown on page 38 of the Annual Report in the Report of the Audit Committee.

- **Disclosure of Shareholder Structure**

- The first 10 major shareholders' names are revealed on page 13 of the Annual Report under the topic "Shareholders" on the Company's website.

- **Disclosure of Related Party Transactions**

- In case of related party transactions (if any), the Company has exhibited the names of individuals involved, relationships, nature of the conditional transactions, pricing policy, and value of the transactions on page 80-82 of the Annual Report under the topic "Conflicts of Interest".

- **Disclosure of Directors' and Executives' Securities Holdings Reports**

- The Company observes the guideline of SEC/SET that requires the Company to report on securities holdings annually.

- **Financial Report Disclosure**

- The Board of Directors is responsible for the Company's and its subsidiaries' consolidated financial reports as well as financial information appeared in the Annual Report. Such financial reports are prepared in accordance with the generally-accepted accounting standards in Thailand by applying accounting policies which are felicitous to the nature of business and have been consistently practiced. The financial reports contain correct, complete and truthful information according to accounting standards and sufficient vital information has been disclosed in the Notes to the Financial Statements.

- The Report of the Board's Responsibilities on Financial Reports was signed by the Chairman and Managing Director.

- Details of the above-mentioned reports are demonstrated on page 39 of the Annual Report.

- **Investor Relations Office**

- The Company's policy has stipulated that the disclosure of information is conducted transparently, correctly, completely, and equally. In this respect, shareholders and investors can gain access to the Company's essential information such as shareholders' meetings, overall picture of the Company/the Board/shareholders/important financial information/balance sheets/news/Form 56-1, and annual reports, on the Company's website, <http://www.unionplastic.co.th> under the topic "Investor Relations".

## Category 5 : The Board of Directors' Responsibilities

### • Policy on the Board of Directors' Responsibilities

The Board of Directors comprises directors who have been selected from qualified, knowledgeable, and capable candidates with various professions. These directors act as the Company's representatives who monitor and maintain the shareholders' interests. Their authorities are to supervise and manage the Company to be in conformity with the law, objectives, regulations, and policies of the Company, the Board's and shareholders' resolutions and shareholders' resolutions, with integrity and independence from the Management, taking into account of maximum benefits of the Company, shareholders, and stakeholders.

The roles and authorities of the Chairman of the Board and the Managing Director have been clearly stipulated. At present, the Chairman of the Board does not hold a position of Managing Director and the Chairman of the Board has no relations whatsoever to the Management so that supervision and policy making are entirely separated from the routine management. Scope of duties and authorities of each level of the Management has been identified explicitly. Furthermore, the authorities and responsibilities on approvals, accounting transaction entries, and the administration of the Company's assets are completely divided in order that no individual has unlimited authorities.

### • The Board's Roles, Duties, and Responsibilities

- The Board's duties are in pursuance of the Company's regulations and the supervision and management are in conformity with the law, objectives and regulations of the Company, as well as the resolutions of the Board meetings and shareholders' meetings.

- The Board participates in regulating the Company's policies, business plans, and strategies.

- The Board takes part in the consideration and approval on pivotal operational issues, such as financial targets, policies, business plans, strategies, and budget. Additionally, the Board also supervises, controls, and manages to ensure that policies, business plans, and strategies are achieved efficiently.

- It is the Board's responsibility to make sure that the good corporate governance is complied. The Board also contributes to the setting of good behavior standards specified in the working regulations and punishment is imposed in case of violation. The Company's employees must acknowledge and follow these regulations. Moreover, integrity as well as morality are emphasized and individuals involved in the Company's business must not be taken advantage of. All these are implemented under the motto "Integrity Quality Service".

### • Conflicts of Interest

- When the Company engages in any transactions with major shareholders, directors, executives, or any parties related to these individuals, measures and policies will be implemented by the Board to ensure that such transactions are in accordance with general business conditions and these individuals must get the same treatments as others, with maximum benefits of the Company as the main objective. Besides, approvals of the transactions must be obtained from those who have no stakes in the matters.

- In the case where the Company approves any business transactions executed with related parties with long-term obligations such as purchases and sales of products, etc., the Company will follow-up to make sure that the agreed conditions are honored during the period when the obligation is in effect. Also, investments in concerned companies, affiliates, and subsidiaries will be regularly monitored.

- **The internal control and audit systems on operations, financial reports, and the compliance with the rules, regulations, and policies are implemented as follows :**

- **Internal Audit** is independent in its performance and responsible for examining such control system. It reports directly to the Managing Director, Executives and Audit Committee and the internal control system is reviewed constantly on a yearly basis in addition to the review of such system of each division.

- **Risk Management** The company organized a Risk Management Committee, prepared risk management documents as well as ordered each sector to evaluate risk management through the meeting of the Risk Management Committee. The company's policies also monitor risk factors monthly and the sectors must report about the progress quarterly. For organization level, they must report twice a year.



- **The Board of Directors' Meeting**

- The meeting schedule is organized one year in advance and each director is notified accordingly for time allocation and attendance.

- The Board of Directors' Meeting is arranged on a monthly basis to report and follow-up on the Company's operations as well as to consider the quarterly financial reports and the disclosure of information in the Annual Registration Statement (Form 56-1) prior to submitting to the Stock Exchange of Thailand and the Securities and Exchange Commission.

- The Company Secretary will prepare and submit the letter of invitation, agendas, and documents to the Board for 7 days in advance to provide the Board with sufficient time to study before attending the meeting.

- The Chairman of the Board and Managing Director choose the topic to be included in the agenda.

- The Chairman allocates adequate time for the directors to vigilantly discuss significant problems as well as encourages all directors to exercise prudent consideration and be attentive to every agenda including the corporate governance issue.

- The Chairman, Managing Director and every director are required to attend every meeting with the exceptions of travelling, unavailability, or sickness.

- Executives are invited by the Managing Director to attend every meeting to supply additional accounting and financial information.

- The directors are encouraged to gain access to additional necessary information technology within the specified scope of policy from the Managing Director, the Corporate Secretary, or other assigned executives.

- **Self-Assessments of the Board of Directors and Executives**

- This is organized once a year so that performances and problems are rectified.

- **Remunerations**

- The Company possesses a transparent remuneration process approved by the Nomination and Remuneration Committee as well as the shareholders.

- The directors' remunerations can be compared with those in the same level of the same industry. In addition, experiences, duties, roles, responsibilities, and expected benefits derived from each director are taken into consideration.

- The Managing Director's and executives' remunerations are based on individual performance, the Company's operating results as well as economic situation.

- **Knowledge Development for Directors and Executives**

- **Knowledge Development for Directors**

- 2 members of the Audit Committee who participated in Monitoring The System of Internal Audit Function and Risk Management (MIR 14/2013) training program are 1. Assoc. Prof. Dr. Pakpachong Vadhanasindhu and 2. Mr. Bancherd Tanglerpaibul

- **Knowledge Development for Executives**

- The Executives participated the following training programs.

No.	Courses	Training hours
1	Japanese	36
2	ISO 14001 : 2004 Awareness Requirements	12
3	Audit Change From Internal Auditor to Consultant	6
4	Risk Management	72

# Control on Use of Internal Information

## Control on Use of Internal Information

The company has an internal control regarding the disclosure of internal information to external parties by stipulating that all employees must comply with the internal information conduct, which has been described in the working regulations, failure to comply will be resulted in disciplinary actions according to the company's policy. Also, the company has determined that directors and managements have to sign the letter of stakeholder declaration of directors and/or management on a yearly basis in order to declare the absence of conflict of interest, which included whether or not the internal information has been used for personal gains or brought damages to the company, whether intentionally or unintentionally. Moreover, this includes the distribution of internal information to customers, vendors, service providers, competitors, or any other party.

## Internal Control

As assigned by the Board of Directors, the Audit Committee's duties and responsibilities were to review the appropriateness and effectiveness of the internal control system set up by the management. This is to ensure that the internal control is efficient enough to mitigate reduce business risks and obviate protect the company's assets from losses or usage of unauthorized personnel. Furthermore, this is also to assist the Company's officers to comply with the law and concerned regulations as well as to create correct and reliable financial reports and help protecting shareholders' investments.

The Audit Committee and internal auditor reviewed the appropriateness and effectiveness of the internal control system as well as the internal audit and subsequently reported to the Board of Directors on a quarterly basis. Last year, the Audit Committee furnished its opinions on the essential issues to the management. In addition, in the meeting with Ernst & Young Office Limited, the financial auditor who audited the 2013 financial report, it was stated that the Company's overall internal control system was satisfactory and no significant errors which would have adversely affected the financial auditor's opinions toward the company's financial report were found.

The 12/2556 Board of Directors Meeting on 18<sup>th</sup> December, 2013 reviewed the effectiveness of the internal control system by considering 5 main factors: organization and environment, risk management, the management's operation control, information technology and communication, and follow-up system. The Board is unanimous in its opinion that these factors were felicitously conformed all 5 main factors.

## Risk factors

The company has recognized the importance of risk management under the changing business environment for both internally and externally. The risk management is an essential part for every procedure in business operations and must be synchronized at all levels. Therefore, the company-wide risk management policy has been implemented and required all employees to comply with. The risk management committee has been established to manage overall risk exposures for maximize benefit. The company-wide risk management policy has been systematically organized under the managing director's supervision and the operational risks are under particular management for each business unit. All departments must responsible in managing and controlling risk to be within an acceptable range. The risk factors are as below:

### Business risk

The labor shortage, as the government has raised the minimum wage nationwide in early 2013 so the labor workforce has been moved from one place to another as there were no longer difference in wage or any advantage, such labors were coming from all part of the country, while some has relocated to their homelands, therefore the company has suffered from a labor shortage and the manufacturing cost was rising. However, the company has mitigated this risk by employing more automation system in the production process and empowering workers' skill by arranging trainings.

### Credit risk

The company has lending risk in relation to its account receivables and other receivables. The management team has mitigated this risk by defining policy and procedure to control lending, therefore the company expected no significant losses from lending. Moreover, the company's account receivables accounts were not concentrated thanks to various customer base and large number of customers. The maximum potential loss to the company from lending is the book value of account receivable s and other receivables in the balance sheet.

### Risk from raw materials that are essential to the production

The company has purchased all plastic granules domestically and paid in baht. The global market price of plastic granules significantly affects the cost of plastic products as plastic granules are by-product of the crude oil refining. The rising crude oil price in the global market can be translated to higher plastic granules price and rising production costs. The volatility is attributed market condition and other factors such as demand and supply level, and foreign exchange rate for example. The rising plastic granule price in the global market will shift up the domestic price of plastic granules. The company has the following risk management policy

1. Verify and compare the plastic granule price from more than one vendor before purchasing.
2. Follow the plastic granule price from either domestic or international vendors.
3. If the plastic granule price is rising, the company has not exposed to the risk from price volatility of plastic granules as the customers have agreed to take such risk by responsible for products price adjustment according to the change in raw material price.

### Foreign currency exchange rate risk

The company's foreign exchange rate risk is low as the frequency of transaction in foreign currencies for each year is small and the amount of each transaction is quite low.

### Interest rate risk

The company has exposed to the interest rate risk from bank deposits and government bond investment, however, most of assets and liabilities are interest-free or are having a floating-rate interest or are having a fixed-rate interest closed to the prevailing market interest rate, so the interest rate risk of the company and the subsidiaries is low.

### Risk from flooding

The great flooding of 2011 has impacted the company insignificantly as the company has collaborated with the Industrial Estate Authority of Thailand so the impact was minimal if the molds have to be moved to the Bangpakong factory. The company has constructed a flood-prevention wall in the risky spots completely in 2013.

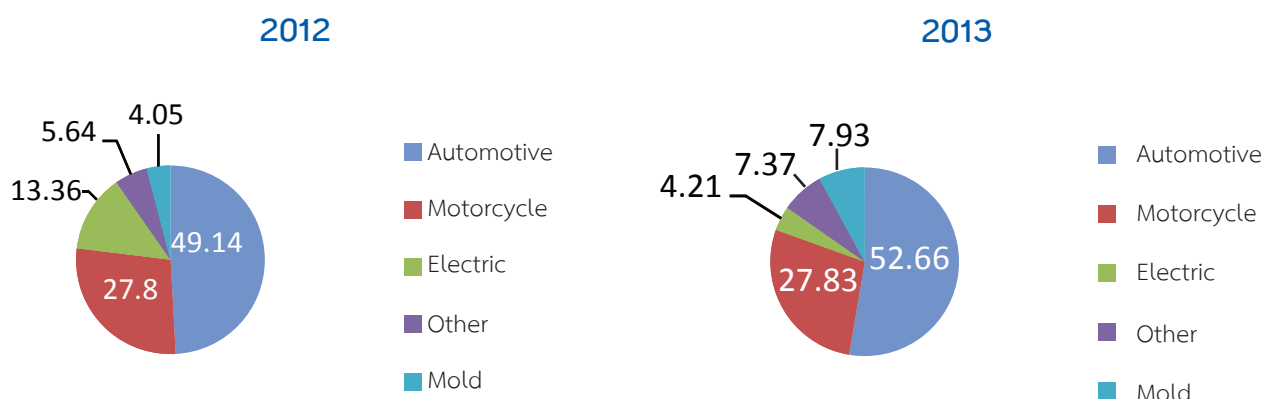
# Explanation and Analysis on Financial Status and Operation Results

## Recent operating performance analysis

For the economic condition in 2013, especially the second half of the year, the sales in automotive and motorcycle industry has been broadly dropped as a result of the expiration of the first-car scheme and the prevailing political condition has impacted the economy in a certain degree. Flood in the eastern region, labor shortage, rising cost from the minimum wage adjustment, and the increment of the energy expense that affects oil and transportation price are contribute to the decreasing revenue of the company by approximately 118 million baht in 2013 when compares with the year earlier. The net profit of the company in 2013 has decreased by 14.65 million baht from 2012. The revenue by product category can be seen below

1. Revenue from Automotive decreases by 5.13%
2. Revenue from Motorcycle decreases by 11.38%
3. Revenue from Electric decreases by 72.07%
4. Revenue from Other increases by 15.72%
5. Revenue from Mold increases by 73.15%

## Revenue portion by product category (%)



## Factors or situations that affect financial performance

### External factors

The competition in the industry was tensed due to the manufacturing base relocation of efficient international competitors with established business connection to the country, this includes the political stability, especially the demonstration which were likely to be prolonged, the cancellation of the advance order certification in the first-car scheme which means the private sector purchasing power were decreasing along with the rising household debt level, the labor shortage, and the increment of labor wage. All of these factors were contributed to the declining in the company's revenue while the costs were trending up.

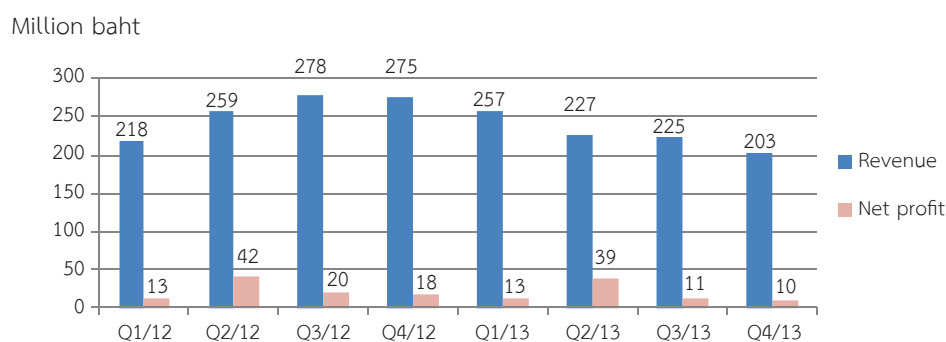
### Internal factors

The company has prepared to response to the external political, economical, and sociological volatility by improving the manufacturing process to response to all three dimensions of the customers' needs, namely quality, price, and delivery, and focusing on providing one-stop service, and also employing more automation system in the production and training employees at all level to empower them with more advanced skillsets.

## Operating results and profitability

From the analysis of Union Plastic Public Company Limited financial statements, the company has shown a decreasing profitability in 2013 in comparison to 2012 as the company's revenue has declined from the year earlier as some product category were contributed a lesser revenue such as automotive, motorcycle, and electric, while mold and products in other categories were contributed higher revenue.

### Quarterly revenue and net profit 2012-2013

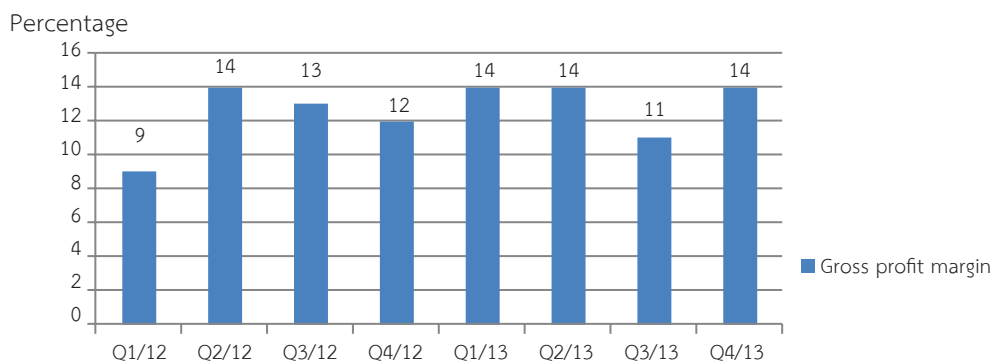


### Profitability

The profitability of Union Plastic Public Company Limited was decreasing in 2013 by comparison to 2012 as the earning per share was reduced from 3.47 baht to 2.89 baht, the operating profit margin was reduced from 9.80 percent to 8.71 percent, the gross profit margin in 2013 was decreasing from 13.94 percent in 2012 to 13.04 percent, the net profit margin in 2013 was also decreasing from 8.06 percent in 2012 to 7.59 percent.

The Company's earnings per share decreased from 3.47 baht in 2012 to 2.89 baht in 2013. In 2013, the net profit reduced by 16.88 percent compared to 2012.

### Quarterly gross profit margin 2012-2013



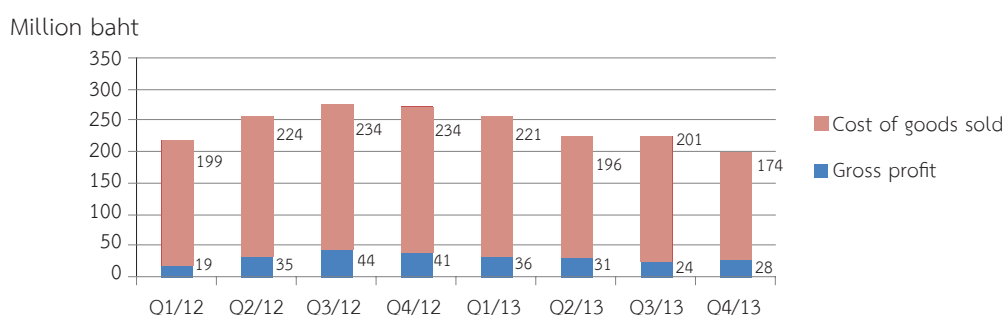
The company has applied a remedy process by controlling cost, increasing production efficiency by using Automation System to reduce losses, and increasing labor skills by training.

The return on assets (ROA) was reduced from 11.25 percent to 9.33 percent and the return on equity (ROE) was reduced from 14.37 percent to 12.04 percent. Meanwhile, the assets turnover ratio was reduced from 1.39 times to 1.23 times, the return from net fixed assets was reduced from 53.61 percent to 47.23 percent, and the return on assets was reduced from 11.93 percent to 9.33 percent

When considering the reasons attributed to the assets turnover ratio of 1.23 times in 2013, most of the assets were managed to serve customers' needs sufficiency. The quick ratio was increased from 2.85 times in the previous year to 3.22 times, the inventory turnover was reduced from 14 times to 12.79 times due to falling sales in 2013, the average debt collection period was increased from 46 days to 56 days, most of account receivables were not yet due and were not clarified as doubtful accounts as they are major vehicle manufacturers in the country, so the company did not reserve an allowance for doubtful account. The average selling period was 29 days.

The selling, general and administrative expense in 2013 was increased by comparison to 2012 by 2 million baht, which was mainly attributed to employee expenses especially loss from the actuarial estimation, although the selling expense was reduced as a result of falling sales.

### Quarterly cost of goods sold and gross profit 2012-2013



### Liquidity analysis

The liquidity or short-term risk analysis of the company to measure the ability of paying back short-term debt has shown that the company's liquidity is sufficient. The liquidity of the company in 2013 was slightly increased from 2012 as the current ratio was at 3.22 times and 2.85 times, while the quick ratio was at 2.69 times and 2.39 times in 2013 and 2012 respectively.

### Debt servicing ability analysis

Overall, the company still has an ability to service the debt without incurring any risk. The supporting evidence of the company to service the debt was positive cash flow from operation in 2013.



## Asset management efficiency

### Financial position analysis

The company's financial position which was analyzed by comparison in change in assets, liabilities, and shareholders' equity as of 31 December 2013 is described as follow:

(Unit: million baht)

Description	For the year ending 31 December			
	Year		Increase / (Decrease)	
	2013	2012	Amount	%
Total assets	763.51	810.58	(47.07)	(5.81)
Total liabilities	162.59	191.82	(29.23)	(15.24)
Total shareholders' equity	600.92	618.76	(17.84)	(2.88)

### Assets analysis

The company has assets valued at 763.51 million baht as of 31 December 2013, reduced by 47.07 million baht or 5.81 percent from 2012, according to the following description

- **Cash and cash equivalent**

Cash and high liquid bank deposits with maturity less than 3 months from the obtain date, and has no withdrawal restriction.

(Unit: million baht)

Cash flow	For the year ending 31 December	
	2013	2012
Balance forward at the beginning of the year	222	216
<b>Cash flow from operation</b>		
Profit from operation before operating assets and liabilities adjustment	116	136
Change in operating assets and liabilities	11	(31)
<b>Cash from operation</b>	127	105
Interest received	2	5
Withholding income tax paid	(30)	(29)
Withholding income tax received	15	13
<b>Net cash flow from operation</b>	114	94
<b>Net cash flow from investment</b>	(131)	(25)
<b>Net cash flow from financing</b>	(91)	(63)
<b>Net cash and cash equivalent decrement</b>	(108)	6
Cash balance at the end of the year	114	222

- In the current year, the company has a net cash inflow from operation at 114 million baht from normal profitable business operations as cash from operation was increased from the last year thanks to the change in net working capital, especially the reduction of account receivables and inventory.

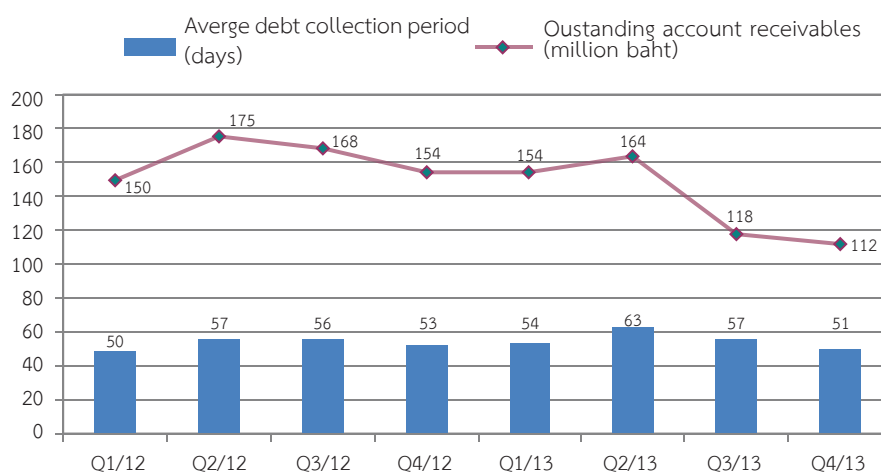
- The company has a net cash outflow from investment activity at 131 million baht, which was considerably higher than the year earlier, such cash outflow has been invested in fixed bank deposits for 105 million baht, government bond for approximately 3 million baht as an electrical expense guarantee. The company also spent cash for purchasing fixed assets and computer applications for approximately 53 million baht. However, the company has received approximately 30 million baht as a dividend from investment in the current year.

- The company has a net cash outflow from financing activity at 91 million baht as a dividend payment, which was increased from 2012 when the company has paid 63 million baht as a dividend and payback to minority interest of the subsidiaries.

- Account receivables and other receivables**

The company has 119.36 million baht of net account receivables and other receivables, which was a reduction of 39 million baht from 2012. The majority of account receivables was not yet due and had no debt collection problem; therefore the company did not reserve an allowance for doubtful accounts.

### Net account receivables

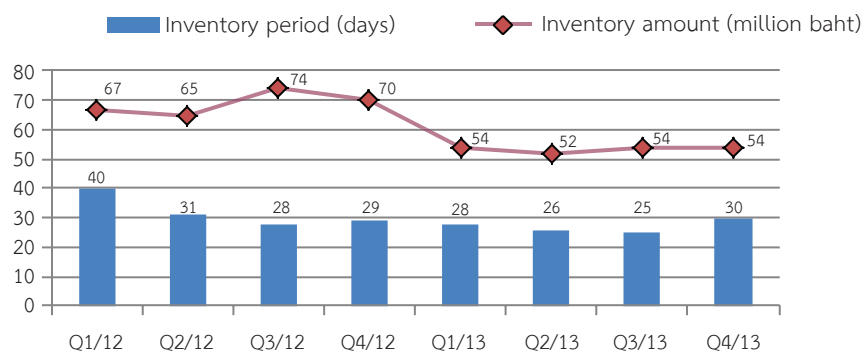


- **Inventory**

Inventory value as of 31 December 2013 and 2012 is described below

Decription	At cost		Impairment to net liquidation value		Net inventory	
	2013	2012	2013	2012	2013	2012
Finished goods	12,589	14,120	(958)	(973)	11,631	13,148
Work-in-process	21,661	30,862	(219)	(318)	21,442	30,544
Raw materials	14,124	17,229	(729)	(387)	13,395	19,730
Spare parts and plant equipment	8,105	9,374	(384)	(177)	7,721	6,309
Total	56,479	71,585	(2,290)	(1,855)	54,189	69,731

### Inventory period in days by comparison to inventory amount



- **Real-estate for investment**

The company has a real-estate investment in the Bangchan land valued at 3.7 million baht as of 31 December 2013, the company has renting the land to related parties for operational purpose.

- **Land, buildings, equipment, and intangible assets.**

Valued at 271.06 million baht, or a decrement of 4.65 million baht or 1.68 percent from 2012 due to assets depreciation according to the accounting practice, and the company's return on fixed assets has been reduced from 53.61 percent in the year earlier to 47.23 percent.

### **Liabilities**

The company has 162.59 million baht in liabilities, a net decrement of 29.24 million baht or 15.24 percent from 2012, according to the following description

- **Account payables and other payables**

Valued at 125.58 million baht, or a decrement of 33.9 million baht or 21.26 percent from 2012 as the declining in purchasing orders from customers resulted in declining raw material purchase, which attributed for most of the account payables.

- **Reservation for long-term employee benefit**

Valued at 37.01 million baht, an increment of 4.67 million baht or 14.43 percent, as a result of actuarial estimation.

### **Shareholders' equity**

The shareholders' equity of the company as of 31 December 2013 was 600.92 million baht, a decrement of 17.84 million baht or 2.88 percent from the year earlier, as a result of the the dividend payment during the year was over net profit.

## **Liquidity and sufficiency of the company's capital**

In conclusion, the company has estimated low-risk of default as the major source of capital was coming from the positive operating cash flow in 2013, thus the company has no obligation and potential liabilities.

The capital structure of the company for investment and operation improvement mostly came from cash flow from operation; the company's liquidity was good, most current liabilities were attributed to raw material purchase and investment in machinery and manufacturing equipment of the company's products.

For the capital management, the main objective of the capital management was to obtain the optimal capital structure to support business operation and increase value to shareholders. The company debt-to-equity ratio was at 0.27:1 (2012: 0.31:1) as of 31 December 2013 and the parent company has the debt-to-equity ratio at 0.27:1 (2012: 0.31:1)

## Operating lease commitments

The company has engaged in the operating lease for office equipment, the average duration of the contracts is approximately 1 to 4 years.

The company is obliged for the future minimum payment in the operating lease according to the following figures

(Unit: million baht)

Term	As of 31 December	
	2013	2012
In up to 1 year	2	2
In over 1 year and up to 4 years	-	1

Also, the company has a significant change in the accounting policy as the company has implemented the Thai Accounting Standard Number 12, the corporate income tax. This standard requires the company to record temporary difference from different in assets and liabilities, and recorded deferred tax as an asset or liabilities according to the accounting standard. The company has implemented the mentioned standard in the current year and has adjusted the financial statements of the last year as if the company has always recognized tax effect. The accumulated effect in the change in accounting standard was displayed separately in the statement of change in shareholders' equity.

The adjustment items that affected financial position statements and comprehensive income statements are displayed as follow

(Unit: thousand baht)

Description	Financial position		
	Financial statements in which the equity method is applied/Consolidated and Separate financial statements		
	As of 31 December 2013	As of 31 December 2012	As of 1 January 2012
		(Restated)	
<b>Deferred tax assets</b>			
Allowance for investment depreciation	-	-	4,715
Reservation for long-term employee benefit	7,028	6,123	6,724
<b>Total</b>	<b>7,028</b>	<b>6,123</b>	<b>11,439</b>

# Report of the Audit Committee

## Dear Shareholders of Union Plastic Public Company Limited,

The Audit Committee comprises Assoc. Prof. Dr. Pakpachong Vadhanasindhu as Chairman, Mr. Buncherd Tanglertpaibul and Ms. Jutatip Arunanondchai as Audit Committee. The Audit Committee performed its duties under the scope and responsibilities as assigned by the Board of Directors in accordance with the charter and the regulations of the Stock Exchange of Thailand. In 2013, 4 Audit Committee Meetings were held with full attendance of all Audit Committee. Senior Executives, Internal Audit Manager, and auditor also participated in the meetings with the relevant agendas and for separate discussion with the Auditor without the Senior Executives's attendance as per the Code of Conduct of the Audit Committee. The Audit Committee's reports were submitted to the Board of Directors on a quarterly basis. The summary of its main operations is as follows :

### 1) Review of the Financial Statements

The Audit Committee reviewed the quarterly financial statements as well as 2013 financial reports in collaboration with the auditor and concerned executives. This was to ensure that the Company's and subsidiaries' financial reports had been prepared correctly according to the generally-accepted accounting standards. Additionally, the information disclosure must be sufficient, complete, and reliable with remarks and suggestions for the Company's benefits.

### 2) Review of Internal Control System and Internal Audit

The adequacy and efficiency of the Company's internal control systems has been evaluated by the Board of Directors and the Audit Committee; whereas, the Board of Directors has commented that the Company has duly complied with the components of the Internal Control System; moreover, the Audit Committee has considered the independence of the Internal Audit Office and has approved the operation plans and workforce and has also reviewed the audit result and followed up the results of developments in significant issues for adequacy and suitability of the internal control system of the Company.

### 3) Conformity with Relevant Laws, Rules and Regulations

The Audit Committee has considered and reviewed the conformity with the relevant laws with the Company's businesses so that the Company's business operations shall be in accordance with the prescribed regulations.

### 4) Review of the Transactions with Potential Conflicts of Interest

The Audit Committee examined related transactions of the Company, subsidiaries, and joint ventures to make sure that transactions with possible conflicts of interest with the Company conformed with the general commercial conditions with the main objective of maintaining maximum benefits for the Company.

### 5) Risk Management

The Audit Committee has reviewed the Risk Management Report and has also given its additional recommendations so that the risk management thereof shall cover major risks of the Company.

### 6) Self-Evaluation

The Audit Committee has provided the self-evaluation relating to its performances of duties according to the Regulations and the Code of Conduct of the Audit Committee; provided that, according to the evaluation results, it indicated that the majority of its performances of duties have been in accordance with the Regulations and the Code of Conduct of the Audit Committee.

### 7) Consideration of the Auditor's Appointment and Audit Fee

The auditor and audit fee were proposed to the Board for approval in the Annual General Meeting of Shareholders. Ernst & Young Office Limited, an international company with branches in many countries, was appointed as the Auditor of Union Plastic Public Company Limited for the year 2014.

On Behalf of the Audit Committee



(Assoc. Prof. Dr. Pakpachong Vadhanasindhu)  
Chairman of the Audit Committee  
Union Plastic Public Company Limited  
February 19<sup>th</sup>, 2014

## Report of the Board of Directors' Responsibilities on Financial Statements

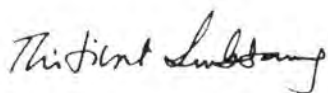
The Board of Directors shall be responsible for financial statements, which showed the investments under the equity method and separate statements of financial position of the Company and the financial information as appeared in the annual reports. Such financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) by using and regularly adhering to proper accounting policies, as well as using careful discretion and best estimation in preparation thereof and adequately disclosing significant data in the Notes to Financial Statements.

The Board of Directors shall be responsible for providing effective internal control system, supervising the compliance therewith and reporting the data relating to the appraisal of the internal control system, on a yearly basis, to the auditor and to members of the Audit Committee of the Company, covering errors and significant changes of the internal control system, including unlawful actions which may affect the preparation of correct and complete reports of the Company, thus, in conformity with the legal provisions.

The Board of Directors has appointed the Audit Committee, consisting of independent directors and non-executive directors, to be responsible for quality of financial reports and the internal control system; meanwhile, the opinions of the Audit Committee relating to this matter appeared in the report of the Audit Committee as shown in the Annual Report.

Therefore, the Board of Directors had its opinions that the internal control system of the Company was at a satisfactory level and was able to create reasonable confidence and assurance that the Company has disclosed significant data of the financial statements of the Company as of December 31<sup>st</sup>, 2013 correctly and completely.

On behalf of the Board of Directors



(Mr. Thitivat Suebsaeng)  
Chairman  
February 19<sup>th</sup>, 2014



(Mr. Supod Kantavijit)  
Managing Director  
February 19<sup>th</sup>, 2014



# Independent Auditor's Report

## To the Shareholders of Union Plastic Public Company Limited

I have audited the accompanying financial statements, in which the equity method is applied, of Union Plastic Public Company Limited, which comprise the statements of financial position as at 31 December 2013, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Union Plastic Public Company Limited for the same period.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Plastic Public Company Limited as at 31 December 2013 and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

Ernst & Young Office Limited  
Bangkok: 19 February 2014

# Statement of financial position

Union Plastic Public Company Limited

As at 31 December 2013

(Unit: Baht)

		Financial statements in which the equity method is applied		Consolidated Financial statements	Separate financial statements		
	Note	As at 31 December 2013	As at 31 December 2012 (restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (restated)	As at 1 January 2012
Assets							
Current assets							
Cash and cash equivalents	8	113,941,414	222,048,480	216,212,724	113,941,414	222,048,480	198,872,436
Current investments	9	105,000,000	-	-	105,000,000	-	-
Trade and other receivables	10	119,361,417	158,539,002	101,026,435	119,361,417	158,539,002	97,832,151
Inventories	11	54,188,958	69,731,166	56,875,380	54,188,958	69,731,166	56,875,380
Other current assets		11,624,656	4,990,267	1,039,321	11,624,656	4,990,267	1,039,321
Total current assets		404,116,445	455,308,915	375,153,860	404,116,445	455,308,915	354,619,288
Non-current assets							
Restricted investments	12	14,485,418	11,500,000	11,500,000	14,485,418	11,500,000	11,500,000
Investment in subsidiary	12	-	-	-	-	-	14,600,000
Investment in associate	13	11,065,283	9,829,013	8,968,606	2,499,990	2,499,990	2,499,990
Other long-term investment	14	20,002,200	20,002,200	19,997,200	20,002,200	20,002,200	19,997,200
Investment properties	15	3,738,143	3,738,143	3,738,143	3,738,143	3,738,143	3,738,143
Property, plant and equipment	16	268,889,868	273,386,381	279,463,950	268,889,868	273,386,381	279,463,950
Intangible assets	17	2,177,046	2,330,262	3,830,228	2,177,046	2,330,262	3,830,228
Deferred tax assets	23	7,027,981	6,123,104	11,439,030	7,027,981	6,123,104	11,439,030
Withholding income tax	18	32,009,438	28,369,216	25,949,856	32,009,438	28,369,216	25,949,856
Total non-current assets		359,395,377	355,278,319	364,887,013	350,830,084	347,949,296	373,018,397
Total assets		763,511,822	810,587,234	740,040,873	754,946,529	803,258,211	727,637,685

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

# Statement of financial position (continued)

Union Plastic Public Company Limited

As at 31 December 2013

(Unit: Baht)

		Financial statements in which the equity method is applied		Consolidated Financial statements	Separate financial statements		
	Note	As at 31 December 2013	As at 31 December 2012 (restated)	As at 1 January 2012	As at 31 December 2013	As at 31 December 2012 (restated)	As at 1 January 2012
Liabilities and shareholders' equity							
Current liabilities							
Trade and other payables	19	124,483,075	155,156,544	105,529,265	124,483,075	155,156,544	108,204,422
Other current liabilities		1,095,000	4,323,000	6,132,000	1,095,000	4,323,000	6,132,000
Total current liabilities		125,578,075	159,479,544	111,661,265	125,578,075	159,479,544	114,336,422
Non-current liabilities							
Provision for long-term employee benefits	20	37,014,244	32,345,595	33,691,311	37,014,244	32,345,595	33,691,311
Total non-current liabilities		37,014,244	32,345,595	33,691,311	37,014,244	32,345,595	33,691,311
Total liabilities		162,592,319	191,825,139	145,352,576	162,592,319	191,825,139	148,027,733
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	250,000,000	250,000,000
Issued and fully paid-up							
25,000,000 ordinary shares of Baht 10 each		250,000,000	250,000,000	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	167,200,000	167,200,000
Retained earnings							
Appropriated - statutory reserve	21	62,500,000	62,500,000	62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		121,219,503	139,062,095	106,864,890	112,654,210	131,733,072	99,909,952
Equity attributable to owners of the Company		600,919,503	618,762,095	586,564,890	592,354,210	611,433,072	579,609,952
Non-controlling interests of the subsidiary		-	-	8,123,407	-	-	-
Total shareholders' equity		600,919,503	618,762,095	594,688,297	592,354,210	611,433,072	579,609,952
Total liabilities and shareholders' equity		763,511,822	810,587,234	740,040,873	754,946,529	803,258,211	727,637,685

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

# Statement of comprehensive income

Union Plastic Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

		Financial statements in which the equity method is applied	Consolidated Financial statements	Separate financial statements	
	Note	2013	2012 (restated)	2013	2012 (restated)
<b>Profit and loss</b>					
<b>Revenues</b>					
Sales		911,552,013	1,029,585,424	911,552,013	1,029,585,424
Other income					
Scrap sales		12,241,102	12,380,057	12,241,102	12,380,057
Dividend income	13, 14	29,196,496	25,396,444	29,696,494	25,396,444
Others		13,667,929	14,177,753	13,667,929	14,426,171
<b>Total revenues</b>		<b>966,657,540</b>	<b>1,081,539,678</b>	<b>967,157,538</b>	<b>1,081,788,096</b>
<b>Expenses</b>					
Cost of sales		792,663,551	886,079,049	792,663,551	886,079,049
Selling expenses		40,969,238	43,709,441	40,969,238	43,709,441
Administrative expenses		50,606,750	46,588,025	50,606,750	46,254,029
<b>Total expenses</b>		<b>884,239,539</b>	<b>976,376,515</b>	<b>884,239,539</b>	<b>976,042,519</b>
<b>Profit before share of profit from investment in associate and income tax expenses</b>		<b>82,418,001</b>	<b>105,163,163</b>	<b>82,917,999</b>	<b>105,745,577</b>
Share of profit from investment in associate	13	1,736,268	860,407	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>84,154,269</b>	<b>106,023,570</b>	<b>82,917,999</b>	<b>105,745,577</b>
Finance cost		(2,538)	-	(2,538)	-
<b>Profit before income tax expenses</b>		<b>84,151,731</b>	<b>106,023,570</b>	<b>82,915,461</b>	<b>105,745,577</b>
Income tax expenses	23	(10,749,068)	(18,925,317)	(10,749,068)	(18,925,317)
<b>Profit for the year</b>		<b>73,402,663</b>	<b>87,098,253</b>	<b>72,166,393</b>	<b>86,820,260</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>73,402,663</b>	<b>87,098,253</b>	<b>72,166,393</b>	<b>86,820,260</b>
<b>Total comprehensive income attributable to</b>					
Equity holders of the Company		73,402,663	87,194,345	72,166,393	86,820,260
Non-controlling interests of the subsidiary		-	(96,092)		
		<b>73,402,663</b>	<b>87,098,253</b>		
<b>Basic earnings per share</b>	24				
Profit attributable to equity holders of the Company		2.94	3.49	2.89	3.47

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

# Statement of changes in shareholders' equity

Union Plastic Public Company Limited  
For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements					
	Equity attributable to owners of the Company					
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary
			Appropriated - statutory reserve	Unappropriated		
<b>Balance as at 31 December 2011 - as previously reported</b>	250,000,000	167,200,000	62,500,000	95,425,860	575,125,860	8,123,407
Cumulative effect of change in accounting policy for income taxes (Note 4)	-	-	-	11,439,030	11,439,030	-
<b>Balance as at 31 December 2011 - as restated</b>	250,000,000	167,200,000	62,500,000	106,864,890	586,564,890	8,123,407
Cash paid to non-controlling interests of the subsidiary upon liquidation	-	-	-	-	-	(8,027,315)
Dividend paid (Note 27)	-	-	-	(54,997,140)	(54,997,140)	-
Total comprehensive income for the year	-	-	-	87,194,345	87,194,345	(96,092)
<b>Balance as at 31 December 2012 - as restated</b>	250,000,000	167,200,000	62,500,000	139,062,095	618,762,095	-

	Financial statements in which the equity method is applied				
	Retained earnings				
	Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Total shareholders' equity
<b>Balance as at 31 December 2012 - as previously reported</b>	250,000,000	167,200,000	62,500,000	132,938,991	612,638,991
Cumulative effect of change in accounting policy for income taxes (Note 4)	-	-	-	6,123,104	6,123,104
<b>Balance as at 31 December 2012 - as restated</b>	250,000,000	167,200,000	62,500,000	139,062,095	618,762,095
Dividend paid (Note 27)	-	-	-	(91,245,255)	(91,245,255)
Total comprehensive income for the year	-	-	-	73,402,663	73,402,663
<b>Balance as at 31 December 2013</b>	250,000,000	167,200,000	62,500,000	121,219,503	600,919,503

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

# Statement of changes in shareholders' equity (continued)

Union Plastic Public Company Limited  
For the year ended 31 December 2013

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2011 - as previously reported	250,000,000	167,200,000	62,500,000	88,470,922	568,170,922
Cumulative effect of change in accounting policy for income taxes (Note 4)	-	-	-	11,439,030	11,439,030
Balance as at 31 December 2011 - as restated	250,000,000	167,200,000	62,500,000	99,909,952	579,609,952
Dividend paid (Note 27)	-	-	-	(54,997,140)	(54,997,140)
Total comprehensive income for the year	-	-	-	86,820,260	86,820,260
Balance as at 31 December 2012 - as restated	250,000,000	167,200,000	62,500,000	131,733,072	611,433,072
Balance as at 31 December 2012 - as previously reported	250,000,000	167,200,000	62,500,000	125,609,968	605,309,968
Cumulative effect of change in accounting policy for income taxes (Note 4)	-	-	-	6,123,104	6,123,104
Balance as at 31 December 2012 - as restated	250,000,000	167,200,000	62,500,000	131,733,072	611,433,072
Dividend paid (Note 27)	-	-	-	(91,245,255)	(91,245,255)
Total comprehensive income for the year	-	-	-	72,166,393	72,166,393
Balance as at 31 December 2013	250,000,000	167,200,000	62,500,000	112,654,210	592,354,210

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



# Cash flow statement

Union Plastic Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

	Note	Financial statements in which the equity method is applied	Consolidated financial statements	Separate financial statements	
		2013	2012	2013	2012
<b>Cash flows from operating activities</b>					
Profit before tax		84,151,731	106,023,570	82,915,461	105,745,577
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:					
Depreciation and amortisation	16, 17	56,428,918	57,788,692	56,428,918	57,788,692
Reduction of cost of inventory to net realisable value (reversal)	11	435,171	(622,789)	435,171	(622,789)
Gains on sales/write-off of equipment	16	(268,133)	(1,265,425)	(268,133)	(1,265,425)
Losses on write-off of intangible assets	17	-	18,596	-	18,596
Share of profit from investment in associate	13	(1,736,268)	(860,407)	-	-
Gains on cash received upon liquidation of the subsidiary		-	-	-	(307,869)
Unrealised losses on exchange		48,193	173,432	48,193	173,432
Dividend income	13, 14	(29,196,496)	(25,396,444)	(29,696,494)	(25,396,444)
Provision for long-term employee benefits		10,270,196	4,716,715	10,270,196	4,716,715
Interest expenses		2,538	-	2,538	-
Interest income		(4,634,325)	(4,463,646)	(4,634,325)	(4,463,646)
Income from operating activities before changes in operating assets and liabilities		115,501,525	136,112,294	115,501,525	136,386,839
Operating assets (increase) decrease					
Trade and other receivables		41,215,778	(57,701,957)	41,215,778	(60,896,241)
Inventories		15,107,037	(12,232,997)	15,107,037	(12,232,997)
Other current assets		(6,634,389)	(3,950,946)	(6,634,389)	(3,950,946)
Operating liabilities increase (decrease)					
Trade and other payables		(29,339,463)	50,757,092	(29,339,463)	50,903,634
Other current liabilities		(3,228,000)	(1,809,000)	(3,228,000)	(1,809,000)
Other non-current liabilities		(5,601,547)	(6,062,431)	(5,601,547)	(6,062,431)
<b>Cash flows from operating activities</b>		127,020,941	105,112,055	127,020,941	102,338,858
Cash receipt from interest income		2,547,939	4,479,604	2,547,939	4,479,604
Cash paid for interest expenses		(2,538)	-	(2,538)	-
Cash paid for withholding income tax		(28,586,760)	(28,686,014)	(28,586,760)	(28,686,014)
Cash receipt from withholding income tax		13,292,593	12,657,263	13,292,593	12,657,263
<b>Net cash flows from operating activities</b>		114,272,175	93,562,908	114,272,175	90,789,711

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

# Cash flow statement (continued)

Union Plastic Public Company Limited

For the year ended 31 December 2013

(Unit: Baht)

		Financial statements in which the equity method is applied	Consolidated financial statements	Separate financial statements	
	Note	2013	2012	2013	2012
Cash flows from investing activities					
Acquisition of plant and equipment	16	(47,496,465)	(46,265,148)	(47,496,465)	(46,265,148)
Repayment of equipment creditor		(3,673,689)	(4,803,502)	(3,673,689)	(7,625,201)
Cash received from disposal of equipment		636,825	1,686,909	636,825	1,686,909
Acquisition of intangible assets	17	(2,311,733)	(712,400)	(2,311,733)	(712,400)
Increase in current investments	9	(105,000,000)	-	(105,000,000)	-
Increase in restricted investments		(2,985,418)	-	(2,985,418)	-
Increase in other long-term investment		-	(5,000)	-	(5,000)
Dividend received from investments	13, 14	29,696,494	25,396,444	29,696,494	25,396,444
Receipt of capital return from subsidiary	1.2	-	-	-	14,907,869
Net cash flows used in investing activities		(131,133,986)	(24,702,697)	(131,133,986)	(12,616,527)
Cash flows from financing activities					
Dividend paid	27	(91,245,255)	(54,997,140)	(91,245,255)	(54,997,140)
Cash paid to non-controlling interest of the subsidiary upon liquidation		-	(8,027,315)	-	-
Net cash flows used in financing activities		(91,245,255)	(63,024,455)	(91,245,255)	(54,997,140)
Net increase (decrease) in cash and cash equivalents		(108,107,066)	5,835,756	(108,107,066)	23,176,044
Cash and cash equivalents at beginning of year		222,048,480	216,212,724	222,048,480	198,872,436
Cash and cash equivalents at end of year		113,941,414	222,048,480	113,941,414	222,048,480
Supplemental cash flows information					
Non-cash transaction					
Purchase of equipment for which no cash has been paid		2,339,683	3,673,689	2,339,683	3,673,689

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

# Notes to Financial Statements

Union Plastic Public Company Limited

For the year ended 31 December 2013

## 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 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 30 March 2012, Union Kotec Molds Co., Ltd. which is a subsidiary company registered the completion of its liquidation process. The Company has received the capital return amounting to Baht 14.9 million.

## 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company (“the Company”) and the following subsidiary (“the Subsidiary”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2013	2012
			Percent	Percent
Union Kotec Molds Co., Ltd.	Contract manufacture and repair of molds	Thailand	-	-

- b) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

## 3. New accounting standards

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

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

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
	Financial Reporting Standard:
TFRS 8	Operating Segments

## Accounting Standard Interpretations:

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

## Accounting Treatment Guidance for Transfers of Financial Assets

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

**TAS 12 Income Taxes**

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

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

			<u>Effective date</u>
Accounting Standards:			
TAS 1 (revised 2012)	Presentation of Financial Statements		1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows		1 January 2014
TAS 12 (revised 2012)	Income Taxes		1 January 2014
TAS 17 (revised 2012)	Leases		1 January 2014
TAS 18 (revised 2012)	Revenue		1 January 2014
TAS 19 (revised 2012)	Employee Benefits		1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates		1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures		1 January 2014
TAS 28 (revised 2012)	Investments in Associates		1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures		1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting		1 January 2014
TAS 36 (revised 2012)	Impairment of Assets		1 January 2014
TAS 38 (revised 2012)	Intangible Assets		1 January 2014

		<u>Effective date</u>
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

#### 4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

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

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

(Unit: Thousand Baht)

	As at 31 December 2013		As at 31 December 2012		As at 1 January 2012	
	Financial statements in which the equity method is applied	Separate financial statements	Financial statements in which the equity method is applied	Separate financial statements	Consolidated financial statements	Separate financial statements
<b>Statements of financial position</b>						
Increase in deferred tax assets	7,028	7,028	6,123	6,123	11,439	11,439
Increase in unappropriated retained earnings	7,028	7,028	6,123	6,123	11,439	11,439

(Unit: Thousand Baht)

	For the year ended 31 December 2013		For the year ended 31 December 2012	
	Financial statements in which the equity method is applied	Separate financial statements	Consolidated financial statements	Separate financial statements
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
Increase (decrease) in income tax expenses	(905)	(905)	5,316	5,316
Increase (decrease) in profit attributable to equity holders of the Company	905	905	(5,316)	(5,316)
Increase (decrease) in basic earnings per share (Baht)	0.036	0.036	(0.213)	(0.213)



## 5. Significant accounting policies

### 5.1 Revenue recognition

#### *Sales of goods*

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

### 5.2 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.

### 5.3 Trade accounts receivable

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

### 5.4 Inventories

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

Raw materials, 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.

### 5.5 Investments

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

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

## 5.6 Investment properties

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

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

## 5.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (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 years
Furniture, fixtures and office equipment	-	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 is included in profit or loss when the asset is derecognised.

## 5.8 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

## **5.9 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.

## **5.10 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 long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

## **5.11 Foreign currencies**

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

Gains and losses on exchange are included in determining income.

## 5.12 Impairment of assets

At the end of each reporting period, the Company performs an 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.

An impairment loss is recognised in profit or loss.

## 5.13 Employee benefits

### *Short-term employee benefits*

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

### *Post-employment benefits*

#### *Defined contribution plans*

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

#### *Defined benefit plans*

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

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

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

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

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

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to retrospectively recognise the transitional liability, which is lower than the liability previously recognised at the same date under the previous accounting policy, retrospectively as though the Company initially recorded these employee benefit expenses.

#### **5.14 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.

#### **5.15 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

## **6. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with financial reporting standards 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 from these estimates. 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.

### **Property, plant and equipment/Depreciation**

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

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

### Deferred tax assets

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

### Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 7. 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)

	Financial statements in which the equity method is applied/		
	Separate financial statements	Consolidated and separate financial statements	Transfer Pricing Policy
	2013	2012	
<b><u>Transactions with related companies</u></b>			
(related by common shareholders)			
Sales of merchandise and services	110	76	Cost plus margin
Other income	7	7	Cost plus margin
Purchases of merchandise	19	14	Cost plus margin of related companies



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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
<b>Trade and other receivables - related parties (Note 10)</b>		
Related companies (related by common shareholders)	15,599	16,087
Total trade and others receivables - related parties	15,599	16,087
<b>Trade and other payables - related parties (Note 19)</b>		
Related companies (related by common shareholders)	1,984	4,597
Total trade and other payables - related parties	1,984	4,597

#### Directors and management's benefits

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	Consolidated and separate financial statements
	2013	2012
Short-term employee benefits	10,223	8,516
Post-employment benefits	943	(405)
Total	11,166	8,111

## 8. Cash and cash equivalents

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
Cash	50	50
Bank deposits	53,955	62,051
Short-term bonds	59,936	159,947
Total	113,941	222,048

As at 31 December 2013, bank deposits in saving accounts and short-term bonds carried interests between 0.25 and 2.44 percent per annum (2012: between 0.63 and 2.70 percent per annum).

## 9. Current investments

This represents fixed deposits with original maturities of 10 months and 4 months, amounting to Baht 90 million and Baht 15 million, respectively.

## 10. Trade and other receivables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	15,472	15,645
Total trade receivables - related parties	15,472	15,645
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	96,402	132,171
Past due less than 3 months	330	5,804
Total trade receivables - unrelated parties	96,732	137,975
Total trade receivables	112,204	153,620
<u>Other receivables</u>		
Amounts due from related parties	127	442
Advance for goods payment	4,843	4,315
Others	2,187	162
Total other receivables	7,157	4,919
Total trade and other receivables	119,361	158,539

## 11. Inventories

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2013	2012	2013	2012	2013	2012
Finished goods	12,589	14,121	(958)	(973)	11,631	13,148
Work in process	21,661	30,862	(219)	(318)	21,442	30,544
Raw materials	14,124	17,229	(729)	(387)	13,395	16,842
Spare parts and factory supplies	8,105	9,374	(384)	(177)	7,721	9,197
Total	56,479	71,586	(2,290)	(1,855)	54,189	69,731

## 12. Restricted investment

This represents investments in government bonds which are pledged as collateral to secure electricity use.

## 13. Investment in associate

### 13.1 details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements	
					Carrying amounts based on equity method		Carrying amount based on cost method	
			2013 (%)	2012 (%)	2013	2012	2013	2012
P.S.V. Mould Co., Ltd.	Contract manufacture	Thailand	25	25	11,065	9,829	2,500	2,500
Total	and sales of molds				11,065	9,829	2,500	2,500

### 13.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investment in associate in the financial statements as follows:

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied	Consolidated financial statements
	2013	2012
P.S.V. Mould Co., Ltd.	1,736	860
Total	1,736	860

The Company received dividend from its associate amounting to Baht 499,998 during 2013 (2012: None).

### 13.3 Summarised financial information of associate

Financial information of the associate is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for		Profit for the	
	as at		as at		as at		the years ended		years ended	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
P.S.V. Mould Co., Ltd.	10	10	54	50	9	11	37	34	7	3

### 14. Other long-term investment

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied/ Separate financial statements					
	Shareholding percentage		Investment value		Dividend received during the years	
	2013 (%)	2012 (%)	2013	2012	2013	2012
Union Nifco Co., Ltd.	19.99	19.99	20,002	20,002	29,196	25,396
Total			20,002	20,002	29,196	25,396

## 15. Investment properties

Investment property as at 31 December 2013 and 2012 represents land for rental. There was no movement in net book value during the year.

The fair value of the investment property as at 31 December 2013 amounted to Baht 36 million, as determined by an accredited independent valuer using the income approach. The main assumptions used in the valuation were yield rate, inflation rate, long-term vacancy rate, rate of growth of rental charges, and the market rates at the expiry date of the rent agreement.

## 16. Property, plant and equipment

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Consolidated financial statements						Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
<b>Cost</b>							
As at 1 January 2012	76,474	202,123	581,155	230,849	7,884	17,328	1,115,813
Additions	-	5,426	927	15,043	522	28,021	49,939
Disposals/write-off	-	(237)	(4,495)	(8,743)	(3,123)	(58)	(16,656)
Transfers	-	4,049	3,361	20,964	-	(28,374)	-
As at 31 December 2012	76,474	211,361	580,948	258,113	5,283	16,917	1,149,096
Additions	-	1,322	1,452	9,346	1,624	36,092	49,836
Disposals/write-off	-	(249)	(436)	(1,960)	(522)	-	(3,167)
Transfers	-	16,044	1,778	10,097	-	(27,919)	-
As at 31 December 2013	76,474	228,478	583,742	275,596	6,385	25,090	1,195,765
<b>Accumulated depreciation</b>							
As at 1 January 2012	-	125,526	517,960	186,820	5,678	-	835,984
Depreciation for the year	-	9,912	23,769	21,328	586	-	55,595
Depreciation on disposals/write-off	-	(198)	(4,481)	(8,451)	(2,802)	-	(15,932)
As at 31 December 2012	-	135,240	537,248	199,697	3,462	-	875,647
Depreciation for the year	-	10,867	20,137	22,256	704	-	53,964
Depreciation on disposals/write-off	-	(248)	(436)	(1,947)	(167)	-	(2,798)
As at 31 December 2013	-	145,859	556,949	220,006	3,999	-	926,813
<b>Allowance for impairment loss</b>							
As at 1 January 2012	-	-	76	289	-	-	365
Decrease during the year	-	-	(14)	(289)	-	-	(303)
As at 31 December 2012	-	-	62	-	-	-	62
As at 31 December 2013	-	-	62	-	-	-	62
<b>Net book value</b>							
31 December 2012	76,474	76,120	43,638	58,416	1,821	16,917	273,386
31 December 2013	76,474	82,619	26,731	55,590	2,386	25,090	268,890
<b>Depreciation for the year</b>							
2012 (Baht 53 million included in manufacturing cost, and the balance in administrative expenses)							55,595
2013 (Baht 51 million included in manufacturing cost, and the balance in administrative expenses)							53,964

## 16. Property, plant and equipment (Continued)

(Unit: Thousand Baht)

	Separate financial statements						Total
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	
<b>Cost</b>							
As at 1 January 2012	76,474	202,123	581,155	230,849	7,884	17,328	1,115,813
Additions	-	5,426	927	15,043	522	28,021	49,939
Disposals/write-off	-	(237)	(4,495)	(8,743)	(3,123)	(58)	(16,656)
Transfers	-	4,049	3,361	20,964	-	(28,374)	-
As at 31 December 2012	76,474	211,361	580,948	258,113	5,283	16,917	1,149,096
Additions	-	1,322	1,452	9,346	1,624	36,092	49,836
Disposals/write-off	-	(249)	(436)	(1,960)	(522)	-	(3,167)
Transfers	-	16,044	1,778	10,097	-	(27,919)	-
As at 31 December 2013	76,474	228,478	583,742	275,596	6,385	25,090	1,195,765
<b>Accumulated depreciation</b>							
As at 1 January 2012	-	125,526	517,960	186,820	5,678	-	835,984
Depreciation for the year	-	9,912	23,769	21,328	586	-	55,595
Depreciation on disposals/write-off	-	(198)	(4,481)	(8,451)	(2,802)	-	(15,932)
As at 31 December 2012	-	135,240	537,248	199,697	3,462	-	875,647
Depreciation for the year	-	10,867	20,137	22,256	704	-	53,964
Depreciation on disposals/write-off	-	(248)	(436)	(1,947)	(167)	-	(2,798)
As at 31 December 2013	-	145,859	556,949	220,006	3,999	-	926,813
<b>Allowance for impairment loss</b>							
As at 1 January 2012	-	-	76	289	-	-	365
Decrease during the year	-	-	(14)	(289)	-	-	(303)
As at 31 December 2012	-	-	62	-	-	-	62
As at 31 December 2013	-	-	62	-	-	-	62
<b>Net book value</b>							
31 December 2012	76,474	76,120	43,638	58,416	1,821	16,917	273,386
31 December 2013	76,474	82,619	26,731	55,590	2,386	25,090	268,890
<b>Depreciation for the year</b>							
2012 (Baht 53 million included in manufacturing cost, and the balance in administrative expenses)							55,595
2013 (Baht 51 million included in manufacturing cost, and the balance in administrative expenses)							53,964

As at 31 December 2013, 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 649 million (2012: Baht 587 million).

## 17. Intangible assets

The net book value of intangible assets which is computer software as at 31 December 2013 and 2012 is presented below:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
Cost	12,915	10,603
<u>Less</u> Accumulated amortisation	(10,738)	(8,273)
Net book value	2,177	2,330

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
Net book value at beginning of year	2,330	3,830
Acquisition	2,312	712
Write-off	-	(18)
Amortisation	(2,465)	(2,194)
Net book value at end of year	2,177	2,330

## 18. Withholding income tax

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
Year 2011	-	13,292
Year 2012	15,077	15,077
Year 2013	16,932	-
Total	32,009	28,369

The Company has requested for a refund of this withholding income tax from the Revenue Department. However, its net realisable value is subject to the result of a tax audit by the Revenue officials. The management believes that the Company will receive the refund of the full amount in future.

## 19. Trade and other payables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
Trade payables - related parties	1,136	3,493
Trade payables - unrelated parties	90,376	118,402
Other payables - related parties	848	1,104
Other payables - unrelated parties	2,709	3,561
Accrued expenses	26,327	25,141
Others	3,087	3,456
Total trade and other payables	124,483	155,157

## 20. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
Present value of defined benefit obligation	56,564	49,063
Fair value of plan assets	(19,550)	(16,717)
Net defined benefit liability	37,014	32,346



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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
<b>Defined benefit obligation at beginning of year</b>	49,063	47,183
Current service cost	4,327	2,967
Interest cost	1,897	1,750
Transferred employees from related companies	144	2,197
Actuarial loss	4,046	-
Benefits paid during the year	(2,913)	(5,034)
<b>Defined benefit obligation at end of year</b>	<b>56,564</b>	<b>49,063</b>
<b>Fair value of plan assets at beginning of year</b>	16,717	13,958
Change in fair value	(479)	(335)
Transferred employees from related companies	-	467
Contribution by the Company	3,838	3,259
Paid during the year	(526)	(632)
<b>Fair value of plan assets at end of year</b>	<b>19,550</b>	<b>16,717</b>

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

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	Consolidated and separate financial statements
	2013	2012
Current service cost	4,327	2,967
Interest cost	1,897	1,750
Actuarial loss	4,046	-
<b>Total expense recognised in profit or loss</b>	<b>10,270</b>	<b>4,717</b>
Line items under which such expenses are included in profit or loss		
Cost of sales	4,158	3,608
Selling and administrative expenses	6,112	1,109

Principal actuarial assumptions at the valuation date were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	Consolidated and separate financial statements
	2013 (%)	2012 (%)
Discount rate	3.7	4.0
Future salary increase rate (depending on age of employee)	3.5 - 6.5	3.5 - 6.5
Staff turnover rate (depending on age of employee)	0 - 30	0 - 30

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

(Unit: Thousand Baht)

	Defined benefit obligation
Year 2013	37,014
Year 2012	32,346
Year 2011	33,691
Year 2010	32,336
Year 2009	31,713

## 21. Statutory reserve

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

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

As at 31 December 2013 and 2012, the statutory reserve was Baht 62.5 million (equivalent to 25 percent of its registered share capital) had reached the minimum amounts as stipulated in the Company's regulations.

## 22. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied	Consolidated financial statements	Separate financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	204,730	197,374	204,730	197,374
Depreciation and amortisation expenses	56,429	57,789	56,429	57,789
Repair and maintenance expenses	14,485	14,150	14,485	14,150
Transportation expenses	30,421	34,915	30,421	34,915
Raw materials and consumables used	483,592	589,404	483,592	589,404
Changes in inventories of finished goods and work in process	10,733	(11,095)	10,733	(11,095)

## 23. Income tax

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied	Consolidated financial statements	Separate financial statements	
	2013	2012	2013	2012
		(restated)		(restated)
<b>Current income tax:</b>				
Current income tax charge	11,654	13,609	11,654	13,609
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(905)	5,406	(905)	5,406
Effects of changes in the applicable tax rates	-	(90)	-	(90)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>10,749</b>	<b>18,925</b>	<b>10,749</b>	<b>18,925</b>

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied			
	Consolidated financial statements		Separate financial statements	
	2013	2012 (restated)	2013	2012 (restated)
Accounting profit before tax	84,152	106,024	82,915	105,746
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	16,830	24,386	16,583	24,322
Effects of changes in the applicable tax rates	-	(90)	-	(90)
Effects of:				
Non-deductible expenses	818	739	818	739
Tax-exempt dividend income	(5,839)	(5,841)	(5,939)	(5,841)
Share of profit from investment in associate	(347)	(198)	-	-
Additional expense deductions allowed	(224)	(206)	(224)	(206)
Others	(489)	135	(489)	1
Total	(6,081)	(5,371)	(5,834)	(5,307)
Income tax expenses reported in the statement of comprehensive income	10,749	18,925	10,749	18,925

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position		
	Financial statements in which the equity method is applied/ Consolidated and separate financial statements		
	As at 31 December 2013	As at 31 December 2012 (restated)	As at 1 January 2012
Deferred tax assets			
Allowance for impairment of investments	-	-	4,715
Provision for long-term employee benefits	7,028	6,123	6,724
Total	7,028	6,123	11,439

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

## 24. Basic earnings per share

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

## 25. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the contract manufacture of thermoplastics. It also engages in the contract manufacture and repair of molds, but revenue from this business is not material. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

### Geographic information

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

### Major customers

For the year 2013, the Company has revenue from two major customers in amount of Baht 237 million and Baht 104 million (2012: revenue from a major customer in amount of Baht 259 million).

## 26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the employees and the Company contributed to the fund monthly at a rate of 3 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund's rules. During the year 2013, the Company contributed Baht 4 million (2012: Baht 3 million) to the fund.

## 27. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Final dividends for 2011	Annual General Meeting of the Shareholders on 25 April 2012	55,000	2.20
<u>Less:</u> Dividend that some shareholders are not entitles to received		(3)	
Net dividend paid		54,997	
Final dividends for 2012	Annual General Meeting of the Shareholders on 24 April 2013	91,250	3.65
<u>Less:</u> Dividend that some shareholders are not entitles to received		(5)	
Net dividend paid		91,245	

## 28. 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.

## 29. Commitments and contingent liabilities

### 29.1 Capital commitments

As at 31 December 2013, the Company had capital commitments of approximately Baht 4 million (2012: Baht 6 million), relating to the improvement of factory and acquisition of factory equipment.

## 29.2 Operating lease commitments

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

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

(Unit: Million Baht)

	Financial statements in which the equity method is applied/ Separate financial statements	
	As at 31 December	
	2013	2012
Payable:		
In up to 1 year	2	2
In over 1 and up to 4 years	-	1

## 30. Financial instruments

### 30.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, trade and other payables 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 and other receivables. 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 trade accounts receivable and other receivables as stated in the statement of financial position.

#### *Interest rate risk*

The Company is exposed to interest rate risk relating primarily to their cash at banks and government bonds. 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 is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarized 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.

(Unit: Million Baht))

	As at 31 December 2013					
	Financial statements in which the equity method is applied					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	60	-	53	1	114	0.50 - 2.44
Current investments	105	-	-	-	105	3.03 - 3.40
Trade and other receivables	-	-	-	119	119	-
Restricted investment	-	14	-	-	14	2.60 - 5.25
Investment in associate	-	-	-	11	11	-
Other long-term investment	-	-	-	20	20	-
	165	14	53	151	383	
Financial liabilities						
Trade and other payables	-	-	-	124	124	
	-	-	-	124	124	

(Unit: Million Baht))

As at 31 December 2012						
Financial statements in which the equity method is applied						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years					
Financial assets						
Cash and cash equivalents	160	-	61	1	222	0.63 - 2.70
Trade and other receivables	-	-	-	159	159	-
Restricted investment	-	12	-	-	12	2.60 - 3.30
Investment in associate	-	-	-	10	10	-
Other long-term investment	-	-	-	20	20	-
	160	12	61	190	423	
Financial liabilities						
Trade and other payables	-	-	-	155	155	
	-	-	-	155	155	



As at 31 December 2013						
Separate financial statements						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years					
Cash and cash equivalents	60	-	53	1	114	0.50 - 2.44
Current investments	105	-	-	-	105	3.03 - 3.40
Trade and other receivables	-	-	-	119	119	-
Restricted investment	-	14	-	-	14	2.60 - 5.25
Investment in associate	-	-	-	2	2	-
Other long-term investment	-	-	-	20	20	-
	165	14	53	142	374	
Trade and other payables	-	-	-	124	124	-
	-	-	-	124	124	

(Unit: Million Baht))

As at 31 December 2012						
Separate financial statements						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years					
Cash and cash equivalents	160	-	61	1	222	0.63 - 2.70
Trade and other receivables	-	-	-	159	159	-
Restricted investment	-	12	-	-	12	2.60 - 3.30
Other long-term investment	-	-	-	2	2	-
Investment in associate	-	-	-	20	20	-
	160	12	61	182	415	
Trade and other payables	-	-	-	155	155	-
	-	-	-	155	155	

### *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.

## **30.2 Fair values of financial instruments**

Since the majority of the Company's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

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

## **31. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 0.27:1 (2012: 0.31:1) and the Company's was 0.27:1 (2012: 0.31:1).

## **32. Approval of financial statements**

These financial statements were authorised for issue by the Company's board of directors on 19 February 2014.



## Related Party Transactions

### People with Common Interests and Related Party Transactions

<b>Company Name</b>	<b>Saha-Union Public Company Limited</b>
<b>Address</b>	1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok 10260
<b>Type of Business</b>	Plastic Industry Group, Electronics and Information Technology Group, Energy Group, Trading & Investment Group and Services
<b>Registered Capital</b>	Baht 3,000,000,000
<b>Relationship</b>	Major shareholder and common Directors
<b>Shareholding (%)</b>	Hold 49.521% shares in Union Plastic Public Company Limited (12,380,130 shares) (as of April 4 <sup>th</sup> , 2013)

### Board of Directors of Saha – Union Public Company Limited

No.	Name / Surname
1	Ms. Sriwarin Jirapakkana
2	Mr. Chutindhon Darakananda
3	Mrs. Achara Chandrachai
4	Mrs. Araya Arunanondchai
5	Ms. Pakinee Prettitumrong
6	Mr. Yanyong Tangchitkul
7	Mrs. Busarakham Nilavajara
8	Ms. Dalad Sapthavichaikul
9	Mr. Thitivat Suebsaeng
10	Mr. Vichai Chaitaneeyachat
11	Mrs. Chantornree Darakananda
12	Mrs. Pinijporn Darakananda Kasemsup
13	Mr. Bovornrat Darakananda
14	Mr. Vacharaphong Darakananda
15	Mr. Nanthiya Darakananda

### Related Transactions between the Subsidiary and Associated Companies

Related Transactions between the Subsidiary and Associated Companies were implemented according to normal trading practice and are as follows :

<b>Company Name</b>	<b>PSV Mould Co., Ltd.</b>
<b>Address</b>	46/36 Moo 9 Bangpla, Bangplee, Samutprakarn 10540
<b>Type of Business</b>	Manufacturing Service, Manufacture & sales of Molds for equipment and tools manufacturing
<b>Registered Capital</b>	Baht 10,000,000 : 1,000,000 ordinary shares, par value of Baht 10 per share
<b>Relationship</b>	Shareholder
<b>Shareholding (%)</b>	25.00% (249,999 shares)
<b>Major Shareholder</b>	Mr. Varapong Jaisin

### Board of Directors of PSV Mould Co., Ltd.

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

**Remark :** The former name of this company is Union Prospack Co., Ltd. It registered the name change on December 20<sup>th</sup>, 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 19<sup>th</sup>, 2005.

<b>Company Name</b>	<b>Union Nifco Co., Ltd.</b>
<b>Address</b>	99/11 Moo 5 Bangna – Trad Road. (Km.38), Bangsamak, Bangpakong, Chachoengsao 24180
<b>Type of Business</b>	Plastic part manufacturing
<b>Registered Capital</b>	Baht 100,000,000 : 1,000,000 ordinary shares, par value of Baht 100 per share
<b>Relationship</b>	Shareholder and common Directors
<b>Shareholding (%)</b>	19.9976% (199,976 shares)
<b>Major Shareholder</b>	Nifco Inc. Co., Ltd. (Japan)

### Board of Directors of Union Nifco Co., Ltd.

No.	Name / Surname
1	Ms. Sriwarin Jirapakkana
2	Mr. Thitivat Suebsaeng
3	Ms. Dalad Saphavichaikul
4	Mr. Supakit Puangbua
5	Mr. Vacharaphong Darakananda
6	Mr. Takashi Ukai
7	Mr. Koji Watanabe
8	Mr. Yoshiaki Notaya
9	Mr. Hiroshi Osada
10	Mr. Toshiyuki Yamamoto

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

1. The Company has important business transactions with related companies (related by having common shareholders and/or common Directors). Such business transactions are, in most cases, sales and purchases of goods at the market price.
2. Measures and steps of approval of the related party transactions are implemented the same as the sales and purchases of other unrelated business. No executive or shareholders that have conflicts of interest are involved in the approval.
3. Pricing policy for the purchases and sales of related party transactions is implemented the same as the sales and purchases of other unrelated businesses, which is in accordance with the market price.

## 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)

	Financial statements in which the equity method is applied/ Separate financial statements	Consolidated and separate financial statements	Transfer Pricing Policy
	2013	2012	
<b>Transactions with related companies</b>			
(related by common shareholders)			
Sales of merchandise and services	110	76	Cost plus margin
Other income	7	7	Cost plus margin
Purchases of merchandise	19	14	Cost plus margin of related companies

## General Information

### General Information of Union Plastic Public Company Limited

- |                             |  |
|-----------------------------|--|
| • <b>Type of Business</b>   | Provide manufacturing services and manufacturing plastic parts and molds   |
| • <b>Head Office</b>        | 11/1 Moo 14, Bangchan Industrial Estate, Serithai Road, Minburi, Bangkok 10510<br>Tel. 0 2517 0109-14 Fax 0 2517 0529<br>Website : <a href="http://www.unionplastic.co.th">http://www.unionplastic.co.th</a> |
| • <b>Branch No.1</b>        | 99/8 Moo 5, Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180<br>Tel. (038) 571 741-5, (038) 842 415-8 Fax (038) 842 418   |
| • <b>Registered Capital</b> | Fully paid-up 25,000,000 ordinary shares at par value of Baht 10 per share   |

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

- |                             |   |
|-----------------------------|---|
| • <b>Associated Company</b> | <b>PSV Mould Co., Ltd.</b>  |
| Type of Business            | Manufacturing service, manufacture & sales of molds for equipment and tools manufacturing                                   |
| Head Office                 | 46/36 Moo 9, Bangpla, Bangplee, Samutprakarn 10540<br>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   |
| • <b>Related Company</b>    | <b>Union Nifco Co., Ltd.</b>  |
| Type of Business            | Plastic parts manufacturing   |
| Head Office                 | 99/11 Moo 5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180<br>Tel. (038) 842 130-5 Fax (038) 842 129 |
| Registered Capital          | Fully paid-up 1,000,000 ordinary shares at par value of Baht 100 per share  |
| Shareholding                | 199,976 shares, 19.9976% of total shares  |

## Other References

<ul style="list-style-type: none"> <li>Securities Register</li> </ul>	<b>Thailand Securities Depository Co., Ltd.</b>
Head Office	62 The Stock Exchange of Thailand Building, Radchadapisek Road, Klong Toey, Bangkok 10110
	Tel. 0 2359 1200-1 Fax 0 2359 1259
Securities Registrar Office	Capital Market Academy
	2/7 Moo 4 (North Park), Vibhavadee Rangsit Road, Toongsonghong, Laksi, Bangkok 10210
	Tel. 0 2596 9000 Fax 0 2832 4994-6
<ul style="list-style-type: none"> <li>Auditor</li> </ul>	<b>Ernst &amp; Young Office Limited</b>
	Mr. Narong Puntawong and/or Mr. Termphong Opanaphan and/or
	Miss. Thipawan Nananuwat, Certified Public Accountant No. 3315, 4501 and 3459 consecutively
Head Office	Lake Rachada Office Complex Building, 33 <sup>rd</sup> Floor,
	193/136-137, Rachadapisek Road, Klong Toey, Bangkok 10110
	Tel. 0 2264 0777 Fax 0 2264 0789, 0 2264 0790

## Other Information affecting the decision of investors

- The Company did not disclose other important information on the anylist or other investors.



# SET Information References Guide

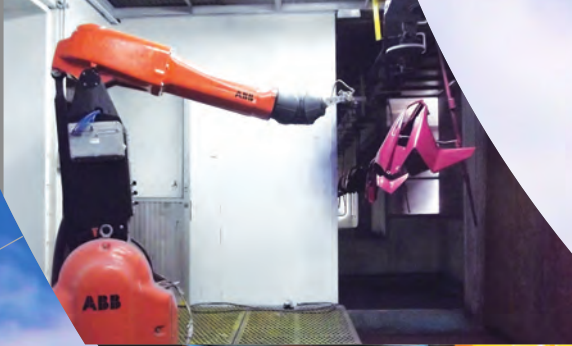
## Under Form 56-2

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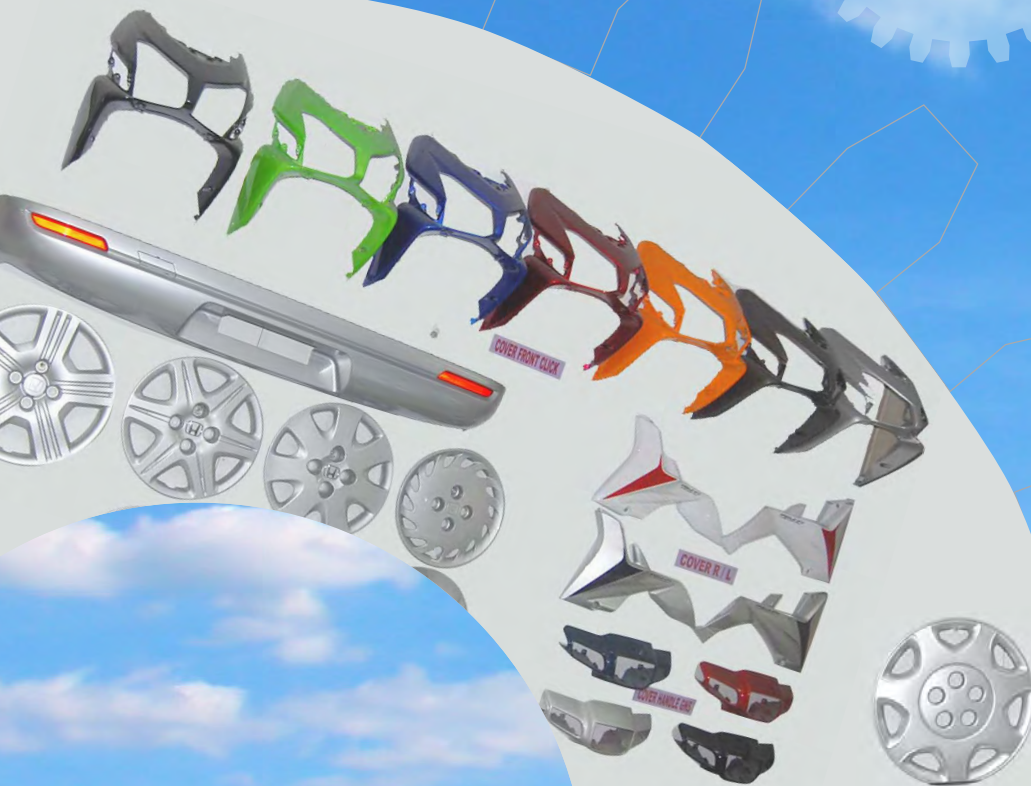
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## Union Plastic Public Company Limited

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>







## Quality Policy

We committed to create products and services to satisfy our customers, based on continuous improvement.

## Environmental Policy

The company emphasizes responsibilities towards environmental conversation by adhering to the following guidelines:

1. Strictly comply with the Industrial Estate Authority of Thailand Act, the law, and related environmental regulations.
2. Advocate efficient environmental utilization for maximum benefits.
3. Focus on the pollution management and prevention as well as environmental impact by setting goals and objective to be carried out, revised and continually improved.
4. Instill environmental conscience to employees via training and encouragement to participate.

## Vision

To possess the potential to compete in the world-class stage and Overall Equipment Effectiveness is 85%

## Missions

1. To excel in producing and delivering quality products.
2. To have competitive pricing.
3. To possess accessible information in all levels including both formal and informal communication channels.
4. To provide the best services with added value to customers.
5. To make a difference by providing added value to customers by applying our experiences and expertise.
6. To have good corporate governance system.

## Values

1. Adhere to unfaltering belief in honesty on the basis of truth and have the courage to do and say the right thing.
2. Move forward and have the determination to be excellent with no hesitation. Set challenging goals and try to reach them.
3. Strongly focus on quality and concrete work by using the least capital and time.
4. Open up for new ideas, acquire all kinds of knowledge from anywhere and anybody and adapt it to create maximum benefits.
5. Have determination and confidence in working with people without discrimination in order to create versatile teamwork.
6. Think effectively, develop thinking potential, and exercise prudent and wise consideration.
7. Seek and welcome changes and avoid red tape.