



Integrity Quality Service

Annual Report
2012



Union Plastic Public Company Limited

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Message from the Chairman



In 2012 the business of Union Plastic Public Co., Ltd., which manufactures plastic parts for industrial use, received the positive impact from the Government's policy particularly on the first-time car buyer program which buyers received the excise tax reduction of not exceeding 100,000 million Baht per car. Based on such policy, the purchase orders of cars totaled 1,250,000 units, which resulted in the extension of car delivery period to around mid 2013. Moreover, the industrial sector, which adversely affected by the severe flooding in Thailand in the fourth quarter of 2011, had accelerated the improvement of the production lines but still not yet completed. Therefore, the actual capacity was not sufficient to cope with such purchase orders from customers. The Company had been assigned to manufacture the parts during the period of the production line improvement and installation of the new machines. Thus, the Company's sales grew significantly compared to those of 2011, which suffered severely from natural disaster in Japan and domestic flooding. The minimum wage increase to 300 Baht per day according to Government's policy resulted in higher labor cost and labor migration should be kept close watch since it may lead to labor shortage in the future.

Based on the consolidated financial statements for year 2012, the Company had revenues from sales and service income of 1,030 million Baht, increased by 247 million Baht from 2011 or 32% increase. Total revenues amounted to 1,057 million Baht, 239 million Baht higher than the previous year or 29% increase. Net profit of 93 million Baht increased

from 58 million Baht in 2011.

It was expected that in the future the competition of the part manufacturers would tend to be more aggressive due to the transfer of the Japanese production base into the country which would result in increasing number of competitors in the domestic market. Nevertheless, the Company had attempted to control the cost of sales by improving the efficiency, decreasing the losses and developing the skill labors by training new skill labors for replacement of old ones on continuous basis, in addition to the thought of the acquiring the automatic machine to replace labors in order to solve labor shortage problem.

On behalf of the Board of Directors, I would like to express my appreciation to shareholders, customers, trade partners, management and staff as well as all concerned parties, who always given their full support to the Company. I hereby confirm that the Company will operate to achieve good operating results through transparent management as well as being responsible to the business, society and environment as everybody has always trusted and has full confidence in the Company.

A handwritten signature in black ink, which appears to read "Thitivat Suebsaeng". The signature is fluid and cursive.

(Mr. Thitivat Suebsaeng)

Chairman

Major Financial and Information Summary

Unit : Baht 1,000

	2012	2011	2010	2009	2008
Revenues					
Total Revenues	1,081,540	849,156	926,216	735,033	1,103,684
Sales and service income	1,029,585	782,723	890,957	690,930	1,046,618
Interest income	-	-	-	-	-
Other income	51,954	66,433	35,259	44,103	56,855
Share of profit from investment in associate	860	679	137	3	211
Profit (Loss) before finance cost and corporate income tax	106,023	67,271	62,857	8,890	81,431
Finance cost	-	-	53	25	448
Corporate income tax	13,609	10,954	13,875	9,255	12,401
Equity holders of the Company	92,510	57,657	50,470	13,686	66,642
Non-controlling interests of subsidiary	(96)	(1,340)	(1,541)	(14,075)	2,151
Net Profit (Loss) (Consolidated financial statements)	92,414	56,318	48,929	(390)	68,793
Net Profit (Loss) (Separate financial statements)	92,136	56,467	50,595	28,822	70,236
Earning per share (Baht) (Consolidated financial statements)	3.70	2.31	2.02	0.55	2.67
Earning per share (Baht) (Separate financial statements)	3.69	2.26	2.02	1.15	2.81
Dividend					
Issued and fully paid-up shares (shares)	25,000	25,000	25,000	25,000	25,000
Dividend per share (Baht/share)	3.65	2.20	2.00	1.15	2.50
Total Dividend Payment (Baht)	91,250	55,000	50,000	28,750	62,500
Dividend Payment Ratio (%) (Separate financial statements)	99.04	97.40	98.82	99.75	88.99
Total Assets	804,464	728,602	739,230	732,425	802,670
Total Liabilities	191,825	145,353	162,301	185,750	191,009
Total Shareholders' equity	612,639	583,249	576,929	546,675	611,661
Major Financial Ratio Summary					
Liquidity Ratio (times)	2.85	3.36	2.64	2.16	2.18
Current Ratio (times)	1.39	0.93	0.62	0.62	0.56
Gross Profit (%)	13.94	9.77	12.20	12.04	12.10
Net Profit (%)	8.55	6.79	5.45	1.86	6.04
Return on Equity (%)	15.47	9.94	8.98	2.36	10.90
Return on Assets (%)	12.07	7.86	6.86	(0.05)	8.30
Debt to Equity Ratio (times)	0.31	0.25	0.28	0.34	0.31

Board of Directors

Mr. Thitivat Suebsaeng <<<
Chairman



>>> **Assoc. Prof. Dr. Pakpachong Vadhanasindhu**
Chairman of the Audit Committee and 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 Jirapakkhana**
Director



Miss Dalad Saphavichaikul <<<
Director



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



Mr. Nantiya Darakananda <<<
Director



Bio-Data of the Board of Directors

1. Mr. Thitivat Suebsaeng

Chairman

Age 59 years

Education

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

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

- Director Accreditation Program (DAP) Class 21/2004

Experiences

- 1990 - 1991 Head of the Chemistry Department, Faculty of Science, Ramkhamhaeng University • 2003 - 2007 Director and General Manager, Saha - Union Investment (China) Co., Ltd. • 2004 - 2009 Director, 7 Power Plants in China • 2008 - December 2011 President, Saha - Union PCL. • March 2008 - April 2012 Chairman, Union Garment Co., Ltd. • April 2008 - December 2011 Director, Union Pioneer PCL. • April 2008 - April 2012 Chairman, Union Universe Co., Ltd. • January 2010 - December 2011 Managing Director, Union Plastic PCL.

Present Positions

Listed Companies and Public Companies

- Director, Saha - Union PCL. • Chairman, Union Plastic PCL. • Director, Union Textiles Industries PCL. • Director, Union Technology (2008) PCL.

Non-listed Companies

- Chairman, Union Zojirushi Co., Ltd. • Chairman, Union Stainless Steel Products Co., Ltd. • Chairman, Union Micronclean Co., Ltd. • Chairman, Union Thai - Nichiban Co., Ltd. • Director, Union Garment Co., Ltd. • Director, Union Universe Co., Ltd. • Director, Union Nifco Co., Ltd. • Director, Union Energy (China) Co., Ltd. • Director, TenCate - Union Protective Fabrics Asia Ltd. • Director, Union Rubber Product Corporation Co., Ltd. • Director, Yunnan Energy Luliang - Union Power Co., Ltd.

Other position

- No

Years of Directorship 20 years

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2. Assoc. Prof. Dr. Pakpachong Vadhanasindhu

Chairman of the Audit Committee and Independent Director

Nomination and Remuneration Committee

Age 62 years

Education

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

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

- 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

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

Present Positions

Listed Companies and Public Companies

- Chairman of the Audit Committee and Independent Director, Union Plastic PCL

Non-listed Companies

- Present, Chairman of the Risk Management Committee and Independent Director, Cambodian Commercial Bank Ltd.

Other position

- 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 4 years

3. Mr. Bancherd Tanglertpaibul

Audit Committee/Independent Director

Chairman of Nomination and Remuneration Committee

Age 54 years

Education

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

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

- 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

Experiences

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

Present Positions

Listed Companies and Public Companies

- Audit Committee and Independent Director, Union Plastic PCL.

Non-listed Companies

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

Other position

- No

Years of Directorship 4 years

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4. Miss Jutatip Arunanondchai

Audit Committee/Independent Director

Age 41 years

Education

- B.Sc. in Mathematics with Management, Imperial College, University of London, UK. • Master Degree 1. MBA. in International Management, University of Exeter, UK. 2. M.A. in ARCHITECTURAL INTERIOR DESIGN, University of Wales, UK. 3. M.A. in Economics Law, Chulalongkorn University

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

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

Present Positions

Listed Companies and Public Companies

- Audit Committee and Independent Director, Union Plastic PCL. • Independent Director and Nomination and Remuneration Committee, Thai Sugar Terminal PCL.

Non-listed 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.

Other position

- No

Years of Directorship 4 years

5. Mr. Supod Kantavijit

Managing Director

Age 54 years

Education

- MBA. in Management, Kasetsart University

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

- 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.

Present Positions

Listed Companies and Public Companies

- 2012 - Present, Managing Director, Union Plastic PCL.

Non-listed Companies

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

Other position

- No

Years of Directorship 1 year

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6. Miss Sriwarin Jirapakkhana

Director

Age 65 years

Education

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

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

- Director Accreditation Program (DAP) Class 18/2004

Experiences

- 1999 - 2004 Chairman, Union Thai - Nichiban Co., Ltd. • 1999 - 2004 Chairman, Union Zojirushi Co., Ltd. • 1999 - 2006 Chairman, Union Plastic PCL. • 1999 - 2007 President, Saha - Union PCL. • 1999 - April 2012 Chairman, Union Nifco Co., Ltd. • 1999 - May 2012 Chairman, Union Pioneer PCL. • 2002 -2006 President, Union Textiles Industries PCL. • 2005 - April 2012 Director, Union Thai- Nichiban Co., Ltd. • 2007 - 2010 Vice Chairman, Union Plastic PCL. • 2011 Chairman, Union Plastic PCL.

Present Positions

Listed Companies and Public Companies

- 2007 - Present, Chairman, Union Textile Industries PCL. • 2008 - Present, Vice Chairman, Saha - Union PCL. • 2012 - Present, Director, Union Plastic PCL. • June - December 2012 Director, Union Pioneer PCL.

Non-listed 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. • 2011 - Present, Chairman, Union Zip Co., Ltd. • 2011 - Present, Chairman, Venus Thread Co., Ltd. • April 2012 - Present, Director, Union Nifco Co., Ltd. • Present, Chairman and Director, Other Companies in Saha - Union Group

Other position

- No

Years of Directorship 13 years

7. Miss Dalad Sapthavichaikul

Director

Age 56 years

Education

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

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

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

Experiences

- 1999 - 2007 Executive Director and Vice President, Saha - Union PCL. • April 2010 - April 2012 Director, Union Nifco Co., Ltd.

Present Positions

Listed Companies and Public Companies

- 1995 - Present, Director, Union Textile Industries PCL. • 2012 - Present, President, Saha - Union PCL. • May 2012 - Present, Chairman, Union Pioneer PCL.

Non-listed Companies

- 1993 - Present, Managing Director, Uni - Fibre Co., Ltd. • 2004 - Present, Managing Director, Computer Union Co., Ltd. • 2007 - Present, Managing Director, Saha - Union Holding Co., Ltd. • 2009 - Present, Director, Union Zojirushi Co., Ltd. • 2009 - Present, Director, Union Spinning Mills Co., Ltd. • 2012 - Present, Director, Union Thai - Nichiban Co., Ltd. • 2012 - Present, Director, Union Micronclean Co., Ltd. • April 2012 - Present, Chairman, Union Garment Co., Ltd. • April 2012 - Present, Chairman, Union Universe Co., Ltd. • April 2012 - Present, Chairman, Union Nifco Co., Ltd. • April 2012 - Present, Director, Union Stainless Steel Products Co., Ltd. • Present, Chairman and Director in Other Companies in Saha - Union Group

Other position

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

Years of Directorship 2 years

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8. Mr. Vacharaphong Darakananda

Director/Nomination and Remuneration Committee

Age 47 years

Education

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

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

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

Experiences

- 1999 - 2000 General Manager, Saha-Union PCL. (Sriracha Operation) • 2001 - December 2006 Director, Union Textiles Industries PCL. Assistant Manager, Venus Thread Co., Ltd. • 2007 - 2008 Director, Union Thai - Nichiban Co., Ltd. • 2007 - January 2012 Managing Director, Union Zojirushi Co., Ltd.

Present Positions

Listed Companies and Public Companies

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

Non-listed Companies

- Managing Director, Union Technology Co., Ltd. • Managing Director, Union Thai - Nichiban Co., Ltd. • Managing Director, Union Zojirushi Co., Ltd. • Director, Union Industries Corp. Ltd. • Director, Union Thread Industries Co., Ltd. • Director, Computer Union Co., Ltd. • Director, Union Spinning Mills Co., Ltd. • Director, Venus Thread Co., Ltd. • Director, Computer Union Systems Co., Ltd. • Director, Thai Rubber Enterprise Co., Ltd. • Director, Union Rubber Products Corp., Ltd. • Director, Union Nifco Co., Ltd. • Director, Union Micronclean Co., Ltd. • Director, Union Construction Co., Ltd.

Other position

- No

Years of Directorship 12 years

9. Mr. Nantiya Darakananda

Director

Age 44 years

Education

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

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

- Director Accreditation Program (DAP) Class 2/2003

Experiences

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

Present Positions

Listed Companies and Public Companies

- 1993 - Present, Director, Union Pioneer PCL. • 1996 - Present, Director, Saha - Union PCL. • 1998 - Present, Director, Union Plastic PCL.

Non-listed Companies

- 1994 - Present, President, Venus Tehcnology Co., Ltd. • 1996 - Present, Director, Union - Button Corp. Ltd.
 - 1997 - Present, Director, Star E.D.U. Co., Ltd. • 2005 - Present, President, Venus Gas Technology Co., Ltd.
 - 2008 - Present, President, 168 Power Co., Ltd. • 2008 - Present, President, Star Energy Co., Ltd. • 2009 - Present, President, V2 Logistics Co., Ltd.

Other position

- No

Years of Directorship 14 years

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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.

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

Products/Services	Year 2012		Year 2011		Year 2010	
	Income (1,000 Baht)	%	Income (1,000 Baht)	%	Income (1,000 Baht)	%
1. Plastic Parts	987,453	95.91	740,193	94.57	886,069	99.45
2. Molds	42,132	4.09	42,530	5.43	4,888	0.55
Total Income	1,029,585	100	782,723	100	890,957	100



Activities for Social Contribution (CSR)



Activities for Religion

On 4th June 2012, Saha-Union Group (Bangchan Plant) gave offerings to the monks at Bumphennua Temple and Bang Peng Tai Temple on the occasion of Visakha Puja Day.



Activities for the Environment

On 1st June 2012, The Water preservation and tree planting project on the occasion of The World Environment Day at Bangchan Industrial Estate, Minburi, Bangkok.



Activities for Community

On 9th May 2012, The Nature revival for the patients' quality living project at Nopparat Rajathanee Hospital.



Activities for Society

On 22nd October 2012, "Union Plastic Volunteering for Beach Development" Project at Mae Rumphung Beach, Rayong.

Shareholding Structure and Management

• Shareholders

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

No.	Names of Shareholders	Number of Shares Held		Percentage (%)	
		April 7 th , 2011	April 5 th , 2012	April 7 th , 2011	April 5 th , 2012
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	638,500	644,000	2.55	2.58
5	Mr. Tinnakorn Thongthai	580,000	580,000	2.32	2.32
6	Mrs. Kanjana Suwannavit	262,240	512,240	1.05	2.05
7	Mr. Krit Thongthai	494,120	494,120	1.98	1.98
8	Mr. Sumeth Darakananda	394,900	394,900	1.58	1.58
9	Mr. Boon Thongthai	279,500	322,200	1.12	1.29
10	Wattana Soponpanich Co., Ltd.	253,660	253,660	1.01	1.01

(b) The directors' shareholdings are as follows :

No.	Names of Shareholders	Number of Shares Held		Percentage (%)	
		2011	2012	2011	2012
1	Mr. Thitivat Suebsaeng	-	-	-	-
2	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	-	-	-	-
3	Mr. Buncherd Tanglerpaibul	9,660	9,660	0.04	0.04
4	Ms. Jutatip Arunanondchai	-	-	-	-
5	Ms. Sriwarin Jirapakkhana	-	-	-	-
6	Ms. Dalad Saphavichaikul	-	-	-	-
7	Mr. Supod Kantavijit	-	-	-	-
8	Mr. Vacharaphong Darakananda	-	-	-	-
9	Mr. Nantiya Darakananda	-	-	-	-

Note : Mr.Thitivat Suebsaeng was appointed as the Chairman at the Board of Directors' meeting No.11/2011 on 23rd November, 2011

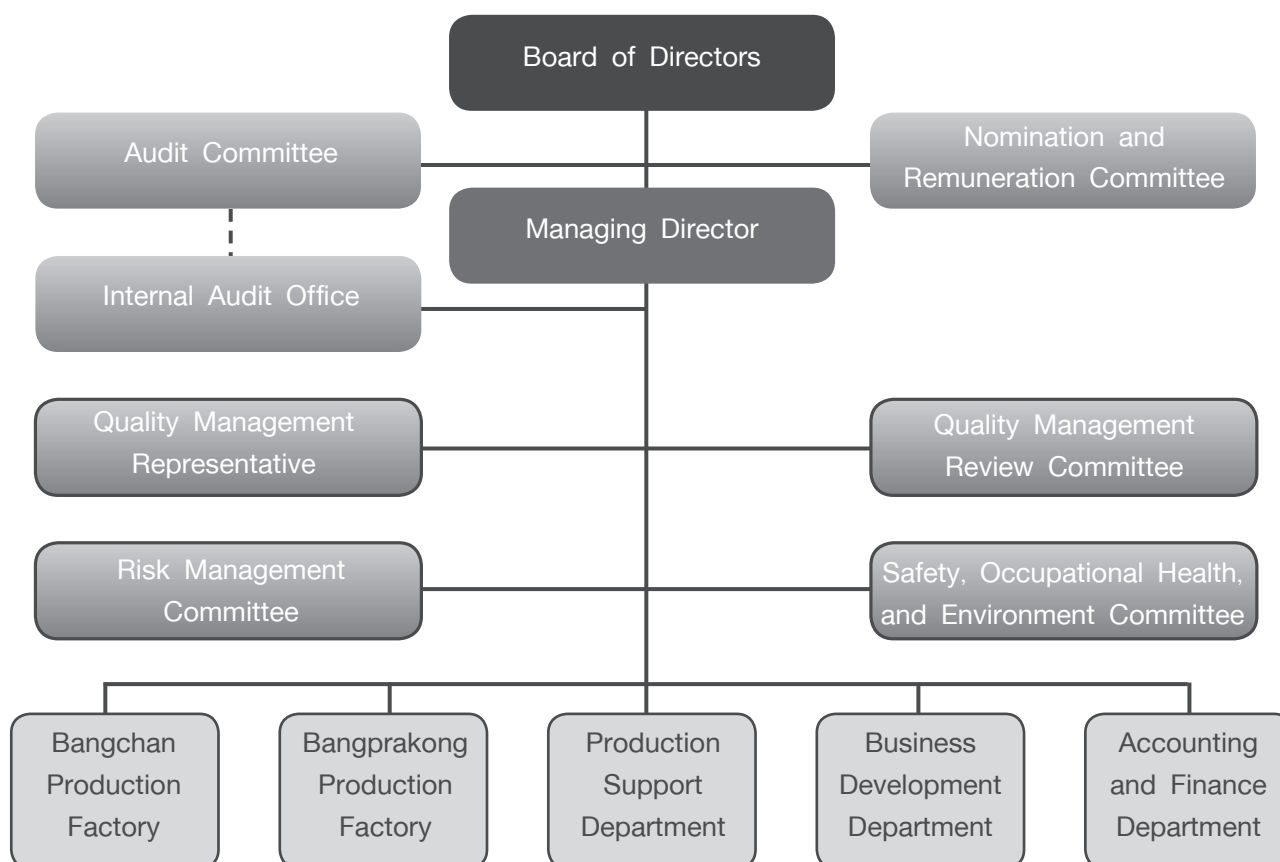
Mr.Supod Kantavijit was appointed as the Managing Director at the Board of Directors' meeting No.11/2011 on 23rd November, 2011

• 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, objectives, 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 independence 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 of the directors must have Thai nationality. Pursuant to the Company's regulations, one-third of the directors must resign in rotation.

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) (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 Board of Directors comprises 9 members, the information of their attendances and remunerations is as follows :

No	Name	Position	No. of Meeting Attendances		Remuneration (Baht)	
			2011	2012	2011	2012
1	Mr. Thitivat Suebsaeng	Chairman	12/12	11/12	72,000	72,000
2	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee / Independent Director	11/12	11/12	72,000	72,000
3	Mr. Buncherd Tanglerpaibul	Audit Committee / Independent Director	12/12	11/12	72,000	72,000
4	Ms. Jutatip Arunanondchai	Audit Committee / Independent Director	11/12	10/12	72,000	72,000
5	Mr. Supod Kantavijit	Managing Director	-	12/12	-	72,000
6	Mr. Sriwarin Jirapakkhana	Director	11/12	12/12	72,000	72,000
7	Mr. Dalad Saphavichaikul	Director	11/12	12/12	66,000	72,000
8	Mr. Vacharaphong Darakananda	Director	8/12	9/12	72,000	72,000
9	Mr. Nantiya Darakananda	Director	8/12	10/12	72,000	72,000
With Mr. Amarin Patranawik as the Company Secretary						

Scope of the Board of Directors' 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 Board of Directors consists of 3 independent directors as follows :

No	Name	Position
1	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Independent Director
2	Mr. Buncherd Tanglerpaibul	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 independence directors 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 2012, there were 12 Board of Directors' Meetings and were attended by the directors who were not engaged in other arrangements.

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 experienced enough to review the credibility of financial statements. In addition, all directors must have independence and do not hold the positions of chairman or managing director. The Audit Committee has the right to appoint one advisor and a 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 the 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 follows :

No.	Name	Position	No. of Meeting Attendances		Remuneration (Baht)	
			2011	2012	2011	2012
1	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Chairman of the Audit Committee	4/4	4/4	132,000	132,000
2	Mr. Buncherd Tanglerpaibul	Audit Committee	4/4	4/4	120,000	120,000
3	Ms. Jutatip Arunanondchai	Audit Committee	3/4	4/4	120,000	120,000
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 the auditor without participation of the Management at least once a year.
5. Review related transactions or transactions 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 :
 - (a) Opinions on the correctness, completeness, and reliability of the Company's financial reports.
 - (b) Opinions on the adequacy of the internal control system.
 - (c) Suggestions on the Company's operations in pursuance of the securities and stock exchange laws, the Stock of Exchange's regulations, and related laws.
 - (d) Recommendations on the auditor's felicitousness.
 - (e) Opinions on the transactions with possible conflicts of interest.
 - (f) The number of meetings of the Audit Committee and attendances of each director.
 - (g) Overall suggestions or observations on the Audit Committee's performance carried out according to the charter or its regulations.
 - (h) 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 a timely manner.
8. Follow-up and evaluate operating results which are regarded as crucial by the Audit Committee.
9. Perform other tasks as assigned 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 members 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	No. of Meeting Attendances		Remuneration (Baht)	
			2011	2012	2011	2012
1	Mr. Buncherd Tanglertpaibul	Chairman of Nomination and Remuneration Committee	2/2	1/1	6,000	6,000
2	Assoc. Prof. Dr. Pakpachong Vadhanasindhu	Nomination and Remuneration Committee	-	1/1	-	6,000
3	Mr. Vacharaphong Darakananda	Nomination and Remuneration Committee	1/2	1/1	6,000	6,000

Note : Assoc. Prof. Pakpachong Vadhanasindhu is the member of the Nomination and Remuneration Committee at the Board of Directors' meeting No. 2/2012 resolution on 22nd February, 2012

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 interests. 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 Risk Management Committee, Representative of Quality Management Department, Quality Management Review Committee, Safety, Occupational Health, and Environment Committee, Internal Control Office, Human Resources and Administration, Purchasing, and Information Technology.
 - 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, Warehouse Division and Technical Support Division.
 - 2.4 Business Development Office comprises Marketing and Sales.
 - 2.5 Accounting and Finance Office consists of Accounting and Finance Department.

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. Boonlert Noorak	Bangchan Production Factory Manager	Senior 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, Sub-Committees, Senior Executives, and Other Monetary Remunerations

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.

Other Monetary Remunerations of Directors, Sub-Committees, and Senior Executives are as follows :

- The total meeting fees of the Board of Directors and Sub-Committee amounted to 1,038,000.- Baht (as per the resolution of the Shareholders' Meeting of 25th April, 2012, the approved budget of which was not to exceed 1,500,000 Baht).

No	Position	Remuneration (Baht)
1.	Chairman (1 person)	72,000.-
2.	Director (8 persons)	576,000.-
3.	Audit Committee (3 persons)	372,000.-
4.	Nomination and Remuneration Committee (3 persons)	18,000.-
Total		1,038,000.-

- Other remunerations of the directors and Sub - Committees -Nil-
- Remunerations of senior executives (Managing Director, and Managers) totaled 8.1 million Baht.
- Other remunerations of senior executives

The Company contributed to the provident funds of Deputy Managing Director and 4 executives at the rate of 3% of base salary (except for Mr. Boonlert Noorak, Bangchan Production Factory Manager, who is not a member of the Company Provident Fund).

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 2012, 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 2012, the 19th Annual Shareholders' Meeting took place on 25th April, 2012 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 22nd March, 2012) 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 2012, the 19th Annual General Meeting of Shareholders was held on 25th April, 2012 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 (ข) 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 3 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 22nd March, 2012) 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 19th 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 9th May, 2012).

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 26th December, 2011 – 31st January, 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 26th December, 2011).

• 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 (ฎ) 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 3 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** : Purchases of products and provision of services to customers are in line with normal business conditions and contracts with business partners are followed fairly.

- **Competitors** : The Company judiciously observes competition rules, avoids dishonest acts, and does not ruin its competitors.

In addition, the Company's policies do not support violation of property rights, especially software violation. This regulation was clearly stated and its warning always pops up on screen once the company's computer is turned on. The Company's practice is to prevent corruption in the organization. This is stated in the work regulation section under the heading of work discipline.

- **Creditors** : Loan and other agreements are followed and dishonest acts are shunned.

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) LTD . on 18th January, 2012 (the expiration date of which is 17th January, 2015).

- **Recycle and Effective Use of Resources**

- Filter press has been installed to filter waste water derived from the spray painting and the pipe system for water recycle has also been improved.
- The plastic recycle equipment has been set up at Bangpakong Plant.

Energy-Saving Measures

- High-Bay 400W light bulbs have been replaced with fluorescent T5 4x54W in Factory 1.
- The capacity blank used to control the power factor has been inspected and fixed for its maximum effectiveness.
- Heater insulation of injection machine in Factory 1
- The inverter has been installed to control the blower motor of spray painting room to suit the working environment for the reduction of energy consumption.
- Air pressure has been reduced from 7.5 Bar to 7.0 Bar in order to decrease consumption of energy.
- All of the fluorescent light bulbs (Office) have been changed from 36w model to T5 28W model.
- Insulation of injection machine to control temperature and reduce energy consumption.

- **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's policies on its directors' and executives' remunerations reflect each director's duties and responsibilities and are in compliance with the criteria and policies laid down by the Board which are in line with the Company's operating results. Each director's and senior executive's performances as well as details of their remunerations are demonstrated on page 18 of the Annual Report under the topic "Directors' and Senior Executives' Remunerations".

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

- The roles and authorities of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee are described on page 14-17 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 14-17 of the Annual Report under the topic "Management".

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

- The Audit Committee's performances are shown on page 29 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 12 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 24 of the Annual Report under the topic "Conflicts of Interest".

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

- Directors and executives (as per the Securities Exchange of Thailand's definition) are required to report every share purchase and sale to the Company.
 - The above information are disclosed on page 25 of the Annual Report under the topic "Control on use of Internal Information"

- **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 30 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 are outsiders or full-time executives selected from qualified, knowledgeable, and capable individuals with experiences from various occupations. These directors act as the Company's representatives who monitor and maintain the shareholders' interests. Their authorities are to supervise and manage the Company in conformity with the law, objectives, regulations, and policies of the Company, the Board's and shareholders' resolutions, with integrity and independence from the Management aiming at 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. In addition, these two positions are filled by two individuals 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, Senior Executive 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.

- Senior 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.

- **Directors' 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, experience, duties, roles, responsibilities, and expected benefits derived from each director are taken into consideration. Those directors who are assigned additional duties and responsibilities, such as the Audit Committee, will receive extra meeting remuneration.

- The Managing Director's and CEO's remunerations are in accordance with principles and policies set out by the Board, the remunerations of which are determined by the Company's operating results as well as performance.

- **Knowledge Development for Directors and Executives**

- The directors are encouraged and facilitated to attend courses pertinent to their duties, for example, IOD's DCP and DAP courses, etc.

Control on Use of Internal Information

Control on Use of Internal Information

The Company's guideline on the disclosure of its confidential information is that all employees must follow the Company's rules and regulations in this regard or disciplinary punishment will be imposed. In addition, on a yearly basis, the directors and executives are required to sign a certification stating that they will not create any conflict of interest or disclose any confidential information which could cause damage to the company intentionally or unintentionally whether if it was for their own benefits or not. Moreover, they must not give confidential information to customers, sellers, service providers, competitors, or any other outsiders except that the information is used in the normal operation or publicized. The directors and executives are also required to submit the Conflict of Interest Report and securities holding report to the Securities and Exchange Commission as per Measure 59 of Securities and Exchange Act B.E. 2535 and the notification of the Capital Supervisory Board.

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 2012 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 12/2555 Board of Directors Meeting on 19th December, 2012 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.

Risk Factors

In the business of manufacturing plastic products, the Company has to encounter various problems and obstacles including increasing competition and changing business environment, especially the relocation of the Japanese plastic production companies. This raises competition among producers of the components, forcing the company to implement changes modern management methodology, particularly the applications of corporate governance, internal control, and good risk management systems to enhance the effectiveness of the management that is professional, transparent, verifiable, fair, and creates maximum benefits to all concerned parties including public, investors, and shareholders.

The Company also realizes the significance of risk management under both internal and external changes affecting the business. The Company regards risk management as pivotal part of every process of its operations and all levels need to be linked. Consequently, risk management policy for the entire organization has been regulated. All employees are required to follow such policy and Risk Management Committee has been established to manage risks systematically under supervision of Managing Director. Operational risks are under the supervision of executives who are accountable for that particular unit and each unit is held responsible in managing and controlling the risks to be in acceptable level. The risk management policies are as follows :

Business Strategy Risks

To maintain continual business growth and create stability of plastic business, the Company has set the objectives to have the potential to compete in the world stage as well as to provide satisfying services for our customers on the basis of continual improvement. In order to accomplish such goals, strategic plans of each unit have been regulated by emphasizing on the competitive capability and using the competitive advantages to create added value to the business. This is also the crucial foundation for the organization to excel sustainably in the future.

Credit Risks

The Company is exposed to credit risk primarily with respect to trade accounts receivable and other types of debtors. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and other types of debtors as stated in the statement of financial position.

Risks Related to Raw Materials Vital to Production

The Company purchases 100% of its plastic from domestic dealers in Baht. The world market price of plastic has a serious impact on raw material cost of plastic products. As plastic is a by-product of crude oil, therefore, the increase in the crude oil's world market price results in the increase in the plastic's price and this, in turn, affects the increase in the cost of production. Other factors include fluctuations occurred from the market situations, supply and demand levels, and foreign exchange rates, etc. Thus, the higher plastic's world market price leads to higher domestic plastic's price. The Company's risk management guidelines in this respect are as follows :

1. Plastic's prices are obtained from more than 1 supplier. They are then checked and compared prior to purchasing.
2. Monitoring the trend of plastic's prices from domestic and foreign sellers.
3. In the case where the plastic's price increases, the Company does not have to bear the burden arisen from the price fluctuation as the customers agree to take that risk by adjusting the products' prices according to the changes of the raw material's price.

Exchange Rate Risks

The Company believes that its exposure to exchange rate risks is low since there were few foreign currency transactions during the year and the amount of each individual transaction was quite low.

Interest Rate Risks

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

Explanation and Analysis on Financial Status and Operation Results

Earning Capabilities

In 2012, the earning capabilities of Union Plastic Public Company Limited and its subsidiaries increased in comparison with those in 2011. The return on assets (ROA) increased from 7.86% to 12.07% and the return on equity (ROE) increased from 9.94% to 15.47%. The earnings per share rose from 2.31 Baht to 3.70 Baht. Operating profit proliferated from 7.92% to 9.81% whereas the total assets turnover increased from 1.07 times to 2.60 times. When taking the gross profit margin into consideration, in 2012 the Company's gross profit margin increased from 9.77% in 2011 to 13.94% while the net profit margin grew to 8.55% compared to 6.79% in 2011.

When taking the total assets turnover in 2012 of 2.60 times into consideration, it was found that the effectiveness of most of the Company's asset management could still accommodate customers' demand. The quick ratio declined from 2.84 times in the previous year to 2.39 times while inventory turnover increased from 12.96 cycles to 14 cycles due to the sales increase in 2012. The average receivable collection period reduced from 56 days to 46 days. Most receivables were not yet due and had no collection problem because the major debtors are the reputable auto manufacturer in Thailand. The average sales turnover period was 26 days.

The Company's earnings per share rose from 2.31 Baht in 2011 to 3.70 Baht in 2012. In 2012, the Company's net profit grew by 63.17% compared to 2011.

Based on the financial analysis of Union Plastic Public Company Limited, it was found that the Company's capability to generate profit in 2012 increased compared to 2011 due to the following reasons:

The Company's revenues from sales and service incomes in 2011 increased from 2012 by 31.54% due to economic improvement after domestic flooding impact which caused the revenues from sales and service incomes in the unconsolidated statements increased by 247 million Baht compared with 2011.

The gross profit margin increased substantially from 9.77% in 2011 to 13.94% in 2012 due to substantially increase of the sales volume of plastic work coupled with the cost control policy including regular control of energy cost, labor cost as well as maintenance and improvement of machinery for production efficiency, which resulted in lower amount of wastes and effective control of the cost.

Other incomes decreased by 8 million Baht mainly because in 2011 the Company reversed the provision for bad debts of 10 million Baht made in the previous year.

Selling and administrative expenses in 2012 increased by 16 million Baht compared to 2011 in line with the increase in sales. Major expenses were transportation expenses, increased according to the higher sales volume and rising oil price. However, in percentage term, the percentage of selling and administrative expenses to sales in 2012 was close to that of the previous year.

Risk Analysis

As regards short-term risk analysis or liquidity analysis of the Company on short term debt repayment, the Company was considered to have good liquidity. In 2012, the Company's liquidity decreased from that of 2011 with the current ratio of 2.85 times and 3.36 times in 2012 and 2011 respectively because of higher trade payable from purchase order of raw material to support the higher production volume. While the quick ratio equaled 2.39 times and 2.84 times in 2012 and 2011 respectively.

Debt Repayment Capability

From overall picture, the Company still had the potential to repay the debts without any risk impact. When considering cash flow from operation, in 2012 the Company's positive cash flow from operation showed the Company's capability of debt repayment.

In conclusion, the fact that the Company's cash flow from operation in 2012 was the main source of capital, hence, the Company anticipated the risk from debt repayment was low as it had neither obligation nor possible liabilities.

Financial structure of the Company applied for the investment and improvement of the operation. Most of the cash derived from result of Company's operation in that year. Liquidity is good while most of the current liabilities derived from purchasing production factors and investment in machinery and equipment used for Company's production.

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 Directors. 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 2012, 4 Audit Committee meetings were held with full attendance of all Audit Committee directors. Senior executives, internal control manager, and auditor also participated in the meetings with the relevant agendas. 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 2012 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 sufficiency of the internal control system on the management level was evaluated by the Board of Directors in the Board meetings with the attendance of the Audit Committee for the purpose of reviewing the system's adequacy and efficiency. It was agreed that the Company has appropriately followed the components of the internal system. In addition, the Audit Committee reviewed the independence of the Internal Audit Office as well as approved the evaluation of its manager, as proposed by the management team, the operation plans and workforce. The Audit Committee also reviewed the audit result and followed up on major developments, so that the company's internal system is adequate and appropriate.

3) Conformity with Relevant Laws, Rules and Regulations

The Audit Committee reviewed and ensured that the Company was in full compliance with the Securities and Stock Exchange laws, the Stock Exchange's regulations, and other laws relating to the Company's business.

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) Self-Evaluation of the Audit Committee's Performance

The Audit Committee's self-assessment was carried out in accordance with the Audit Committee's regulations and it was concurred that the performance of which was in compliance with such regulations.

6) Consideration of the Auditor's Appointment and Audit Fee for 2013

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 the Company's auditor for 2013 with the fee of 880,000 Baht (Eight Hundred and Eighty Thousand Baht Only), an increase by 30,000 Baht (Thirty Thousand Baht Only) or a 3.53% increase from previous year

On Behalf of the Audit Committee



(Assoc. Prof. Dr. Pakpachong Vadhanasindhu)

Chairman of the Audit Committee

Union Plastic Public Company Limited

February 20th, 2013

The Board of Directors' Responsibility Report on Financial Statements

The Board of Directors is accountable for the consolidated financial statements of the Company and its subsidiary as well as the financial information demonstrated in the annual report. The statements were prepared in accordance with generally-accepted accounting standards and appropriate accounting policies were applied and consistently practiced. In addition, the Company exercised prudent considerations and the best appraisal as well as sufficiently disclosed crucial information in the Notes to the Financial Statements.

The Board of Directors is responsible for establishing the good internal control system and ensures that it is complied. Information regarding the evaluation of the internal control system is annually reported to the auditor and the Audit Committee. It covers flaws, important changes, and misconduct which could affect the preparation of the company's and its subsidiary's reports, so that it is complete as well as in consistent with the law.

The Board of Directors has appointed the Audit committee, which consists of independent directors and directors who are not executives, to be responsible for the quality of the financial reports and the internal control system. The Audit Committee's opinion in this respect was included in the Report of the Audit Committee in the Annual Report.

Therefore, the Board of Directors concurs that the Company's overall internal control system was satisfactory and could reasonably create confidence on the credibility. The Board of Directors was confident that the Company had completely and accurately disclosed the Company's and its subsidiary's vital information in the financial statements as of 31st December, 2012.

On behalf of the Board of Directors



(Mr. Thitivat Suebsaeng)

Chairman

February 20th, 2013



(Mr. Supod Kantavijit)

Managing Director

February 20th, 2013

Report of Independent Auditor

To the Shareholders of Union Plastic Public Company Limited

I have audited the accompanying consolidated financial statements of Union Plastic Public Company Limited, which comprise the statements of financial position in which the equity method is applied as at 31 December 2012, and the related consolidated 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 and its subsidiary and of Union Plastic Public Company Limited as at 31 December 2012 and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Narong Puntawong
Certified Public Accountant (Thailand) No. 3315

Statement of financial position

Union Plastic Public Company Limited

As at 31 December 2012

(Unit: Baht)

		Financial statements in which the equity method is applied	Consolidated financial statement	Separate financial statements	
	Note	2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	8	222,048,480	216,212,724	222,048,480	198,872,436
Trade and other receivables	9	158,539,002	101,026,435	158,539,002	97,832,151
Inventories	10	69,731,166	56,875,380	69,731,166	56,875,380
Other current assets		4,990,267	1,039,321	4,990,267	1,039,321
Total current assets		455,308,915	375,153,860	455,308,915	354,619,288
Non-current assets					
Restricted investment	11	11,500,000	11,500,000	11,500,000	11,500,000
Investment in subsidiary	12	-	-	-	14,600,000
Investment in associate	13	9,829,013	8,968,606	2,499,990	2,499,990
Other long-term investment	14	20,002,200	19,997,200	20,002,200	19,997,200
Investment properties	15	3,738,143	3,738,143	3,738,143	3,738,143
Property, plant and equipment	16	273,386,381	279,463,950	273,386,381	279,463,950
Intangible assets	17	2,330,262	3,830,228	2,330,262	3,830,228
Withholding income tax		28,369,216	25,949,856	28,369,216	25,949,856
Total non-current assets		349,155,215	353,447,983	341,826,192	361,579,367
Total assets		804,464,130	728,601,843	797,135,107	716,198,655

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 2012

(Unit: Baht)

		Financial statements in which the equity method is applied	Consolidated financial statement	Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	18	155,156,544	105,529,265	155,156,544	108,204,422
Other current liabilities		4,323,000	6,132,000	4,323,000	6,132,000
Total current liabilities		159,479,544	111,661,265	159,479,544	114,336,422
Non-current liabilities					
Provision for long-term employee benefits	19	32,345,595	33,691,311	32,345,595	33,691,311
Total non-current liabilities		32,345,595	33,691,311	32,345,595	33,691,311
Total liabilities		191,825,139	145,352,576	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
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
Share premium		167,200,000	167,200,000	167,200,000	167,200,000
Retained earnings					
Appropriated - statutory reserve	20	62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		132,938,991	95,425,860	125,609,968	88,470,922
Equity attributable to owners of the Company		612,638,991	575,125,860	605,309,968	568,170,922
Non-controlling interests of the subsidiary		-	8,123,407	-	-
Total shareholders' equity		612,638,991	583,249,267	605,309,968	568,170,922
Total liabilities and shareholders' equity		804,464,130	728,601,843	797,135,107	716,198,655

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 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit and loss					
Revenues					
Sales and service income		1,029,585,424	782,723,040	1,029,585,424	782,723,040
Other income					
Scrap sales		12,380,057	8,345,771	12,380,057	8,345,771
Dividend income	14	25,396,444	31,595,576	25,396,444	31,595,576
Others		14,177,753	26,491,531	14,426,171	24,924,510
Total revenues		1,081,539,678	849,155,918	1,081,788,096	847,588,897
Expenses					
Cost of sales and services		886,079,049	706,231,955	886,079,049	706,231,955
Selling expenses		43,709,441	28,091,060	43,709,441	28,091,060
Administrative expenses		46,588,025	48,240,795	46,254,029	45,845,345
Total expenses		976,376,515	782,563,810	976,042,519	780,168,360
Profit before share of profit from investment in associate and income tax expenses		105,163,163	66,592,108	105,745,577	67,420,537
Share of profit from investment in associate	13	860,407	679,137	-	-
Profit before income tax expenses		106,023,570	67,271,245	105,745,577	67,420,537
Income tax expenses		(13,609,391)	(10,953,773)	(13,609,391)	(10,953,773)
Profit for the year		92,414,179	56,317,472	92,136,186	56,466,764
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		92,414,179	56,317,472	92,136,186	56,466,764
Total comprehensive income attributable to					
Equity holders of the Company		92,510,271	57,657,421	92,136,186	56,466,764
Non-controlling interests of the subsidiary		(96,092)	(1,339,949)	-	-
		92,414,179	56,317,472		
Basic earnings per share	22				
Profit attributable to equity holders of the Company		3.70	2.31	3.69	2.26

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 2012

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company			Equity			
	Retained earnings			Total equity	attributable to	Total	
Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	attributable to owners of the Company	non-controlling interests of the subsidiary	shareholders' equity	
Balance as at 1 January 2011	250,000,000	167,200,000	62,500,000	87,765,839	567,465,839	9,463,356	576,929,195
Dividend paid (Note 25)	-	-	-	(49,997,400)	(49,997,400)	-	(49,997,400)
Total comprehensive income for the year	-	-	-	57,657,421	57,657,421	(1,339,949)	56,317,472
Balance as at 31 December 2011	250,000,000	167,200,000	62,500,000	95,425,860	575,125,860	8,123,407	583,249,267
Balance as at 1 January 2012	250,000,000	167,200,000	62,500,000	95,425,860	575,125,860	8,123,407	583,249,267
Cash paid to non-controlling interests of the subsidiary upon liquidation	-	-	-	-	-	(8,027,315)	(8,027,315)
Dividend paid (Note 25)	-	-	-	(54,997,140)	(54,997,140)	-	(54,997,140)
Total comprehensive income for the year	-	-	-	92,510,271	92,510,271	(96,092)	92,414,179
Balance as at 31 December 2012	250,000,000	167,200,000	62,500,000	132,938,991	612,638,991	-	612,638,991

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 2012

	Separate financial statements					(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Appropriated - statutory reserve	Retained earnings - Unappropriated	Total shareholders' equity	
Balance as at 1 January 2011	250,000,000	167,200,000	62,500,000	82,001,558	561,701,558	
Dividend paid (Note 25)	-	-	-	(49,997,400)	(49,997,400)	
Total comprehensive income for the year	-	-	-	56,466,764	56,466,764	
Balance as at 31 December 2011	250,000,000	167,200,000	62,500,000	88,470,922	568,170,922	
Balance as at 1 January 2012	250,000,000	167,200,000	62,500,000	88,470,922	568,170,922	
Dividend paid (Note 25)	-	-	-	(54,997,140)	(54,997,140)	
Total comprehensive income for the year	-	-	-	92,136,186	92,136,186	
Balance as at 31 December 2012	250,000,000	167,200,000	62,500,000	125,609,968	605,309,968	

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 2012

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2012	2011	2012	2011
Cash flows from operating activities					
Profit before tax		106,023,570	67,271,245	105,745,577	67,420,537
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:					
Depreciation and amortisation	16, 17	57,788,692	58,039,949	57,788,692	56,348,695
Reversal of allowance to reduce inventory to net realisable value	10	(622,789)	(1,581,612)	(622,789)	(132,093)
Gains on sales/write-off of equipment	16	(1,246,829)	(4,750,420)	(1,246,829)	(3,162,503)
Losses on impairment of equipment	16	-	3,482,410	-	-
Share of profit from investment in associate	13	(860,407)	(679,137)	-	-
Gains on cash received upon liquidation of the subsidiary		-	-	(307,869)	-
Losses on impairment of investment in subsidiary	12	-	-	-	3,000,000
Unrealised (gains) losses on exchange		173,432	(62,435)	173,432	(62,435)
Dividend receipt from other long-term investment	14	(25,396,444)	(31,595,576)	(25,396,444)	(31,595,576)
Provision for long-term employee benefits		1,957,569	2,490,617	1,957,569	2,490,617
Reversal of provision for liabilities		-	(9,725,109)	-	(9,725,109)
Interest income		(4,463,646)	(3,548,501)	(4,463,646)	(3,548,501)
Income from operating activities before changes in operating assets and liabilities		133,353,148	79,341,431	133,627,693	81,033,632
Operating assets (increase) decrease					
Trade and other receivables		(57,701,957)	50,358,768	(60,896,241)	50,595,042
Inventories		(12,232,997)	(3,172,214)	(12,232,997)	(4,621,733)
Other current assets		(3,950,946)	(383,692)	(3,950,946)	(383,692)
Operating liabilities increase (decrease)					
Trade and other payables		50,757,092	(25,029,857)	50,903,634	(25,045,308)
Other current liabilities		(1,809,000)	3,756,000	(1,809,000)	3,756,000
Other non-current liabilities		(3,303,285)	(1,135,376)	(3,303,285)	(1,135,376)
Cash flows from operating activities		105,112,055	103,735,060	102,338,858	104,198,565
Cash paid for withholding income tax		(28,686,014)	(24,246,366)	(28,686,014)	(24,246,366)
Cash received from withholding income tax		12,657,263	20,172,155	12,657,263	20,172,155
Net cash flows from operating activities		89,083,304	99,660,849	86,310,107	100,124,354

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 2012

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2012	2011	2012	2011
Cash flows from investing activities					
Acquisition of plant and equipment	16	(46,265,148)	(28,775,789)	(46,265,148)	(28,722,033)
Repayment of equipment creditor		(4,803,502)	(1,832,791)	(7,625,201)	(1,832,791)
Cash received from disposal of equipment		1,686,909	14,490,984	1,686,909	4,003,303
Acquisition of intangible assets		(712,400)	(2,311,361)	(712,400)	(2,311,361)
Decrease in restricted bank deposit		-	22,000	-	-
Increase in restricted investment		-	(2,500,000)	-	(2,500,000)
Increase in other long-term investment	14	(5,000)	-	(5,000)	-
Dividend received from other long-term investment	14	25,396,444	31,595,576	25,396,444	31,595,576
Cash received from interest income		4,479,604	3,615,296	4,479,604	3,615,296
Receipt of capital return from subsidiary	12	-	-	14,907,869	-
Net cash flows from (used in) investing activities		(20,223,093)	14,303,915	(8,136,923)	3,847,990
Cash flows from financing activities					
Dividend paid	25	(54,997,140)	(49,997,400)	(54,997,140)	(49,997,400)
Cash paid to non-controlling interest of the subsidiary upon liquidation		(8,027,315)	-	-	-
Net cash flows used in financing activities		(63,024,455)	(49,997,400)	(54,997,140)	(49,997,400)
Net increase in cash and cash equivalents		5,835,756	63,967,364	23,176,044	53,974,944
Cash and cash equivalents at beginning of year		216,212,724	152,245,360	198,872,436	144,897,492
Cash and cash equivalents at end of year		222,048,480	216,212,724	222,048,480	198,872,436
Supplemental cash flows information					
Non-cash transaction					
Purchase of equipment for which no cash has been paid		3,673,689	4,803,502	3,673,689	7,625,201

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

Notes to consolidated financial statements

Union Plastic Public Company Limited

For the year ended 31 December 2012

1. General information

1.1 Corporate information

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

1.2 Subsidiary information

On 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, as discussed in Note 12 to the financial statements.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2012	2011
			Percent	Percent
Union Kotec Molds Co., Ltd.	Contract manufacture and repair of molds	Thailand	-	65

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

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

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

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of increasing brought forward retained earnings of the year 2013 by approximately Baht 6.1 million.

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

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

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

4.5 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 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.

4.6 Investment properties

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

4.7 Property, plant and equipment/Depreciation

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

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

Buildings and building improvement	-	5, 10, 20 years
Machinery and equipment	-	5, 10, 15 years
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.

4.8 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.

4.9 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.

4.10 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.

4.11 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company 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.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its 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.

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

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

4.14 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.

4.15 Income tax

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

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.

Impairment of investment in subsidiary

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

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and 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.

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)			
	Consolidated and separate		Transfer Pricing Policy
	financial statements		
	2012	2011	
<u>Transactions with related companies</u>			
Sales of merchandise and services	76	47	Cost plus margin
Other income	7	6	Cost plus margin
Purchases of merchandise	14	6	Cost plus margin of related companies

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

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade and other receivables - related parties (Note 9)				
Related companies (common shareholder)	16,087	9,004	16,087	9,004
Total trade and others receivables - related parties	16,087	9,004	16,087	9,004
Trade and other payables - related parties (Note 18)				
Subsidiary	-	-	-	2,822
Related companies (common shareholder)	4,461	659	4,461	659
Total trade and other payables - related parties	4,461	659	4,461	3,481

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2012	2011
Short-term employee benefits	8,516	8,844
Post-employment benefits (reversal)	(405)	(398)
Total	8,111	8,446

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	50	58	50	52
Bank deposits	62,051	76,443	62,051	59,109
Treasury bills	159,947	139,711	159,947	139,711
Total	222,048	216,212	222,048	198,872

As at 31 December 2012, bank deposits in saving accounts and treasury bills carried interests between 0.63 and 2.70 percent per annum (2011: between 0.88 and 3.02 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	15,645	8,606	15,645	8,606
Total trade receivables - related parties	15,645	8,606	15,645	8,606
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	132,171	84,561	132,171	84,561
Past due less than 3 months	5,804	97	5,804	97
Total trade receivables - unrelated parties	137,975	84,658	137,975	84,658
Total trade receivables	153,620	93,264	153,620	93,264
<u>Other receivables</u>				
Amounts due from related parties	442	398	442	398
Advance for goods payment	4,315	4,034	4,315	4,034
Accounts receivable from disposals of equipment	-	3,162	-	-
Others	162	168	162	136
Total other receivables	4,919	7,762	4,919	4,568
Total trade and other receivables	158,539	101,026	158,539	97,832

10. Inventories

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied/ Consolidated financial statements and Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2012	2011	2012	2011	2012	2011
Finished goods	14,121	22,873	(973)	(706)	13,148	22,167
Work in process	30,862	11,015	(318)	(320)	30,544	10,695
Raw materials	17,229	15,923	(387)	(434)	16,842	15,489
Spare parts and factory supplies	9,374	9,541	(177)	(1,017)	9,197	8,524
Total	71,586	59,352	(1,855)	(2,477)	69,731	56,875

11. Restricted investment

This represents an investment in government, bonds which are pledged as collateral to secure electricity use.

12. Investment in subsidiary

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	2012	2011	2012	2011	2012	2011
Union Kotec Molds Co., Ltd.	-	54,000	(%)	(%)	-	35,100
Less: Allowance for impairment of investment					-	(20,500)
Net book value					-	14,600

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.

The Company had no dividend received from its subsidiary during 2012 and 2011.

13. Investment in associate

13.1 details of associate:

Company's name	Nature of business	Country of incorporation	(Unit: Thousand Baht)					
			Shareholding percentage		Financial statements in which the equity method is applied/			
					Consolidated financial statements		Separate financial statements	
					Carrying amounts based on equity method		Carrying amount based on cost method	
			2012	2011	2012	2011	2012	2011
P.S.V. Mould Co., Ltd.	Contract manufacture and sales of molds	Thailand	(%)	(%)	9,829	8,969	2,500	2,500
Total			25	25	9,829	8,969	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 consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit from investment in associate during the year	
	2012	2011
P.S.V. Mould Co., Ltd.	860	679
Total	860	679

The Company had no dividend received from its associate during 2012 and 2011.

13.3 Summarised financial information of associate

Financial information of the associate is summarised below:

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
P.S.V. Mould Co., Ltd.	10	10	50	46	11	10	34	34	3	3

14. Other long-term investment

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied/ Consolidated financial statements and Separate financial statements					
	Shareholding percentage		Investment value		Dividend received during the year	
	2012	2011	2012	2011	2012	2011
	(%)	(%)				
Union Nifco Co., Ltd.	19.99	19.99	20,002	19,997	25,396	31,596
Total			20,002	19,997	25,396	31,596

15. Investment properties

Investment property as at 31 December 2012 and 2011 represents land awaiting sale. A reconciliation of the net book value of investment property for the years 2012 and 2011 is presented below.

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied/ Consolidated financial statements and Separate financial statements	
	2012	2011
Net book value at beginning of year	3,738	6,205
Transfers to property, plant and equipment	-	(2,467)
Net book value at end of year	3,738	3,738

The fair value of the investment property as at 31 December 2012 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							
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost							
As at 1 January 2011	74,007	213,901	666,585	232,847	7,793	1,261	1,196,394
Additions	-	3,032	1,961	6,685	1,211	23,458	36,347
Disposals/write-off	-	(16,812)	(87,391)	(14,072)	(1,120)	-	(119,395)
Transfer from investment properties	2,467	-	-	-	-	-	2,467
Transfers	-	2,002	-	5,389	-	(7,391)	-
As at 31 December 2011	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
Accumulated depreciation							
As at 1 January 2011	-	120,766	547,750	181,798	5,870	-	856,184
Depreciation for the year	-	9,594	26,944	18,620	929	-	56,087
Depreciation on disposals/write-off	-	(4,834)	(56,734)	(13,598)	(1,121)	-	(76,287)
As at 31 December 2011	-	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	-	(197)	(4,481)	(8,451)	(2,802)	-	(15,931)
As at 31 December 2012	-	135,241	537,248	199,697	3,462	-	875,648
Allowance for impairment loss							
As at 1 January 2011	-	7,464	16,377	686	-	-	24,527
Increase during the year	-	2,514	968	-	-	-	3,482
Decrease during the year	-	(9,978)	(17,269)	(397)	-	-	(27,644)
As at 31 December 2011	-	-	76	289	-	-	365
Increase during the year	-	-	(14)	(289)	-	-	(303)
As at 31 December 2012	-	-	62	-	-	-	62
Net book value							
31 December 2011	76,474	76,597	63,119	43,740	2,206	17,328	279,464
31 December 2012	76,474	76,120	43,638	58,416	1,821	16,917	273,386
Depreciation for the year							
2011 (Baht 51 million included in manufacturing cost, and the balance in administrative expenses)							56,087
2012 (Baht 53 million included in manufacturing cost, and the balance in administrative expenses)							55,595

16. Property, plant and equipment (continued)

(Unit: Thousand Baht)

Separate financial statements							
	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
Cost							
As at 1 January 2011	74,007	197,089	602,254	227,630	7,793	1,261	1,110,034
Additions	-	3,032	1,961	6,685	1,211	23,458	36,347
Disposals/write-off	-	-	(23,060)	(8,855)	(1,120)	-	(33,035)
Transfer from investment properties	2,467	-	-	-	-	-	2,467
Transfers	-	2,002	-	5,389	-	(7,391)	-
As at 31 December 2011	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
Accumulated depreciation							
As at 1 January 2011	-	116,105	513,092	177,066	5,870	-	812,133
Depreciation for the year	-	9,421	25,453	18,593	929	-	54,396
Depreciation on disposals/write-off	-	-	(20,585)	(8,839)	(1,121)	-	(30,545)
As at 31 December 2011	-	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	-	(197)	(4,481)	(8,451)	(2,802)	-	(15,931)
As at 31 December 2012	-	135,241	537,248	199,697	3,462	-	875,648
Allowance for impairment loss							
As at 1 January 2011	-	-	1,703	311	-	-	2,014
Decrease during the year	-	-	(1,627)	(22)	-	-	(1,649)
As at 31 December 2011	-	-	76	289	-	-	365
Decrease during the year	-	-	(14)	(289)	-	-	(303)
As at 31 December 2012	-	-	62	-	-	-	62
Net book value							
31 December 2011	76,474	76,597	63,119	43,740	2,206	17,328	279,464
31 December 2012	76,474	76,120	43,638	58,416	1,821	16,917	273,386
Depreciation for the year							
2011 (Baht 51 million included in manufacturing cost, and the balance in administrative expenses)							54,396
2012 (Baht 53 million included in manufacturing cost, and the balance in administrative expenses)							55,595

As at 31 December 2012, 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 587 million (2011: Baht 532 million).

17. Intangible asset

The net book value of intangible asset which is computer software as at 31 December 2012 and 2011 is presented below:

(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied/ Consolidated financial statements and Separate financial statements	
	2012	2011
Cost at beginning of year	10,603	10,020
<u>Less</u> Accumulated amortisation	(8,273)	(6,190)
Net book value at and of year	2,330	3,830

18. Trade and other payables

(Unit: Thousand Baht)				
	Financial statements in which the equity method is applied/ Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	3,493	342	3,493	342
Trade payables - unrelated parties	118,402	78,186	118,402	78,186
Other payables - related parties	1,104	317	1,104	3,139
Other payables - unrelated parties	3,561	4,804	3,561	4,804
Accrued expenses	25,141	19,971	25,141	19,826
Others	3,456	1,909	3,456	1,907
Total trade and other payables	155,157	105,529	155,157	108,204

19. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2012 and 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied/ Consolidated financial statements and Separate financial statements	
	2012	2011
Provision for long-term employee benefits at beginning of year	33,691	32,336
Current service cost	208	781
Interest cost	1,750	1,709
Transferred employees from related companies	1,730	-
Benefits paid during the year	(5,033)	(1,135)
Provision for long-term employee benefits at end of year	32,346	33,691

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

(Unit: Thousand Baht)		
	Consolidated and separate financial statements	
	2012	2011
Current service cost	208	781
Interest cost	1,750	1,709
Total expense recognised in profit or loss	1,958	2,490
Line items under which such expenses are included in profit or loss		
Cost of sales	630	1,673
Selling and administrative expenses	1,328	817

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2012	2011
	(% per annum)	(% per annum)
Discount rate	4.7	4.7
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 two periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation
	Financial statements in which the equity method is applied/Consolidated financial statements and Separate financial statements
Year 2012	32,346
Year 2011	33,691
Year 2010	32,336

20 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 2012 and 2011, 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.

21. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	197,374	158,173	197,374	158,173
Depreciation and amortisation expenses	57,789	58,040	57,789	56,349
Repair and maintenance expenses	14,150	7,526	14,150	7,524
Transportation expenses	34,915	21,840	34,915	21,840
Raw materials and consumables used	589,404	461,872	589,404	461,872
Changes in inventories of finished goods and work in progress	(10,830)	2,316	(10,830)	2,316

22. 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.

23. Segment information

The Company is principally engaged in the contract manufacture of thermoplastics. It is also engaged in the contract manufacture and repair of molds, but revenue from this business is immaterial. Its operations are carried on only in Thailand. Therefore, revenues, operating profit and total assets presented in the financial statements relate to only this segment.

24. 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 2012, the Company contributed Baht 3 million (2011: Baht 2 million) to the fund.

25. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht per share)
Final dividends for 2010	Annual General Meeting of the Shareholders on 20 April 2011	50,000	2.00
Less: Dividend that some shareholders are not entitles to received		(3)	
Net dividend paid		49,997	
Final dividends for 2011	Annual General Meeting of the Shareholders on 25 April 2012	55,000	2.20
Less: Dividend that some shareholders are not entitles to received		(3)	
Net dividend paid		54,997	

26. 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.

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2012, the Company had capital commitments of approximately Baht 6 million (2011: Baht 7 million), relating to the improvement of factory and acquisition of machinery.

27.2 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/ Consolidated financial statements and Separate financial statements	
	As at 31 December	
	2012	2011
Payable:		
In up to 1 year	2	2
In over 1 and up to 4 years	1	1

28. Financial instruments

28.1 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 accounts receivable and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable 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 treasury bills. However, since most of the financial assets and liabilities bear non-interest, floating interest rate or fixed which are close to the market rate, the interest rate risk of the Company is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets 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 2012					
	Financial statements in which the equity method is applied					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years				
						(% per annum)
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	

(Unit: Million Baht)

As at 31 December 2011**Consolidated financial statements**

	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	140	-	75	1	216	0.88 - 3.02
Trade and other receivables	-	-	-	101	101	-
Restricted investment	-	12	-	-	12	2.60 - 3.30
Investment in associate	-	-	-	9	9	-
Other long-term investment	-	-	-	20	20	-
	140	12	75	131	358	
Financial liabilities						
Trade and other payables	-	-	-	106	106	-
	-	-	-	106	106	

As at 31 December 2012**Separate financial statement**

	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	-	-	-	2	2	-
Other long-term investment	-	-	-	20	20	-
	160	12	61	182	415	
Financial liabilities						
Trade and other payables	-	-	-	155	155	-
	-	-	-	155	155	

(Unit: Million Baht)

As at 31 December 2011**Separate financial statement**

	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	140	-	58	1	199	0.88 - 3.02
Trade and other receivables	-	-	-	98	98	-
Restricted investment	-	12	-	-	12	2.60 - 3.30
Investment in subsidiary	-	-	-	15	15	-
Investment in associate	-	-	-	2	2	-
Other long-term investment	-	-	-	20	20	-
	140	12	58	136	346	
Financial liabilities						
Trade and other payables	-	-	-	108	108	-
	-	-	-	108	108	

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.

28.2 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.

29. 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 2012, the Group's debt-to-equity ratio was 0.31:1 (2011: 0.25:1) and the Company's was 0.32:1 (2011: 0.26:1).

30. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 13 February 2013.

Audit Fee

Audit Fee

No.	Name of Company	2012		2011	
		Name of Auditor	Audit Fee (Baht)	Name of Auditor	Audit Fee (Baht)
1	Union Plastic PCL.	Ernst & Yong Office Limited	850,000.-	Ernst & Yong Office Limited	830,000.-
2	Union Kotech Molds Co., Ltd. (Subsidiary)	Ernst & Yong Office Limited	-	Ernst & Yong Office Limited	100,000.-

Other Fee

No.	Name of Company	2012				2011			
		Service Provider	Type of Other Services	Other Services Fee		Service Provider	Type of Other Services	Other Services Fee	
				Amount Paid during the Year	Amount Paid in the Future			Amount Paid during the Year	Amount Paid in the Future
1	Union Plastic PCL.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Union Kotech Molds Co., Ltd. (Subsidiary)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Related Party Transactions

People with Common Interests and Related Party Transactions

Company Name	Saha – Union Public Company Limited
Address	1828 Sukumvit Road, Bangchak, Phraknong, Bangkok
Type of Business	Plastic Industry Group, Electronics and Information Technology Group, Energy Group, Trading & Investment Group and Services
Registered Capital	Baht 3,000,000,000
Relationship	Major shareholder and common Directors
Shareholding (%)	Holds 49.521% shares in Union Plastic Public Company Limited (12,380,130 shares) (as of April 5 th , 2012)

Board of Directors of Saha – Union Public Company Limited

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

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 :

Only two Directors who give their signatures and affix the Company's seal can bind the Company.

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

Board of Directors of PSV Mould Co., Ltd.

No	Name / Surname
1	Mr. Varapong Jaisin
2	Mr. Prasit Teetakeaw
3	Mr. Chaifying 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 20th, 2005 and the shareholding structure has been changed after the capital increase according to the resolution of the Extraordinary Shareholders' Meeting No. 3/2005 on December 19th, 2005.

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

Board of Directors of Union Nifco Co., Ltd.

No	Name / Surname
1	Ms. Sriwarin Jirapakkhana
2	Mr. Thitivat Suebsaeng
3	Ms. Dalad Saphthavichaikul
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. Masaru Onodera

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 businesses. No executives 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

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

General Information

General Information of Union Plastic Public Company Limited

<ul style="list-style-type: none"> • Type of Business • Head Office 	Provide manufacturing services and manufacturing plastic parts and molds 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
<ul style="list-style-type: none"> • Branch No.1 	99/8 Moo 5, Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180 Tel. (038) 571-741-5, (038) 842-415-8 Fax (038) 842-418
<ul style="list-style-type: none"> • Registered Capital 	Fully paid-up 25,000,000 ordinary shares at par value of Baht 10 per share

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

<ul style="list-style-type: none"> • Associated Company 	PSV Mould Co., Ltd.
Type of Business	Manufacturing service, manufacture & sales of molds for equipment and tools manufacturing
Head Office	46/36 Moo 9, Bangpla, Bangplee, Samutprakarn 10540 Tel. 0-2315-5161-3
Registered Capital	Fully paid-up 1,000,000 ordinary shares at par value of Baht 10 per share
Shareholding	249,999 shares, 25% of total shares
<ul style="list-style-type: none"> • Related Company 	Union Nifco Co., Ltd.
Type of Business	Plastic parts manufacturing
Head Office	99/11 Moo 5 Bangna - Trad Road (km.38), Bangsamak, Bangpakong, Chachoengsao 24180 Tel. (038) 842-130-5 Fax (038) 842-129
Registered Capital	Fully paid-up 1,000,000 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"> • Securities Register 	Thailand Securities Depository Co., Ltd.
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"> • Auditor 	Ernst & Young Office Limited
Head Office	Mr. Narong Puntawong or Mr. Supachai Phanyawattano or Ms. Siraporn Ouannunkun, Certified Public Accountant No. 3315, 3930 and 3844 consecutively Lake Rachada Office Complex Building, 33 rd Floor, 193/136-137, Rachadapisek Road, Klong Toey, Bangkok 10110 Tel. 0-2264-0777 Fax 0-2264-0789, 0-2264-0790

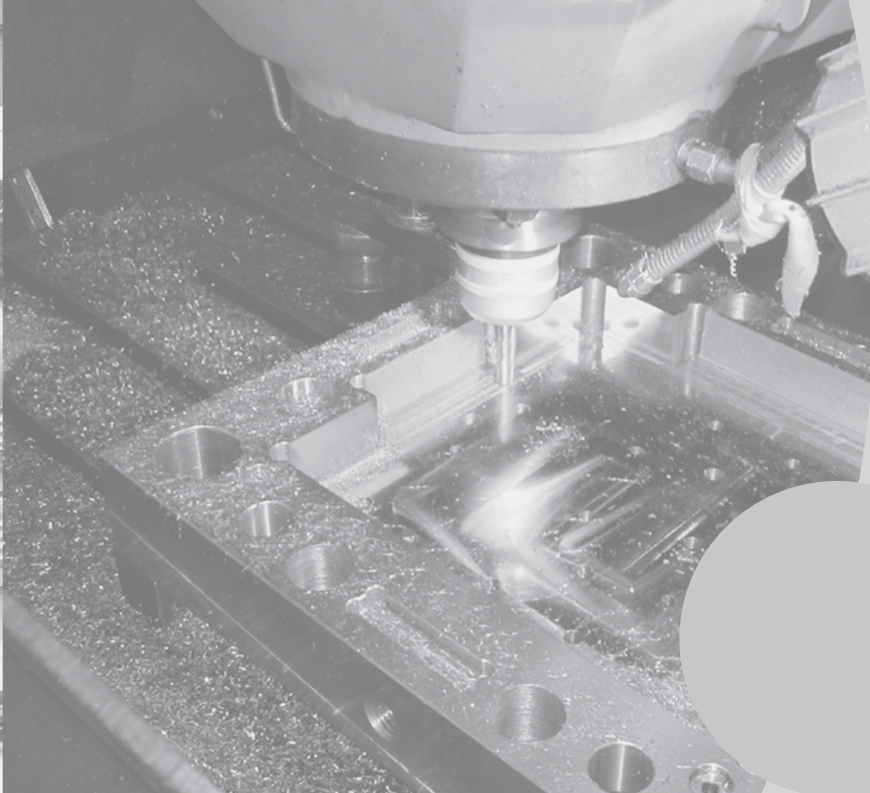
SET Information References Guide Under Form 56-2

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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>

Union Plastic Public Company Limited

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 conservation 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 objectives 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.

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.