



INTEGRITY  
QUALITY  
SERVICE



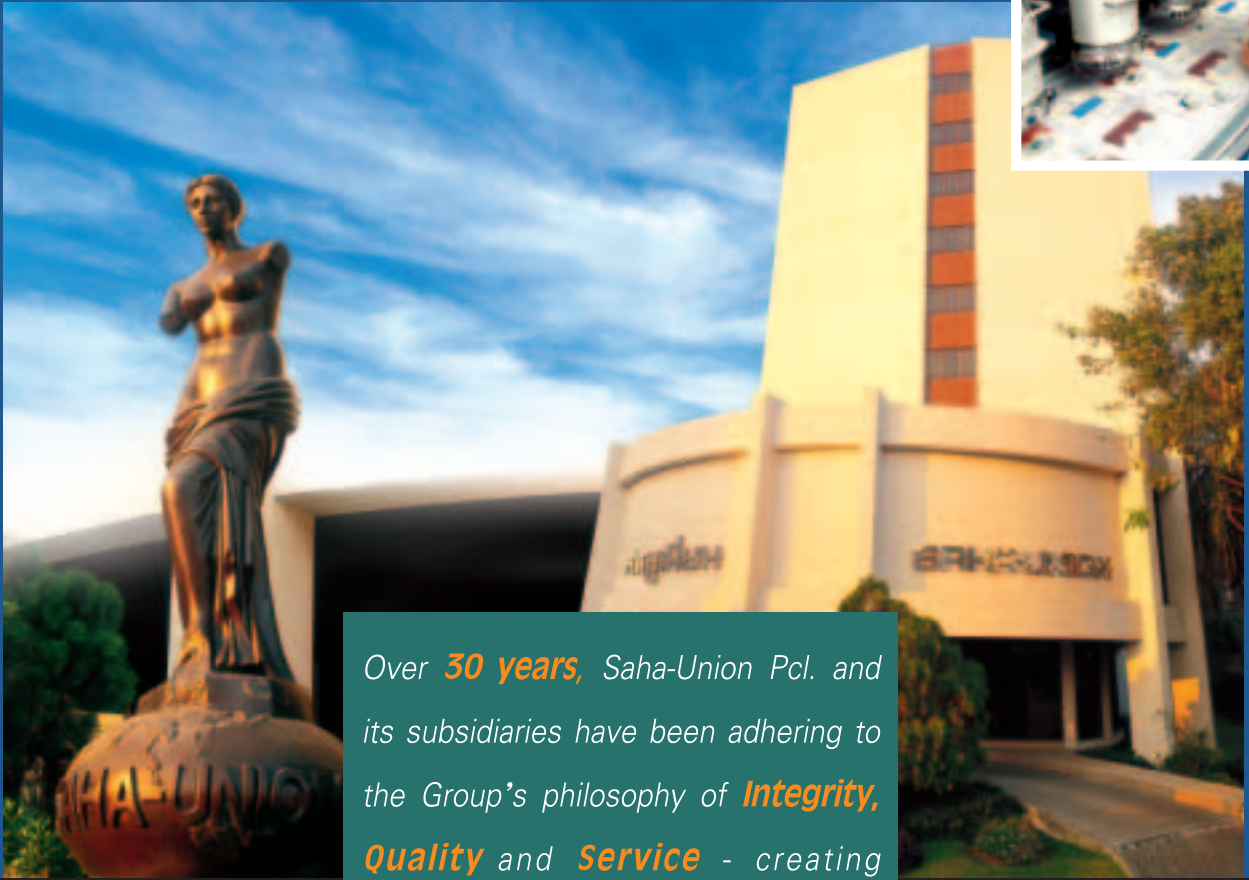
**SAHA-UNION PUBLIC CO.,LTD.** [www.sahaunion.co.th](http://www.sahaunion.co.th)

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Over **30 years**, Saha-Union Pcl. and its subsidiaries have been adhering to the Group's philosophy of **Integrity, Quality** and **Service** - creating customer confidence and satisfaction and contributing significantly towards the development of the country's industry.



↪ SAHA-UNION PUBLIC COMPANY LIMITED (CONSOLIDATED)

Unit: Million Baht

	2001	2000	1999
Total Revenues	18,361.0	19,005.1	17,094.1
Total Sales	17,735.2	18,180.7	16,067.5
Gross Profit	2,571.3	2,357.9	2,194.6
Net Profit	921.3	957.3	1,030.4
Total Assets	17,584.7	17,679.2	16,606.7
Total Liabilities	4,901.0	6,398.2	6,274.4
Total Shareholders' Equity	12,683.6	11,281.1	10,332.3
Earning Ratio (%)	5.02%	5.04%	6.03%
Earning per Share (Baht)	3.57	3.89	4.20
Dividend per Share (Baht)	1.25	1.25	1.25
Book Value (Baht)	44.35	40.60	36.92
Net Asset Value (Baht)	44.35	40.60	36.92
Return on Assets (%)	5.23%	5.58%	6.26%
Return on Equity (%)	8.59%	10.05%	11.62%
Debt to Equity Ratio (Times)	0.39	0.57	0.61

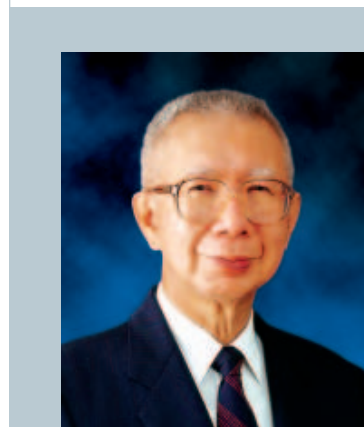
**MAJOR FINANCIAL RATIO AND INFORMATION**

↪ SAHA-UNION PUBLIC COMPANY LIMITED

	2001	2000	1999
Total Revenues	16,061.3	15,969.5	14,810.9
Total Sales	14,861.0	14,679.6	13,776.4
Export	7,755.9	7,167.0	7,027.8
Domestic	7,105.1	7,512.6	6,748.6
Gross Profit	858.9	761.8	1,186.1
Net Profit	921.3	957.3	1,030.4
Earning per Share (Baht)	3.57	3.89	4.20
Dividend per Share (Baht)	1.25	1.25	1.25
Book Value (Baht)	44.35	40.60	36.92



**Mr. Anand Panyarachun**  
*Chairman*



**Mr. Damri Darakananda**  
*Vice Chairman*

## **REPORT OF THE BOARD OF DIRECTORS**

The overall world economy in the year 2001 declined more than expected due to economic slowdown in the US, the EU and Japan. This directly affected Thailand's export business and held back further investment, especially in the areas of machinery and equipment. Adjustment of export investment itself, coupled with the weakening of local demands, contributed to the decline of industrial expansion and lowering production capacity. Employment situation clearly was not improved.

During the time of slow economic expansion, Saha-Union Public Company Limited and its subsidiaries had to adapt in order to survive. The company, to begin with, looked for more market opportunities both domestic and abroad. Next, the



**Mr. Amnuay Viravan**  
*Chairman of the Advisory Board*



**Mr. Panas Simasathien**  
*Executive Chairman*

company improved the overall efficiency of its production processes to reduce costs in order to become more competitive, while meeting customer's needs at the same time. These contributed to making the company's performance in 2001 on a par with that of the previous year.

Briefly, the results of Saha-Union Public Co, Ltd.'s results in 2001 were as follows:

Revenue from total sales was Bht 14,861.0 million, an increase of 1.2 percent over the previous year, when sales reached Bht

*Revenue from total sales was **Bht 14,861.0 million**, an increase of **1.2 percent** over the previous year, when sales reached **Bht 14,679.6 million**. The total export volume was **Bht 7,755.9 million**, **3.2 percent** higher than the previous year,*

14,679.6 million. The total export volume was Bht 7,755.9 million, 3.2 percent higher than the previous year, while domestic sales were Bht 7,105.1 million, an decrease of 0.9 percent.

The company generated a net profit of Bht 921.3 million, down 3.8 percent from the year 2000, when the net profit was Bht 957.3 million.

Total debts stood at Bht 5,651.0 million, a decrease of 16.1 percent from 2000, while total assets were valued at Bht 17,101.6 million, up 2.2 percent from the previous year.

## ➤ BUSINESS STRUCTURES AND OPERATIONS

The Saha-Union Group is divided into the following four business groups:

### 1. Manufacturing Group

#### Textile

The group's textile operation is run by eight different companies. Their total efforts generated sales of Bht 6,765.6 million, an decrease of 11.5 percent over the previous year's sales. Export was Bht 2,747.4 million, while Domestic was Bht 4,018.2 million.

#### Footwear

The footwear group's activities are operated by three companies, which achieved total sales of Bht 3,951.4 million in 2001, an increase by 31 percent compared to the year of 2000. Export was Bht 3,314.2 million, while domestic was Bht 637.2 million.

#### Plastics, Rubber and Metal

This group is run by eight companies. Their total sales of Bht 2,705.9 million in 2001 saw an increase of about 1.1 percent over the previous year. Export from these operations was Bht 1,694.2 million, while domestic was Bht 1,011.7 million.

### 2. Electronics and Computer Group

Three companies form the group of electronics and computer. as follows:

- Saha-Union Public Co., Ltd. (Sriracha Project)
- Union Technology Co, Ltd.  
Both companies are involved in the production of hard disk drives for export to IBM.
- Computer Union Co, Ltd. distributes computers and all kinds of peripherals, banking automatic teller

machines (ATM), ready-to-use programmes, Internet services and computer service warrantees.

### 3. Energy Group

This comprises of

- A joint venture in three cogeneration plants in Zhejiang Province, five more similar plants in Jiangsu Province, and two additional thermal power plants in Yunnan Province.
- An investment project for Independent Power Producer to be built in Prachuab kirikan Province, Thailand.

### 4. Trading, Investment and Services Group

Comprising of more than 30 companies, the group has the responsibility of supporting and promoting the production, distribution and services of all the companies in the various business groups of Saha-Union.

Thailand's economic trends in the year 2002 will see more growth than last year with a boost from internal and external factors. The foremost external factor involves a forecast in the economic growth of the US and Japan, whose economies play crucial roles on a global scale, to be recovered in the third or fourth of quarter of the year 2002. This will benefit Thailand's export, as the two countries are our prime markets. Secondly, after China's entry as a new member of the World Trade Organization (WTO), the country has become a major competitor in the export market since then. As far as internal factors are



concerned, expenses from both the government and private sectors, coupled with a low interest rate, have helped boost the growth in expenses of consumer products. Due to a surplus in production capacity, investment in the private sector tend to be weakening.

However, with an unstable economic situation, the company had to be more prudent in stipulating its operational policy by closely monitoring its operational performance, designing management strategies to respond to virtual economic uncertainties, in addition to planning proper business directions to comply with predicted economic situations. As far as financial planning, the company put an emphasis on the importance of cash flow, reducing risks on foreign exchange fluctuation of foreign trading partners, as well as the prevailing economic scenario of its trading countries.

Furthermore, Saha-Union Pcl. improved its internal management to be more efficient, adjusted the number of employees to suit requirements of the organisation, sought new business opportunities, developed new customers to be able to expand its market base. In doing so, by the time the global economy improves, the company will be ready to move forward.

The Board of Directors would like to convey our heartfelt appreciation to all shareholders and business partners who believe in and put their trust on the company's management. The Board of Directors, the management team and staff at all levels under the Saha-Union Group are well aware of your confidence in us. Although the year 2002 Thailand will face another episode of economic uncertainties, everyone at the Saha-Union Group is well prepared and ready to devote wholeheartedly for the future growth and stability of the Group, and most importantly, for the shareholders.

*Saha-Union Pcl. improved its **internal management** to be more efficient, adjusted the number of employees to suit requirements of the organisation, sought **new business** opportunities, developed new customers to be able to expand its market base.*



Mr. Anand Panyarachun



Mr. Amnuay Viravan



Mr. Damri Darakananda



Mr. Panas Simasathien

Mr. Anand Panyarachun  
*Chairman*



Mr. Damri Darakananda  
*Vice Chairman*



Mr. Amnuay Viravan  
*Chairman of the Advisory Board*



Mr. Panas Simasathien  
*Executive Chairman*



## BOARD OF DIRECTORS



Mr. Sumeth Darakananda  
*Advisor*



Mr. Chakchai Panichapat  
*Advisor*



Mr. Kamol Khoosuwan  
*Vice Executive Chairman*



Mr. Sompop Amatayakul  
*Advisor*

**Mr. Vaidhaya Viravaidhaya**  
*Advisor and Executive Director*



**Mr. Kisao Suzuki**  
*Advisor*



**Mrs. Chongraksa  
Darakananda**  
*Advisor*



**Mr. Viroj Phutrakul**  
*Chairman of the Audit  
Committee Board and Advisor*



**Mrs. Araya Arunanondchai**  
*Audit Committee Member*



**Miss Sriwarin Jirapakkana**  
*Executive Director and  
President*



**Miss Pakinee Prertitumrong**  
*Audit Committee Member*



**Mrs. Supung Tangsujaritpunt**  
*Executive Director and Vice  
President*

**Mr. Songsak  
Thampimukvatana**  
*Executive Director and Vice  
President*



**Miss Dalad  
Sapthavichaikul**  
*Executive Director and Vice  
President*



**Mr. Chutindhon  
Darakananda**  
*Executive Director and Vice  
President*



**Mr. Aksornprasit  
Darakananda**  
*Executive Director and Vice  
President*



**Mr. Bovornrat Darakananda**  
*Executive Director and Vice  
President*



**Mr. Vacharaphong  
Darakananda**  
*Executive Director and Vice  
President*



**Mr. Nantiya Darakananda**  
*Executive Director*

**Mr. Anand Panyarachun**  
Chairman

↪ **Education** • Bachelor's Degree (Honors) **Experiences** • Prime Minister (Twice) • Permanent Secretary, Ministry of Foreign Affairs • Permanent Representative of Thailand to the United Nations • Ambassador Extraordinary and Plenipotentiary to Canada, the United States of America and Germany • Chairman, the Drafting Committee of the Constitution Drafting Assembly • Chairman, the National Commission for the Formulation of Policy and Action Plan on Human Rights **Current Positions** • Chairman, Thailand Development Research Institute Foundation (TDRI) • Chairman, the Council of Trustees of Thailand Environment Institute (TEI) • UNICEF Ambassador for Thailand • Director, Siam Commercial Bank Public Company Limited • Chairman, Union Textiles Industries Public Company Limited • Regional Advisor, General Electric Company Limited (GE) • Member of International Advisory Board, the American International Group • Member of the Asia-Pacific Advisory Board, Unocal Asia-Pacific Venture, Limited • Chairman of the Board of Asian Institute of Technology (AIT) • Chairman of University Council of Asian University of Science and Technology • Chairman of the National Economic and Social Advisory Council

**Mr. Damri Darakananda**  
Vice Chairman

↪ **Education** • Complete Middle School **Experiences** • Director, Bangkok Bank Public Company Limited • Executive Chairman, Saha-Union Public Company Limited • Arbitrator, the Thai Textile Manufacturing Association • Member, National Legislative Assembly • President, Saha-Union Public Company Limited • Managing Director, Union Industries Corporation Limited **Current Positions** • Vice Chairman of the Advisory Board, Saha-Union Public Company Limited • Vice Chairman, Union Energy Company Limited • Vice Chairman, Union Energy (China) Company Limited • Chairman, Saha-Union International Limited • Chairman, Saha-Union Investment (China) Company Limited • Chairman, Saha-Union International (Taipei) Limited • Chairman, Saha-Union International (USA) Inc. • Chairman, Saha-Union International (GA) Inc. • Chairman, Union Thread Industries Company Limited • Chairman, Union Industries Corporation Limited

## BOARD OF DIRECTORS

**Mr. Amnuay Viravan**

↪ **Education** • Ph.D. (Bus. Adm.) **Experiences** • Deputy Prime Minister • Minister of Finance • Minister of Foreign Affairs • Permanent Secretary, Ministry of Finance • Chairman, National Economic and Social Development Board (NESDB) • Director General, Customs Department • Chairman, Saha-Union Public Company Limited • Executive Chairman, Bangkok Bank Public Company Limited **Current Positions** • Chairman of the Advisory Board, Saha-Union Public Company Limited • Chairman, Union Energy Company Limited

**Mr. Panas Simasathien**

↪ **Education** • Ph.D., University of Illinois **Experiences** • Minister of Finance • Permanent Secretary, Ministry of Finance • Director General, Revenue Department • Director General, Comptroller-General's Department • Chairman, the Electricity Generating Authority of Thailand (EGAT) **Current Positions** • Chairman, Thai Rating and Information Services Company Limited • Chairman, Scandinavian Leasing Public Company Limited • Vice Chairman and Executive Chairman, Bangkok Intercontinental Hotels Company Limited • Vice Chairman, the National Economic and Social Development Board (NESDB) • Commissioner, Securities Exchange and Commission • Director, Union Energy Company Limited • Law Councilor (Law Committee Number 3), the Council of State • Chairman of the University council, Thammasat University • Chairman, Securities Analysts Association

Mr. Vaidhaya Viravaidhaya	<p>↪ <b>Education</b> • Bachelor's Degree <b>Experiences</b> • Executive Committee, Saha-Union Public Company Limited • Executive Vice Chairman, the Plastic, Rubber and Button Business, Saha-Union Group • Vice President, Union Textiles Industries Public Company Limited • Vice Chairman, Union Plastic Public Company Limited • Vice Chairman, Union Pioneer Public Company Limited <b>Current Positions</b> • Acting Executive Chairman, the Textiles Business, Saha-Union Group • Vice Chairman, Union Thread Industries Company Limited • Vice Chairman, Union Industries Corporation Limited • Managing Director, Union Textiles Industries Public Company Limited • Chairman, Union Garment Company Limited</p>
Mr. Kisao Suzuki	<p>↪ <b>Education</b> • Bachelor's Degree <b>Experiences</b> • Managing Director, Manufacturing, IBM Japan <b>Current Positions</b> • Acting Executive Chairman, the Electronics and Computer Business, Saha-Union Group • Director, Union Textiles Industries Public Company Limited</p>
Mrs. Chongraksa Darakananda	<p>↪ <b>Education</b> • High School Diploma <b>Experiences</b> • Vice President, Saha-Union Corporation Limited • Director, World Trading Company Limited • Manager, Finance Department, Union Industries Corporation Limited <b>Current Positions</b> • Director, Companies in Saha-Union Group</p>
Mr. Viroj Phutrakul	<p>↪ <b>Education</b> • Bachelor's Degree <b>Experiences</b> • Chairman, Lever Brothers (Thailand) Company Limited • Chairman, the Industrial Estate Authority of Thailand • Vice Chairman, the Federation of Thai Industries • President, Thailand Management Association <b>Current Positions</b> • President, Boonrawd Asia Beverage Company Limited • Chairman of the Executive Committee, Central Pattana Public Company Limited • Director, Siam Commercial Bank Public Company Limited • Director, Boonrawd Brewery Company Limited • Vice Chairman of the AIT Board of Trustees, Asian Institute of Technology</p>

Mr. Sumeth Darakananda

↪ **Education** • Bachelor's Degree **Experiences** • Chairman, Union Plastic Company Limited • Chairman, Union Thai-Nichiban Company Limited • President, Saha-Union Public Company Limited • Executive Vice Chairman, Saha-Union Public Company Limited **Current Positions** • Chairman, Union Button Corporation Limited • Chairman, Venus Button Company Limited • Chairman, Blood Transfusion Services Company Limited (BTS) • Chairman, Venus Technology Company Limited • Chairman, Pro-Med Company Limited

Mr. Chackchai Panichapat

↪ **Education** • Master's Degree **Experiences** • Deputy Secretary General, Board of Investment • Member of the Board of Directors, Industrial Estate Authority of Thailand • Member of the Board of Directors, National Electronics and Computer Center, Ministry of Science, Technology and Environment **Current Positions** • Member of the Board of Directors, National Science and Technology Development Agency, Ministry of Science, Technology and Environment • Member of the Board of Directors, City Recreation and Sports Pcl. • Member of the Board of Directors, Union Energy Co.,Ltd. • Member of the Board of Directors, Union Energy (China) Co.,Ltd.

Mr. Kamol Khoosuwan

↪ **Education** • Bachelor's Degree **Experiences** • Personnel Manager, Thai Oil Company Limited • Human Resources Manager, Charoen Pokphand Company Limited • President, Saha-Union Public Company Limited • President, Union Energy Company Limited **Current Positions** • Vice Executive Chairman, Saha-Union Public Company Limited • Chairman, Union Power Development Company Limited • Vice Executive Chairman, Union Energy Company Limited

Mr. Sompop  
Amatayakul

➔ **Education** • Honorary Doctorate's Degree from Thammasat University and the National Institute of Development Administration **Experiences** • Deputy Minister, Ministry of Industry • Managing Director, IBM (Thailand) Co.,Ltd. • President, Saha-Union Public Company Limited **Current Positions** • Chairman, the Bangkok Metropolitan Bank Public Company Limited • Executive Chairman, B.B Business Management Company Limited • Executive Chairman, Pomona Holding Company Limited • Managing Director, Khonkaen Breweries Company Limited • Director, Union Plastic Public Company Limited • Director, Union Pioneer Public Company Limited

Mrs. Araya  
Arunanondchai

➔ **Education** • Bachelor's Degree (Accounting and Commerce) **Experiences** • Director, Budget Department, Thai Farmers Bank Public Company Limited • Vice President, Saha-Union Corporation Limited • Chairman, Union Securities Company Limited **Current Positions** • Executive Director, Nakornping Night Bazaar Company Limited • Executive Chairman, Rajburi Sugar Company Limited

Miss Sriwarin  
Jirapakkana

➔ **Education** • Master's Degree **Experiences** • Vice President - Finance, Saha-Union Public Company Limited • Director, Companies in Saha-Union Group **Current Positions** • President, Saha-Union Public Company Limited • Director, Union Textiles Industries Public Company Limited • Chairman, Union Pioneer Public Company Limited • Chairman, Union Nifco Company Limited • Chairman, Union Thai-Nichiban Company Limited • Chairman, Union-Zojirushi Company Limited • Chairman, Union Plastic Public Company Limited • Chairman, Union Stainless Steel Products Company Limited • Director, Companies in Saha-Union Group

Miss Pakinee  
Prertitumrong

➔ **Education** • Bachelor's Degree **Experiences** • Manager, Chongsawat Corporation **Current Positions** • Director, Union Industries Corporation Limited • Director, Union Thread Industries Company Limited

Mrs. Supung  
Tangsujaritpant

➔ **Education** • Certificate of Vocational Education (Accounting) **Experiences** • Manager, Finance and Accounting, Union Thread Industries Company Limited • Manager, Finance and Accounting, Union Spinning Mills Company Limited • Manager, Finance and Accounting, Saha-Union Public Company Limited (Ladphrao) • Managing Director, Union Spinning Mills Company Limited **Current Positions** • Executive Director and Vice President-Project Investment in China

Mr. Songsak  
Thampimukvatana

➔ **Education** • Bachelor's Degree **Experiences** • Managing Director, Union Footwear Public Company Limited **Current Positions** • Executive Chairman, the Footwear Business, Saha-Union Group • Chairman, Union Footwear Public Company Limited

Miss Dalad  
Sapthavichaikul

➔ **Education** • Master's Degree **Experiences** • Manager, Office of the President, Saha-Union Public Company Limited • Manager, Office of the Executive Chairman, Saha-Union Public Company Limited **Current Positions** • Vice President - Administration, Saha-Union Public Company Limited • Managing Director, Uni-Fibre Company Limited • Director, Union Textile Industries Public Company Limited • Director, Union Energy Company Limited • Director, Union Energy (China) Company Limited • Director Union Pioneer Public Company Limited • Director, Processing Center Company Limited

Mr. Chutindhon  
Darakananda

↪ **Education** • Master's Degree **Experiences** • Director, Companies in Saha-Union Group **Current Positions**  
• Managing Director, Union Thread Industries Company Limited • Director, Companies in Saha-Union Group

Mr. Aksornprasit  
Darakananda

↪ **Education** • Bachelor's Degree **Experiences** • Director, Companies in Saha-Union Group **Current Positions**  
• Managing Director, Union Industries Corporation Limited • President and Acting Vice President-Business Development, Union Energy Company Limited

Mr. Bovornrat  
Darakananda

↪ **Education** • Master's Degree **Experiences** • Vice President, Saha-Union International (Georgia) Inc.  
• Director and Executive Director, Union Energy (China) Company Limited • Director and Manager, Union Energy (China) Company Limited • General Manager, Saha-Union Investment (China) Company Limited **Current Positions**  
• Managing Director, Union Spinnig Mills Company Limited

Mr. Vacharaphong  
Darakananda

↪ **Education** • Bachelor's Degree **Experiences** • Assistant Managing Director, Venus Thread Company Limited • General Manager, Saha-Union Public Company Limited (Sriracha Operation) **Current Positions**  
• Vice President, Saha-Union Public Company Limited-Electronics and Computer Business • Director, Union Textile Industries Pcl.

Mr. Nantiya  
Darakananda

↪ **Education** • Master's Degree **Experiences** • Assistant Managing Director, Union Button Corporation Limited • Assistant to the Executive Vice Chairman, Saha-Union Public Company Limited **Current Positions**  
• Managing Director, Blood Transfusion Services Company Limited (BTS) • Managing Director, Venus Technology Company Limited • Managing Director, Pro-Med Company Limited • Director, Union Pioneer Public Company Limited • Director, Union Plastic Public Company Limited • Director, Union Thai-Nichiban Company Limited  
• Director, Star. Edu Company Limited • Managing Director, Agrofresh Company Limited • Director, Venus Button Company Limited • Director, Union Industries Company Limited • Director, Union Thread Industries Company Limited



# BOARD OF THE EXECUTIVES

The Advisory Board	Board of Executive Committees	Board of Audit Committees	Executive Officers
Mr. Amnuay Viravan Chairman	Mr. Panas Simasathien Chairman	Mr. Viroj Phutrakul Chairman	Mr. Panas Simasathien Executive Chairman
Mr. Damri Darakananda Vice Chairman	Mr. Kamol Khoosuwan Vice Executive Chairman	Mrs. Araya Arunanondchai	Mr. Kamol Khoosuwan Vice Executive Chairman
Mr. Panas Simasathien Mr. Amorn Chandara-somboon Mr. Vaidhaya Viravaidhaya Mr. Kisao Suzuki Mrs. Chongraksa Darakananda Mr. Viroj Phutrakul Mr. Sumeth Darakananda Mr. Sompop Amatayakul Mr. Chackchai Panichapat	Miss Sriwarin Jirapakkana President  Mr. Vaidhaya Viravaidhaya  Mrs. Supung Tangsujaritpunt  Mr. Songsak Thampimukvatana  Miss Dalad Sapthavichaikul  Mr. Chutindhon Darakananda  Mr. Aksornprasit Darakananda  Mr. Bovornrat Darakananda  Mr. Vacharaphong Darakananda  Mr. Nantiya Darakananda	Miss Pakinee Prerttitumrong	Miss Sriwarin Jirapakkana President Acting Vice President- Finance and Accounting  Mrs. Supung Tangsujaritpunt Vice President  Mr. Songsak Thampimukvatana Vice President  Miss Dalad Sapthavichaikul Vice President  Mr. Chutindhon Darakananda Vice President  Mr. Aksornprasit Darakananda Vice President  Mr. Bovornrat Darakananda Vice President  Mr. Vacharaphong Darakananda Vice President

# DIRECT INVESTMENT OF SAHA-UNION IN THE GROUP COMPANIES

AS OF DECEMBER 31, 2001

GROUP OF BUSINESS	COMPANY	AUTHORIZED (BAHT)	CAPITAL ISSUED (BAHT)	PAID UP PER SHARE (BAHT)	INVESTMENT %	INVESTMENT PER SHARE (BAHT)
	Saha-Union Public Co., Ltd.	3,000,000,000	3,000,000,000	10	-	-
<b>MANUFACTURING</b>						
<b>Textiles</b>	Union Textile Industries Public Co., Ltd.	600,000,000	600,000,000	10	29.69	10.16
	Union Garment Co., Ltd.	50,000,000	50,000,000	100	99.98	140.70
	Union Thread Industries Co., Ltd.	200,000,000	200,000,000	10	25.07	10.41
	Union Spinning Mills Co., Ltd.	200,000,000	200,000,000	100	25.00	93.13
	Union Industries Corp., Ltd.	150,000,000	150,000,000	100	25.00	116.01
	Union Button Corp., Ltd.	70,000,000	70,000,000	100	10.71	153.33
	Venus Button Corp., Ltd.	40,000,000	40,000,000	100	25.00	100.00
	Union Micron Clean Co., Ltd.	5,000,000	5,000,000	10	25.00	10.00
	Fashion Apparel Co., Ltd.	5,000,000	2,500,000	50	29.99	50.00
<b>Footwear</b>	Union Footwear Public Co., Ltd.	200,000,000	200,000,000	10	45.38	14.48
	Union Shoes Co., Ltd.	100,000,000	100,000,000	100	61.70	111.67
	Uni-Sole Co., Ltd.	100,000,000	100,000,000	100	32.00	58.75
<b>Plastics &amp; Rubber and Metal</b>	Union Pioneer Public Co., Ltd.	75,000,000	75,000,000	10	48.96	14.46
	Union Plastic Public Co., Ltd.	250,000,000	250,000,000	10	49.52	19.02
	Union Thai-Nichiban Co., Ltd.	15,000,000	15,000,000	100	40.27	318.92
	Union Zojirushi Co., Ltd.	140,000,000	140,000,000	100	51.00	100.92
	Union Stainless Steel Product Co., Ltd.	40,000,000	40,000,000	100	98.00	133.70
	Union Nifco Co., Ltd.	40,000,000	40,000,000	100	30.00	112.92
	Union Rubber Products Corp., Ltd.	20,000,000	20,000,000	100	99.99	80.56
	Thai Rubber Enterprise Corp., Ltd.	30,000,000	30,000,000	100	49.99	106.39
<b>ELECTRONICS &amp; COMPUTER</b>	Saha-Union Public Co., Ltd. (Sriracha Project)					
	Union Technology Co., Ltd.	100,000,000	100,000,000	10	99.99	10.00
	Computer Union Co., Ltd.	60,000,000	60,000,000	100	88.16	103.31
<b>ENERGY</b>	Union Energy Co., Ltd.	500,000,000	500,000,000	10	98.00	10.00
	Union Energy (China) Co., Ltd.	4,300,000,000	4,300,000,000	100	99.99	100.00
<b>COMMERCIAL, INVESTMENT &amp; SERVICES</b>						
<b>Commercial</b>	Sports Ace Co., Ltd.	40,000,000	40,000,000	100	50.00	112.06
	Uni-Fibre Co., Ltd.	120,000,000	120,000,000	100	25.67	100.00
	Union Universe Co., Ltd.	7,500,000	7,500,000	100	49.86	100.22
<b>Investment</b>	Union Capital Co., Ltd.	250,000,000	250,000,000	100	29.00	100.00
	Saha-Union Holding Co., Ltd.	1,000,000,000	1,000,000,000	100	99.54	100.00
	Union Business Management Co., Ltd.	500,000,000	500,000,000	100	29.40	99.80
	Union Overseas Holding Co., Ltd.	100,000,000	25,000,000	2.5	25.00	2.50
	Union Asset Development Co., Ltd.	35,000,000	35,000,000	10	1.24	2.75
	Union Equity Co., Ltd.	230,000,000	230,000,000	10	99.43	10.00
	Uni-Media Co., Ltd.	166,500,000	166,500,000	10	78.00	7.45
	Union Rubber Plus Co., Ltd.	40,000,000	30,000,000	7.5	25.00	7.50
	Texport International Co., Ltd.	50,000,000	50,000,000	100	85.18	104.00
	Oriental Footwear Co., Ltd.	207,700,000	207,700,000	10	47.50	10.00
	Union Yeijer Industrial Co., Ltd.	50,000,000	50,000,000	100	93.60	65.30
	Union Metal Work Corp., Ltd.	23,100,000	23,100,000	10	35.17	14.52
	Union Itoh Molds Co., Ltd.	105,200,000	105,200,000	100	42.37	92.39
	Uni-Ago Co., Ltd.	65,000,000	65,000,000	100	30.00	104.95
<b>Services</b>	Union Sime Darby (Thailand) Ltd.	4,000,000	4,000,000	100	18.95	91.58
	Union Printing Co., Ltd.	30,000,000	30,000,000	10	94.57	10.37
	Venus Shoes Co., Ltd.	100,000,000	100,000,000	100	76.00	80.42
	Union Construction Corp. Ltd.	200,000,000	200,000,000	100	1.95	113.71
<b>Overseas</b>	Saha-Union International (U.S.A.) Inc.	USD 500,000	USD 250,000	USD 1	10.00	22.01
	Saha-Union International Ltd. (Hong Kong)	HKD 254,894,000	HKD 254,894,000	HKD 100	99.98	4.88
	Saha-Union International (Taipei) Ltd.	NT 5,000,000	NT 5,000,000	NT 25	10.00	0.77
	Saha-Union International (GA) Inc.	USD 7,000,000	USD 7,000,000	USD 1	100.00	25.55
	Saha-Union International (UK) Ltd.	GBP 100,000	GBP 100,000	GBP 1	10.00	46.09
	Saha-Union Investment (China) Co., Ltd.	USD 10,000,000	USD 10,000,000		100.00	24.90
	Investment in Companies in the Group					
	Investment in Other Companies					
	Total Investment					

	S.U. INVESTMENT AT COST (BAHT)	BOOK VALUE PER SHARE (BAHT)	MARKET VALUE PER SHARE (BAHT)	INVESTMENT MARKET VALUE	DATE OF ESTABLISHMENT	PRODUCT / SERVICE
		44.35	13.40		10 Aug. 1972	Investment and Sales of Saha-Union Group
	180,892,423.41	19.24	11.80	210,185,140.00	21 Mar. 1977	Fabric
	70,335,622.00	297.93	297.93	148,929,812.96	26 Apr. 1974	Garment
	52,215,572.50	86.33	86.33	432,830,240.04	2 Nov. 1973	Cotton Synthetic Sewing Thread
	46,563,324.78	132.69	132.69	66,346,313.83	4 Jun. 1971	Sewing Thread
	43,502,205.00	860.89	860.89	322,832,571.08	23 May 1961	Zippers
	11,500,000.00	231.98	231.98	17,398,840.32	28 May 1969	Buttons
	10,000,000.00	137.32	137.32	13,732,067.10	15 Feb. 1989	Buttons
	1,250,000.00	31.10	31.10	3,887,588.53	24 Jan. 1998	Cleanroom Garment
	749,850.00	66.78	66.78	1,001,534.42	20 Oct. 1988	Garment
	131,378,696.98	22.34	11.90	107,993,690.00	17 Mar. 1982	Sports Shoes
	68,897,580.00	228.57	228.57	141,022,346.65	5 Aug. 1986	Sports Shoes
	18,800,000.00	102.13	102.13	32,680,718.10	29 Sep. 1988	Soles
	53,084,046.25	41.40	40.00	146,872,800.00	8 Oct. 1973	Rubber thread. elastic braids & webbing
	235,432,531.30	18.73	7.10	87,898,923.00	3 Jan. 1969	Plastic products
	19,266,000.00	2,380.86	2,380.86	143,827,558.78	21 Jun. 1973	Cellophane, magic, kraft and pp tape
	72,057,235.50	295.79	295.79	211,194,154.27	18 Aug. 1986	Vacuum bottles
	52,410,933.00	190.98	190.98	74,864,361.14	16 Dec. 1988	Pipes
	13,552,200.00	277.87	277.87	33,347,624.39	3 Nov. 1988	Fasteners
	16,110,854.50	61.75	61.75	12,350,165.29	24 Mar. 1971	Rubber Products
	15,953,905.10	109.22	109.22	16,378,692.02	9 Jul. 1970	Rubber estates
	99,999,930.00	33.84	33.84	338,404,178.16	22 Jun. 1992	Hardisk drive and computer accessories Technology
	54,650,700.40	143.34	143.34	75,825,225.34	18 Nov. 1982	Hardisk drive and computer accessories Technology Computer
	489,999,950.00	7.17	7.17	351,432,529.33	2 Feb. 1994	Electric power & energy investment
	4,299,999,400.00	92.90	92.90	3,994,861,611.28	9 Aug. 1996	Electric power & energy investment
	22,412,500.00	383.30	383.30	76,659,653.38	2 Apr. 1984	Sport Shoes
	30,800,000.00	110.66	110.66	34,082,657.48	5 Nov. 1980	Cotton ginning
	3,748,010.00	1,059.28	1,059.28	39,613,974.15	7 Mar. 1968	Grandalam garments
	72,500,000.00	82.98	82.98	60,159,167.31	29 Jun. 1970	Investment
	995,398,600.00	22.21	22.21	221,072,088.33	14 Nov. 1989	Investment
	146,712,439.98	82.99	82.99	122,001,363.06	30 Jun. 1993	Investment
	6,250,025.00	2.80	2.80	7,006,078.68	29 Apr. 1994	Investment
	119,322.50	8.07	8.07	349,948.20	31 May 1989	Investment
	228,698,014.00	13.77	13.77	314,939,945.51	31 May 1989	Investment
	96,702,960.00	0.01	0.01	90,231.18	25 Dec. 1987	Investment
	7,500,000.00	9.24	9.24	9,235,661.67	1 Mar. 1995	Investment
	44,293,600.00	75.57	75.57	32,184,467.49	14 Apr. 1978	Investment
	98,657,500.00	0.01	0.01	66,523.52	1 Dec. 1987	Cease Operation
	30,560,819.75	12.97	12.97	6,067,800.23	6 Jul. 1990	Cease Operation
	11,800,000.00	(0.02)	(0.02)	(16,022.35)	20 Sep. 1973	Cease Operation
	41,183,700.00	0.53	0.53	234,271.86	22 Jun. 1987	Cease Operation
	20,464,690.80	82.59	82.59	16,105,941.06	22 Aug. 1972	Argriculture Business
	694,141.16	123.94	123.94	939,466.34	4 Aug. 1981	Broking Services
	29,415,812.50	7.87	7.87	22,323,121.05	10 Jul. 1970	Printing Services
	61,120,000.00	37.14	37.14	28,227,906.30	29 Sep. 1988	Assets and apartments rental
	4,431,100.00	61.57	61.57	2,399,350.75	7 Sep. 1973	Architectural, Construction, and Interior Design Services
	550,250.00	44.13	44.13	1,103,290.68	12 Oct. 1977	Import & Export
	1,244,449,250.48	507.46	507.46	1,293,238,934.15	18 Aug. 1972	Import & Export
	385,917.66	102.85	102.85	2,057,035.23	8 Nov. 1984	Supply raw materials for The Group Companies
	178,852,500.00	39.77	39.77	278,384,470.03	29 Jan. 1988	Import & Export
	460,850.00	55.83	55.83	558,314.18	22 Oct. 1991	Non-Operating
	249,038,000.00	30.49	30.49	304,930,732.22	25 Feb. 1995	Investment
	9,685,802,964.55			9,860,115,057.71		
	45,907,262.20			78,105,181.90		
	10,144,875,226.75			9,938,220,239.61		

## BUSINESS RESULTS AND FIVE YEAR FINANCIAL STATISTICS

	2001	2000
	Equity Method	Equity Method
<b>Revenues</b>		
Sales	14,861.0	14,679.6
Export	7,755.9	7,167.0
Domestic	7,105.1	7,512.6
Dividends Received	174.3	271.8
Other Incomes	608.8	551.6
<b>Total Revenues</b>	<b>15,644.1</b>	<b>15,503.0</b>
<b>Expenses</b>		
Cost of Sales	14,002.1	13,917.8
Selling and Administrative Expenses	803.8	771.5
Interest Expenses	150.1	206.6
<b>Total Expenses</b>	<b>14,956.0</b>	<b>14,895.8</b>
Operating Profit (Loss)	688.1	607.2
Gain (loss) on Exchange Rate	129.0	54.8
Profit (Loss) before Corporate Income Tax	817.1	662.0
Corporate Income Tax	(184.0)	(116.2)
Net Profit (Loss) after Corporate Income Tax	633.1	545.8
(Less) Dividends Income	(157.4)	(248.6)
Plus (Less) Participating Gain (Loss)		
- Subsidiary	247.3	220.9
- Associated	198.2	439.2
<b>Net Profit (Loss)</b>	<b>921.3</b>	<b>957.3</b>
Earning per Share (Baht)	3.57	3.89
Dividends per Share (Baht)	1.25	1.25
Dividends per Net Profit (%)	35.01%	32.13%

	2001	2000
	Equity Method	Equity Method
<b>Assets</b>		
Loan to Group Companies	1,666.8	1,712.6
Current Assets	2,849.0	3,324.2
Investment in Group and Other Companies	11,327.0	10,424.9
Investment in NCD	-	-
Long Term Investment	102.6	102.7
Property, Plant and Equipment-Net	859.1	867.0
Other Assets	297.1	295.0
<b>Total Asset</b>	<b>17,101.6</b>	<b>16,726.5</b>
<b>Liabilities and Shareholder' Equity</b>		
Deposit from Group and Other Companies	524.2	533.4
Current Liabilities	4,017.3	4,367.2
Long Term Loan	1,000.0	1,710.0
Other Liabilities	109.6	124.6
<b>Shareholder' Equity</b>		
Shareholder' Equity Issued and Paid Up Share Capital	3,000.0	3,000.0
Premiums on Share Capital	2,599.0	2,599.0
Company's Shares held by the Subsidiaries	(217.6)	(1,462.5)
Appropriated and Unappropriated Retain Earnings	4,994.5	5,079.7
Auditing Standard	1,074.6	775.0
Total Shareholder' Equity	11,450.5	9,991.2
<b>Total Liabilities and Shareholder' Equity</b>	<b>17,101.6</b>	<b>16,726.5</b>
Book Value (Baht)	44.35	40.60

Unit: Million Baht

1999	1998	1997
Equity Method	Equity Method	Equity Method
13,776.4	15,180.0	12,860.8
7,027.8	9,681.2	7,884.2
6,748.6	5,498.8	4,976.6
174.3	130.3	194.1
587.2	814.7	814.4
<b>14,537.9</b>	<b>16,125.0</b>	<b>13,869.3</b>
12,590.2	14,109.4	11,808.4
564.3	585.0	561.5
302.3	568.3	446.1
<b>13,456.8</b>	<b>15,262.7</b>	<b>12,816.0</b>
1,081.1	862.3	1,053.3
15.1	725.4	(1,073.5)
1,096.2	1,587.7	(20.2)
(218.6)	(203.4)	(100.3)
877.6	1,384.3	(120.5)
(153.9)	(127.7)	(188.5)
(104.9)	825.6	48.0
411.6	149.1	(81.1)
<b>1,030.4</b>	<b>2,231.2</b>	<b>(342.1)</b>
4.20	9.09	(1.39)
1.25	1.20	1.00
29.78%	13.20%	(71.75)%

1999	1998	1997
Equity Method	Equity Method	Equity Method
1,677.1	3,330.3	4,827.9
2,559.3	3,074.6	4,260.7
10,685.6	6,410.0	5,675.4
-	168.7	168.7
200.0	-	-
941.1	1,022.5	1,070.0
296.7	303.9	303.9
<b>16,359.7</b>	<b>14,310.0</b>	<b>16,306.7</b>
706.7	1,603.2	1,413.8
3,728.4	4,363.4	5,900.7
2,164.1	1,347.8	2,049.4
696.4	57.3	229.4
3,000.0	3,000.0	3,000.0
2,599.0	2,599.0	2,599.0
(1,479.1)	(1,479.1)	(1,479.1)
4,419.6	3,430.3	2,333.6
524.6	(611.9)	259.9
9,064.1	6,938.3	6,713.5
<b>16,359.7</b>	<b>14,310.0</b>	<b>16,306.8</b>
36.92	23.13	22.38

## STRUCTURE OF INCOME AND INVESTMENT

Unit: Million Baht

Group of Business	2001					
	Domestic	%	Overseas	%	Total	%
Textiles and Footwear	5,250	28.59	10,120	55.12	15,370	83.71
Electronics and Computer	4,994	27.20	-	-	4,994	27.20
Plastics, Rubber and Metal	1,391	7.58	2,903	15.81	4,294	23.39
Energy	-	-	866	4.72	866	4.72
Investments and Others	92	0.50	203	1.11	295	1.61
Total	11,727	63.87	14,092	76.75	25,819	140.62
Less : Transactions					(8,084)	(44.03)
Total Net Sale					17,735	96.59
Plus : Share of Profit of Affiliates					198	1.08
Plus : Other Incomes					428	2.33
Total Revenues					18,361	100.00

Unit: Million Baht

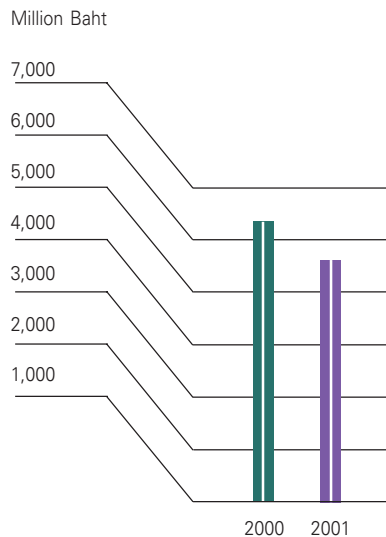
Group of Business	2000					
	Domestic	%	Overseas	%	Total	%
Textiles and Footwear	5,623	29.59	9,004	47.38	14,628	76.97
Electronics and Computer	4,158	21.88	-	-	4,158	21.88
Plastics, Rubber and Metal	1,402	7.38	2,829	14.89	4,232	22.27
Energy	-	-	682	3.59	682	3.59
Investments and Others	59	0.32	240	1.27	299	1.59
Total	11,244	59.17	12,756	67.13	24,001	126.30
Less : Transactions					(5,820)	(30.63)
Total Net Sale					18,181	95.67
Plus : Share of Profit of Affiliates					439	2.31
Plus : Other Incomes					385	2.02
Total Revenues					19,005	100.00

Unit: Million Baht

Group of Business	1999					
	Domestic	%	Overseas	%	Total	%
Textiles and Footwear	4,788	28.01	9,404	55.01	14,192	83.02
Electronics and Computer	2,589	15.15	-	-	2,589	15.15
Plastics, Rubber and Metal	1,318	7.71	2,494	14.59	3,812	22.30
Energy	-	-	656	3.84	656	3.84
Investments and Others	78	0.46	209	1.22	287	1.68
Total	8,773	51.32	12,763	74.66	21,536	125.99
Less : Transactions					(5,469)	(31.99)
Total Net Sale					16,067	93.99
Plus : Share of Profit of Affiliates					412	2.41
Plus : Other Incomes					615	3.60
Total Revenues					17,094	100.00

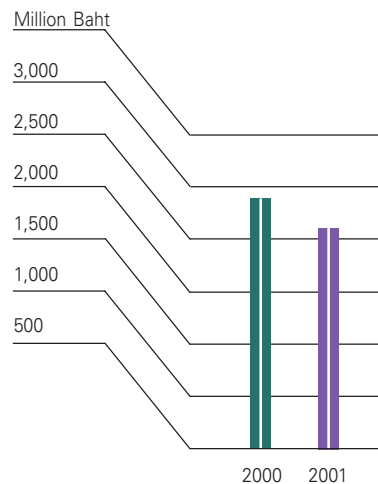
Group of Business	Company Name	2001 % Investment Equity Method
<b>MANUFACTURING</b>		
Textiles	Union Textile Industries Public Co., Ltd.	37.39
	Union Garment Co., Ltd.	99.98
	Union Thread Industries Co., Ltd.	36.23
	Union Spinning Mills Co., Ltd.	52.16
	Union Industries Corp., Ltd.	29.60
	Union Button Corp., Ltd.	10.71
	Venus Button Corp., Ltd.	30.00
	Fashion Apparel Co., Ltd.	99.97
	Union Micron Clean Co., Ltd.	41.85
Footwear	Union Footwear Public Co., Ltd.	51.23
	Union Shoes Co., Ltd.	97.85
	Uni-Sole Co., Ltd.	70.69
Plastics & Rubber and Metal	Union Pioneer Public Co., Ltd.	52.67
	Thai Rubber Enterprise Corp., Ltd.	49.99
	Union Thai-Nichiban Co., Ltd.	40.27
	Union Plastic Public Co., Ltd.	49.68
	Union Zojirushi Co., Ltd.	51.00
	Union Rubber Products Corp., Ltd.	99.99
	Union Stainless Steel Product Co., Ltd.	98.00
	Union Nifco Co., Ltd.	39.90
	<b>ELECTRONICS &amp; COMPUTER</b>	Saha-Union Public Co., Ltd. (Sriracha Project)
	Union Technology Co., Ltd.	99.99
	Computer Union Co., Ltd.	88.16
	Computer Union Systems Co., Ltd.	88.16
<b>ENERGY</b>	Union Energy Co., Ltd.	98.52
	Union Energy (China) Co., Ltd.	99.99
<b>COMMERCIAL, INVESTMENT &amp; SERVICES</b>		
Commercial	Sports Ace Co., Ltd.	50.00
	Uni-Fibre Co., Ltd.	51.63
	Union Universe Co., Ltd.	49.86

Group of Business	Company Name	2001 % Investment Equity Method
Investment	Union Capital Co., Ltd.	49.00
	Saha-Union Holding Co., Ltd.	99.67
	Union Business Management Co., Ltd.	55.16
	Union Overseas Holding Co., Ltd.	58.98
	Union Asset Development Co., Ltd.	98.66
	Union Equity Co., Ltd.	99.43
	Uni-Media Co., Ltd.	78.00
	Union Rubber Plus Co., Ltd.	45.68
	Texport International Co., Ltd.	85.18
	Venus Shoes Co., Ltd.	96.86
	Oriental Footwear Co., Ltd.	49.99
	Venus Thread Co., Ltd.	25.07
	Union Yeijer Industrial Co., Ltd.	99.97
	Union Metal Work Corp., Ltd.	72.72
Services	Union Itoh Molds Co., Ltd.	57.43
	Uni-Ago Co., Ltd.	45.02
Overseas	Union Printing Co., Ltd.	94.57
	Union Construction Corp. Ltd.	98.90
	Saha-Union International (U.S.A.) Inc.	42.60
	Saha-Union International Ltd. (Hong Kong)	99.98
	Saha-Union International (Taipei) Ltd.	32.50
	Saha-Union International (GA) Inc.	100.00
	Saha-Union International (UK) Ltd.	32.56
	Saha-Union Investment (China) Co., Ltd.	100.00



#### Total Sales

2000 : 6,321.9 Million Baht  
2001 : 5,676.7 Million Baht



#### Exports

2000 : 2,881.5 Million Baht  
2001 : 2,634.2 Million Baht

## TEXTILE

### ➤ Types of Products and Services

Most of products and services are the continual or related using goods, divided into three categories as follows

1. Garment Accessories
2. Fabrics and Yarn
3. Garments

Products under the companies' textile activities include weaving and knitting Yarn, sewing thread, embroidery thread, fabrics, garments, zippers, buttons, and ready-to-wear clothes.

Saha-Union Group has for many years enjoyed market recognition for its "Venus" brand name and trade logo. The brand, in the textile industry, represents a quality guarantee for buyers, both local and foreign. The companies in the textiles business have over the years successfully met customers' requirements, through the supply of fabrics, dyed by subcontractors, and ready-to-wear apparel. The companies' customers fall into two separate categories: those that purchase finished products, and those that purchase products for use in their own production processes. The companies enjoy long-term relationships with most of their customers, many of whom boast strong financial backgrounds.

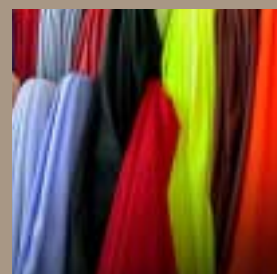
### ➤ Products and Services Preparation

Production is carried out according to estimated orders each quarter. Such orders also determine the quantity of raw materials required and production planning. Most of the raw materials used come from abroad, making material costs susceptible to foreign currency exchange rate fluctuations.

### ➤ Trend of Industry Competition

The companies have not stopped producing even a single product type in the textile business, as reflected in their operational results. Production is, however, influenced, to a larger or lesser extent, by industry trends and competition in the world market. The textile industry is clearly divided between buyer groups and production groups, bringing about fierce competition on the international market. In the last four to five years, the textile industry has been a buyer's market, thanks to the worldwide economic slow down. The buyers are not only able to dictate the terms and the prices, but also the period and time of delivery.





*Performance of companies in the textile business group in 2001 suited to the textile economic situation. Eventhough, total sales will be decreased, the overall **performance was not less than** the textile industry's average ratio.*

#### ➔ Performance in 2001

This was a year of tough competition, with the buyers dictating both prices and contractual terms. Such a situation had a considerable impact on Thailand's textile exports, as shown by the Ministry of Commerce's failure to fill all its export quotas.

Though the companies, involved in the textile business managed to generate Bht 5,676.7 million in total sales, this was a sharp reduction from the year before, when revenue figures touched Bht 6,321.9 million. This was a reduction of 10.2 percent. The total value of exports amounted to Bht 2,634.2 million, 8.58 percent less than the previous year, while domestic sales brought in Bht 3,042.5 million, a reduction of 11.5 percent.

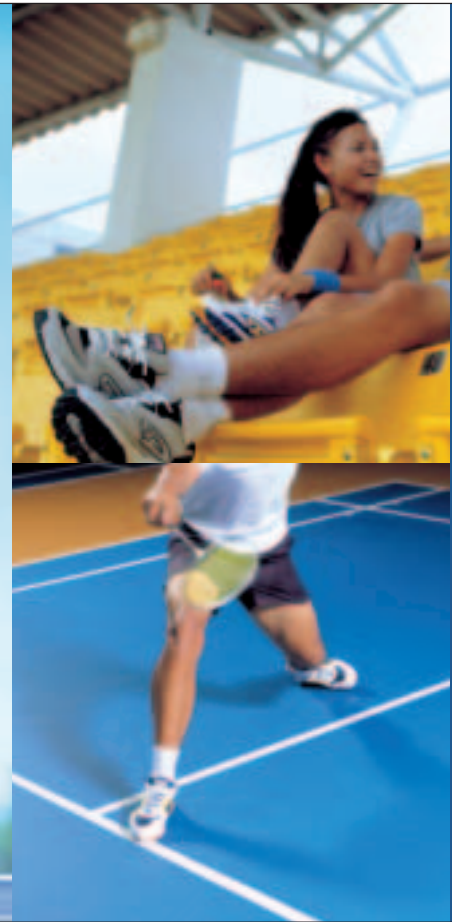
#### ➔ Planning for 2002

The situation in 2002 has so far been less than encouraging for the industry, as the world economy remains in a state of slow growth, and major export markets, such as the USA, are experiencing similar economic problems.

The emphasis so far for the year has been on operational strategies for greater competitiveness through improved marketing campaigns, a more efficient production, and a better work and quality management

system. In 2002, the companies expect to be ISO 9000 : 2000-accredited. This, following the companies' receipt of the ISO 9002 : version 1994 certificate. The companies also plan to implement the ISO 14000 environmental management system.

There is no avoiding the economic situation that the companies are currently having to face. However, it is exerting great efforts to counter the impact of the economic slowdown, especially through improved cost control management and increased production efficiency. The companies' quality control system is now, more than ever, required to meet stringent quality standards, for the satisfaction of the buyers. Furthermore, reasonably-priced products must be delivered on time. In this way, the companies are confident of being able to keep their customers, and maintain the standard of performance that has earned for the companies their position as the leader in the industry in Thailand.



## FOOTWEAR

### ➤ Types of Products and Services

The footwear companies manufacture sport shoes as exercise shoes, running shoes, tennis shoes, and outdoor shoes by divided into two sections, first one made to order and exports to brand owners. The main export markets are the USA and some countries in Europe, while another one produce under the company's own brand name, "D-MaQ" to sell domestically.

### ➤ Products and Services Preparation

A certain quantity of the companies' raw materials is imported. These include fabrics, leather, vinyl, synthetic rubber, chemicals and airbags, all of which follow strict quality requirements and specifications, to keep quality standards as high as possible. The rest of the raw materials are acquired from domestic sources, with direct approval from the brand owners.

### ➤ Performance in 2001

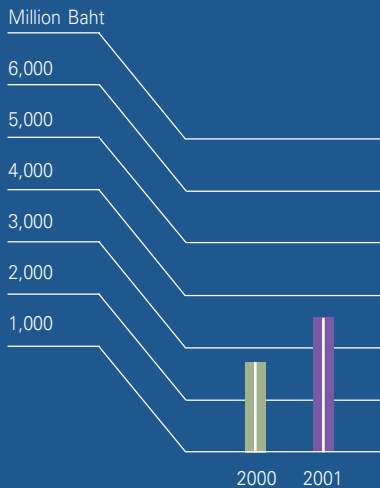
The companies involved in the footwear business exported six million pairs of shoes in 2001, an increase of 11 percent over the previous year. The total sales amounted to Bht 3,608

million, 32 percent higher than the sales figures of the year before, which came to Bht 2,721 million.

### ➤ Trend of Industry and Competition in 2002

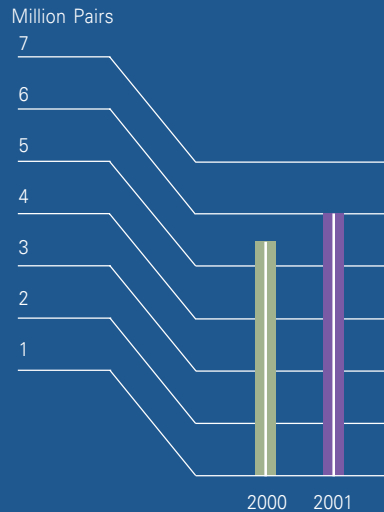
The companies have enjoyed a long and cordial relationship with NIKE, as one of the brand name's major suppliers of footwear. Such a relationship has resulted in gaining the trust and confidence of this huge footwear distributor. Although NIKE introduced a policy in 2002 that requires to send orders to other producers in such countries as China, Vietnam and Indonesia as well, The companies expect their orders from NIKE to remain substantial. The companies are certain that the demand for footwear will continue to rise, with current trends continuing, despite such big markets as the USA experiencing economic problems of their own. The companies forecast that there will be at least as many orders in 2002 as there were in 2001.

However, the footwear industry is susceptible to material supply availability and costs. These are the main factors, in fact, that continue to have an impact on production costs and product prices, which, in turn, determine the competitiveness of the



**Total Sales**

2000 : 2,721 Million Baht  
2001 : 3,608 Million Baht



**Number of Pairs**

2000 : 5.4 Million Pairs  
2001 : 6.0 Million Pairs

*The companies involved in the footwear business exported six million pairs of shoes in 2001, an increase of **11 percent** over the previous year. The total sales amounted to **Bht 3,608 million, 32 percent** higher than the sales figures of the year before, which came to **Bht 2,721 million.***

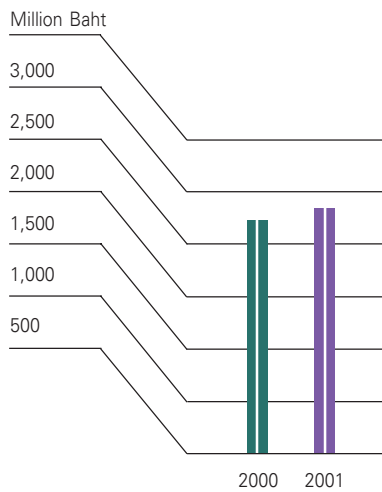
company. These are the key selection criteria used by buyers when choosing their suppliers and order volumes.

Unit prices may put Thai producers at a disadvantage over their neighbouring competitors. The companies have made various improvements to keep costs competitive, and has expanded its production bases at four of its plants in rural areas since 1998. Such expansions have meant a larger capacity to produce the upper half of the shoe. The companies also plan to expand its sole production lines sometime in 2002.

Furthermore, the companies have improved their management efficiency and product design, while upgrading the skills of their personnel. The establishment of a joint task force with buyers, to jointly develop the products, has greatly increased the potential and readiness of the companies in the type of production of ACG (All Conditions Gear) footwear. The main goal of the brand name owners is to expand the market with continual developments. This, despite the fact that this is a new

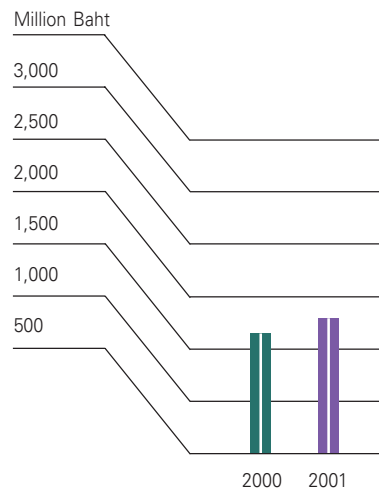


product, which was started as recently as at the end of 1999. Such a challenge gives the company the opportunity to enhance its potential to produce top-quality products, in accordance with the requirements of buyers. It is also a good opportunity to win the confidence and trust of big buyers. The companies are confident that the performance of this year will not be in any way inferior to that of last year.



#### Total Sales

2000 : 2,797.3 Million Baht  
2001 : 2,819.8 Million Baht



#### Export

2000 : 1,641.7 Million Baht  
2001 : 1,643.6 Million Baht

## PLASTICS, RUBBER AND METAL

### ➤ Types of Products and Services

Products under the plastics, rubber, and metal consists of plastics products, weaving and elastic braids, elastic bands, adhesive tape, cellulose tape, vacuum bottles, rubber products, stainless-non corrosive metal products and rubber plantation. Most of customers are long-term relationship of the companies and normally order all products for making their ready-to-use goods, divided into group of automobile, electrical application, household or home amenity.

For the plastic, rubber and metal business, raw materials are brought in from domestic sources and from Japan, Singapore and Taiwan.

### ➤ Products and Services Preparation

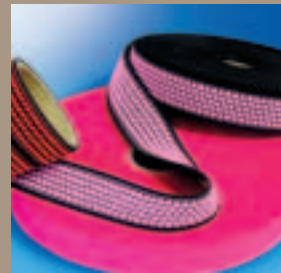
For its rubber business activities, however, raw material, which is in the form of natural rubber, is supplied by the rubber plantations operated by the company's subsidiaries in Chantaburi and Trat. Rubber from these plantations is delivered directly to the production sites. In this way, the companies are able to strictly control the quality of their raw materials, while enjoying a stable supply of raw materials.

### ➤ Performance in 2001

The industry experienced strong competition, largely the result of the continuing economic slow down. To counter the impact of the economic slow down, the companies improved their product quality and services. As a result, the companies showed a good performance, both on domestic and foreign markets, despite the difficult economic environment. The companies involved in the plastic, rubber and metal business generated a combined total sales of Bht 2,819.8 million, about 0.80 percent more than the previous year. Furthermore, more than 50 percent of the earnings were generated from exports.

### ➤ Trend of Industry and Competition

Experts predict that the plastic industry still has room to grow. The companies' own products still have great potential, and have the advantage of being used in various forms of production. Nevertheless, competition is quite tough, with now quite a few companies in Thailand involved in the plastic business. To remain competitive, then, the companies recognise the need to acquire a competitive edge, competitiveness being



*As a result, the companies showed a good performance, generated a combined total sales of **Bht 2,819.8 million**, about **0.80 percent** more than the previous year. Furthermore, more than **50 percent** of the earnings were generated from exports.*

largely determined by highest quality standards. The companies are committed to continually improving its product quality, in accordance with the international ISO 9002 and QS 9000 industrial standards, in order to build customer confidence.

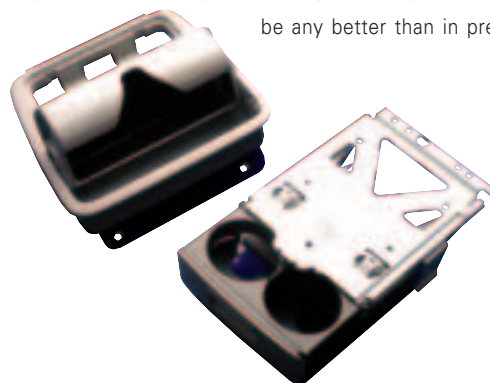
The reduction on import tariffs, following AFTA agreements, and the opening of the market to free trade, in line with WTO agreements, provide an ideal environment for market expansion and product cost reduction. However, competition between producers is expected to increase, especially in Japan and Taiwan.

Such factors all have an influence on the companies' strategies. As the companies use quality materials for the products, production costs are high - a disadvantage in an environment where competition is tough and buyers' first consideration is usually price. To stay competitive, the companies are going all out to try to keep production costs to appropriate levels, while continually improving product quality. In 2002, the companies plan to invest in machinery to increase their capacity, enabling the company to expand their market share in both the domestic and overseas markets.

The move would also increase the companies' capability to diversify their product line; improve distribution for the convenience of Their domestic customers, via the use of EDI technologies for

public relations; and, finally, increase their sales worldwide, through the Internet or e-commerce.

Another factor enhancing the companies' potential are the establishment of a joint venture with foreign investors, who have great technological and marketing potential, allowing the company to control the production process as efficiently as possible. The companies do expect their performance in 2002 to be any better than in previous year.





## ELECTRONICS AND COMPUTER

### ➔ Types of Products and Services

This business group consists of two business lines

1. Engaged in the manufacture of hard disk drives for export to main customer as IBM
2. Distributor of computer and all peripherals, banking automatic teller machines, ready-to-use programs and Internet services.

## ELECTRONICS

### ➔ Overview and Competition

While the computer market is still expanding, market growth in this sector is slower than the production capacity growth of the producers, thus creating a fiercely competitive situation. To keep up with customer demand, the products are being developed continually in terms of quality and capability, but the prices are constantly being slashed as producers attempt to under price each other. Such a situation forces some to cut down their production capacity and others to reduce the number of their models.

In the past year, the companies experienced a pricing problem because of high production costs, and found its solution in improved product quality. The companies use high-quality materials and modern technologies in its production line, while investing in

production improvement and human resource development, for improved skills. However, to remain competitive and maintain a high standard of operational performance, the companies are being forced to adjust the prices of some of their products - a measure that, of course, has their limits. Other expenses, such as those related to management, have been reduced, along with waste from the production process. The companies have tightened its belt in every way imaginable in order to maintain competitive pricing and a favourable profit margin. The latter has been kept in accordance with operational plans and close to the figures of the previous year. In 2001, the companies manufactured 30 percent more products than in the year before.

The companies have been maintaining their high standards, with the aim to retain the confidence and trust of their customers, who also happen to be famous brand owners. The companies have achieved the renowned ISO 9002 quality certification for seven consecutive years, and the ISO 14001 certification for their environmental management system for the third consecutive year. It is also the proud recipient of the Best Proprietor in Labour Employment from the Ministry of Labour and Social Welfare award, in addition to an award for Best Work Place for Safety, Health, and Environment (at the provincial level) from the Safety at Work Week committee.

### ➔ Strategies in 2002

The companies recognise the importance of personnel development for greater efficiency. In 2001 and 2002, the companies have introduced and will continue to launch more information technologies to help in the work place. Software has been developed to assist in management and internal control, providing information on training and workshops for personnel, and data on waste and product quality. Of particular importance, a system for internal communications has been developed in Lotus Note, which - amongst its many other functions - provides systemic notification of problems according to ISO requirements and standards.

At present, the companies are implementing the latest ISO 9001 : 2000 quality certification, whose emphasis is the CONTINUAL IMPROVEMENT OF QUALITY. In order to achieve this, the companies are set to modernise its quality control system and improve its efficiency. Concerning the companies' environment, the central waste-water treatment pools are currently being constructed in time for its production expansion. The waste-water treatment system should be ready by the first quarter of 2002.

## COMPUTERS

As a distributor of computerised information technology systems and services to a nationwide network of dealers under the subsidiary, Computer Union Company Limited. Furthermore, to handle the distribution of information technologies and computer systems with consultancy and other services to state agencies and the private sector, Computer Union System Company Limited was set up with a specialist slant.

### ➔ Performance in 2001

The year 2001 saw the companies earn a revenue of as much as Bht 2,000 million from its operations. The increase from the previous year, when revenue stood at Bht 1,600 million, was 40.6 percent. A major contributing factor for the increase was the expansion of the company's distribution system, which had been enlarged to also include direct sales to state agencies and the private sector. The main products were hardware and software from IBM and the NCR banking software.

This year, the companies are concentrating its efforts on the development of its own software solutions, with high hopes on its job tracking system software for management, called "for Notes. Workflow".

This product should help increase the companies' revenue in the future.

### ➔ Strategies for 2002

The companies have great potential. As a distributor with continual growth, the companies commit their resources towards creating strong relations with their buyers who, in turn, benefit from their reliable supplies and strong sales and marketing support. The companies also aim to diversify into the field of users, in addition to tapping into the banking sector. Prominent policies include:

1. emphasising services with information technology system consultancy for all customers in the market, with training and workshops on developing the most effective sales teams.
2. building up its market share with more new products, with the expectation that those of high-quality will be more competitive. The company is committed to joining hands with top manufacturers, both local and foreign, such as IBM, NCR, De Larue and others.

3. developing a team of experts to create products under the copyright of Computer Union Co., Ltd. The product and development team is currently concentrating its efforts on developing a paperless office system. Such a system will mean no paper involvement in any facet of office work, communication or work assignments in the organisation. The system is very promising, with such a trend dominating the market since last year.

The companies will always strongly emphasise their policy on providing top-quality computers with

quality services, with which it is certain of building strong customer loyalty and satisfaction. Computer Union Co.,Ltd. has opened a modern training centre to help train not only its own staff, but also customers and trading partners - to continually develop skills and knowledge in latest technologies.

*The year 2001 saw the computer section earn a revenue of as much as **Bht 2,000 million** from its operations. The increase from the previous year, when revenue stood at **Bht 1,600 million**, was **40.6 percent**.*





## ENERGY

### ➔ Types of Products and Services

The Saha-Union Group has been involved in the energy business since 1994, comprise of joint-venture in 10 projects in thermal power and cogeneration plants in three provinces in China and an investment project in the Independent Power Producer (IPP) in Thailand.

### ➔ Investment Project in China

Union Energy [China] Company Limited, which is one of the group's companies, together with its business partner, Chinese government and organization, have jointly invested in 10 thermal power and cogeneration plants in Zhejiang, Jiangsu, and Yunnan provinces. The overall capacity of these plants is 405 Megawatts, with an investment more than 50 percent, or 4,000 million Bath. Eight of these plants are cogeneration power plant, produced the thermal energy from steam to the industrial factories and business organization and the electricity to the

Electricity Generating Authority of China. The rest of them produce only the electricity, started to commercial operation since 1996.

### Trend of Industry Competition

The Chinese government has been committed, via the formulation of a policy, to promoting continuing industrial investment, which has resulted in continuous industrial growth and a growing demand for electricity, with trends pointing to still further growth in the future. As a member of WTO now, China is seeing foreign business conglomerates and multinational corporations gearing up for a share of its vast market. Confidence in the business environment in China is shared by most global investors, causing them to decrease or stop altogether their operations in other countries, with the aim to eventually move their production and distribution bases to China. Such an interest in China bodes well for Saha Union Pcl. and its



subsidiaries, whose investments in China are substantial.

Performance in 2001 fell below the target, but returns on investments remained satisfactory, despite the unhealthy economic situation.

In 2002, the Chinese government has plans to promote development in the western provinces of the country, in places such as Yunnan, where there is sufficient power to fulfil the needs for electricity in the eastern provinces. The power plants in Yunnan are now running at full capacity, yet strict policies involving safety in coal mining (coal being the main raw material for power production) has resulted in a decrease in coal supplies. This has caused coal prices to rise, which, in turn, has pushed up the production costs of producing electricity. It is expected that the performance of the energy industry in 2002 will be poorer than in 2001. However, the coal experts in China claim that coal prices have already reached their peak, and expect them to make their slow journey downwards very soon. Another important factor is the competitiveness of electricity prices, which is a deliberate move by the Chinese government to provide the people with lower priced electricity. Such circumstances are forcing the company to make drastic efforts to improve the efficiency of both its operations and management, with the aim to increase its competitiveness in the long run.

### ↪ Investment projects in the energy business in Thailand

Ever since the Thai Government at the cabinet meeting of 12 September 1992 agreed to allow businesses in the private sector to invest in the electricity generating business, as Independent Power Producers (IPPs),

A company in the Saha-Union group has jointly invested with their overseas business partners, which boast long experience in the energy industry, in Union Power Development Co., Ltd. The company was set up on 19 July 1996 to operate the Hinkrut project, a thermal energy power generating plant that will burn imported coals of low sulphur content with a capacity of 1,400 Megawatts. The plant is located on 1,200 Rais of land in Moo 9, Sub-district Thongchai, Bangsaphan District, Prachuab Khirikhan Province. The total investment is valued at US\$ 1.2 billion.



### Operations in Thailand in 2001

According to the revision of the Power Purchase Agreement (PPA), effective from 17 May 2001, Union Power Development Co., Ltd. will commence construction on 1 April 2002. The construction should be complete within 42 months, and the power plant's phases 1 and 2 will start their commercial operations on 1 October 2005 and 1 January 2006 respectively. However, the government is keen first to seek further opinions from the public about any social or environmental impacts the project might have. The final decision is expected from the government on 13 April 2002.

Meanwhile, the company is ready to press on with the Hinkrut project, with investors and financial institutions, both domestic and foreign, all in place. The designers and construction contractors are ready too, as are the suppliers and delivery companies. The company enjoys the backing of the administration and people of the Sub-district Thongchai. If this project is allowed to move ahead as planned, the benefits to the kingdom as a whole would include a stable and secure power supply and power reserves in the kingdom - leading to less reliance on other countries. Most importantly, however, is that the project will promote investment, and, therefore, increased cash flow in the country.

## STRUCTURE OF SHAREHOLDING

### 10 MAJOR SHAREHOLDERS ON 3 APRIL 2001 IN SAHA-UNION PCL.

SHAREHOLDER	NO. OF SHARES	% OF SHARES	
1. Saha-Union Holding Co., Ltd.	51,143,694	17.05	
2. Union Business Management Co., Ltd.	19,543,600	6.51	
3. Union Capital Co., Ltd.	16,505,300	5.50	
4. Bangkok Bank Public Co., Ltd.	12,325,000	4.11	
5. State Street Bank & Trust Company	7,897,106	2.63	
6. Vickers Ballas & Co.Pte Ltd.	5,000,000	1.67	
7. HSBC (Singapore) Nominees Pte Ltd.	4,090,100	1.36	
8. The Bank Of New York Nominees Ltd.	3,577,300	1.19	
9. Mrs. Naree Tuntiwattana	3,401,300	1.13	
10. Chase Nominees Limited 1	3,354,600	1.12	

## NUMBER OF DIRECTORS' SHAREHOLDING

NAME	No. of Shares 2001	No. of Shares 2000	% of Change
Mr. Anand Panyarachun	333,583	333,583	-
Mr. Damri Darakananda **	-	-	-
Mr. Amnuay Viravan	371,980	18,480	1,912.88
Mr. Panas Simasathien	-	-	-
Mr. Vaidhaya Viravaidhaya	20,127	20,127	-
Mr. Kisao Suzuki	-	-	-
Mrs. Chongkraksa Darakananda **	50,000	50,000	-
Mr. Viroj Phutrakul	-	-	-
Mr. Sumeth Darakananda	634,814	457,650	38.71
Mr. Chackchai Panichapat	-	-	-
Mr. Kamol Khoosuwan	40,030	40,030	-
Mr. Sompop Amatayakul	10,000	-	100.00
Mrs. Araya Arunanondchai	2,251,304	2,080,994	8.18
Miss Sriwarin Jirapakkana	177,284	168,784	5.04
Miss Pakinee Prerttiumrong	1,950,624	1,950,624	-
Mrs. Supung Tangsujaritpant	264,962	234,962	12.77
Mr. Songsak Thampimukvatana	-	-	-
Miss Dalad Saphthavichaikul	13,052	3,052	327.65
Mr. Chutindhon Darakananda	-	-	-
Mr. Aksornprasit Darakananda	2,426,000	2,376,000	2.10
Mr. Bovornrat Darakananda	-	-	-
Mr. Vacharaphong Darakananda	1,662,600	1,542,600	5.19
Mr. Nantiya Darakananda	75,380	95,380	(20.96)

\*\* Related persons as the regulation of SET, number 258

### Remuneration for Executives

The total remuneration of the 24 company's executives in 2001 were as follows:

- The meeting fees and allowance for the 26 Directors amounted to Bht. 13,335,000.
- The remuneration for all six of the Executive Directors and Executives, including their salary and bonus, totaled Bht. 10,385,908.82

Other Executive Directors, excluded from 6 as mentioned, do not receive these remunerations except the meeting allowance from the company only since they all have positions and responsibilities, with earning the remunerations as salary and bonus, in other companies in the group.

### Other remuneration

Provident Fund contributions, for the executives in 2001, amounted to Bht. 189,362

## STRUCTURE OF MANAGEMENT

The structure of the boards comprises of 4 different committees:

**1. The Board of Directors comprises of 23 board members, with the following duties and responsibilities:**

NAME	POSITION
Mr. Anand Panyarachun	Chairman
Mr. Damri Darakananda	Vice Chairman
Mr. Amnuay Viravan	Chairman of the Advisory Board
Mr. Panas Simasathien	Executive Chairman
Mr. Vaidhaya Viravaidhaya	Director
Mr. Kisao Suzuki	Director
Mrs. Chongraksa Darakananda	Director
Mr. Viroj Phutrakul	Chairman of the Audit Committee Board
Mr. Sumeth Darakananda	Director
Mr. Chackchai Panichapat	Director
Mr. Kamol Khoosuwan	Vice Executive Chairman
Mr. Sompop Amatayakul	Director
Mrs. Araya Arunanondchai	Audit Committee Member
Miss Sriwarin Jirapakkana	President
Miss Pakinee Prerttitumrong	Audit Committee Member
Mrs. Supung Tangsujaritpant	Vice President
Mr. Songsak Thampimukvatana	Vice President
Miss Dalad Saphavichaikul	Vice President
Mr. Chutindhon Darakananda	Vice President
Mr. Aksornprasit Darakananda	Vice President
Mr. Bovornrat Darakananda	Vice President
Mr. Vacharaphong Darakananda	Vice President
Mr. Nantiya Darakananda	Director
Mrs. Sirinun Sansanakom as the Secretary of the Company	

1. To appoint and terminate company employees. They have the authority to delegate this job to any particular board member.
2. To authorize incentive pay for staff, employees or any other person performing a task for the company, either on a regular or irregular basis.
3. To determine the shareholders' dividends.
4. To implement, in a legal manner, the objectives and resolutions decided on at the shareholders' meetings. The board is also duty-bound to issue the policies and objectives of the company,

and see to it that the company's activities are carried out according to the objectives.

The board can authorize a board member or any other individual to act on its behalf and nominate one of board member to be the President as assignment by the Board of Directors.

Board of Directors must be at least five board members, with over half that number residing in the kingdom. Three quarters of the members must be Thai citizens. The board members are appointed by the shareholders, in accordance with the procedures and regulations set out.

## 2. The Executive Committees

NAME	POSITION
Mr. Panas Simasathien	Chairman
Mr. Kamol Khoosuwan	Vice Chairman
Miss Sriwarin Jirapakkana	President
Mr. Vaidhaya Viravaidhaya	Chairman of Textile Business Lines
Mrs. Supung Tangsujaritpunt	Vice President
Mr. Songsak Thampimukvatana	Vice President
Miss Dalad Saphavichaikul	Vice President
Mr. Chutindhon Darakananda	Vice President
Mr. Aksornprasit Darakananda	Vice President
Mr. Bovornrat Darakananda	Vice President
Mr. Vacharaphong Darakananda	Vice President
Mr. Nantiya Darakananda	Executive Director

### Duties and Authority of the Committees

1. Setting up of operational plan, as authorised by the board of directors, with the aim to achieve the company's objectives.
2. Controlling, observing and overseeing the implementation of policies and plans, as assigned by the board of directors to the President, or as assigned by the Executive Committee Board to the Chairman of Business Lines.
3. Authorising urgent and important tasks, within the boundaries and limitations of power and budget, as assigned by the Board of Directors to the Executive Directors, President, or Chairman of Business Lines. The committees put forward the action for consideration and present it to the board of directors for approval at the next board meeting.
4. Studying the feasibility of investment projects, proposing investment plans and operational planning for both long and short-terms goals for the board of directors and/or the board of the subsidiaries.
5. Seeking new business opportunities and presenting them to the Board of Directors for approval.

6. Giving support and assistance, and offering opinions and advice to the President, Chairman of Business Lines and Managing Directors of subsidiaries. The item also includes problem solving in the various operations of the groups.
7. Performing special assignments or any other assignments, as required by the Board of Directors.
8. Considering, scrutinizing and approving the plans and other business, as proposed by the President, Chairman of Business Lines or Executive Directors before presenting to the Board of Directors for approval.

### 3. Board of Audit Committee

The Board of Directors of Saha-Union Pcl. has changed the provisional status of the existing Audit Committee into a permanent one which has all the necessary qualifications according to the rules of SEC on the 22nd October 1999.

The Audit Committee consists of the following members:

Mr. Viroj Phutrakul	Chairman
Mr. Araya Arunanondchai	Audit Committee Member
Miss Pakinee Prerttiumrong	Audit Committee Member

The Audit Committee's scope, duties and responsibilities are as follows:

1. Review the Company's internal control system to ensure that the systems are appropriate and effective.
2. Select, review and propose the appointment of the external auditors, co-ordinate with them on preparation of related financial reports and review the Company's financial reports to ensure their accuracy and credibility.
3. Revise the Company's compliance with applicable laws and regulations and guard against conflicts of interest.
4. Prepare Audit Committee's report, to be signed by the Committee Chairman, and published in the Company's annual report
5. Ascertain management correct the errors/weaknesses discovered and urge management to take remedial action.
6. Follow-up and assess the results of implementation deemed important by the Audit Committee.
7. Other activities assigned by the Board of Directors.

### 4. The Advisory Board comprises 10 advisors.

The Board consists of 11 member and its main duty is to give advice to the board of directors. The advisory board comprises of members of vast knowledge and experience, as follows:

Mr. Amnuay Viravan	Chairman
Mr. Damri Darakananda	Vice Chairman
Mr. Panas Simasathien	
Mr. Amorn Chandara-somboon	
Mr. Vaidhaya Viravaidhaya	
Mr. Kisao Suzuki	
Mrs. Chongraksa Darakananda	
Mr. Viroj Phutrakul	
Mr. Sumeth Darakananda	
Mr. Sompop Amatayakul	
Mr. Chackchai Panichapat	

### ➔ Nomination of board members and executives.

As the company does not have a nominating committee, the nomination of the Board of Directors is left to the Chairman of the Board, Vice Chairman, the Chairman of the Advisory Board and the Executive Chairman. These then make their selections based on qualifications, capability and experience in business administration. The selected names are presented to the board of directors, who, in turn, make their recommendations to the shareholders. The annual shareholders' meeting, which minor holders also attend, vote on the selections of the members of the board, in accordance with the following principles and procedures:

1. Shareholders are allowed one vote per share.
2. The voting for the nomination of board members may be done by casting a vote for each member nomination, one at a time, or by casting votes for a group. The method used depends usually on the number of board members needed to fill the seats, although the choice of method is left for the voters to decide. However, when voting, the shareholders must cast their votes as a single lot to either an individual or to a group as a whole, (as laid out in rule no. 1 above). Shareholders cannot divide a single vote into several fractions, and give these to a number of different individuals, nor to different groups of nominated names.

3. The names with the majority votes receive the nominations. In cases where there is a tie, the chairperson casts the deciding vote. However minor shareholders have the rights following to the company's regulation as if no special case that recommended.

At each annual meeting of the ordinary shareholders, one-third of the total number of board members will be at the end of their terms. If the number of board members cannot be exactly divided into one-third, the closest number to one-third will suffice.

Within the first and second years of the company's registration, members of the board drew lots to decide who had to leave the board. Since then, the board members who are on the board longest have vacated their seats.

The board members who leave at the end of their term can be nominated to sit on the board again.

Besides leaving the board at the end of the term, a board member may quit his or her board duties when:

1. He/she dies.
2. He/she resigns from the board.
3. He/she is disqualified.
4. The shareholders at the shareholders' meeting can vote any members out by votes from no less than three-quarters of the members at any particular meeting, who, with their combined holdings own no less than half of the total shares of all the voting shareholders at the meeting .
5. He/she is ordered out by the court of law.

The board of directors can appoint or nominate board members to also sit on the executive committees, with power and responsibility as authorized and assigned by the board. Conversely, the board can also appoint one of the committee members as its chairman. By merit of his position, the President is also allowed to sit on the executive committees.

### ➤ Good Corporate Governance

Last year, the Board of directors managed to fulfill the requirements of a registered company, listed on the Stock Exchange Market of Thailand. Such requirements include that: The committee has to consist of non-staff individuals and/or full-time management. The committee has to be appointed by scholars or experienced individuals in various fields to ensure that they are able to represent the company well, in terms of maintaining and protecting the benefits of the shareholders.

The committee is given the authority to plan and create the company's goals and management policies, make sure that the management's operation is in line with the company's rules and policies, and also ensure that business activities are conducted with caution, skill and honesty. The company has clearly separated the duties of the chairman of the board from those of the managing director.

The company has now set up an audit committee, made up of individuals with the qualifications, duties and responsibilities as required by the Stock Exchange Market of Thailand, to conduct a proper and effective internal audit. Such audits, ensure that the financial reports are complete and accurate, assist the company in following the government's rules and related laws, assist the management in correcting any reported mistakes enable effective follow up, evaluation of the company's operational performance and take care of all assignments which received from the Board of Directors.

The committee meets once a month to monitor the results of the operation and to consider several issues raised by either the Directors, Executive Directors or President. Moreover, the committee considers and makes decision on various operational issues, as per requested by the boards. The company has a secretary, who is responsible for fixing the meeting schedule, and for providing the documents required at the meeting one week prior to the event. Remunerations for the board members are agreed on at the shareholders' meeting and are announced at the annual report.

As regards the shareholders' meeting, the company complies with the law by providing appointment letters and meeting terms, along with the annual report and a copy of the minutes from the previous meeting. All documents are provided one week prior to the meeting. At the meeting, the financial report is presented clearly, along with other general reports. The information is clear, accurate, and complete, as is verified by the Board.

### ➤ Policy of Internal Information Using Protection

The company has, since day one of its operations, emphasized the importance of moral behavior in both the management and staffs under the philosophy of "Integrity Quality Service". In addition, the company's regulation is contained the discipline of employee's conduct by forbidding the employees using any authorities for their own personal benefits as well as for the third parties.

#### Rules and Punishments:

- must contribute time and attention to the job and the company
- work with full potential (knowledge and capability)
- work with integrity and honesty

The punishments are listed in the company's internal policies.

#### ↪ Internal Control

The company's board of directors has provided the following report on the adequacy and appropriateness of the system controlling the company's internal affairs in the year 2000:

#### The organization and its environment

As the foundation of the internal affairs administration system, complement the company's overall effectiveness. The board saw to it that the business objectives and investment plans were clear and easy to evaluate. These acted as the operational guidelines for the employees. The objectives of the operations were based on true data and achievable targets, and were all carefully considered and monitored.

The board studied and scrutinized the whole system, prior to setting its objectives, and also decided on reasonable incentives and remuneration for the employees. The structure of the system is designed to encourage efficient management practices. The executives' manual and organization structure were approved by the board, and were made available to the executives.

The board set the operational objectives, which included sales targets in domestic and international markets, each according to the nature of business and geographical location. The targets are earmarked in advance each year, with monthly performance evaluations and operational plan reviews at least once a year.

At the employee level, regular evaluations are planned to ensure that their tasks are completed on schedule.

The company also has rules concerning ethics and regulations in writing, prohibiting its executives and staff from performing or acting in a way that is in conflict with the interests of the operation. The violation of such rules is subject to disciplinary action. The terms and conditions of disciplinary violation have printed in the executives and employees' manual in section " Discipline and Punishment "

The company is firmly committed to its philosophy of "Integrity Quality Service" in all of its business activities. The company has copies of its policies and regulations in print. These are written in a way that is clear and easy to understand, to prevent any confusion.

The company sets its policies and plans its activities with an emphasis on fairness to its trading partners, which is expected to work to the advantage of the company in the long-term.

#### Risk Management

The company regularly conducts evaluations and estimates on the risk factors that may have an impact on the company's operations, both internally and externally. It analyses possible-risk situations, with a particular emphasis on marketing trends, the new marketing channel, value added products increasing, the economy and currency exchange rate fluctuations. The company also monitors carefully any incidents that may cause a negative impact on its activities, while seeking ways to reduce such risks. The staff involved are notified and are asked to proceed in accordance with pre-set risk management measures.

#### Executive Operation Control

The company assigns separate areas of responsibility to each of its executives. The executives carry out their tasks in accordance with certain power limitations and fixed budgets, as specified in clearly-written documents.

There are three main areas of responsibility, each of which is clearly defined and assigned to the executives' separate departments or branches for the purpose of monitoring their power. They are as follows:

Executives scope of authority: They are responsible for making a record of any actions they may take, keeping their sets of accounts in order, and taking care of the company's property and assets.

In the case of any financial transactions with any of the company's major partners: Directors, the Executives or other related persons, the policy dictates that all sets of accounts and transactions should be treated normally, like any other trading partner accounts, with the company's interests as a priority. Also, the policy clearly states that the authorization of such a transaction or activity must be done through executives who have no personal interest in the case. Such



a safeguard prevents any party or individual from exploiting any opportunity or benefit for his or her own personal gain.

When the company has committed itself to fulfilling a long-term deal for the sale or purchase of goods, the policy requires that there should be continual follow up to ensure that all conditions are met and that all commitments are fulfilled throughout the period of the agreement.

Before the company makes a decision to further invest in any of its affiliates or joint ventures, it monitors carefully such joint ventures or affiliates through its executives, who are appointed by the company to head the affiliates and joint ventures, in accordance with certain directives.

Furthermore, the company commits to the policy of making certain that each of its operations is conducted strictly in accordance with legal requirements, to minimize or eliminate any risks involving the company's reputation.

### Information and Communications

The company has always seen its information and communication technologies as being a key to an efficiently-run organisation. The company is well aware of the risks of making important decisions with accurate and sufficient information. The Directors receives notice of a meeting and/or the relevant documents required for the meeting about seven days in advance.

The board meeting reports include the detailed records of agendas, proposals, enquiries, opinions and ideas from the board members, in addition to remarks and explanations.

Book-keeping documentation and records are completed and filed in the appropriate sections. So far, there has never been any complaint from the auditors. The company also strictly follows general accounting procedures, suitable to the nature of the company's operations, to give an honest picture of its operations.

### Follow-up Systems

Based on its commendable operational efficiency and highly effective management team, the company is easily able to set targets and objectives for its operations.

The board closely monitors the performance of the executives, checking to see whether or not they are able to achieve their targets. Should they fail to achieve their targets, the company takes appropriate corrective action, which is determined on a case to case basis. Operations may fail to achieve their targets because of resource limitations or work-related obstacles. In such cases, the board makes its recommendations for alternative schemes.

The company also continually monitors its internal auditing operation, checking to ensure that it is conducted according to procedure. Audit reports are passed directly to the Board of Audit Committees, to allow the committees the opportunity to inspect the documents and to present their own reports on the matter. So far, no misconduct or any irregularity has been found by the Audit Committees. Should any irregularity be discovered, however, the auditors are required to immediately file a report to the Board of the Audit Committees, so that appropriate action can be taken. In the case where irregularities or violation of the laws or acts are suspected, which may result in the company acquiring a bad reputation and/or adversely affect the financial status of the company, the management is required to immediately notify the Boards or the Board of the Audit Committee, with recommended measures to address the problem.

The company also requires that as if the Board of Audit Committees has any opinions that are different from the Board of Directors' decisions. those opinions must be recorded in the meeting's report. However, no such issues has occurred since then.

### ➔ Operational Planning and Procedure

One of Saha-Union's subsidiaries, "Union Energy Company Limited", has embarked on a joint venture with foreign investors to form an electricity generating power plant, under the name of "Union Power Development Company Limited", which is to carry out an electricity generating power plant with the Independent Power Producer (IPP) project in Prachuabkirikan Province. The plant has a maximum capacity of 1,400 Megawatts. Initially, construction of the power generating plant was to have begun by the year 1997, with operations beginning just four years later. Given this time frame, the company could have expected to earn a profit by the second year of operation. However, as the construction of the plant was postponed, the schedule has had to be adjusted, pushing further into the future the time when the company could be expected to make a profit.

### ➔ Performance

#### Overall operational performance

The operational results of Saha-Union Pcl. and its subsidiaries during the past year showed a net profit of Bht 921.28 million, a decrease of 3.76 per cent from the year 2000 figure, which was recorded as Bht 957.32 million. Such a decrease was caused by various changes and factors affecting the company's operations:

#### • Political and Economic Situation

During the year 2001, Thailand experienced slow economic growth, with the kingdom not quite recovering from the downfall as expected. Such an economic climate saw consumers' confidence still weak. The problems were not helped by the slow growth in Japan, Europe and the USA, and were further aggravated by the violent incidents of 11 September 2001, which had a negative impact on the company's exports. Many were postponed, with a huge slow down overall. Even the domestic market saw almost no growth at all.

#### • Marketing and Competition

The market for industrial goods started to change, with trends showing a growing demand for higher-quality products and more skilled labour, in such sectors as electronics and textiles. There were also changes in the various forms of product required as well as fierce competition. The result was a slump in product prices, and production was forced to adapt quickly to market response. To cope with such challenges, the company spared no effort in keeping its market shares by launching marketing strategies that exactly suited the market environment.

#### • Increase/Decrease of Goods and Services

The company developed such products as electronic parts, which were of an increasingly higher quality. In the footwear industry, the company started making its own brand of sports shoes, called "D-MaQ", for domestic consumption. This was

in line with the company's attempts to realise its own potential, after years of producing famous brand-name sports shoes under license.

#### • Currency Exchange

The company generated earnings from exporting its products to foreign markets, while importing some raw materials for productions purposes. Such transactions involved dealing in foreign currencies. With a policy in place that requires the company to make advanced currency exchanges, currency fluctuations were kept to a minimum. At the same time, the company took care that any contracts entered into involved only currency exchange levels that it could manage.

#### Performance of the Business Groups

##### • Revenues from Sales or Services

Total revenues from sales amounted to Bht 445.6 million less than the previous year, a decrease of 2.45 percent. The main problems were a decline in textile sales from the previous year, experienced as a result of the slow down in economic growth, especially in the foreign market. Product prices also slumped, resulting in lower prices per unit. However, sales in other business groups maintained a healthy momentum.

##### • Other Revenues

Other revenues in the year 2001 was up by Bht 42.4 million from the previous year, an increase of 11 percent. The Bht 74.39 million profit generated from currency exchange fluctuations was the main cause of this healthy picture, which helped counter a drop in revenue of Bht 9.4 million, in addition to other small losses. The picture was also influenced, however, by the requirement of accounting standards that profits and losses from investments be displayed in loss/gain ratios. In 2001, such revenue amounted to Bht 240.98 million, 54.86 percent less than the previous year. The main reason was the loss sustained from the sale of some registered companies in the second quarter of the year 2001. Such loss no means occurred from an ordinary business practice for the company. In the past, the company made a reserve for a depreciation of investment, which was deducted from shareholders' accounts. Since there was no real transactions occurred until 2001, proceedings, thereafter, was listed in the balance sheet in accordance with accepted accounting standards. The transaction did not effect the financial status of the company in any way.

##### • Cost and Expenses of Sales and Management

In 2001, the company experienced a decrease of Bht 659 million in selling costs, or a 4.17 percent drop from the previous year, thanks to a decline in net sales. Even though the other business groups managed to sustain their net sales, their selling costs did not decrease proportionately. Sales and administrative expenses were Bht 11.89 million more than the previous year, or 0.77 percent higher. This was largely because of the increase in expenses associated with exporting shoes.

### • Profits

In 2001, Saha-Union Pcl. realised gross profit ratios of 14.50% against 14.00%, in relation to total sales and total revenues. These were higher than the previous year's ratios of 12.97% and 12.41% - driven by a reduction in selling costs that exceeded the decline in net sales. The reduced selling costs were the direct result of the company's efforts to cut its costs and other expenses. The ratio of cash flow from operations against net profits in 2001 was 185.85%, against the previous year's ratio of 58.36%. This showed an increase in ratio of 127.49% , a very significant improvement. At the end of 2001, the company saw a decrease in assets, compared to the previous year. Inventory decreased by Bht 370.76 million, while debtors declined by Bht 170.79 million, and other current assets by Bht 243.98 million. Such a decline, totalling Bht 785.53 million, meant that the operation's cash flow was 85.27 percent of the net profit.

The net profit in 2001 was Bht 921.28 million, about 3.76 per cent less than the year before, when it stood at Bht 957.32 million. Major contributing factors included a reduction by Bht. 240.98 million, or 54 percent, in profits from the company's affiliates. The ratio of the net profit against total revenue was 5.02%, quite close to the 5.04% of the year before.

### • Return on Equity

In 2001, Saha-Union Pcl. made a net profit of Bht 921.28 million, or a net profit of Bht 3.57 per share, in accordance with standard accounting procedures for profits from affiliates and subsidiaries.

The company expected to pay dividends of Bht 1.25 per share, with a ratio of payable dividends set at 35.01 percent of the net profit.

The management of the company has not fixed the amount or ratio of dividends payable to the shareholders. However, its policy requires that the dividends be paid at the appropriate ratio to the investment, by deducting real costs from the profit. This evidently has an impact on the cash flow, as shown by past dividend records:

Year 2000	Dividends	Bht 1.25/share	Earning per share	Bht 3.89
1999	Dividends	Bht 1.25/share	Earning per share	Bht 4.20
1998	Dividends	Bht 1.20/share	Earning per share	Bht 9.09
		(Adjusted according to foreign currency exchange rate)		
1997	Dividends	Bht 1.00/share	Earning (loss) per share	Bht (1.39)
		(Adjusted according to foreign currency exchange rate)		
1996	Dividends	Bht 1.50/share	Earning per share	Bht 2.63

### ↪ Financial Status

Changes in the financial status of the company were as follows:

#### • Assets

As of 31 December 2001, Saha Union Pcl. had total assets worth Bht 17,584 million, a decrease of about 0.53 percent from the previous year, when assets were valued at Bht 17,679 million.

Assets at the end of the year 2001 comprised current assets, worth 37.64 percent; investments, worth 38.22 percent; estates, building and equipment, worth 18.80 percent; and other assets, worth 5.33 percent. In comparison to the assets of the previous year, assets in the year 2001 were 1.73 percent lower in value, thanks to a drop in inventory of 2.06 percent. Textile, footwear, and computer stock were all lower at the end of the year - the result of the delivery preparations made for the early part of the following year. Similar preparations were made in the year 2000. Investment in the year 2001 was 1.08 percent higher, because of the larger capital investment made for the companies' affiliates. This was valued at Bht 209.54 million. During 2001, Saha-Union Pcl. invested Bht 55 million in the YIXING BIOCHEMICAL project in China, with the remaining amount being realised from the drawing up of the loss and gain account, as required by law. (The details can be found in the notes on financial statements in section 9.) The assets in the "estates, buildings, and equipment" category were worth 0.07 percent more than in 2000. (The details can be found in the notes on financial statements in section 13.)

#### • Quality of Assets

As of 31 December 2001, the accounts of the majority of the companies' debtors' as well as those of the debtors of the company and its subsidiaries, showed that all payments were up to date. However, the accounts of debtors over a year old were listed under payments receivable, which showed a figure of Bht 61 million, while those listed under doubtful debts amounted to Bht 45.6 million, giving a ratio of 1.55% against total debtors. For the present, the company believes that its reserves for unpaid debts are sufficient. As regards short-term loans for its business operations, the company is confident that it will be able to increase its cash flow, as outlined in the financial statements, to the sum of Bht 468 million, or by 105 percent. The loans, used for the purpose of acquiring capital assets and for the company's operations, were taken on only when the company felt confident of being able to meet the payments. The loans' interest rates are in line with the rates of one of the country's major banks.

The year saw inventory slump by 23.07 percent, the reason for which is shown in section 3.1 (1). The figures take into account the calculated depreciation and any outdated inventory.

Concerning investment, the company showed a deficit in its reserve securities account. Details can be found in the financial statements, in sections 8, 9 and 10. The company believes its current reserves are both sufficient and appropriate.

#### • Liquidity

In the year ending 31 December 2001, Saha-Union Pcl. realised a cash flow of Bht 1,712 million from its operation. Bht 759 million of this was spent on investments, while Bht 997.67 million was spent on the business and activities to acquire cash. The cash flow generated from the operations stood at Bht 1,712 million, which is 206 percent more than that of last year and

185.85 percent more than this year's net profit, which is Bht 921 million. The reasons are shown in the profit section.

Concerning investments, the company was issued additional short-term loans with a total value of Bht 468 million. This money went to the company's related businesses, for the purpose of circulating capital and other operation-related proceedings. In addition to these investments, such fixed assets as buildings, the utility system, machinery and equipment for the footwear, computer and energy businesses were also acquired. The total amount spent was Bht 546 million, or 31.91 percent of the cash flow generated from the operations. In financing activities, the company was able to pay up as much as Bht 45.8 million of its short-term loans, and as much as Bht 711.74 million on its long-term ones. Furthermore, the company paid Bht 381.57 million in dividends to its shareholders. For the year ending 31 December 2001, the company's cash (and cash equivalents) was running at a deficit of Bht 24.39 million. However, when added to the accumulated cash (and its equivalents), which was Bht 926.89 million, the remaining cash (and its equivalents) in hand came to Bht 902.49 million.

Status of liquidity ratios at the end of 2001 The company's ratio of current assets against current liabilities was 1.72 times, compared to the previous year's ratio of 1.51 times. In the meantime, the ratio for liquid assets to current liabilities stood at 1.15 times, a much better result than the ratio from the previous year, when it was 0.86 times. Such improvements reflected the company's ability to transform assets, almost 115 percent of the company's current liabilities, into cash quickly. Hence, the company can be said to enjoy strong liquidity.

The impact on the company's liquidity by the payment of short-term in 2001, the company categorised long-term debts with payment due within one year as current liabilities. These payments totalled Bht 711.74 million. The year also saw the company paying up Bht 45.8 million of its short-term debts. Nevertheless, by the end of 2001, the company was still left looking at Bht 1,000 million worth of long-term debts and Bht 1,385 million worth of short-term debts - a figure which did not include trust receipts or L/Cs (for which the company could expect to receive payment by the end of a specified period). On the other hand, the company still had a number of loans that had not yet been mobilised. Given this scenario, then, for the company to maintain maximum liquidity, timing and planning were of utmost importance.

#### • Investment Expenses

Most of the expenses of Saha-Union Pcl. and its subsidiaries were tied up in investments, with a small amount going towards the purchase of more machinery and equipment. These were mostly for the upgrading and development of production processes for the footwear, electronics and energy businesses, with the aim to keep pace with new market trends and newly developed technologies. These, in the long term, will enable the company to maintain a competitive edge and increase its

operational efficiency. As for investment returns, the big investments made on the electricity generating project in China made up the majority of investments, valued at Bht 3,900 million. For the past three years, the affiliates received dividends of US\$ 6 million per year, or 6 to 7 percent of the investment per year. Initially, it was thought that the company would enjoy returns of 10 to 12 percent per year, but with certain projects still unable to make a profit and with unit prices falling, profits fell well below expectations.

At present, the company has no plans to spend more on investments, except for those projects that are already underway.

#### • Financing of Investments

Shareholders' equity, In the year ending 31 December 2001, the company had Bht 3,000 million in paid-up registered capital, with accumulated profits of Bht 4,994 million. According to the company's financial statements, however, profits on foreign exchange fluctuations and predicted profit on investment fluctuations were Bht 1,074.5 million. In addition, earnings of Bht. 2,599 million had been generated from the company's share premium. With the deduction of subsidiaries' equity, amounting to Bht 217.57 million, this meant that the shareholders' equity came to Bht 11,450 million by the end of the year.

Retained earning (unappropriated) at the end of 2001 were down by Bht 163.22 million from the previous year. The year saw the company's subsidiaries selling some investments in the third quarter of 2001, but holding onto their company shares on the SET, with the premium share capital valued at Bht 715 million. In line with standard accounting procedures, this amount was deducted from the retained profit, as shown in the notes on the financial statements (in the third quarter) in section 9. In general, shareholders' equity are normal with sources of capital being increased from the retained profit, following the payment of appropriate dividends to the shareholders.

Appropriation of the capital structure as shown above, the shareholders' equity in the year 2001 totalled some Bht.11,450 million, with total liabilities of Bht 4,901 million. The ratio of liabilities to shareholders' equity was 0.39 times, while the ratio of ability to make interest payments on the debts is 12.75 times. The ratio of liabilities to equity is normally in the range of 1.5 to 2 times, with generally accepted ratios of ability to pay interest at only 2-3 times. Saha-Union Pcl. is, therefore, clearly shown to have a healthy capital structure with a strong capability to handle its liabilities.

Liabilities, the company is a short-term debtor to outsiders to the tune of Bht 1,385 million, and Bht 1,000 million for long-term that will be required to make payments on its debts in the next two years. The interest charged is at the lowest possible rate, with terms on long-term loans stipulating such limitations and procedures as the maintenance of liability to equity ratios, and restrictions on selling, transferring or binding contracts on estates and other property belonging to the company. The risks

involved in currency fluctuations on the loans are low, thanks to the loans being provided by local institutions in Thai baht.

• **Factors expected to effect the company's operations or financial status in the future.**

As of 31 December 2001, Union Energy Co., Ltd., a subsidiary of Saha-Union Group had invested in Union Power Development Company Limited in the form of investments, loans and advances, totalling Bht 1,004 million. The figure included the investment of an agreed amount that has to be sold to foreign investors, with the condition that the transfer of shares and payments should be concluded only when events and conditions stipulated in the contract have been realised. Unfortunately, the project has been postponed since 1997 until the present day, with no definite date given as to when the project will be started up again. At the moment, the company is awaiting a decision from the Thai government. In such a scenario, the company's chances of realising dividends from the investments rides solely on the ability of Union Power Development Co., Ltd. to seek further financing, to sustain and develop the project into a fruitful venture.

## Risk Factors

The risk factors that could have considerable impact on the company are as follows:

**The Independent Power Producer (IPP) in Prachuab Khiri Khan.**

As our subsidiary, Union Energy Company Limited, has invested in Union Power Development Company Limited, which is the owner of the power plant project in Prachuab Khiri Khan province. The Hinkrut project, involving an investment of US\$ 1.2 billion, is a thermal energy generating plant with a maximum capacity of 1,400 Megawatts. Planned previously to start in 1997, the project's postponement has resulted in a still-to-be-confirmed alternative start-up date. Problems causing the delay include environmentalist groups opposed to the plant's construction being started. This, despite the fact that the company (Union Power Development) has been in possession of official endorsement from the Office of Environmental Policy and Planning since 10 October 2000, following an analysis study on the project's environmental impact (ocean environmental system). The company is currently awaiting the go ahead from the government, after which it will immediately proceed with the project.

As of 31 December 2001, Saha-Union Pcl. had extended loans, advances and investments totalling Bht 1,004 million to Union Power Development Co., Ltd., with any returns riding on the success of the

Hinkrut Project and of the ability of Union Power Development Co., Ltd. to secure even more loans to further develop the project - allowing it to become completely operational.

**Risk from business operations**

Currently, the kingdom is the victim of slow economic growth. Worsened by the poor economic performance of the United States, Europe and Japan, the situation is not helped either by China's new membership in the WTO. This has all had an impact on Saha-Union Pcl., which has experienced a sharp decline in export volumes. Another factor contributing to this difficult situation is increased competition, which is forcing the company to cut product prices, especially for footwear, textiles and computer parts. This, of course, has had an effect on initial profits. To counter the effects of the situation, Saha-Union Pcl. has put in place several remedial measures, namely, methods to improve efficiency and cut production costs. Nevertheless, once efficiency is maximised and production costs cut to the quick, little else can be realistically achieved. Furthermore, the company has always done its utmost to improve its production efficiency.

Risk from relying on major customers' orders. Products such as footwear and computer parts currently rely heavily on major buyers. Major footwear customers include NIKE, which bought 75 percent of the company's total products last year (2000), and IBM, which is the sole customer of the company's electronics parts. Such a scenario, of course, is a high-risk situation. Should the company lose these buyers, it would be facing huge problems. Not surprisingly, the company is trying its best not to let such a situation occur. Amongst its efforts are continuous upgrades in product quality, to satisfy buyers; more cost-effective production, to keep the prices competitive; and increasingly better services, for improved customer satisfaction. Equally important, the company recognises, is the ability to maintain good, long-standing relationships with customers.

Risk factors on raw materials As it is usually necessary for the company to acquire most of its raw materials from abroad in advance, the company is highly susceptible to exchange rate fluctuations. Raw material prices rise and fall in line with such fluctuations. Where a certain raw material falls victim to low price trends, the company's advance buying policy renders its raw materials more expensive than its competitors' supplies. Meanwhile, the final selling price of the products cannot be adjusted to reflect the more expensive raw materials from which they were made. Therefore, the initial profits are lower, because the cost of production is higher. The company's main products, such as textiles, footwear and metal are all effected in this way. The company's executives have tried to reduce such foreign exchange risks and, at periodically held meetings, attempt to formulate policies and directions according to current situations, with the aim to minimise such risks. The company keeps a close watch on price trends of raw materials, while the work group prepares directions and strategies for their purchases.

## THE BOARD OF THE AUDIT COMMITTEE REPORT

Dear shareholders,

The Audit Committee, consisting of 3 members, has been appointed by the Board of Directors. The scope and responsibilities are in accordance with the approved guidelines, rules and regulations of the Company.

During 2001, the Audit Committee has organised a number of meeting to exchange, discuss and consult with the relevant Management and external Auditor on a number of issues. The relevant issues are as follows:

1.To review Quarterly and Annual Accounts, based on the facts which had been given to the Audit Committee, that these reports are prepared in consistent with agreed Accounting Standards and in line with official guidelines.

2.To select and propose the external Auditor and his remuneration for the Board's agreement which will then be proposed to the Shareholders' approval in due course.

3.To consider audit work plans - its implementation, and results as submitted by Internal Audit, and in addition, giving some advices which will enhance the efficient implementations of internal audit procedure.

The Audit Committee emphasises with the Management to improve the effectiveness of the Internal Audit and has received co-operations from all relevant Management.

The Board of Directors, on 21st August 2001, has extended the existing Audit Committee's term for another 2 years with effect from October 2001.



(Mr. Viroj Phutrakul)

Chairman of the Audit Committee

### Types of Transactions

The transactions are normal business practices. Most of them are ordinary credit characteristics between creditors and debtors, loans and reasonable prices, with the interest considered normal of a major bank.

1. Policy of transactions, the transactions which took place between the company and its other persons in the future were not special or different from ordinary business practices in any way. They were normal practices, characterized by normal credit, given at prices or with interest considered normal in the market at the time that the transactions occurred. Therefore, it is not necessary to seek the opinion of non-board members or independent transaction specialists on this matter.

As SUC did not issue any information or propose to sell any securities during the past year, it is unnecessary to seek the opinion of non-board members concerning this matter.

2. Accounting policy between the company and its subsidiaries and affiliates because the company has a policy that completely separates it from its affiliates, separate sets of accounts are also required. In this way, the company's subsidiaries and affiliates are provided with greater opportunities to sell their products.

3. The procedures used for the sets of accounts are exactly the same as those used for the accounts of any other customers or trading partner.

4. In future, the company will continue to adhere to its policy of treating its subsidiaries and affiliates' accounts in the same way as those of any other customers or trading partner.

**Lists of Transactions between Saha-Union Pcl. and other parties in 2001**

			Information		
	Company	Types of Relationship	Types of Business	Amount (Million Baht)	Conditions of Costs
1.	Saha-Union Holding Co., Ltd.	Major shareholders	1. Loan 2. Total Interest 3. A Balance of Interest 4. Dividends	83.47 33.83 1.48 63.93	<ul style="list-style-type: none"> <li>• Referred to types and rates of a major commercial bank</li> <li>• Balance of payment as of the end of 2001</li> <li>• Shareholders' meeting vote</li> </ul>
2.	Union Shoes Co., Ltd.	Major shareholder, with holding more than 10%	1. Trading 2. Creditor-Debitor 3. Dividends 4. Total Interest 5. A Balance of Interest 6. Loan	1,179.17 137.26 9.25 0.13 0.01 19.50	<ul style="list-style-type: none"> <li>• Market prices</li> <li>• Balance of payment as of the end of 2001</li> <li>• Shareholders' meeting vote</li> <li>• Referred to types and rates of a major commercial bank</li> <li>• Balance of payment as of the end of 2001</li> </ul>
3.	Venus Shoes Co., Ltd.	Major shareholder, with holding more than 10%	1. Loan 2. Creditor-Debitor 3. Total interest 4. A Balance of Interest	45.85 0.90 3.99 0.57	<ul style="list-style-type: none"> <li>• Balance of payment as of the end of 2001</li> <li>• Referred to types and rates of a major commercial bank</li> <li>• Balance of payment as of the end of 2001</li> </ul>
4.	Union Footwear Pcl.	Interest persons, with holding more than 5%	1. Trading 2. Creditor-Debitor 3. Dividends 4. Loan 5. Total Interest 6. A Balance of Interest	2,725.45 405.48 9.08 - 0.06 0.01	<ul style="list-style-type: none"> <li>• Market prices</li> <li>• Balance of payment as of the end of 2001</li> <li>• Shareholders' meeting vote</li> <li>• Referred to types and rates of a major commercial bank</li> <li>• Balance of payment as of the end of 2001</li> </ul>
5.	Union Pioneer Pcl.	Directors and related persons, with holding more than 10%	1. Trading 2. Creditor-Debitor 3. Dividends 4. Loan 5. Total Interest 6. A Balance of Interest	637.68 89.33 14.69 55.33 0.32 0.06	<ul style="list-style-type: none"> <li>• Market prices</li> <li>• Balance of payment as of the end of 2001</li> <li>• Shareholders' meeting vote</li> <li>• Referred to types and rates of a major commercial bank</li> <li>• Balance of payment as of the end of 2001</li> </ul>
6.	Union Yeijer Industrial Co., Ltd.	Interest persons, with holding more than 5%	1. Loan 2. Total Interest 3. A Balance of Interest	6.20 0.06 0.05	<ul style="list-style-type: none"> <li>• Referred to types and rates of a major commercial bank</li> <li>• Balance of payment as of the end of 2001</li> </ul>
7.	Union Soles Co., Ltd.	Interest persons, with holding more than 5%	1. Trading 2. Creditor-Debitor	- -	



			Information		
	Company	Types of Relationship	Types of Business	Amount (Million Baht)	Conditions of Costs
8.	Venus Button Co., Ltd.	Directors and related persons, with holding more than 10%	1. Trading 2. Creditor-Debitor 3. Dividends	13.89 1.97 1.00	<ul style="list-style-type: none"> <li>• Market prices</li> <li>• Balance of payment as of the end of 2001</li> <li>• Shareholders' meeting vote</li> </ul>
9.	Venus Product Co., Ltd.	Directors, with holding more than 10%	1. Loan 2. Total interest	0.57 0.01	<ul style="list-style-type: none"> <li>• Referred to types and rates of a major commercial bank</li> </ul>
10.	Union Button, Corp	Directors and related persons, with holding more than 10%	1. Trading 2. Creditor-Debitor 3. Dividends	96.19 29.07 0.94	<ul style="list-style-type: none"> <li>• Market prices</li> <li>• Balance of payment as of the end of 2001</li> <li>• Shareholders' meeting vote</li> </ul>
11.	Union Property Co., Ltd.	Directors, with holding more than 10%	1. Loan 2. Total interest	- 0.02	<ul style="list-style-type: none"> <li>• Referred to types and rates of a major commercial bank</li> </ul>
12.	Union Rubber Plus Co., Ltd.	Interest persons, with holding more than 5%	- -	- -	
13.	Burirum Union Shoes Co., Ltd.	Interest persons, with holding more than 5%	- -	- -	

## HUMAN RESOURCES

Saha-Union Group has always given top priority to its human resources, recognising that the success of the company is largely dependent on the cooperation, patience and unity of all its employees. Therefore, human resource policies are of equal importance to good manufacturing and highly ethical management practices.

The Group ensures that its workforce is large enough and skillful enough to provide an efficient business operation. The selection and hiring of personnel is conducted in a manner that is correct and fair, with remuneration, welfare and benefits appropriate to current economic situations, living standards, types of business and location of the operation.

As regards security and a good standard of living for employees, the Group encourages its staff to save through its own "Credit Union". Employees are taught to think of their monetary needs of the future, in particular for retirement and emergencies. In cases of emergency, employees can acquire a loan from the "Credit Union", with appropriate interest, in accordance with the organisation's rules and regulations. The Group has also

established a provident fund for its employees, which was started in 1997, to provide them with additional financial security. The fund committee members are employees themselves, who have been elected for the fund's administration. The objective is to invest the fund in a way that brings maximum benefits to the employees. At present, the provident fund has attracted 11,000 members, with funds amounting to more than Bht 100 million. The Group also provides employees with free transportation to and from work, along major routes. Dormitories are also

provided, as is a funeral fund for each and every employee. A welfare store is yet another employee benefit, offering employees consumer products at vastly reduced prices.

As for the working environment, there is a welfare board and a board for safety and health in the work place. Acting on behalf of the employees, the boards present proposals and suggestions to the management for the improvement of the work place. Working areas are required to be clean, convenient and healthy for everyone's safety and effectiveness.

The Group's labour relation activities see representatives from the various industrial branches of Saha Union Group working together. Monthly meetings are held to confer on ways to increase staff and administration efficiency. The group organises training and workshops to upgrade the skills of the personnel, and exchanges ideas and problems, with the aim to find solutions that suit all parties and ways to prevent such problems in the future.

Human resource personnel stress to the other employees the importance of understanding the company's rules and regulations. They are rules that are clear and fair and that follow the labour law.

Such are the result of the continuous planning carried out by the company, and are the reason for the high human resource standards at Saha-Union Group. Most importantly, the Group's efforts to take good care of its employees are reflected in their confidence and feeling of security. Employees at Saha-Union Group have positive attitudes, work effectively and have great confidence in the organisation they work for. Furthermore, they are happy to join hands with the company in its march towards success.

*The Group has always given top priority to its **human resources**, recognising that the success of the company is largely dependent on the **cooperation**, patience and unity of all its employees. Therefore, human resource policies are of equal importance to good manufacturing and highly ethical management practices.*

➔ **To the Board of Directors and Shareholders of  
Saha-Union Public Company Limited**

I have audited the accompanying consolidated balance sheets of Saha-Union Public Company Limited and its subsidiaries as at 31 December 2001 and 2000, the related consolidated statements of earnings, changes in shareholders' equity, and cash flows for the years then ended, and the separate financial statements of Saha-Union Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to report on these financial statements based on my audits. I did not audit the 2001 financial statements of seven overseas subsidiaries (2000 : eight subsidiaries), which statements reflect total assets as of 31 December 2001 of Baht 5,219 million (2000 : Baht 5,378 million), total revenues and net earnings for the year then ended of Baht 1,468 million and Baht 92 million, respectively (2000 : total revenue of Baht 1,439 million and net earnings of Baht 101 million, respectively). The financial statements for the year 2001 and 2000 of those subsidiaries were audited by other auditors whose reports have been furnished to me, and my opinion on the 2001 and 2000 consolidated financial statements, insofar as it relates to the amounts included for those subsidiaries, are based solely on the reports of the other auditors.

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

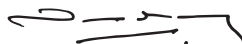
The financial statements of one overseas subsidiary, which statements reflect total assets as of 31 December 2001 of Baht 407 million (2000 : Baht 409 million), total revenues and net loss for the year then ended of Baht 156 million and Baht 12 million, respectively (2000 : total revenues of Baht 211 million and net earnings of Baht 34 million, respectively) were prepared by the company's management and such financial statements were included in the financial statements under report. In addition, investments in three overseas associated companies were accounted for, based on the financial statements prepared by those companies' management. The balance of such investments, under the equity method, as at 31 December 2001 amounted to Baht 1,747 million (2000 : Baht 1,871 million) and the Company recorded a share of profit from these investments totalling Baht 144 million during the year 2001 (2000 : Baht 120 million). As of the dates of my reports each year, the auditors of those subsidiary and associated companies have not yet completed their audits and therefore have not yet provided me with their audit reports. The non-availability of such auditors' reports is considered to be a limitation of audit scope imposed by circumstances.

In my opinion, based on my audits and the reports of other auditors, except for the effect of the matter as described in the third paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Saha-Union Public Company Limited and its subsidiaries, and of Saha-Union Public Company Limited, as at 31 December 2001 and 2000, the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my report, I draw attention to the following matters:

(a) As at 31 December 2001, Union Energy Company Limited, a subsidiary company, showed the amount of Baht 1,005 million (2000 : Baht 921 million) as an investment in, and loans and advances to, a related company engaging in an independent power project. The return on this investment and the recoverability of the loans and advances is dependent upon the ability of the related company to secure a source of financing and on its success in developing the project.

(b) Disclosures of segment information as mentioned in Note 26 to the financial statements.



**Narong Puntawong**

**Certified Public Accountant (Thailand) No. 3315**

(Unit : Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2001	2000	2001	2000
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		702,225,831	763,257,675	78,228,898	168,059,525
Current investment - deposit with financial institutions		200,270,150	163,630,759	106,940	105,890
Trade accounts and notes receivable	4				
Related parties	5	485,997,368	632,631,357	797,531,292	1,022,043,488
Unrelated parties		2,453,937,069	2,479,279,725	1,477,309,746	1,530,215,940
Less : Allowance for doubtful accounts		(45,637,368)	(46,824,753)	(19,692,712)	(21,551,100)
Trade accounts and notes receivable - net		2,894,297,069	3,065,086,329	2,255,148,326	2,530,708,328
Short-term loans to related parties	6	913,677,620	445,518,652	1,666,826,860	1,712,632,278
Inventories - net	7	1,236,045,070	1,606,810,057	292,806,870	277,728,520
Other current assets					
Accrued income		63,876,680	200,869,253	50,904,779	126,720,980
Refundable input tax		118,693,924	146,532,121	117,251,622	138,822,482
Others		490,303,903	569,453,882	54,539,915	82,030,376
<b>TOTAL CURRENT ASSETS</b>		<b>6,619,390,247</b>	<b>6,961,158,728</b>	<b>4,515,814,210</b>	<b>5,036,808,379</b>
<b>NON-CURRENT ASSETS</b>					
Investments accounted for under equity method					
Investments in subsidiaries	8	-	-	7,874,518,470	7,135,284,107
Investments in associated companies	9	5,661,275,824	5,451,734,855	3,362,160,270	3,208,985,385
		5,661,275,824	5,451,734,855	11,236,678,740	10,344,269,492
Other long-term investments					
Investments in other companies - net	10	865,878,216	919,598,270	90,299,323	80,693,602
Unit trusts	11	123,120,000	123,243,984	102,600,000	102,700,000
Negotiable certificates of deposit	12	71,245,472	71,245,472	-	-
		1,060,243,688	1,114,087,726	192,899,323	183,393,602
Property, plant and equipment - net	13	3,305,702,308	3,311,844,606	859,109,890	867,020,641
Other non-current assets					
Land awaiting development		403,805,438	403,805,438	275,210,438	275,210,438
Others		534,233,469	436,586,438	21,863,510	19,758,072
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,965,260,727</b>	<b>10,718,059,063</b>	<b>12,585,761,901</b>	<b>11,689,652,245</b>
<b>TOTAL ASSETS</b>		<b>17,584,650,974</b>	<b>17,679,217,791</b>	<b>17,101,576,111</b>	<b>16,726,460,624</b>

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

(Unit : Baht)

Note	CONSOLIDATED		THE COMPANY ONLY	
	2001	2000	2001	2000
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Bank overdrafts and short-term loans from financial institutions	110,804,646	128,939,234	35,035,108	56,892,939
Trust receipts	646,001,412	868,358,023	439,359,273	727,223,033
Trade accounts and notes payable				
Related parties	5 928,587,612	1,001,817,347	1,496,498,881	1,554,872,605
Unrelated parties	691,782,589	886,821,576	22,010,004	17,390,862
Current portion of long-term loans	15 610,000,000	611,743,470	610,000,000	576,200,000
Current portion of liabilities under financial lease agreements	16 40,800,667	31,671,580	-	-
Other accounts payable - related parties	5 -	-	1,172,055,313	1,172,055,313
Deposits from related parties	14 28,470,467	181,137,737	524,243,517	533,407,925
Short-term loan from other company	-	45,803,735	-	-
Other current liabilities				
Accrued expenses	407,565,599	577,514,579	145,156,506	161,832,636
Corporate income tax payable	200,213,532	181,939,045	65,477,927	37,717,703
Others	194,142,238	106,758,550	31,619,760	63,037,699
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,858,368,762</b>	<b>4,622,504,876</b>	<b>4,541,456,289</b>	<b>4,900,630,715</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term loans - net of current portion	15 1,000,000,000	1,710,000,000	1,000,000,000	1,710,000,000
Liabilities under financial lease agreements - net of current portion	16 29,820,703	45,985,414	-	-
Provision for losses of subsidiaries	8 -	-	102,580,526	117,784,066
Provision for losses of associated companies	9 7,057,376	6,843,975	7,057,376	6,843,975
Other non-current liabilities	5,787,185	12,821,178	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,042,665,264</b>	<b>1,775,650,567</b>	<b>1,109,637,902</b>	<b>1,834,628,041</b>
<b>TOTAL LIABILITIES</b>	<b>4,901,034,026</b>	<b>6,398,155,443</b>	<b>5,651,094,191</b>	<b>6,735,258,756</b>

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

(Unit : Baht)

	Note	CONSOLIDATED		THE COMPANY ONLY	
		2001	2000	2001	2000
<b>SHAREHOLDERS' EQUITY</b>					
<b>Share capital</b>					
<b>Registered, issued and fully paid</b>					
300,000,000 ordinary shares of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Share premium		2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Company's shares held by the subsidiaries	17	(217,573,410)	(1,462,465,278)	(217,573,410)	(1,462,465,278)
<b>Retained earnings</b>					
<b>Appropriated</b>					
Statutory reserve	18	589,440,063	527,632,838	589,440,063	527,632,838
Other reserve		53,343,737	37,088,196	53,343,737	37,088,196
Unappropriated		4,351,720,170	4,514,942,284	4,351,720,170	4,514,942,284
Translation adjustments		996,525,718	976,392,924	996,525,718	976,392,924
Unrealised gain (losses) on the change in value of investments in available-for-sale securities		78,025,642	(201,389,096)	78,025,642	(201,389,096)
Equity attributable to the Company's shareholders		11,450,481,920	9,991,201,868	11,450,481,920	9,991,201,868
Minority interest (equity attributable to minority shareholders of subsidiaries)		1,233,135,028	1,289,860,480	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>12,683,616,948</b>	<b>11,281,062,348</b>	<b>11,450,481,920</b>	<b>9,991,201,868</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>17,584,650,974</b>	<b>17,679,217,791</b>	<b>17,101,576,111</b>	<b>16,726,460,624</b>

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

(Unit : Baht)

Note	CONSOLIDATED		THE COMPANY ONLY		
	2001	2000	2001	2000	
<b>REVENUES</b>					
Sales	17,735,183,176	18,180,793,596	14,861,020,538	14,679,624,816	
Other income					
Interest income	69,749,518	64,131,671	130,215,238	141,809,433	
Gains on exchange	126,925,125	52,535,025	129,005,239	54,792,475	
Rental income	4,781,941	13,118,957	258,080,165	243,462,000	
Dividend Income	22,328,615	33,435,339	16,936,367	23,224,339	
Others	203,767,768	221,910,765	220,503,695	166,474,359	
	427,552,967	385,131,757	754,740,704	629,762,606	
Share of profits from investments accounted for under equity method	19	198,243,901	439,222,026	445,555,439	660,101,873
<b>TOTAL REVENUES</b>	<b>18,360,980,044</b>	<b>19,005,147,379</b>	<b>16,061,316,681</b>	<b>15,969,489,295</b>	
<b>EXPENSES</b>					
Cost of sales	15,163,852,242	15,822,902,013	14,002,120,900	13,917,751,496	
Selling and administrative expenses	1,555,377,810	1,543,479,600	790,469,923	758,392,044	
Directors' remuneration	20	15,711,000	15,599,000	13,335,000	13,235,000
<b>TOTAL EXPENSES</b>	<b>16,734,941,052</b>	<b>17,381,980,613</b>	<b>14,805,925,823</b>	<b>14,689,378,540</b>	
<b>EARNINGS BEFORE INTEREST EXPENSES, INCOME TAX AND MINORITY INTEREST</b>	<b>1,626,038,992</b>	<b>1,623,166,766</b>	<b>1,255,390,858</b>	<b>1,280,110,755</b>	
INTEREST EXPENSES	(179,770,710)	(237,123,528)	(150,098,526)	(206,568,150)	
CORPORATE INCOME TAX	21	(399,969,471)	(322,530,618)	(184,008,977)	(116,224,169)
<b>EARNINGS BEFORE MINORITY INTEREST</b>	<b>1,046,298,811</b>	<b>1,063,512,620</b>	<b>921,283,355</b>	<b>957,318,436</b>	
EARNINGS OF SUBSIDIARIES IN RESPECT OF MINORITY INTEREST	(125,015,456)	(106,194,184)	-	-	
<b>NET EARNINGS FOR THE YEAR</b>	<b>921,283,355</b>	<b>957,318,436</b>	<b>921,283,355</b>	<b>957,318,436</b>	
<b>BASIC EARNINGS PER SHARE</b>					
Net earnings	3.57	3.89	3.57	3.89	
Weighted average number of shares	258,205,598 shares	246,073,606 shares	258,205,598 shares	246,073,606 shares	

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

## CONSOLIDATED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY										
FOR THE YEARS ENDED 31 DECEMBER 2001 AND 2000										
SAHA-JUNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES										
	Issued and paid up share capital	Share premium	Company's shares held by the subsidiaries	Statutory reserve	Other reserve	Unappropriated retained earnings	Translation adjustments	Unrealised gain(loss) on the change in value of investments in available-for-sale securities	Minority interest	Total
<b>Balance as of 31 December 1999 - as previously reported</b>	3,000,000,000	2,599,000,000	(1,479,086,478)	437,579,369	34,404,495	3,969,449,442	714,687,524	(190,133,509)	1,268,188,324	10,354,089,167
Cumulative effect of the change in accounting policy for investments transactions (Note 3.5)	-	-	-	-	-	(15,685,582)	-	-	-	(15,685,582)
Adjustments for financial lease transactions (Note 16)	-	-	-	-	-	755,464	-	-	-	755,464
<b>Balance as of 31 December 1999 - as restated</b>	3,000,000,000	2,599,000,000	(1,479,086,478)	437,579,369	34,404,495	3,954,519,324	714,687,524	(190,133,509)	1,268,188,324	10,339,159,049
Sale of company's shares held by the subsidiaries during the year	-	-	16,621,200	-	-	-	-	-	-	16,621,200
Decrease in fair value of investments	-	-	-	-	-	-	-	(11,255,587)	-	(11,255,587)
Translation adjustments	-	-	-	-	-	-	261,705,400	-	-	261,705,400
Net earnings for the year	-	-	-	-	-	957,318,436	-	-	-	957,318,436
Dividend paid (Note 22)	-	-	-	-	-	(375,000,000)	-	-	-	(375,000,000)
Dividend paid in respect of company's shares held by subsidiaries	-	-	-	-	-	68,157,993	-	-	-	68,157,993
Dividend paid - net	-	-	-	-	-	(306,842,007)	-	-	-	(306,842,007)
Transferred to statutory reserve	-	-	-	90,053,469	-	(90,053,469)	-	-	-	-
Increase in other reserve	-	-	-	-	2,683,701	-	-	-	-	2,683,701
Increase in minority interest	-	-	-	-	-	-	-	-	21,672,156	21,672,156
<b>Balance as of 31 December 2000</b>	3,000,000,000	2,599,000,000	(1,462,465,278)	527,632,838	37,088,196	4,514,942,284	976,392,924	(201,389,096)	1,289,860,480	11,281,062,348
Sale of company's shares held by the subsidiaries during the year	-	-	1,244,891,868	-	-	-	-	-	-	1,244,891,868
Increase in fair value of investments	-	-	-	-	-	-	-	279,414,738	-	279,414,738
Translation adjustments	-	-	-	-	-	-	20,132,794	-	-	20,132,794
Net earnings for the year	-	-	-	-	-	921,283,355	-	-	-	921,283,355
Dividend paid (Note 22)	-	-	-	-	-	(375,000,000)	-	-	-	(375,000,000)
Dividend paid in respect of company's shares held by subsidiaries	-	-	-	-	-	67,407,992	-	-	-	67,407,992
Dividend paid - net	-	-	-	-	-	(307,592,008)	-	-	-	(307,592,008)
Transferred to statutory reserve	-	-	-	61,807,225	-	(61,807,225)	-	-	-	-
Increase in other reserve	-	-	-	-	16,255,541	-	-	-	-	16,255,541
Decrease in minority interest	-	-	-	-	-	-	-	-	(56,725,452)	(56,725,452)
Difference between selling price and cost of company's shares held by the subsidiaries sold during the year (Note 17)	-	-	-	-	-	(715,106,236)	-	-	-	(715,106,236)
<b>Balance as of 31 December 2001</b>	3,000,000,000	2,599,000,000	(217,573,410)	589,440,063	53,343,737	4,351,720,170	996,525,718	78,025,642	1,233,135,028	12,683,616,948

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



(Unit : Baht)

## THE COMPANY ONLY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY									
FOR THE YEARS ENDED 31 DECEMBER 2001 AND 2000									
SAHA-UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES									
	Issued and paid up share capital	Share premium	Company's shares held by the subsidiaries	Statutory reserve	Other reserve	Unappropriated retained earnings	Translation adjustments	Unrealised gain(loss) on the change in value of investments in available-for-sale securities	Total
<b>Balance as of 31 December 1999 - as perviously reported</b>	3,000,000,000	2,599,000,000	(1,479,086,478)	437,579,369	34,404,495	3,969,449,442	714,687,524	(190,133,509)	9,085,900,843
Cumulative effect of the change in accounting policy for investments transactions (Note 3.5)	-	-	-	-	-	(15,685,582)	-	-	(15,685,582)
Adjustments for financial lease transactions (Note 16)	-	-	-	-	-	755,464	-	-	755,464
<b>Balance as of 31 December 1999 - as restated</b>	3,000,000,000	2,599,000,000	(1,479,086,478)	437,579,369	34,404,495	3,954,519,324	714,687,524	(190,133,509)	9,070,970,725
Sale of company's shares held by the subsidiaries during the year	-	-	16,621,200	-	-	-	-	-	16,621,200
Decrease in fair value of investments	-	-	-	-	-	-	-	(11,255,587)	(11,255,587)
Translation adjustments	-	-	-	-	-	-	261,705,400	-	261,705,400
Net earnings for the year	-	-	-	-	-	957,318,436	-	-	957,318,436
Dividend paid (Note 22)	-	-	-	-	-	(375,000,000)	-	-	(375,000,000)
Dividend paid in respect of company's shares held by subsidiaries	-	-	-	-	-	68,157,993	-	-	68,157,993
Dividend paid - net	-	-	-	-	-	(306,842,007)	-	-	(306,842,007)
Transferred to statutory reserve	-	-	-	90,053,469	-	(90,053,469)	-	-	-
Increase in minority interest	-	-	-	-	2,683,701	-	-	-	2,683,701
<b>Balance as of 31 December 2000</b>	3,000,000,000	2,599,000,000	(1,462,465,278)	527,632,838	37,088,196	4,514,942,284	976,392,924	(201,389,096)	9,991,201,868
Sale of company's shares held by the subsidiaries during the year	-	-	1,244,891,868	-	-	-	-	-	1,244,891,868
Increase in fair value of investments	-	-	-	-	-	-	-	279,414,738	279,414,738
Translation adjustments	-	-	-	-	-	-	20,132,794	-	20,132,794
Net earnings for the year	-	-	-	-	-	921,283,355	-	-	921,283,355
Dividend paid (Note 22)	-	-	-	-	-	(375,000,000)	-	-	(375,000,000)
Dividend paid in respect of company's shares held by subsidiaries	-	-	-	-	-	67,407,992	-	-	67,407,992
Dividend paid - net	-	-	-	-	-	(307,592,008)	-	-	(307,592,008)
Transferred to statutory reserve	-	-	-	61,807,225	-	(61,807,225)	-	-	-
Increase in other reserve	-	-	-	-	16,255,541	-	-	-	16,255,541
Difference between selling price and cost of company's shares held by the subsidiaries sold during the year (Note 17)	-	-	-	-	-	(715,106,236)	-	-	(715,106,236)
<b>Balance as of 31 December 2001</b>	3,000,000,000	2,599,000,000	(217,573,410)	589,440,063	53,343,737	4,351,720,170	996,525,718	78,025,642	11,450,481,920

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

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2001	2000	2001	2000
<b>Cash flows from (used in) operating activities :</b>				
Net earnings	921,283,355	957,318,436	921,283,355	957,318,436
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities :-				
Share of profit from investments accounted for under equity method	(198,243,901)	(439,222,026)	(445,555,439)	(660,101,873)
Dividend receipt from investments in other companies	(22,328,615)	(33,435,339)	(16,936,367)	(24,324,339)
(Gain) loss on sales of investment	(2,534,918)	(2,975,690)	(3,643,384)	11,951,724
Earnings attributed to minority shareholders of subsidiaries	125,015,456	106,194,184	-	-
Unrealised (gain) loss on exchange	(12,426,396)	14,605,337	(14,383,577)	16,215,730
Gain on exchange of cash receipt from reduction of capital in overseas subsidiary	-	-	(95,814,775)	-
(Gain) loss on sales of fixed assets	2,596,304	(12,912,692)	(432,319)	157,495
Allowance for doubtful accounts	(1,187,385)	(3,715,118)	(1,858,387)	(5,695,403)
Provision for stock damage/obsolescence	6,518,835	2,411,459	(230,767)	1,184,564
Depreciation and amortisation	572,436,891	564,696,457	199,590,097	188,392,690
	1,391,129,626	1,152,965,008	542,018,437	485,099,024
Decrease (increase) in operating assets				
Trade accounts and notes receivable	174,192,304	(439,096,167)	279,631,818	(566,356,559)
Inventories	364,246,152	(420,059,390)	(14,847,582)	(37,367,373)
Other current assets	231,037,768	215,825,765	124,316,835	(91,319,854)
Other non - current assets	(107,735,708)	(32,990,700)	(2,105,437)	1,749,178
Increase (decrease) in operating liabilities				
Trade accounts and notes payable	(270,197,351)	210,971,760	(53,751,596)	320,068,322
Other current liabilities	(63,461,818)	(117,640,950)	(19,971,925)	(139,044,059)
Other non - current liabilities	(7,033,993)	(11,260,790)	-	-
Net cash from (used in) operating activities	1,712,176,980	558,714,536	855,290,550	(27,171,321)
<b>Cash flows from (used in) investing activities :</b>				
Decrease (increase) in short-term loans to related parties	(468,158,968)	(4,456,151)	45,805,418	(35,577,245)
Decrease (increase) in investments	180,617,686	(139,651,662)	(55,482,853)	168,754,933
Cash receipt from reduction of capital in subsidiaries	-	-	419,093,951	-
Dividend receipt from investments in other companies	22,328,615	33,435,339	16,936,367	24,324,339
Dividend receipt from investments using equity method	52,581,562	46,547,762	157,361,295	248,575,973
Increase in unit trusts	-	130,000,000	-	100,000,000
Decrease in negotiable certificates of deposit	-	26,785,608	-	-
Increase in property, plant and equipment	(546,402,317)	(427,995,814)	(191,247,027)	(114,516,677)
Net cash from (used in) investing activities	(759,033,422)	(335,334,918)	392,467,151	391,561,323

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

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2001	2000	2001	2000
<b>Cash flows from (used in) financing activities :</b>				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(228,637,742)	163,184,277	(297,355,665)	219,062,090
Increase (decrease) in deposits from related companies	(152,667,270)	91,606,621	(9,164,407)	(173,288,433)
Cash receipt from sale of company's share held by subsidiaries	529,785,631	-	-	-
Cash receipt from short-term loan from other company	(45,803,735)	45,803,735	-	-
Cash receipt from long-term loans	-	323,000,000	-	323,000,000
Repayment of long-term loans	(711,743,471)	(669,610,986)	(676,200,000)	(577,098,000)
Increase in liabilities under financial lease agreements	(7,035,623)	50,066,483	-	-
Dividend paid	(381,566,595)	(375,490,662)	(375,000,000)	(375,000,000)
Net cash used in financing activities	(997,668,805)	(371,440,532)	(1,357,720,072)	(583,324,343)
<b>Translation adjustments</b>	20,132,794	261,705,400	20,132,794	261,705,400
Net increase (decrease) in cash and cash equivalents	(24,392,453)	113,644,486	(89,829,577)	42,771,059
Cash and cash equivalents at beginning of year	926,888,434	813,243,948	168,165,415	125,394,356
Cash and cash equivalents at end of year (Note 23)	902,495,981	926,888,434	78,335,838	168,165,415
<b>Supplemental cash flows information</b>				
Cash paid during the years for :				
Interest expenses	410,183,077	256,650,160	355,926,719	210,316,771
Corporate income tax	377,290,250	463,328,198	144,812,166	246,966,077

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

### ➔ 1. GENERAL INFORMATION

Saha-Union Public Company Limited (herein after referred to as “the Company”) was incorporated as a limited company under Thai law and was registered as a public limited company on 30 March 1994. The Company operates in Thailand and its principal activities are investment holding and distribution of products manufactured by the group companies, namely, textile, footwear, electronic components, plastic and rubber products.

### ➔ 2. BASIS OF CONSOLIDATION

2.1 The consolidated financial statements include the financial statements for the year ended 31 December 2001 and 2000 of the Company and the following subsidiaries :-

Company name	Percentage		Incorporated	Nature of business	Subsidiary's		Subsidiary's	
	directly and				total assets as a		total revenues as a	
	indirectly owned	by the Company			percentage to the	percentage to the		
	2001	2000	in	consolidated total	2001	2000	2001	2000
Saha-Union International Ltd. (Hong Kong)	99.98	99.98	Hong Kong	Importer and distributor	1.18	1.10	1.12	1.10
Saha-Union International (USA) Inc.	-	100.00	USA	Importer and distributor	-	0.17	-	0.21
Saha-Union International (GA) Inc.	100.00	100.00	USA	Importer and distributor	2.15	2.85	2.70	3.49
Saha-Union Investment (China) Co., Ltd.	100.00	100.00	China	Investment holding	1.85	1.85	0.19	0.19
Saha-Union Holding Co., Ltd.	99.67	99.67	Thailand	Investment holding	1.22	0.20	-	-
Union Garment Co., Ltd.	99.98	99.98	Thailand	Manufacturing of garments	1.05	1.30	0.64	0.56
Fashion Apparel Co., Ltd.	99.97	99.97	Thailand	Manufacturing of garments	0.08	0.06	0.06	0.06
Union Pioneer Public Co., Ltd.	52.67	52.67	Thailand	Manufacturing of rubber thread, elastic braids & webbing	1.51	1.45	0.37	0.36
Union Zojirushi Co., Ltd.	51.00	51.00	Thailand	Manufacturing of vacuum bottles	2.47	2.31	0.11	3.52
Union Stainless Steel Products Co., Ltd.	98.00	98.00	Thailand	Manufacturing of pipes	0.52	0.62	0.04	0.05
Union Rubber Products Corp. Ltd.	99.99	99.99	Thailand	Manufacturing of rubber product	0.10	0.12	0.04	0.04
Union Footwear Public Co., Ltd.	51.23	51.23	Thailand	Manufacturing of sports shoes	3.71	4.07	0.06	0.39
Union Shoes Co., Ltd.	97.85	97.85	Thailand	Manufacturing of sports shoes	1.38	1.62	0.25	0.30
Union Metal Work Corp. Ltd.	72.72	72.72	Thailand	Ceased operation	-	-	-	-
Venus Shoes Co., Ltd.	96.86	96.86	Thailand	Dormitory rental and Service	0.48	0.52	0.09	0.24
Uni-Sole Co., Ltd.	70.69	70.69	Thailand	Machine and warehouse rental	0.36	0.48	-	0.13
Union Yeijer Industrial Co., Ltd.	99.97	99.97	Thailand	Ceased operation	-	-	-	-
Union Printing Co., Ltd.	94.57	94.57	Thailand	Printing services	0.17	0.17	0.18	0.31
Computer Union Co., Ltd.	88.16	88.15	Thailand	Computer dealer	3.82	3.97	9.43	8.24
Uni-Media Co., Ltd.	78.00	58.00	Thailand	Investment holding	-	-	-	-
Union Itoh Molds Co., Ltd.	57.43	53.56	Thailand	Ceased operation	-	0.01	0.03	0.03
Union Equity Co., Ltd.	99.43	99.41	Thailand	Investment holding	0.45	0.18	0.06	0.01
Union Assets Development Co., Ltd.	98.69	98.66	Thailand	Investment holding	-	-	-	-

Company name	Percentage directly and indirectly owned by the Company		Incorporated in	Nature of business	Subsidiary's total assets as a percentage to the consolidated total		Subsidiary's total revenues as a percentage to the consolidated total	
	2001	2000			2001	2000	2001	2000
	Union Construction Co., Ltd.	98.90			98.88	Thailand	Architectural, construction and interior design	0.78
Union Energy Co., Ltd.	98.52	98.52	Thailand	Investment in electric power & energy business	5.79	5.30	0.06	0.04
Union Energy (China) Co., Ltd.	99.99	99.99	Thailand	Investment holding	13.30	12.46	0.02	1.53
Textport International Corp., Ltd.	85.18	85.18	Thailand	Investment holding	0.06	0.06	0.02	0.02
Union Overseas Holding Co., Ltd.	58.98	58.98	Thailand	Investment holding	-	-	-	-
Computer Union System Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	88.16	88.09	Thailand	Computer dealer	0.20	0.21	1.72	0.56
Union Technology Co., Ltd.	99.99	99.99	Thailand	Manufacturing of electronic components	0.94	0.74	0.04	0.02
Jakkarat Union Footwear Co., Ltd. (99.99 percent owned by Union Footwear Plc.)	51.23	51.23	Thailand	Manufacturing of shoe upper	-	-	-	0.01
Burirum Union Shoes Co., Ltd. (100 percent owned by Union Shoes Co., Ltd.)	97.85	97.85	Thailand	Manufacturing of shoe upper	0.05	0.08	-	0.23
Union Energy (Hong Kong) Co., Ltd. (99.99 percent owned by Saha-Union International Ltd. (Hong Kong))	99.98	99.98	Hong Kong	Investment holding	1.22	1.03	0.02	0.03
Jiashan-Union Cogeneration Co., Ltd. (66.57 percent owned by Union Energy (China) Co., Ltd. and 7.40 percent by Saha-Union Investment (China) Co., Ltd.)	73.97	70.00	China	Power generation	2.60	2.59	0.89	0.67
Danyang-Union Cogeneration Co., Ltd. (49.5 percent owned by Union Energy (China) Co., Ltd. and 5.5 percent by Saha-Union Investment (China) Co., Ltd.)	55.00	55.00	China	Power generation	5.28	5.01	1.74	1.33
Danhuang-Union Cogeneration Co., Ltd. (84.6 percent owned by Union Energy (China) Co., Ltd. and 9.4 percent by Saha-Union Investment (China) Co., Ltd.)	94.00	65.00	China	Power generation	2.32	2.63	0.85	0.57
Shenzhou-Union Cogeneration Co., Ltd. (74.97 percent owned by Union Energy (China) Co., Ltd. and 8.33 percent by Saha-Union Investment (China) Co., Ltd.)	83.30	83.30	China	Power generation	2.22	2.32	1.34	1.11

2.2 The financial statements of the subsidiaries incorporated in overseas are translated to Thai Baht at the closing exchange rate as to assets and liabilities, and at the average exchange rate as to revenues and expenses. The resultant difference has been shown under the caption of “Translation adjustments” in the shareholders’ equity.

2.3 The financial statements of Danhuang-Union Cogeneration Co., Ltd., which statements reflect total assets of Baht 407 million as of 31 December 2001, total revenues and net loss of Baht 156 million and Baht 12 million respectively for the year then ended (2000 : the financial statements of Shenzhou-Union Cogeneration Co., Ltd., which statements reflect total assets of Baht 409 million, total revenue of Baht 211 million and net earnings of Baht 34 million.), were prepared by that company’s management and such financial statements were included in these consolidated financial statements.

2.4 The consolidated financial statements do not include the financial statements of one overseas subsidiary, as referred to in Note 10, since the Company does not control over this subsidiary company.

2.5 During the year, the Company disposed its investment in Saha-Union International (USA) Inc. which caused the decrease in holding percentage owned by the Company from 100% to 42.60%. Therefore, the financial statements of such company were not included in these consolidated financial statements.

### ↪ 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards pronounced by the Institute of Certified Accountants and Auditors of Thailand which are effective under the Accounting Act B.E. 2543.

Significant accounting policies adopted by the Company and its subsidiaries are summarised below :-

#### 3.1 Sales

Sales are the invoiced value, excluding value added tax, of goods sold and delivered after deducting discounts and goods returned.

#### 3.2 Allowance for doubtful accounts

Allowance for doubtful accounts is provided for the estimated collection losses that may be incurred in collection of receivables. The allowance is based on collection experience and current status of receivables outstanding at the balance sheet date.

#### 3.3 Inventories

Inventories are valued at the lower of cost or net realisable value.

#### 3.4 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation of plant and equipment is calculated by reference to their costs on a straight-line method over the following estimated useful lives :-

Buildings	20	years
Land and leasehold improvements	5 - 20	years
Machinery and equipment	5 - 10	years
Molds	2	years
Facilities	5	years
Furniture and fixtures	5	years
Motor vehicles	5	years

No depreciation is provided for land and construction in progress.

#### 3.5 Investments

Investments in subsidiaries and in associated companies are stated under the equity accounting method.

In prior years, Union Energy (China) Company Limited and Saha-Union International Limited (Hong Kong), the subsidiaries, accounted for their investments in certain overseas subsidiaries and associated companies using the cost method. To comply with the Accounting Standard Nos. 44 and 45, beginning 1 January 2000, such investments are now consolidated or equity-accounted, as the case may be. The cumulative effect of the accounting change up to 31 December 1999 amounted to bath 15.7 million, which has been adjusted against the beginning balance of the retained earnings under the caption of cumulative effect of change in accounting policy. This accounting change has the effect of decreasing net earnings for the year 2000 by Baht 31 million.

Long-term investments in marketable securities, which the Company intends to hold as investments available for sales and unit trusts of mutual fund are determined at fair value. Fair value of marketable securities is based on the latest bid price of the last working day quoted by the Stock Exchange and fair value of the unit trust is based on net asset value. Gains or losses on the changes in value of investments are shown as a separate item under the shareholders’ equity in the balance sheet and is credited or charged against earnings when the investments have been disposed of.

Long-term investments in non-marketable securities, which the Company hold as other investments, are valued at cost. The Company recognises loss on impairment of other investments (if any) in the earnings statement.

### 3.6 Foreign currencies

Transactions in foreign currencies are translated into Baht at the rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currency outstanding at the balance sheet date are translated into Baht at the rates ruling at the balance sheet date with the exception of those covered by forward exchange contracts, which are translated at the contract rates

Exchange gains and losses are included in determining earnings.

### 3.7 Earnings per share

Earnings per share as presented in the earnings statements is the basic earnings per share, which is determined by dividing net earnings for the year by the weighted average number of ordinary shares outstanding after deducting the Company's shares held by the subsidiaries at the balance sheet date.

## 4. TRADE ACCOUNTS AND NOTES RECEIVABLE

As at 31 December 2001 and 2000, most of the trade accounts and notes receivable were within their credit terms. The Company and its subsidiaries have assessed the recoverable value of the receivables that were past due for one year and more, of which the balance as at 31 December 2001 amounted to approximately Baht 61.3 million (2000 : Baht 48.5 million) and Baht 21 million for the Company only (2000 : Baht 23 million). Based on such assessment, an allowance for doubtful accounts of Baht 45.6 million (2000 : Baht 46.8 million) and Baht 20 million for the Company only (2000 : Baht 21.6 million) has been made in the accounts. The Company and its subsidiaries believe that such allowance is adequate under the current circumstance.

To minimise the foreign exchange exposure relating to its foreign currency receivables, the Company has entered into forward contracts to sell USD 4.3 million at exchange rates ranging from Baht 43.65 - 44.80 per USD1.

## 5. RELATED PARTY TRANSACTIONS

Below is a summary of significant business transactions between the Company and its subsidiaries, associated and related companies (related by way of common shareholders and/or directors) during the years : -

<u>Consolidated</u>	For the year ended 31 December		Pricing policy
	2001	2000	
(Unit : Million Baht)			
<b><u>Transactions with associated companies</u></b>			
Sales of merchandise	1,689	1,986	Cost plus margin
Lending (weighted average balance outstanding at month end)	435	304	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	40	28	See "lending" above
Purchases of merchandise	5,539	6,108	Resale price reduced by a margin.
Borrowings (weighted average balance outstanding at month end)	87	124	Interest rate with reference to the savings deposit rate of local commercial bank.
Interest expenses	1	2	See "borrowings" above
<b><u>Transactions with related companies</u></b>			
Sales of merchandise	9	6	Cost plus margin
Lending (weighted average balance outstanding at month end)	151	84	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	1	7	See "lending" above
Purchases of merchandise	99	118	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	23	21	Interest rate with reference to the savings deposit rate of local commercial bank.
Interest expenses	1	1	See "borrowings" above

(Unit : Million Baht)

The Company Only	For the year ended 31 December		Pricing policy
	2001	2000	
<b>Transactions with subsidiaries</b>			
Sales of merchandise	997	983	Cost plus margin
Rental income	256	251	Contract price
Service income	128	104	Contract price
Lending (weighted average balance outstanding during the period)	1,315	1,376	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	91	110	See "lending" above
Purchases of merchandise	6,315	5,494	Resale price reduced by a margin
Borrowings (weighted average balance outstanding during the period)	775	457	Interest rate with reference to the saving rates of local commercial bank.
Interest expenses	4	4	See "borrowings" above
<b>Transactions with associated companies</b>			
Sales of merchandise	1,596	1,907	Cost plus margin
Lending (weighted average balance outstanding during the period)	435	304	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	29	28	See "lending" above
Purchases of merchandise	5,319	5,820	Resale price reduced by a margin
Borrowings (weighted average balance outstanding during the period)	83	119	Interest rate with reference to the saving rates of local commercial bank
Interest expenses	1	2	See "borrowings" above
<b>Transactions with related companies</b>			
Purchases of merchandise	96	118	Resale price reduced by a margin
Borrowings (weighted average balance outstanding during the period)	23	21	Interest rate with reference to the saving rates of local commercial bank.
Interest expenses	1	1	See "borrowings" above

The outstanding balances as at 31 December 2001 and 2000 of the above transactions are shown separately in the balance summarized as follows :-

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
<b>Trade accounts and notes receivable - related parties :</b>				
<b>Subsidiaries</b>				
Union Footwear Plc.	-	-	200,929,531	235,537,816
Union Shoes Co., Ltd.	-	-	39,584,081	74,193,373
Saha-Union International (GA) Inc.	-	-	60,733,199	65,467,666
Union Pioneer Plc.	-	-	6,249,059	7,426,860
Saha-Union International Ltd. (Hong Kong)	-	-	12,806,765	10,827,085



(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
Union Zojirushi Co., Ltd.	-	-	9,903,712	6,227,811
Saha-Union International (USA) Inc.	-	-	-	9,771,251
Others	-	-	3,681,681	5,185,028
	-	-	333,888,028	414,636,890
<b>Associated companies</b>				
Union Textile Industries Plc.	278,181,283	444,155,223	275,761,286	442,829,617
Union Thread Industries Co., Ltd.	95,150,892	101,072,194	92,569,977	99,686,649
Union Spinning Mills Co., Ltd.	69,649,334	63,312,776	68,991,961	63,082,616
Venus Thread Co., Ltd.	14,234,643	-	14,112,145	-
Saha-Union International (USA) Inc.	10,692,117	-	10,692,116	-
Others	17,878,863	23,071,037	1,475,035	1,794,991
	485,787,132	631,611,230	463,602,520	607,393,873
<b>Related companies</b>	210,236	1,020,127	40,744	12,725
<b>Total</b>	<b>485,997,368</b>	<b>632,631,357</b>	<b>797,531,292</b>	<b>1,022,043,488</b>

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
<b>Trade accounts and notes payable - related parties</b>				
<b>Subsidiaries</b>				
Union Footwear Plc.	-	-	204,545,728	163,834,974
Union Technology Co., Ltd.	-	-	84,606,770	120,791,482
Union Shoes Co., Ltd.	-	-	97,673,481	100,744,212
Union Pioneer Plc.	-	-	83,082,763	82,920,992
Union Garment Co., Ltd.	-	-	59,846,572	58,894,509
Union Zojirushi Co., Ltd.	-	-	65,227,308	57,845,811
Union Stainless Steel Products Co., Ltd.	-	-	7,248,643	9,544,609
Others	-	-	2,790,000	3,966,727
	-	-	605,021,265	598,543,316
<b>Associated companies</b>				
Union Textile Industries Plc.	269,575,241	336,452,525	247,177,330	314,784,243
Union Thread Industries Co., Ltd.	232,925,657	198,662,396	232,925,657	198,662,396
Union Industries Corp., Ltd.	79,966,182	90,888,742	79,966,182	90,888,742
Union Spinning Mills Co., Ltd.	114,146,141	157,178,800	114,146,141	157,178,800
Union Plastic Plc.	59,774,057	55,540,619	59,687,922	55,495,375
Union Thai-Nichiban Co., Ltd.	82,967,488	102,305,048	82,895,969	102,263,213
Venus Thread Co., Ltd.	41,107,196	-	41,107,196	-
Uni-Fibre Co., Ltd.	6,572,179	5,654,721	-	-
Saha - Union International (Taipei) Ltd.	5,277,285	8,734,455	-	-
Others	7,127,453	10,694,327	4,423,233	1,354,614
	899,438,879	966,111,633	862,329,630	920,627,383

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
<b>Related companies</b>				
Union Button Co., Ltd.	29,052,172	35,705,714	29,052,172	35,701,906
Others	96,561	-	95,814	-
	29,148,733	35,705,714	29,147,986	35,701,906
<b>Total</b>	<b>928,587,612</b>	<b>1,001,817,347</b>	<b>1,496,498,881</b>	<b>1,554,872,605</b>
<b>Other accounts payable - related parties :</b>				
<b>Subsidiaries</b>				
Saha - Union International Ltd. (Hong Kong)	-	-	109,937,934	109,937,934
Union Energy (Hong Kong) Co., Ltd.	-	-	1,062,117,379	1,062,117,379
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,172,055,313</b>	<b>1,172,055,313</b>

## ↪ 6. SHORT-TERM LOANS TO RELATED COMPANIES

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
<b>Subsidiaries</b>				
Union Footwear Plc.	-	-	15,644,000	39,300,000
Computer Union Co., Ltd.	-	-	131,611,900	76,378,730
Union Construction Corp., Ltd.	-	-	3,500,000	3,500,000
Union Rubber Products Corp., Ltd.	-	-	4,000,000	4,000,000
Union Itoh Molds Co., Ltd.	-	-	-	14,000,000
Saha-Union Holding Co., Ltd.	-	-	83,472,250	632,380,250
Venus Shoes Co., Ltd.	-	-	45,850,000	61,550,000
Union Energy Co., Ltd.	-	-	653,662,710	518,932,710
Union Shoes Co., Ltd.	-	-	11,946,000	-
Union Stainless Steel Co., Ltd.	-	-	-	33,000,000
	-	-	949,686,860	1,383,041,690
<b>Associated companies :</b>				
Union Capital Co., Ltd.	67,300,000	96,000,000	67,300,000	96,000,000
Union Business Management Co., Ltd.	172,840,000	233,590,588	172,840,000	233,590,588
Union Textile Industries Plc.	140,000,000	-	140,000,000	-
Union Industries Corp. Ltd.	92,000,000	-	92,000,000	-
Union Thread Industries Co., Ltd.	245,000,000	-	245,000,000	-
	717,140,000	329,590,588	717,140,000	329,590,588
<b>Related companies :</b>				
Union Power Development Co., Ltd.	186,710,306	104,607,561	-	-
Bayview Beach Resort Co., Ltd.	8,265,000	8,265,000	-	-
Zhuo Zhou - Union Textile Machinery Co., Ltd.	1,562,314	3,055,503	-	-
	196,537,620	115,928,064	-	-
<b>Total loan to related companies</b>	<b>913,677,620</b>	<b>445,518,652</b>	<b>1,666,826,860</b>	<b>1,712,632,278</b>

These loans bear interest rates with reference to the loan rates of a local commercial bank.

## ➔ 7. INVENTORIES

Inventories as at 31 December 2001 and 2000 consist of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
Raw materials	318,326,310	339,957,483	313,823	307,623
Work in process	196,216,267	302,598,945	-	-
Finished goods	696,513,340	887,220,207	268,477,168	247,462,067
Packing materials	19,983,633	26,330,038	-	-
Spare parts and supplies	47,500,433	78,928,619	10,480,934	43,344,196
Goods in transit	36,857,495	44,608,338	36,857,494	10,167,951
Total	1,315,397,478	1,679,643,630	316,129,419	301,281,837
Less : Provision for stock obsolescence	(79,352,408)	(72,833,573)	(23,322,549)	(23,553,317)
Inventories - net	1,236,045,070	1,606,810,057	292,806,870	277,728,520

## ➔ 8. INVESTMENTS IN SUBSIDIARIES/PROVISION FOR LOSSES OF SUBSIDIARIES

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
(Except for other specified currency)											
Saha-Union International Ltd. (Hong Kong)	Import and distribution	99.98	99.98	255	255	1,244,449	1,244,449	1,293,239	1,288,157	-	-
				(Million USD)							
Saha-Union International (USA) Inc.	Import and distribution	-	100.00	-	0.3	-	5,502	-	16,205	-	-
				(Million USD)							
Saha-Union International (GA) Inc.	Import and distribution	100.00	100.00	7	12	178,852	306,607	278,385	412,715	-	-
				(Million USD)							
Saha-Union Investment (China) Co., Ltd.	Investment holding	100.00	100.00	10	10	249,038	249,038	304,931	263,314	-	-
				(Million USD)							
Saha-Union Holding Co., Ltd.	Investment holding	99.67	99.67	1,000	1,000	995,399	995,399	123,682	57,787	-	-
Union Garment Co., Ltd.	Manufacture of garments	99.98	99.98	50	50	70,336	70,336	148,580	141,581	9,998	7,498
Fashion Apparel Co., Ltd.	Manufacture of garments	99.97	99.97	2.5	2.5	750	750	1,939	1,581	150	37
Union Pioneer Public Co., Ltd.	Manufacture of rubber thread, elastic braids & webbing	52.67	52.67	75	75	53,084	53,084	156,253	137,686	14,687	12,851
Union Zojirushi Co., Ltd.	Manufacture of vacuum bottles	51.00	51.00	140	140	72,057	72,057	211,194	197,199	49,980	30,702
Union Stainless Steel Products Co., Ltd.	Manufacture of pipes	98.00	98.00	40	40	52,411	52,411	74,864	48,685	-	-
Union Rubber Products Corp. Ltd.	Manufacture of rubber product	99.99	99.99	20	20	16,111	16,111	12,350	15,096	-	-
Union Footwear Public Co., Ltd.	Manufacture of sports shoes	51.23	51.23	200	200	131,379	131,379	190,280	180,817	9,075	22,688
Union Shoes Co., Ltd.	Manufacture of sports shoes	97.85	97.85	100	100	68,898	68,898	176,334	195,698	9,255	30,849
Union Metal Work Corp., Ltd.	Dormant	72.72	72.72	23.1	23.1	11,800	11,800	(8,687)	(8,672)	-	-
Venus Shoes Co., Ltd.	Dormitory rental and services	96.86	96.86	100	100	61,120	61,120	35,075	27,245	-	-
Uni-Sole Co., Ltd.	Machine and warehouse rental	70.69	70.69	100	100	18,800	18,800	48,335	45,169	-	-
Union Yeijer Industrial Co., Ltd.	Dormant	99.97	99.97	50	50	30,561	30,561	4,766	4,727	-	-
Union Printing Co., Ltd.	Printing services	94.57	94.57	30	30	29,416	29,416	22,323	20,330	-	-
Computer Union Co., Ltd.	Computer dealer	88.16	88.15	60	60	54,650	54,640	75,827	99,359	11,635	7,403
Uni-Media Co., Ltd.	Investment holding	78.00	58.00	166.5	166.5	96,703	96,569	90	79	-	-
Union Itoh Molds Co., Ltd.	Dormant	57.43	53.56	105.20	80	41,183	23,610	(15,529)	(31,277)	-	-
Union Equity Co., Ltd.	Investment holding	99.43	99.41	230	230	228,698	228,641	306,836	291,253	-	-
Union Asset Development Co., Ltd.	Investment holding	98.69	98.66	35	35	119	119	(6,249)	(6,427)	-	-
Union Construction Co., Ltd.	Architectural, construction and interior design services	98.90	98.88	200	200	4,431	4,431	(72,116)	(71,408)	-	-
Union Energy Co., Ltd.	Investment in electric power & energy business	98.52	98.52	500	500	490,000	490,000	350,692	403,438	-	-
Union Energy (China) Co., Ltd.	Investment holding	99.99	99.99	4,300	4,500	4,300,000	4,500,000	2,939,922	2,927,144	-	-

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
(Except for other specified currency)											
Textport International Co., Ltd.	Investment holding	85.18	85.18	50	50	44,294	44,294	32,185	29,820	-	-
Union Overseas Holding Co., Ltd.	Investment holding	58.98	58.98	25	25	6,250	6,250	8,034	7,926	-	-
Computer Union System co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Computer dealer	88.16	88.09	5.03	0.05	-	-	2,409	574	-	-
Union Technology Co., Ltd.	Manufacture of electronic components	99.99	99.99	100	100	100,000	100,000	338,404	164,438	-	90,000
Jakkarat Union Footwear Co., Ltd. (99.99 percent owned by Union Footwear Public Co., Ltd.)	Manufacture of shoe uppers	51.23	51.23	5	5	-	-	5,456	2,900	-	-
Burirum Union Shoes Co., Ltd. (99.99 percent owned by Union Shoes Co., Ltd.)	Manufacture of shoe uppers	97.85	97.85	5	5	-	-	12,620	7,948	-	-
Union Energy (Hong Kong) Co., Ltd. (100 percent owned by Saha-Union International Ltd. (Hong Kong))	Investment holding	99.98	99.98	223.2	223.2	-	-	220,158	186,898	-	-
				(Million HKD)							
Jiashan-Union Cogeneration Co., Ltd. (66.57 percent owned by Union Energy (China) Co., Ltd. and 7.40 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	73.97	70.00	7.1	7.5	-	-	158,871	135,314	-	-
				(Million USD)							
Danyang-Union Cogeneration Co., Ltd. (49.5 percent owned by Union Energy (China) Co., Ltd. and 5.5 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	55.00	55.00	180	180	-	-	178,163	213,120	-	-
				(Million RMB)							
Danhuang-Union Cogeneration Co., Ltd. (84.60 percent owned by Union Energy (China) Co., Ltd. and 9.4 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	94.00	65.00	7.2	10.4	-	-	106,326	87,756	-	-
				(Million USD)							
Shenzhou-Union Cogeneration Co., Ltd. (74.97 percent owned by Union Energy (China) Co., Ltd. and 8.33 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	83.30	83.30	5.2	5.2	-	-	176,709	156,960	-	-
				(Million USD)							
<b>Total</b>						<b>8,650,789</b>	<b>8,966,272</b>	<b>7,892,651</b>	<b>7,651,135</b>	<b>104,780</b>	<b>202,028</b>
<b>Provision for losses of subsidiaries</b>						-	-	<b>102,580</b>	<b>117,784</b>		
						<b>8,650,789</b>	<b>8,966,272</b>	<b>7,995,231</b>	<b>7,768,919</b>		
<b>Less: Fair value of Company's shares held by subsidiaries</b>						-	-	<b>(120,713)</b>	<b>(633,635)</b>		
<b>Investments in subsidiaries</b>						<b>8,650,789</b>	<b>8,966,272</b>	<b>7,874,518</b>	<b>7,135,284</b>		

During the year, Union Energy (China) Co., Ltd. reduced its share capital by Baht 200 million, thereby decreasing the Company's investment in this company from Baht 4,500 million to Baht 4,300 million. In addition, Saha-Union International (GA) Inc. reduced its share capital by USD 5 million, causing the Company's investment in this company to fall from Baht 307 million to Baht 179 million, and giving rise to an exchange gain of approximately Baht 96 million.

Share of loss from the investment in Danhuang-Union Cogeneration Co., Ltd. as included in the 2001 earnings statement and share of profit from the investment in Shenzhou-Union Cogeneration Co., Ltd. as included in the 2000 earnings statement were calculated from financial statements prepared by the management of these companies, which their auditors were still in the process of auditing.

## 9. INVESTMENTS IN ASSOCIATED COMPANIES/PROVISION FOR LOSSES OF ASSOCIATED COMPANIES

### Consolidated

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
		%	%	Million	Million	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
				Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
(Except for other specified currency)											
Saha-Union International (UK) Ltd.	Dormant	32.56	32.56	0.1	0.1	461	461	778	735	-	-
				(Million GBP)							
Saha-Union International (Taipei) Ltd.	Supplies raw materials	32.50	32.50	5	5	386	386	5,785	3,991	-	-
to group companies				(Million TWD)							
Saha-Union International (USA) Inc.	Import and Distribution	42.60	-	0.3	-	550	-	4,756	-	-	-
				(Million USD)							
Union Capital Co., Ltd.	Investment holding	49.00	44.03	250	250	72,500	72,500	67,826	28,160	-	-
Uni-Agro Co., Ltd.	Investment and agriculture	45.02	45.02	65	65	20,465	20,465	15,371	16,903	-	-
Union Textile Industries Plc.	Spinning and Weaving	37.39	37.39	600	600	180,892	180,892	372,739	441,089	24,937	24,715
Uni-Fibre Co., Ltd.	Distribution of textiles	51.63	45.45	120	120	30,800	30,800	37,036	23,034	-	-
Union Thread Industries Co., Ltd.	Manufacture of thread	36.23	36.23	200	200	52,216	52,216	589,796	522,482	9,024	9,024
Union Industries Corp. Ltd.	Manufacture of zippers	29.60	29.60	150	150	43,502	43,502	232,350	226,325	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	30.00	30.00	40	40	10,000	10,000	13,478	12,739	1,000	500
Union Business Management Co., Ltd.	Investment holding	55.16	47.98	500	500	146,712	146,712	38,050	10,526	-	-
Union Thai-Nichiban Co., Ltd.	Manufacture of tape	40.27	40.27	15	15	19,266	19,266	147,991	138,997	9,062	3,625
Union Plastic Plc.	Manufacture of plastic products, molds	49.68	49.68	250	250	236,217	236,217	261,387	257,021	-	-
Union Nifco Co., Ltd.	Manufacture of plastic products	39.90	39.90	40	40	13,552	13,552	41,943	31,856	-	-
Oriental Footwear Co., Ltd.	Dormant	49.99	49.99	207.7	207.7	100,350	100,350	(3,406)	(3,401)	-	-
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	49.86	49.86	7.5	7.5	3,748	3,748	38,355	33,490	1,496	1,496
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	50.00	50.00	40	40	22,412	22,412	79,072	85,070	-	-
Union Exim Consult & Service Co., Ltd.	Import-export services and consultation	-	25.00	0.1	0.1	-	31	-	786	-	-
Union Micronclean Co., Ltd.	Manufacture of clothes for cleaning room	41.85	41.85	5	5	1,900	1,900	6,003	4,484	313	567
Union Rubber Plus Co., Ltd.	Investment holding	45.68	45.68	30	30	16,089	16,089	19,998	19,494	-	-
Union Spinning Mills Co., Ltd.	Manufacture of thread	52.16	43.80	200	200	46,563	46,563	80,669	73,894	-	-
Thai Rubber Enterprise Corp. Ltd.	Rubber estates	49.99	49.99	30	30	15,954	15,954	17,694	17,826	-	-
UAM Engineering Co., Ltd.	Dormant	49.98	49.98	2	2	1,020	1,020	(227)	(227)	-	-
(51.00 percent owned by Union Energy Co., Ltd.)											
Ban Pai Union Garment Co., Ltd.	Manufacture of ready to wear clothes	49.99	49.99	2	2	1,000	1,000	1,049	1,08	75	-
(50.00 percent owned by Union Garment Co., Ltd.)											
Hangzhou-Union Cogeneration Co., Ltd.	Power generation	50.00	50.00	260	260	535,757	535,757	645,367	669,517	83,023	79,041
				(Million RMB)							
Jiyang-Union Cogeneration Co., Ltd.	Power generation	50.00	50.00	17	17	222,641	222,641	365,168	359,845	24,890	37,846
				(Million USD)							
Yunnan Luliang-Union Cogeneration Co., Ltd.	Power generation	50.00	48.76	24.7	25.3	453,156	433,799	420,123	389,000	-	-
				(Million USD)							
Yunnan Qujing-Union Power Co., Ltd.	Power generation	50.00	49.79	28.1	28.2	509,690	509,690	566,298	551,346	31,973	29,827
				(Million USD)							
(45.19 percent owned by Union Energy (China) Co., Ltd.) and 4.81 percent by Saha-Union Investment (China) Co., Ltd.)											

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
(Except for other specified currency)											
Wuxi-Union Cogeneration Co., Ltd. (40.50 percent owned by Union Energy (China) Co., Ltd. and 4.50 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	45.00	45.00	23	23	361,157	361,157	465,492	447,582	36,838	40,747
				(Million USD)							
Yixing-Union Cogeneration Co., Ltd. (42.81 percent owned by Union Energy (China) Co., Ltd. and 5.20 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	48.01	47.95	57.7	57.8	1,016,667	1,016,667	1,046,705	1,063,354	109,435	86,532
				(Million USD)							
Yixing Union Biochemical Co., Ltd. (50.00 percent owned by Yixing Union Cogeneration Co., Ltd and 25.00 percent by Union Energy (China) Co., Ltd.)	Manufacture of citric acid	48.97	-	5	-	55,473	-	55,249	-	-	-
				(Million USD)							
Ban Pai Union Footwear Co., Ltd. (49.99 percent owned by Union Footwear Public Co., Ltd.)	Manufacture of shoe upper	22.69	22.69	5	5	2,500	2,819	3,713	2,819	-	-
Venus Product Co., Ltd. (99.86 percent owned by Union Industries Corp., Ltd.)	Manufacture of venus thread	24.97	24.97	2	2	-	-	(167)	(182)	-	-
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	Dormant	24.83	24.83	1	1	-	-	637	586	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	Fuel retailer	24.96	24.96	4	4	-	-	31	15	-	-
Union Zip Co., Ltd. (94.75 percent owned by Union Industries Corp., Ltd.)	Dormant	23.69	23.69	3	3	-	-	395	387	-	-
Union Knitting Yarn Co., Ltd. (99.96 owned by Union Industries Corp., Ltd.)	Dormant	24.99	24.99	5	5	-	-	(321)	(321)	-	-
Venus Thread Co., Ltd. (97.92 percent owned by Union Thread Industries Co., Ltd. and 2.08 owned by Union Spinning Mills Co., Ltd.)	Dormant	25.07	24.99	3.1	3.1	-	-	2,712	266	-	-
Venus Corp. Ltd. (99.93 percent owned by Union Business Management Co., Ltd.)	Dormant	29.38	29.38	30	30	-	-	14,324	14,320	-	-
<b>Total</b>						<b>4,193,596</b>	<b>4,118,566</b>	<b>5,654,219</b>	<b>5,444,890</b>	<b>338,816</b>	<b>320,670</b>
<b>Provision for losses of associated companies</b>						-	-	<b>7,057</b>	<b>6,844</b>		
<b>Investments in associated companies</b>						<b>4,193,596</b>	<b>4,118,566</b>	<b>5,661,276</b>	<b>5,451,734</b>		

## The Company Only

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
(Except for other specified currency)											
Saha-Union International (UK) Ltd.	Dormant	32.56	32.56	0.1	0.1	461	461	778	735	-	-
(Million GBP)											
Saha-Union International (Taipei) Ltd.	Supplies raw materials to group companies	32.50	32.50	5	5	386	386	5,786	3,991	-	-
(Million TWD)											
Saha-Union International (USA) Inc.	Import and Distribution	42.60	-	0.3	-	550	-	4,756	-	-	-
Union Capital Co., Ltd.	Investment holding	49.00	44.03	250	250	72,500	72,500	67,826	28,160	-	-
Uni-Agro Co., Ltd.	Investment and agriculture	45.02	45.02	65	65	20,465	20,465	15,371	16,903	-	-
Union Textile Industries Plc.	Spinning and weaving	37.39	37.39	600	600	180,892	180,892	372,739	441,089	24,937	24,715
Uni-Fibre Co., Ltd.	Distribution of textiles	51.63	45.45	120	120	30,800	30,800	37,036	23,034	-	-
Union Thread Industries Co., Ltd.	Manufacture of thread	36.23	36.23	200	200	52,216	52,216	589,796	522,482	9,024	9,024
Union Industries Corp, Ltd.	Manufacture of zippers	29.60	29.60	150	150	43,502	43,502	232,350	226,325	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	30.00	30.00	40	40	10,000	10,000	13,478	12,739	1,000	500
Union Business Management Co., Ltd.	Investment holding	55.16	47.98	500	500	146,712	146,712	38,050	10,526	-	-
Union Thai-Nichiban Co., Ltd.	Manufacture of tape	40.27	40.27	15	15	19,266	19,266	147,991	138,997	9,062	3,625
Union Plastic Plc.	Manufacture of plastic products, molds	49.68	49.68	250	250	235,433	235,433	260,604	256,236	-	-
Union Nifco Co., Ltd.	Manufacture of plastic products	39.90	39.90	40	40	13,552	13,552	41,944	31,856	-	-
Oriental Footwear Co., Ltd.	Dormant	49.99	49.99	207.7	207.7	98,658	98,658	(5,099)	(5,094)	-	-
Business Venture Co., Ltd.	Investment holding	-	-	-	-	-	-	-	-	-	-
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	49.86	49.86	7.5	7.5	3,748	3,748	38,354	33,490	1,496	1,496
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	50.00	50.00	40	40	22,412	22,412	79,072	85,070	-	-
Union Exim Consult & Service Co., Ltd.	Import-export service and consultation	-	25.00	-	0.1	-	31	-	786	-	-
Union Micronclean Co., Ltd.	Manufacture of clothes for cleaning room	41.85	41.85	5	5	1,250	1,250	5,353	3,834	313	438
Union Rubber Plus Co., Ltd.	Investment holding	45.68	45.68	30	30	7,500	7,500	11,409	10,905	-	-
Union Spinning Mills Co., Ltd.	Manufacture of thread	52.16	43.80	200	200	46,563	46,563	80,669	73,894	-	-
Thai Rubber Enterprise Corp. Ltd.	Rubber estates	49.99	49.99	30	30	15,954	15,954	17,694	17,826	-	-
UAM Engineering Co., Ltd.	Dormant	49.98	49.98	2	2	-	-	(1,247)	(1,247)	-	-
(51.00 percent owned by Union Energy Co., Ltd.)											
Ban Pai Union Garment Co., Ltd.	Manufacture of ready to wear clothes	49.99	49.99	2	2	-	-	49	82	-	-
(50.00 percent owned by Union Garment)											
Hangzhou-Union Cogeneration Co., Ltd.	Power generation	50.00	50.00	260	260	-	-	263,200	287,350	-	-
(45.00 percent owned by Union Energy (China) Co., Ltd. and 5.00 percent by Saha-Union Investment (China) Co., Ltd.)											
Jiyang-Union Cogeneration Co., Ltd.	Power generation	50.00	50.00	17	17	-	-	151,950	146,627	-	-
(45.00 percent owned by Union Energy (China) Co., Ltd. and 5.00 percent by Saha-Union Investment (China) Co., Ltd.)											
Yunnan Luliang-Union Cogeneration Co., Ltd.	Power generation	50.00	48.76	24.7	25.3	-	-	109,370	78,248	-	-
(50.00 percent owned by Union Energy (China) Co., Ltd.)											
Yunnan Qujing-Union Power Co., Ltd.	Power generation	50.00	49.79	28.1	28.2	-	-	205,708	190,756	-	-
(45.19 percent owned by Union Energy (China) Co., Ltd. and 4.81 percent by Saha-Union Investment (China) Co., Ltd.)											

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
(Except for other specified currency)											
Wuxi-Union Cogeneration Co., Ltd. (40.50 percent owned by Union Energy (China) Co., Ltd. and 4.50 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	45.00	45.00	23	23	-	-	205,420	187,511	-	-
				(Million USD)							
Yixing Union Biochemical Co., Ltd. (50.00 percent owned by Yixing Union Cogeneration Co., Ltd and 25 percent Owned by Union Energy (China) Co., Ltd)	Manufacture of citric acid	48.97	-	5	-	-	-	(224)	-	-	-
				(Million USD)							
Banpai Union Footwear Co., Ltd. (19.99 percent owned by Union Footwear Co., Ltd.)	Manufacture of shoe uppers	22.69	22.69	5	5	-	-	-	-	-	-
Yixing-Union Cogeneration Co., Ltd. (42.81 percent owned by Union Energy (China) Co., Ltd. and 5.20 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	48.01	47.95	57.7	57.8	-	-	347,309	363,959	-	-
				(Million USD)							
Venus Product Co., Ltd. (99.86 percent owned by Union Industries Corp., Ltd.)	Manufacture of venus thread	24.97	24.97	2	2	-	-	(166)	(182)	-	-
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	Dormant	24.83	24.83	1	1	-	-	637	586	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	Fuel retailer	24.96	24.96	4	4	-	-	31	15	-	-
Union Zip Co., Ltd. (94.75 percent owned by Union Industries Corp., Ltd.)	Dormant	23.69	23.69	3	3	-	-	395	387	-	-
Union Knitting Yarn Co., Ltd. (99.96 percent owned by Union Industries Corp., Ltd.)	Dormant	24.99	24.99	5	5	-	-	(321)	(321)	-	-
Venus Thread Co., Ltd. (97.92 percent owned by Union Thread Industries Co., Ltd. and 2.08 percent owned by Union Spinning Mills Co., Ltd.)	Dormant	25.07	24.99	3.1	3.1	-	-	2,712	266	-	-
Venus Corp., Ltd. (99.93 percent owned by Union business Management Co., Ltd.)	Dormant	29.38	29.38	30	30	-	-	14,323	14,320	-	-
<b>Total</b>						<b>1,022,820</b>	<b>1,022,301</b>	<b>3,355,103</b>	<b>3,202,141</b>	<b>52,582</b>	<b>46,548</b>
<b>Provision for losses of associated companies</b>								<b>7,057</b>	<b>6,844</b>		
<b>Investments in associated companies</b>						<b>1,022,820</b>	<b>1,022,301</b>	<b>3,362,160</b>	<b>3,208,985</b>		

During the year, Union Energy (China) Co., Ltd., a subsidiary, and Yixing-Union Cogeneration Co., Ltd., an associated company, invested a total of USD 3.75 million in Yixing-Union Biochemical Co., Ltd. The investment represents 48.97 % of the registered share capital of the investee.

The shares of profits (losses) from investments in associated companies accounted for under the equity method, as included in the 2001 and 2000 earnings statements have generally been calculated from financial statements prepared by the management of these companies, and not audited by their auditors. However, the management believes that there would be no material discrepancies if those financial statements had been audited by the associated companies' auditors.



The investments in Uni-fibre Co., Ltd., Union Business Management Co., Ltd. and Union Spinning Mills Co., Ltd. are classified as investments in associated companies since the Company does not have any control over the business activities of those companies.

## ↪ 10. INVESTMENTS IN OTHER COMPANIES

Investments in other companies consist of investments in ordinary shares and available-for-sale securities as follows :-

### Consolidated

#### Investments in ordinary shares :

Company name	Percentage owned by		Cost method	
	the Company		2001	2000
	%	%	Thousand Baht	Thousand Baht
Union Button Co., Ltd.	10.71	10.71	11,500	11,500
Imperial Technology Management Plc.	1.27	1.27	10,000	10,000
Union Power Development Co., Ltd.	42.60	42.60	720,000	720,000
Wuxi Nan Yang Colour Printing & Packing Co., Ltd.	11.76	11.76	23,002	23,002
Zhuo Zhou - Union Textile Machinery Part Co., Ltd.	51.00	51.00	11,238	11,238
Zhuo Zhou Resources Link Co., Ltd.	36.86	36.86	32,687	32,687
Less : Provision for devalue of investments			(32,687)	-
			-	32,687
Beijing Saha - Union Architectural Decoration Products Co., Ltd.	50.00	50.00	8,818	8,818
Wei Hai Tai Union Pharmaceutical Co., Ltd.	-	36.70	-	34,208
Less : Provision for devalue of investments			-	(17,104)
			-	17,104
Wei Hai Union Pharmaceutical Co., Ltd.	-	39.00	-	25,792
Less : Provision for devalue of investments			-	(12,896)
			-	12,896
Others			12,853	13,860
			797,411	861,105

#### Investment in available-for-sale securities :

Company name	Cost method		Unrealized gains (losses) on change in value of investment		Fair value	
	2001	2000	2001	2000	2001	2000
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Saha Pathana Inter-Holding Plc.	27,508	27,508	32,792	24,752	60,300	52,260
Bangkok Bank Plc.	4,390	4,390	831	(717)	5,221	3,673
New Plus Knitting Plc.	2,010	2,010	(1,426)	(1,443)	584	567
Electricity Generating Plc.	2,324	2,324	38	(331)	2,362	1,993
	36,232	36,232	32,235	22,261	68,467	58,493
<b>Total investments in other companies</b>					<b>865,878</b>	<b>919,598</b>

## The Company Only

### Investments in ordinary shares :

Company name	Percentage owned by the Company		Cost method	
	2001	2000	2001	2000
	%	%	Thousand Baht	Thousand Baht
Union Button Co., Ltd.	10.71	10.71	11,500	11,500
Imperial Technology Management Plc.	1.27	1.27	10,000	10,000
Other			2,694	2,694
			24,194	24,194

### Investment in available-for-sale securities :

Company name	Cost method		Unrealized gains (losses) on the change in value of investment		Fair value	
	2001	2000	2001	2000	2001	2000
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Saha Pathana Inter-Holding Plc.	27,508	27,508	32,792	24,752	60,300	52,260
Bangkok Bank Plc.	4,390	4,390	831	(717)	5,221	3,673
New Plus Knitting Plc.	2,010	2,010	(1,426)	(1,443)	584	567
	33,908	33,908	32,197	22,592	66,105	56,500
<b>Total investments in other companies</b>					90,299	80,694

In 1998, Union Energy Co., Ltd., a subsidiary, agreed to sell a part of its investment in Union Power Development Co., Ltd. (UPDC) to two foreign companies. During the current year, the agreement was terminated and a new agreement was made with another foreign company. The agreement stipulates that the sales transaction and payment thereof will be completed only upon the occurrence of certain events specified in the agreement. However, in view of the fact that the operation of the power generation project has been delayed since 1995, and there is no definite timeframe as to the commencement of the operation. Union Energy Co., Ltd. classified this investment as a general investment. The investment has been accounted for under the cost method rather than the equity method since Union Energy Co., Ltd. does not have significant influence over UPDC.

During the year, Union Energy (China) Co., Ltd, a subsidiary, has written-off its investments in Wei Hai Tai Union Pharmaceutical Co., Ltd. and Wei Hai Union Pharmaceutical Co., Ltd. since Union Energy (China) Co., Ltd. does not expect to receive a return from such investments.

The investments in Zhuo Zhou-Union Textile Machinery Part Co., Ltd., Zhuo Zhou Resources Link Co., Ltd. and Beijing Saha-Union Architectural Decoration Products Co., Ltd. held by Union Energy (China) Company Limited are classified as general investments since Union Energy (China) Co., Ltd. does not have any significant control and influence over those investee companies. The investments are accounted for under the cost method, and not adjusted to reflect proportionate interest in their operating results.

## 11. UNIT TRUSTS

These represent investments in Bualuang Capital Augmented Preferred Securities Fund as detailed follows :-

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2001	2000	2001	2000
Cost (at Baht 10 per unit)	120,000	120,000	100,000	100,000
Add : Unrealised losses on the change in value of the investments	3,120	3,244	2,600	2,700
Fair value	123,120	123,244	102,600	102,700

## 12. NEGOTIABLE CERTIFICATES OF DEPOSIT

These represent negotiable certificates of deposit with Krungthai Bank Public Company Limited, obtained from the exchange of the deposits with finance companies which were ordered closed by the Ministry of Finance. These notes bear interest at the floating rate of the financial institutions, currently 2.7159-2.722 % per annum, and will be due in the year 2002.

## 13. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated						
	Land	Land and leasehold improvement	Buildings and Facilities	Machinery and equipment	Power plants	Others	Total
<b>Cost</b>							
31 December 2000	70,614	104,387	2,237,307	1,797,390	1,727,769	1,174,229	7,111,696
Additions	-	3,817	3,895	132,567	149,204	320,508	609,991
Disposal / written off	-	-	(2,704)	(40,902)	(66,819)	(193,234)	(303,659)
Transfer in / (out)	-	-	101,707	52,382	-	(154,089)	-
31 December 2001	70,614	108,204	2,340,205	1,941,437	1,810,154	1,147,414	7,418,028
<b>Accumulated depreciation</b>							
31 December 2000	-	67,794	1,344,623	1,161,786	420,919	804,729	3,799,851
Depreciation for the year	-	15,121	164,484	149,693	107,388	113,262	549,948
Depreciation for disposal / written off	-	-	(2,685)	(19,898)	(48,495)	(166,395)	(237,473)
31 December 2001	-	82,915	1,506,422	1,291,581	479,812	751,596	4,112,326
<b>Net book value</b>							
31 December 2001	70,614	25,289	833,783	649,856	1,330,342	395,818	3,305,702
31 December 2000	70,614	36,593	893,589	635,604	1,306,850	368,595	3,311,845
<b>Depreciation charges (included in earnings statements)</b>							
2001							549,948
2000							529,411

(Unit : Thousand Baht)

	The Company Only				
	Land and leasehold		Buildings and	Others	Total
	Land	improvement	Facilities		
<b>Cost</b>					
31 December 2000	58,955	89,301	1,710,291	626,685	2,485,232
Additions	-	3,439	154	192,104	195,697
Disposal / written off	-	-	(2,676)	(11,765)	(14,441)
Transfer in / (out)	-	-	101,707	(101,707)	-
31 December 2001	58,955	92,740	1,809,476	705,317	2,666,488
<b>Accumulated depreciation</b>					
31 December 2000	-	56,111	1,076,892	485,208	1,618,211
Depreciation for the year	-	14,326	136,122	49,142	199,590
Depreciation for disposal / written off	-	-	(2,676)	(7,747)	(10,423)
31 December 2001	-	70,437	1,210,338	526,603	1,807,378
<b>Net book value</b>					
31 December 2001	58,955	22,303	599,138	178,714	859,110
31 December 2000	58,955	33,190	634,304	140,572	867,021
<b>Depreciation charges (included in earnings statements)</b>					
<b>2001</b>					<b>199,590</b>
<b>2000</b>					<b>189,002</b>

#### ➔ 14. DEPOSITS FROM RELATED PARTIES

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
<b><u>Subsidiaries</u></b>				
Union Pioneer Plc.	-	-	55,325,076	20,062,329
Union Shoes Co., Ltd.	-	-	19,500,000	-
Union Yeijer Industrial Co., Ltd.	-	-	6,200,000	5,860,000
Uni-Media Co., Ltd.	-	-	114,799	155,799
Union Equity Co., Ltd.	-	-	40,549,937	36,066,472
Textport International Co., Ltd.	-	-	22,268,877	19,260,000
Union Overseas Holding Co., Ltd.	-	-	28,034,115	27,861,479
Union Technology Co., Ltd.	-	-	150,000,000	150,000,000
Union Energy (China) Co., Ltd.	-	-	173,780,246	98,004,109
	-	-	<b>495,773,050</b>	<b>357,270,188</b>
<b><u>Associated companies :</u></b>				
Uni-Fibre Co., Ltd.	11,160,000	57,906,201	11,160,000	57,906,201
Venus Corp., Ltd.	2,705,467	2,678,642	2,705,467	2,678,642
Union Industries Corp., Ltd.	-	81,000,000	-	81,000,000
Union Plastic Plc.	-	5,000,000	-	-
Uni - Agro Co., Ltd.	1,650,000	4,000,000	1,650,000	4,000,000
Union Limousine Co., Ltd.	3,000,000	3,000,000	3,000,000	3,000,000
Union Exim Consult & Service Co., Ltd.	-	1,895,891	-	1,895,891
Others	1,607,000	1,272,000	1,607,000	1,272,000
	<b>20,122,467</b>	<b>156,752,734</b>	<b>20,122,467</b>	<b>151,752,734</b>

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
<b><i>Related companies :</i></b>				
Thai Charoen Textile Trading Co., Ltd.	600,000	1,000,000	600,000	1,000,000
Union Seri Co., Ltd.	-	1,150,000	-	1,150,000
Union Sewing Thread Co., Ltd.	3,748,000	2,118,000	3,748,000	2,118,000
Darakanonda Co., Ltd.	-	7,000,000	-	7,000,000
Damrongrak Co., Ltd.	4,000,000	10,000,000	4,000,000	10,000,000
Union Property Co., Ltd.	-	2,400,000	-	2,400,000
Others	-	717,003	-	717,003
	8,348,000	24,385,003	8,348,000	24,385,003
<b>Total deposits from related parties</b>	<b>28,470,467</b>	<b>181,137,737</b>	<b>524,243,517</b>	<b>533,407,925</b>

Deposits from related parties bear interest rates with reference to the saving rates of a local commercial bank.

## ↪ 15. LONG - TERM LOANS

The outstanding balances as of 31 December 2001 and 2000 consist of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
a) Loans from local banks bear interest at the rates based on the Minimum Loan Rate, repayable during the year 2001 to 2004.	1,610,000,000	2,286,200,000	1,610,000,000	2,286,200,000
b) Loan from overseas bank bears interest at the rate of 7 - 8% per annum, payable in 2001.	-	35,543,470	-	-
<b>Total</b>	<b>1,610,000,000</b>	<b>2,321,743,470</b>	<b>1,610,000,000</b>	<b>2,286,200,000</b>
<u>less</u> : current portion of long - term loans	(610,000,000)	(611,743,470)	(610,000,000)	(576,200,000)
<b>Long - term loans - net of current portion</b>	<b>1,000,000,000</b>	<b>1,710,000,000</b>	<b>1,000,000,000</b>	<b>1,710,000,000</b>

Under the loan agreements, there are normal covenants relating to maintain debt to equity ratio and limitation on negative pledge of the Company's plots of land and buildings.

## ↪ 16. FINANCIAL LEASE

This represents the obligations payable under the 36 month financial lease agreements. The assets acquired by a subsidiary under these agreements were recorded at fair value at inception of the agreements, and as at 31 December 2001 carried a net book value of Baht 90 million (2000 : Baht 114 million).

In prior years, the subsidiary recorded payments made under these agreements as rental expenses in its earnings statements. In order to comply with Accounting Standard No. 29, during the year 2001, the subsidiary has adjusted its accounts and showed the cumulative effect of the adjustment under the caption of "Adjustments for financial lease transactions" in the statements of changes in shareholders' equity.

## ➔ 17. COMPANY'S SHARES HELD BY THE SUBSIDIARIES

These represent the acquisition cost of the Company's shares acquired and held by two subsidiaries ("treasury shares").

During the year, one of the subsidiaries sold a part of the treasury shares totaling 44.9 million shares through the Stock Exchange of Thailand for approximately Baht 530 million. The difference between the acquisition costs of these treasury shares and the sale proceeds amounting to Baht 715 million was dealt with through the statements of changes in shareholders' equity.

The movement of treasury shares during the year is set out below.

	Shares
Balance as at 31 December 2000	53,926,394
Shares sold by a subsidiary during the year	(44,938,700)
Balance as at 31 December 2001	8,987,694

## ➔ 18. STATUTORY RESERVE

According to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit until the reserve reaches 10 percent of its registered share capital.

## ➔ 19. SHARE OF PROFITS FROM INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

Share of profits from investments accounted for under equity method for 2001 include the Company's share of losses from sales of certain available-for-sale securities made by its two associated companies during the year amounting to Baht 227 million. The Company had previously recorded a share of unrealized losses on the change in value of these securities in its shareholders' equity in the balance sheet.

## ➔ 20. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to executive directors.

## ➔ 21. CORPORATE INCOME TAX

The Company's corporate income tax for the year 2001 was calculated on its earnings that are attributable to the non-BOI promoted activities, after adding back certain non-tax deductible expenses and after deducting non-taxable income in accordance with the Revenue Code.

## ➔ 22. DIVIDEND

At the Annual General Meeting of the shareholders held on 24 April 2001, the meeting resolved that the Company pay a dividend of Baht 1.25 per share, totalling Baht 375 million, to its shareholders in respect of the 2000 earnings (2000 : Baht 1.25 per share, totalling Baht 375 million).

## ↪ 23. STATEMENTS OF CASH FLOWS

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at banks and current investment with an original maturity of 3 months or less and without encumbrances.

Cash and cash equivalents as reflected in the statements of cash flows consist of the following :-

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
Cash on hand and at banks	702,225,831	763,257,675	78,228,898	168,059,525
Current investment	200,270,150	163,630,759	106,940	105,890
Cash and cash equivalents	902,495,981	926,888,434	78,335,838	168,165,415

## ↪ 24. EMPLOYEES AND RELATED COSTS

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
Number of employees at end of year (persons)	15,632	16,564	457	463
Employee costs for the year (Thousand Baht)	1,786,951	1,597,494	110,993	105,302

## ↪ 25. PROMOTIONAL PRIVILEGES

Certain subsidiaries have been granted promotional privileges for the following activities from the Board of Investment :-

Company	Privileges	Expired Date
Union Footwear Plc.	Exemption from corporate income tax on profits	7 May 2000
Union Garment Co., Ltd.	Exemption from import duty and tax on imported raw materials and essential materials	8 May 2001
Union Rubber Products Corp., Ltd.	50% reduction of corporate income tax on profits	31 December 2000
Buriram Union Shoes Co., Ltd.	Exemption from corporate income tax on profits	30 June 2009

The Company and its subsidiaries' operating revenues divided according to promoted and non-promoted activities, are as follows :-

(Unit : Thousand Baht)

	Consolidated					
	2001			2000		
	Promoted	Non-promoted	Total	Promoted	Non-promoted	Total
REVENUES						
Sales - Local	34,119	11,692,793	11,726,912	477,908	10,766,427	11,244,335
- Export	-	14,091,831	14,091,831	-	12,756,722	12,756,722
Total	34,119	25,784,624	25,818,743	477,908	23,523,149	24,001,057
Interest income	-	164,827	164,827	435	177,383	177,818
Gains on exchange	-	126,925	126,925	-	52,535	52,535
Other income	27	837,818	837,845	3,232	1,440,433	1,443,665
TOTAL REVENUES	34,146	26,914,194	26,948,340	481,575	25,193,500	25,675,075
Less : Eliminated transactions			(8,587,360)			(6,669,928)
			18,360,980			19,005,147

(Unit : Thousand Baht)

	The Company Only					
	2001			2000		
	Promoted	Non-promoted	Total	Promoted	Non-promoted	Total
REVENUES						
Sales - Local	-	7,105,114	7,105,114	-	7,512,597	7,512,597
- Export	-	7,755,906	7,755,906	-	7,167,028	7,167,028
Total	-	14,861,020	14,861,020	-	14,679,625	14,679,625
Interest income	-	130,215	130,215	-	141,809	141,809
Gains on exchange	-	129,005	129,005	-	54,792	54,792
Other income	-	941,077	941,077	-	1,093,263	1,093,263
TOTAL REVENUES	-	16,061,317	16,061,317	-	15,969,489	15,969,489



## ➔ 26. SEGMENT INFORMATION

The Company and its subsidiaries' business operations involve five principal segments : (1) textile and footwear (2) computer and electronics components (3) plastic and rubber (4) power generation and (5) investment and others. The business operations are carried on both in Thailand and overseas. Below is the consolidated financial information for the years ended 31 December 2001 and 2000 of the Company and its subsidiaries.

(Unit : Million Baht)

	2001	2000
Export sales	14,092	12,757
Local sales		
- Textile and footwear	5,250	5,623
- Computer and electronic components	4,994	4,158
- Plastic and rubber	1,391	1,403
- Power generation	-	-
- Investment and others	92	60
<b>Total</b>	<b>25,819</b>	<b>24,001</b>
Less : Eliminated transactions	(8,084)	(5,820)
<b>Net sales</b>	<b>17,735</b>	<b>18,181</b>

The Company and its subsidiaries did not disclose the financial information by business segment, other than the above sales information, because such information is of vital importance to the Company and subsidiaries' business interests.

## ➔ 27. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. The fund is monthly contributed by both employees and the Companies at 3 percent of the employees' basic salaries. The fund is managed by Bangkok Bank Public Company Limited and will be paid to the employees upon termination in accordance with the rules of the fund.

## ➔ 28. COMMITMENTS AND CONTINGENT LIABILITIES

28.1 As at 31 December 2001, the Company and its subsidiaries had commitments in respect of lease of several plots of land and buildings (the lease agreements are for the period of 1 - 30 years) and are payable as follows :-

(Unit : Million Baht)

Payable	Consolidated	The Company Only
Within one year	23.7	14.4
Between 2 and 5 years	73.7	57.6
6 years and above	139.2	98.4
	236.6	170.4

28.2 As at 31 December 2001, there were outstanding bank guarantees of Baht 264.5 million issued by the banks on behalf of the Company and its subsidiaries (the Company only : Baht 132.9 million) in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

## ➤ 29. RELATED PARTY GUARANTEES

The Company has provided guarantees to financial institutions against certain obligations of its subsidiary, associated and related companies. Those guarantees, which were outstanding at the balance sheet dates, are summarized below. No fee is charged for the provision of such guarantees.

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
<b>Guarantees for subsidiaries</b>				
Million Baht	178.5	119.7	178.5	119.7
Million USD	5.0	12.5	5.0	12.5
Million HKD	6.8	6.8	6.8	6.8
<b>Guarantees for associated companies</b>				
Million Baht	181.0	223.9	181.0	223.9
Million USD	0.3	10.6	0.3	10.6
<b>Guarantees for related company</b>				
Million Baht	105.0	357.0	105.0	357.0

## ➤ 30. FINANCIAL INSTRUMENTS

### Financial risk management and policies

The Company and its subsidiaries do not have the policy of holding or issuing derivative instruments for speculative or trading purposes.

### Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of operations of the Company and its subsidiaries and their cash flows. The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their deposits at banks, short-term investments, loans to related companies, bank overdrafts and loans from financial institutions, trust receipts, deposits from related companies, finance lease payable and long-term loans. The majority of these financial assets and liabilities carry interest rates which vary in line with market rates. (The details of long-term loans are set out in Note 15)

### Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk is limited since the balance of foreign receivables at any particular time is close to that of the trust receipts then payable. The difference between the two balances is generally covered by forward exchange contracts.

However, the Company and its subsidiaries are exposed to foreign exchange risk on their investment in foreign subsidiary, associated and other companies. These investments are currently not hedged by derivative financial instruments since the Company and its subsidiaries believe that the likelihood of material losses arising from foreign exchange fluctuations is low.

**Credit risk**

The Company and its subsidiaries are exposed to credit risk, primarily with respect to trade accounts and notes receivable. However, since the companies maintain a prudent credit policy, and have diversified customer bases, and the majority of their export sales are made on the basis of letters of credit, the companies do not anticipate material losses from their debt collection. With respect to short-term loans to related companies, the Company and its subsidiaries do not anticipate losses from debt collection since those companies have the ability to repay such loans.

**Fair value**

Since the majority of long-term investments are accounted by the equity method and the interest rates of long-term loans vary in line with market rates, while other financial assets and liabilities are short-term, the management believe that the carrying value of those financial assets and liabilities does not materially differ from their fair value.

**↪ 31. PRESENTATION**

The presentation of these financial statements has been made in compliance with the Notification of the Commercial Registration Department dated 14 September 2001, issued under the Accounting Act B.E. 2543.

Certain amounts in the financial statements for the year ended 31 December 2000 have been reclassified to conform to the current year's classifications, with no effect on previously reported net earnings or shareholders, equity.

# GENERAL INFORMATION

SAHA-UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Phrakanong, Bangkok 10250  
Tel. (66-2) 311-5111-9, 332-5600  
Fax. (66-2) 332-5616  
www.sahaunion.co.th

The company operates investment, financial  
service provision and product distribution within the  
group:

The company has, on issue, 300 million  
shares at par of ten baht, giving registered capital of  
3,000 million Baht, all of which is paid-up.

## Juristic Persons of which the company's shareholding Exceed 10%

### MANUFACTURING

#### TEXTILES

↪ [Union Textile Industries Public Co., Ltd.](#)  
1828 Sukhumvit Road, Bangchak, Phrakanong,  
Bangkok 10250  
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Fax. (66-2) 332-3123, 332-5616

↪ [Union Garment Co., Ltd.](#)  
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↪ [Union Thread Industries Co., Ltd.](#)  
142 Soi Lathphrao 80 (Chantima), Khwang Wangthonglang,  
Khet Wangthonglang, Bangkok 10310  
Tel. (66-2) 530-0511-30  
Fax. (66-2) 539-6153

↪ [Union Spinning Mills Co., Ltd.](#)  
142 Soi Lathphrao 80 (Chantima), Khwang Wangthonglang,  
Khet Wangthonglang, Bangkok 10310  
Tel. (66-2) 530-0511-30  
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↪ [Union Industries Co., Ltd.](#)  
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↪ [Union Button Corporation Limited](#)  
142 Soi Lathphrao 80 (Chantima), Khwang Wangthonglang,  
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Fax. (66-2) 538-1132

↪ [Venus Button Co., Ltd.](#)  
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Khet Wangthonglang, Bangkok 10310  
Tel. (66-2) 530-3003-7  
Fax. (66-2) 538-1132

↪ [Union Micron Clean Co., Ltd.](#)  
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#### FOOTWEAR

↪ [Union Footwear Public Co., Ltd.](#)  
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Branch: 99 Moo 5 Bangna-Trad Road, (K.M. 38) Bangpakong,  
Chachoengsao 24180  
Tel. (038) 538-499, 538-640-3  
Fax. (038) 538-639, 538-470

↪ [Union Shoes Co., Ltd.](#)  
Head Office: 1828 Sukhumvit Road, Bangchak, Phrakanong,  
Bangkok 10250  
Tel. (66-2) 311-5111-9, 332-5600  
Fax. (66-2) 331-5668, 332-5616  
Branch: 99 Moo 5 Bangna-Trad Road, (K.M. 38)  
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Tel. (038) 538-499, 538-640-3  
Fax. (038) 538-473

↪ [Uni-Soles Co., Ltd.](#)  
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Khet Wangthonglang, Bangkok 10310  
Branch: 99 Moo 5 Bangna-Trad Road, (K.M. 38)  
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Tel. (038) 538-499, 538-640-3  
Fax. (038) 538-475

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Securities Registrar Thailand Securities Depository Co.,Ltd.  
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**PLASTICS, RUBBER AND METAL**[↪ Union Pioneer Public Co., Ltd.](#)

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Fax. (66-2) 517-9056

[↪ Thai Rubber Enterprise Co., Ltd.](#)

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Fax. (66-2) 517-1016

[↪ Union Thai-Nichiban Co., Ltd.](#)

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[↪ Union Plastic Public Co., Ltd.](#)

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Tel. (66-2) 517-0109-14  
Fax. (66-2) 517-0529

[↪ Union Zojirushi Co., Ltd.](#)

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Fax. (66-2) 517-1863

[↪ Union Rubber Products Corporation Limited](#)

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Fax. (66-2) 517-1016

[↪ Union Stainless Steel Products Co., Ltd.](#)

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Fax. (66-2) 517-8167

[↪ Union Nifco Co., Ltd.](#)

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Tel. (038) 842-130-5  
Fax. (038) 842-129

**ELECTRONICS AND COMPUTER**[↪ Computer Union Co., Ltd.](#)

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10250  
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[↪ Union Technology Co., Ltd.](#)

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1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10250  
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[↪ Union Energy \(China\) Co., Ltd.](#)

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10250  
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## COMMERCIAL, INVESTMENT AND SERVICES

### COMMERCIAL

#### ↪ Sports Ace Co., Ltd.

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Tel. (66-2) 292-1700-8  
Fax. (66-2) 292-1565

#### ↪ Uni-Fibre Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10250  
Tel. (66-2) 311-5111-9  
Fax. (66-2) 331-5668, 332-5615

#### ↪ Union Universe Co., Ltd.

52/16-17 Soi Chareonkroong 41 Chareonkroong Road, Bangrak, Bangkok  
Tel. (66-2) 266-2976-80  
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### INVESTMENT

#### ↪ Union Capital Co., Ltd.

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#### ↪ Saha-Union Holding Co., Ltd.

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#### ↪ Union Business Management Co., Ltd.

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#### ↪ Union Oversea Holding Co., Ltd.

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#### ↪ Business Venture Co., Ltd.

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#### ↪ Union Equity Co., Ltd.

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#### ↪ Uni-Media Co., Ltd.

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#### ↪ Union Rubber Plus Co., Ltd.

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#### ↪ Texport International Co., Ltd.

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#### ↪ Venus Shoes Co., Ltd.

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#### ↪ Oriental Footwear Co., Ltd.

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#### ↪ Fashion Apparel Co., Ltd.

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↪ [Union Yeijer Industrial Co., Ltd.](#)

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↪ [Union Itoh Molds Co., Ltd.](#)

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↪ [Uni-Agro Co., Ltd.](#)

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↪ [Union Printing Co., Ltd.](#)

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↪ [Saha-Union International \(UK\) Ltd.](#)

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# OFFICE LOCATION

SAHA-UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## DOMESTIC

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### ↪ Latphrao Operations

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