

textiles  
computer  
vacuum bottle  
INTEGRITY  
Energy footwear  
harddisk drive  
plastic & stainless  
zippers  
steel  
QUALITY  
stainless



SAHA-UNION PUBLIC COMPANY LIMITED



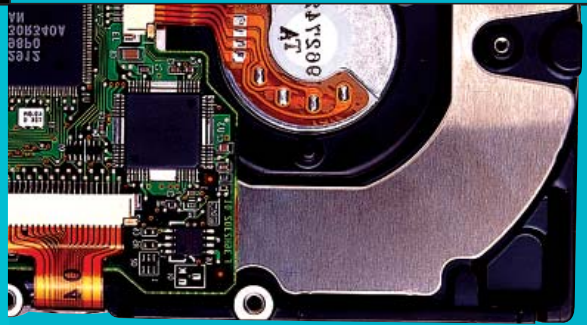
INTEGRITY QUALITY SERVICE

ANNUAL REPORT

2004



INTEGRITY  
QUALITY  
SERVICE





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## Major Financial Ratio and Information

Saha-Union Public Company Limited (Consolidated)

Unit : Million Baht

	2004	2003	2002
		(Restated)	(Restated)
Total Revenues	17,633.1	18,178.4	17,931.5
Total Sales	16,791.8	17,414.7	17,118.9
Gross Profit	1,802.3	2,234.6	2,303.4
Net Profit	424.5	980.8	988.9
Total Assets	20,730.4	19,316.2	17,700.3
Total Liabilities	6,788.7	5,621.4	4,474.2
Total Shareholder's Equity	13,941.7	13,694.8	13,226.0
Earning Ratio (%)	2.41%	5.40%	5.51%
Earning per Share (Baht)	1.46	3.37	3.40
Dividend per Share (Baht)	1.25	1.25	1.25
Book Value (Baht)	43.10	43.32	41.68
Net Asset Value (Baht)	43.10	43.32	41.68
Return on Assets (%)	2.12%	5.30%	5.60%
Return on Equity (%)	3.38%	7.93%	8.38%
Debt to Equity Ratio (Times)	0.54	0.45	0.37

Saha-Union Public Company Limited

	2004	2003	2002
		(Restated)	(Restated)
Total Revenues	15,961.7	16,085.0	15,523.1
Total Sales	15,235.3	14,931.2	14,291.6
Export	7,190.6	7,360.5	7,181.5
Domestic	8,044.7	7,570.7	7,110.1
Gross Profit	813.4	811.4	843.3
Net Profit	424.5	980.8	988.9
Earning per Share (Baht)	1.46	3.37	3.40
Dividend per Share (Baht)	1.25	1.25	1.25
Book Value (Baht)	43.10	43.32	41.68





## Report of the Board of Directors



During the last couple of years, Thailand has experienced a continuous resurgent economic growth with a Gross Domestic Product of 6.7% in 2003, and 6.1% in 2004. The high growth of export volumes is a major factor in the Kingdom's economic revival, while another important factor has been government spending policies and the expansion of loans to the public sector to encourage and increase spending in the private sector. These policies have all helped inject increased cash flow into the markets.

The Kingdom saw export volumes grow by 18.2% in 2003, and by 23.0% in 2004. Although government spending also increased and grew at a high rate, government policies did not cause a sufficient budget deficit to have any noticeable impact on the financial situation, such as inflation, which has been kept well under control. Loans in the private sector grew at a high rate of 9.8% in 2004, more than double the growth of 4.8% in 2003.

Production growth in both domestic consumption and exports was considered satisfactory, while a strong indicator was the overall production capacity of the industrial sector, which climbed from 66.3% in 2003 to 72.7% in 2004. This production growth rate will encourage further investment in the private sector to boost production capacity in an upward future trend in 2005. Continuous expansion by the industrial sector should also act as a stable force for the Kingdom's future economic growth.

There are also encouraging signals as a result of the government's economic policies, with their emphasis on encouraging economic growth by promoting investment in basic economic foundations during the next four years. These measures will undoubtedly support and stimulate further investment in the private sector.

However, state agencies maintained a target economic growth rate of 6 % for 2005, a little lower than the past two years. The modest target reflects the general apprehension of the current economic situation worldwide. Many trading partners of the Kingdom are showing signs of an economic slowdown, while dark clouds of rising oil prices are appearing, without any hope of reversing, due to higher demand worldwide and the unresolved situation in the Middle East. Our major trading partner, the United States of America is showing a budget deficit for the fourth-year running, resulting in a weaker US Dollar and a stronger Thai Baht, while the world's financial institutions are poised ready for interest rates to continue their upward climb. In 2005, Thailand has her own unique problems, besides the world market situation. The Kingdom's southern

provinces, the top earners in tourism, were wrecked by a tsunami in the Andaman Sea. The tourism industry was nearly wiped out for the year. There is also political unrest in the three Southern provinces, which, together, continue to pose a negative impact with investors. The drought in the agricultural provinces has also affected agricultural output, compounded by the hovering problem of avian flu, which has had a noticeable effect on poultry exports. These factors are combining to present a major challenge for the Kingdom in 2005, as Thailand experiences a trade deficit and current budget deficit, following many years of having enjoyed a balanced budget.

Above all, the Kingdom and its productive force will face, and must somehow overcome, much stronger competition in world markets during 2005 and in the years ahead. This year, textile quotas are abolished, and competition will be a free-for-all as far as textiles are concerned. The textile industry is therefore bracing itself for the impact of these major changes. It is expected that those with a strong production efficiency and good customer relations, will survive. The free trade measures also extend to many industries with expected stronger competition in many areas. The Thai Government has already signed multi-lateral agreements in support of free market access, i.e., World Trade Organization (WTO), ASEAN Free Trade Agreement (AFTA) and Free Trade Agreements (FTA).

Operations by Saha-Union Public Company Limited during the past year reflected the impact of having to cope with strong competition in very unstable economic situations, both within the Kingdom and worldwide. The company's total revenue indicated a total Baht 17,633 million for 2004, against Baht 18,178 million, the previous year. Net profit was Baht 425 million, far less than the previous year's Baht 981 million, indicating Baht 1.46 per share for 2004, against Baht 3.37 per share in 2003.

The company's Board of Directors and the management have planned for this eventuality and have decided to initiate counter measures and strategies to alleviate the various problems. For example, the company has moved into China and expanded production bases there in search of new sources of income and profits. The operations in China have so far done well in the fields of energy business, chemical and textile industries and provision of educational services. All was well until the end of 2004, when the price of coal, the main fuel used in power plants, experienced a sharp increase in price, which escalated up to a massive 50% increase. However, the price of electricity remained stable at most plants, while others increased the price by a mere 8% to comply with the Chinese Government's strict price control regulations. As a result, Saha Union's overall operation in China faced a profit of Baht 58 million in 2004, comparing to Baht 323 million profit of a year before. Furthermore, impacted from adjusted the investment loss and other assets amounted to Baht 216 million.

The Board and management are urgently trying to correct the situation through adjustments in planning and seeking cooperation with the Government through renegotiations. Although the net profits declined to Baht 1.46 per share, the company's financial situation is nevertheless still very stable. Total liabilities are Baht 6,789 million, with shareholders' total equity of Baht 12,499 million, indicating a debt per share ratio of 0.54:1. The company had an retained-earning of Baht 5,013 million at the end of 2004. As a result, the Board has agreed to propose a motion at the annual shareholders' meeting for the authorized payment of shareholders' dividends at the agreed amount of Baht 1.25 per share, which is the same amount as last year.



The Board of Directors expects the government's economic policies will help the company's overall operations, to enable it to adjust and cope with changing market conditions and so strengthen its efficiency and capability to keep it at the forefront of its competitors.

The Board of Directors would like to express its sincere gratitude towards all shareholders, trading partners and all customers who have always placed their trust in, and supported the company. The Board, management and all personnel remain fully committed to working to their utmost effort for a strong and prosperous Saha Union, in the best interest of all shareholders and for society as a whole.



**Mr. Panas Simasathien**  
Executive Chairman

**Mr. Amnuay Viravan**  
Chairman

**Mr. Damri Darakananda**  
Vice Chairman



## Board of Directors

Saha-Union Public Company Limited



**Mr. Amnuay  
Viravan**  
Chairman



**Mr. Damri  
Darakananda**  
Vice Chairman



**Mr. Panas  
Simasathien**  
Executive Chairman



**Mr. Amorn  
Chandara-somboon**  
Advisor



**Mr. Kisao  
Suzuki**  
Advisor



**Mrs. Chongraksa  
Darakananda**  
Advisor



**Mr. Sumeth  
Darakananda**  
Advisor



**Mr. Chakchai  
Panichapat**  
Advisor



	<p><b>Mr. Kamol Khoosuwat</b> Advisor</p>			<p><b>Mr. Sompop Amatayakul</b> Chairman of the Audit Committee and Advisor</p>
	<p><b>Mr. Nontaphon Nimsomboon</b> Vice Executive Chairman</p>			<p><b>Mrs. Araya Arunanondchai</b> Audit Committee Member</p>
	<p><b>Miss Sriwarin Jirapakkana</b> Executive Director and President</p>			<p><b>Miss Pakinee Prettitumrong</b> Audit Committee Member</p>
	<p><b>Mrs. Supung Tangsujaritpant</b> Executive Director and Vice President</p>			<p><b>Mr. Songsak Thampimukvatana</b> Executive Director and Vice President</p>



**Mr. Thitivat Suebsaeng**  
Executive Director



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



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



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



**Mrs. Chantorntree Darakananda**  
Executive Director



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



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



**Mrs. Sasithorn Darakananda**  
Executive Director



**Mr. Nantiya Darakananda**  
Executive Director





## Board of Directors

### Saha-Union Public Company Limited

#### Mr. Amnuay Viravan

**Age** 72 **Education** • Ph.D., (Bus. Adm.), University of Michigan, U.S.A. • Master's Degree,(Economics), University of Michigan, U.S.A. • Master's Degree (Bus. Adm.) University of Michigan, U.S.A. • Bachelor's Degree, (Com.), Chulalongkorn University **Experiences** • Deputy Prime Minister • Minister of Finance • Minister of Foreign Affairs • Permanent Secretary, Ministry of Finance • Secretary General, Board of Investment • Director General, Customs Department • Director of the Technical and Planning Department • Chairman, National Economics and Social Development Board (NESDB) • Economic and Financial Advisor to the Prime Minister • Executive Chairman, Bangkok Bank Public Company Limited **Current Positions** • Chairman, Union Textile Industries Public Company Limited • Chairman, Union Energy Company Limited • Chairman, Asia Cement Public Company Limited • Chairman of the Board, Asia Sermkij Leasing Company Limited • Chairman, Bangkok Grand Pacific Lease Public Company Limited • Chairman, Gold Bullion Corporation Company Limited • Member of the Advisory Board, Bangkok Bank Public Company Limited • Chairman, Foundation for Research of Thailand

#### Mr. Damri Darakananda

**Age** 72 **Education** • Complete Middle School **Experiences** • President, Saha-Union Public Company Limited • President, Union Textile Industries Public Company Limited • Member, National Legislative Assembly • Arbitrator, the Thai textile Manufacturing Association • Executive Chairman, Saha-Union Public Company Limited • Director, Bangkok Bank Public Company Limited **Current Positions** • Vice Chairman of the Advisory Board, Saha-Union Public Company Limited • Vice Chairman, Union Energy Company Limited • Vice Chairman, and Executive 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 • Director, Companies in Saha-Union Group

#### Mr. Panas Simasathien

**Age** 72 **Education** • Ph.D., (Accounting), University of Illinois, USA. • Master's Degree, (Accounting), University of Illinois, U.S.A. • Bachelor's Degree, (Cum Laude), Claremont Men's College, California, U.S.A. • Certificate of Accountancy, Thammasat University **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) • Chairman, Krung Thai Bank Public Company Limited **Current Positions** • Chairman, Scandinavian Leasing Public Company Limited • Vice Chairman and Executive Chairman, Siam Piwat Company Limited • Vice Chairman, the National Economic and Social Development Board (NESDB) • Commissioner, Securities and Exchange Commission • Director, Union Energy Company Limited • Chairman, Board of Law Councillor (Law Committee Number 12), the Council of State • Director, Union Textiles Industries Public Company Limited

#### Mr. Amorn Chandara- Somboon

**Age** 74 **Education** • Docteur en Droit, University of Paris, France • Bachelor's Degree, ( Laws ), Thammasat University **Experiences** • Secretary-General, Office of the Juridical Council (Office of the Council of State) • Qualified Member of the Chulalongkorn University Council • Qualified Member of the Mahidol University Council • Qualified Member of the Khonkaen University Council **Current Positions** • Councillor of the Council of State of Thailand • Chairman of the Sub-Committee on legal affairs, the Security & Exchange Commission • Member of the Advisory Board, SASIN Graduate Institute of Business Administration of Chulalongkorn University • Qualified Member of the Ubol-Rachathani University Council • Executive Director, Bangkok Bank Public Company Limited

#### Mr. Kisao Suzuki

**Age** 72 **Education** • Bachelor's Degree, (Mechanical Engineering ), Tokyo Institute of Technology, Japan **Experiences** • Managing Director, Manufacturing, IBM Japan **Current Positions** • Director, Union Textiles Industries Public Company Limited

**Mrs. Chongraksa Darakananda** **Age** 71 **Education** • High School Diploma **Experiences** • Vice President, Saha-Union Corporation Limited • Director, World Trading Company Limited • Manager, Finance Department, Union Industries Corporation Limited **Current Positions** • Director, Companies in Saha-Union Group

**Mr. Sumeth Darakananda** **Age** 69 **Education** • Bachelor's Degree, (Engineering), Nottingham University, UK. **Experiences** • Chairman, Union Plastic Company Limited • Chairman, Union Thai-Nichiban Company Limited • President, Saha-Union Public Company Limited • Vice Executive Chairman, Saha-Union Public Company Limited **Current Positions** • Chairman, Union Button Corporation Limited • Chairman, Blood Transfusion Services Company Limited (BTS) • Chairman, Venus Technology Company Limited • Chairman, Pro-Med Company Limited

**Mr. Chackchai Panichapat** **Age** 66 **Education** • Master's Degree, (Electrical Engineering), University of Texas, Austin, Texas, U.S.A. • Bachelor's Degree, (Electrical Engineering) (Second Honors), Chulalongkorn University **Experiences** • Deputy Secretary, Office of the Board of Investment • Director, the Board of National Science and Technology Development Agency, Ministry of Science, Technology and Environment • Director, Board of the Industrial Estate Authority of Thailand **Current Positions** • Executive Chairman, Amata City Company Limited • Director, Union Energy Company Limited • Director, Union Energy (China) Company Limited • Director and Chairman of the Audit Committee Board, City Recreation and Sports Public Company Limited • Director and Member of the Audit Committee Board, Central Pattana Public Company Limited

**Mr. Kamol Khoosuwan** **Age** 65 **Education** • Bachelor's Degree, (Political Science), Chulalongkorn University **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, Union Energy Company Limited

**Mr. Sompop Amatayakul** **Age** 64 **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** • Executive Chairman, B.B Business Management Company Limited • Executive Chairman, Pomona Holding Company Limited • Director, Union Plastic Public Company Limited • Director, Union Pioneer Public Company Limited

**Mr. Nontaphon Nimsomboon** **Age** 60 **Education** • Honorary Doctorate's Degree in Accountancy from Thammasat University • M.B.A. from University of Iowa, U.S.A., • B.B.A.(with Honors) and B.A. in Accountancy from Thammasat University **Experiences** • Auditor General of Thailand • President, the Institute of Certified Accountants and Auditors of Thailand **Current Positions** • Vice Executive Chairman, Saha-Union Public Company Limited • Director, Union Energy Co.,Ltd. • Director, Union Energy (China) Co.,Ltd. • Board Member, Auditing Profession Supervisory Board, Ministry of Commerce • Advisor to Performance Evaluation Committee of King Prajadhipok Institute • Director & Audit Committee Chairman of BigC Supercenter Public Company Limited • Director & Audit Committee Chairman, Thai Storage Battery Public Company Limited.

**Mrs. Araya Arunanonchai** **Age** 61 **Education** • Bachelor's Degree, (Accounting), Thammasat University **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, Chiangmai Night Bazaar Company Limited • Executive Chairman, Rajburi Sugar Company Limited



<b>Miss Sriwarin Jirapakkana</b>	<p><b>Age</b> 56 <b>Education</b> • Master's Degree ( Management), SASIN Graduate Institute of Business Administration of Chulalongkorn University • Bachelor's Degree, (Accounting), Chulalongkorn University <b>Experiences</b> • Vice President-Finance, Saha-Union Public Company Limited • Director, Companies in Saha-Union Group</p> <p><b>Current Positions</b> • President, Saha-Union Public Company Limited • President, 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</p>
<b>Miss Pakinee Prertitumrong</b>	<p><b>Age</b> 55 <b>Education</b> • Bachelor's Degree, (Economics), Thammasat University <b>Experiences</b> • Manager, Chongsawat Corporation <b>Current Positions</b> • Director, Union Industries Corporation Limited • Director, Union Thread Industries Company Limited</p>
<b>Mrs. Supung Tangsujaritpant</b>	<p><b>Age</b> 55 <b>Education</b> • Certificate of Vocational Education (Accounting) <b>Experiences</b> • Manager, Finance and Accounting, Union Thread Industries Company Limited • Manager, Finance and Accounting, Saha-Union Public Company Limited (Ladphrao) • Managing Director, Union Spinning Mills Company Limited</p> <p><b>Current Positions</b> • Executive Director and Vice President, Saha-Union Public Company Limited</p>
<b>Mr. Songsak Thampimukvatana</b>	<p><b>Age</b> 54 <b>Education</b> • Bachelor's Degree, (Engineering), Adamson University, Philippines <b>Experiences</b> • Managing Director, Union Footwear Public Company Limited <b>Current Positions</b> • Executive Chairman, the Footwear Business, Saha-Union Group • Chairman, Union Footwear Public Company Limited • Vice President, Saha-Union Public Company Limited</p>
<b>Mr. Thitivat Suebsaeng</b>	<p><b>Age</b> 51 <b>Education</b> • Ph.D. (Chemistry), Marquette University, U.S.A. • M.Sc. (Inorganic Chemistry), Chiangmai University • B.Sc. (Chemistry), Chiangmai University <b>Experiences</b> • Lecturer at the Department of Chemistry, Faculty of Science, Ramkhamhaeng University • Managing Director, Union Plastic Public Company Limited • Managing Director, Union Stainless Steel Products Company Limited • Director, Union Pioneer Public Company Limited • Director, Union Zojirushi Company Limited <b>Current Positions</b> • Director, Union Plastic Public Company Limited • Director, Union Energy (China) Company Limited • Director and General Manager, Saha - Union Investment (China) Company Limited • Director and General Manager, Zhejiang Saha - Union Thread Industries Company Limited • Director, of 9 Cogeneration Plants in China</p>
<b>Miss Dalad Saphthavichaiikul</b>	<p><b>Age</b> 48 <b>Education</b> • Master's Degree, (Computer), University of Illinois, U.S.A. • Bachelor's Degree, (Economics) (First Honors) Chulalongkorn University <b>Experiences</b> • Manager, Office of the President, Saha-Union Public Company Limited • Manager, Office of the Executive Chairman, Saha-Union Public Company Limited <b>Current Positions</b> • Vice President, 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 • Managing Director, Computer Union Company Limited • Director, Processing Center Company Limited • Director, Companies in Saha-Union Group • Director, Union Education Management Company Limited</p>
<b>Mr.Chutindhon Darakananda</b>	<p><b>Age</b> 45 <b>Education</b> • Master's Degree, (Bus.Adm.), SASIN Graduate Institute of Business Administration of Chulalongkorn University • Bachelor's Degree, (Industrial Engineering), Stanford University, U.S.A. <b>Experiences</b> • Managing Director, Union Thread Industries Company Limited • Director, Companies in Saha-Union Group <b>Current Positions</b> • Vice President, Saha-Union Public Company Limited • Director, Companies in Saha-Union Group</p>

<b>Mr. Aksornprasit Darakananda</b>	<b>Age</b> 43 <b>Education</b> • Bachelor's Degree, (Chemical Engineering), Georgia Institute of Technology, U.S.A. <b>Experiences</b> • Director, Companies in Saha-Union Group <b>Current Positions</b> • Managing Director, Union Industries Corporation • Managing Director, Union Thread Industries Company Limited • Vice President, Saha-Union Public Company Limited • President and Acting Vice President-Business Development, Union Energy Company Limited
<b>Mrs. Chantornree Darakananda</b>	<b>Age</b> 41 <b>Education</b> • Bachelor's Degree,( Medical ),Chulalongkorn University <b>Experiences</b> • Director, Companies in Saha-Union Group <b>Current Positions</b> • Assistant Managing Director, Union Industries Corporation • Assistant Managing Director, Union Thread Industries Company Limited • Director, Companies in Saha-Union Group • Director, Latphrao Hospital Public Company Limited
<b>Mr. Bovornrat Darakananda</b>	<b>Age</b> 41 <b>Education</b> • Master's Degree, (Electrical and Management Engineering), Massachusetts Institute of Technology, U.S.A. • Bachelor's Degree, (Electrical and Management Engineering), Massachusetts Institute of Technology, U.S.A. <b>Experiences</b> • Vice President, Saha-Union International (Georgia) Inc. • Director and Executive Director, Union Energy Company Limited • Director and Manager, Union Energy (China) Company Limited • General Manager, Saha-Union Investment (China) Company Limited <b>Current Positions</b> • Managing Director, Union Spinning Mills Company Limited
<b>Mr. Vacharaphong Darakananda</b>	<b>Age</b> 39 <b>Education</b> • Bachelor's Degree, (Physics), Harvey Mudd College,California, U.S.A. <b>Experiences</b> • Assistant Managing Director, Venus Thread Company Limited • General Manager, Saha-Union Public Company Limited (Sriracha Operation) <b>Current Positions</b> • Vice President, Saha-Union Public Company Limited
<b>Mrs. Sasithorn Darakananda</b>	<b>Age</b> 38 <b>Education</b> • Master's Degree, (Chemical Engineering) University of Southern California, U.S.A. • Bachelor's Degree, (Chemical Technology), Chulalongkorn University <b>Experiences</b> • Production Planning & Control Manager • Procurement Manager • Administrative Manager, Saha-Union Public Company Limited (Sriracha Project) <b>Current Positions</b> • Executive Director, Saha-Union Public Company Limited • Director, Union Technology Company Limited
<b>Mr. Nantiya Darakananda</b>	<b>Age</b> 36 <b>Education</b> • Master's Degree, ( Bus.Adm.), SASIN Graduate Institute of Business Administration of Chulalongkorn University • Bachelor's Degree, (Applied Physics), University of California, Davis, U.S.A. <b>Experiences</b> • Assistant Managing Director, Union Button Corporation Limited • Assistant to the Executive Vice Chairman, Saha-Union Public Company Limited <b>Current Positions</b> • President, Blood Transfusion Services Company Limited (BTS) • President, Venus Technology Company Limited • President, 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 • Director, Venus Button Company Limited • Director, Union Industries Corporation • Director, Union Thread Industries Company Limited • President, Venus Aesthetic Co., Ltd. • President, Panscience Co., Ltd. • Director, Union Button Corporation Limited
<b>Persons</b>	<b>Relationship</b>
Mr. Damri Darakananda and Mrs. Chongraksa Darakananda	Spouse
Mr. Damri Darakananda and Mrs. Chongraksa Darakananda and Mr. Chutindhon Darakananda, Mr. Aksornprasit Darakananda, Mr. Bovornrat Darakananda, Mr. Vacharaphong Darakananda	Family
Mr. Damri Darakananda and Mr. Sumeth Darakananda	Brother
Mr. Damri Darakananda and Mr. Nantiya Darakananda	Cousin
Mr. Sumeth Darakananda and Mr. Nantiya Darakananda	Family
Mr. Aksornprasit Darakananda and Mrs. Chantornree Darakananda	Spouse
Mr. Vacharaphong Darakananda and Mrs. Sasithorn Darakananda	Spouse
Mr. Amorn Chandara-Somboon and Mrs. Sasithorn Darakananda	Family



## Directors and Information of IOD's Accreditation and Certification Program

Name	Awarded Diploma by passing the examination of Australian IOD	Thailand Institute of Directors Program : IOD		
		Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FN)
	Year	Participation	Participation	Participation
Mr. Amnuay Viravan		18/2004		
Mr. Damri Darakananda		18/2004		
Mr. Panas Simasathien			2/2000	
Mr. Amorn Chandara-Somboon		2/2003	36/2003	7/2003
Mr. Kisao Suzuki				
Mrs. Chongraksa Darakananda		18/2004		
Mr. Sumeth Darakananda				
Mr. Chakchai Panichapat		5/2003		
Mr. Kamol Khoosuwan		18/2004		
Mr. Sompop Amatayakul				
Mr. Nontaphon Nimsomboon				
Mrs. Araya Arunanondchai		32/2005		
Miss Sriwarin Jirapakkana		18/2004		
Miss Pakinee Prerttiumrong		2/2003		
Mrs. Supung Tangsujaritpant		2/2003		
Mr. Songsak Thampimukvatana		2/2003		
Mr. Thitivat Suebsaeng		21/2004		
Miss Dalad Saphthavichaikul	2001		9/2001	1/2001
Mr. Chutindhon Darakananda		17/2004		
Mr. Aksornprasit Darakananda	2001		5/2001	
Mrs. Chantornree Darakananda		5/2003		
Mr. Bovornrat Darakananda		18/2004		
Mr. Vachaphong Darakananda		2/2003		
Mrs. Sasithorn Darakananda		2/2003		11/2004
Mr. Nantiya Darakananda		2/2003		







## Board of the Executives

Saha-Union Public Company Limited

<b>THE ADVISORY BOARD</b>	Mr. Amnuay Viravan Mr. Damri Darakananda Mr. Panas Simasathien Mr. Amorn Chandara-somboon Mr. Kisao Suzuki Mrs. Chongraksa Darakananda Mr. Sumeth Darakananda Mr. Chackchai Panichapat Mr. Kamol Khoosuwan Mr. Sompop Amatayakul	Chairman Vice Chairman
<b>BOARD OF EXECUTIVE COMMITTEE</b>	Mr. Panas Simasathien Mr. Nontaphon Nimsomboon Miss Sriwarin Jirapakkana Mrs. Supung Tangsujaritpant Mr. Songsak Thampimukvatana Mr. Thitivat Suebsaeng Miss Dalad Saphavichaikul Mr. Chutindhon Darakananda Mr. Aksornprasit Darakananda Mrs. Chantornree Darakananda Mr. Bovornrat Darakananda Mr. Vacharaphong Darakananda Mrs. Sasithorn Darakananda Mr. Nantiya Darakananda	Chairman Vice Executive Chairman President
<b>BOARD OF AUDIT COMMITTEE</b>	Mr. Sompop Amatayakul Mrs. Araya Arunanondchai Miss Pakinee Prertitumrong	Chairman
<b>EXECUTIVE OFFICERS</b>	Mr. Panas Simasathien Mr. Nontaphon Nimsomboon Miss Sriwarin Jirapakkana  Mrs. Supung Tangsujaritpant Mr. Songsak Thampimukvatana Miss Dalad Saphavichaikul Mr. Chutindhon Darakananda Mr. Aksornprasit Darakananda Mr. Bovornrat Darakananda Mr. Vacharaphong Darakananda Mr. Surapol Idthiamornkulchai Mr. Skolchai Chotirattanakul Mr. Manas Asavametha Mrs. Srinual Sombatpaiwan	Executive Chairman Vice Executive Chairman President and Acting Vice President-Accounting and Finance Vice President Vice President Vice President Vice President Vice President Vice President Vice President Vice President Vice President General Manager Manager, Textile Business (Local) Manager, Textile Business (Export) Manager, Accounting and Finance



## Direct Investment of Saha-Union in the Group Companies

Group of Business	Company	Authorized (Baht)	Capital Issued (Baht)	Paid Up per Share (Baht)	Investment %	
	Saha-Union Public Co., Ltd.	3,000,000,000	3,000,000,000	10.00		
<b>MANUFACTURING</b>						
<b>Textile</b>						
	Union Textile Industries Public Co., Ltd.	600,000,000	600,000,000	10.00	49.500	
	Union Garment Co., Ltd.	50,000,000	50,000,000	100.00	99.977	
	Union Thread Industries Co., Ltd.	200,000,000	200,000,000	10.00	25.068	
	Union Spinning Mills Co., Ltd.	200,000,000	200,000,000	100.00	25.000	
	Union Industries Corp., Ltd.	150,000,000	150,000,000	100.00	25.000	
	Union Button Corp., Ltd.	70,000,000	70,000,000	100.00	10.714	
	Venus Button Corp., Ltd.	40,000,000	40,000,000	100.00	25.000	
	Union Micron Clean Co., Ltd.	5,000,000	5,000,000	10.00	25.000	
	Fashion Apparel Co., Ltd.	5,000,000	2,500,000	50.00	29.994	
<b>Footwear</b>						
	Union Footwear Public Co., Ltd.	200,000,000	200,000,000	10.00	45.376	
	Union Shoes Co., Ltd.	100,000,000	100,000,000	100.00	61.697	
	Uni-Sole Co., Ltd.	50,000,000	50,000,000	100.00	32.000	
<b>Plastics &amp; Rubber and Metal</b>						
	Union Pioneer Public Co., Ltd.	75,000,000	75,000,000	10.00	48.958	
	Union Plastic Public Co., Ltd.	250,000,000	250,000,000	10.00	49.521	
	Union Thai-Nichiban Co., Ltd.	15,000,000	15,000,000	100.00	40.273	
	Union Zojirushi Co., Ltd.	140,000,000	140,000,000	100.00	51.000	
	Union Stainless Steel Product Co., Ltd.	40,000,000	40,000,000	100.00	97.999	
	Union Nifco Co., Ltd.	40,000,000	40,000,000	100.00	30.003	
	Union Rubber Products Corp., Ltd.	20,000,000	20,000,000	100.00	99.997	
	Thai Rubber Enterprise Corp., Ltd.	32,000,000	31,000,000	100.00	50.693	
<b>Computer &amp; Electronics Parts</b>						
	Saha-Union Public Co., Ltd. (Siracha Project)					
	Union Technology Co., Ltd.	100,000,000	100,000,000	10.00	100.000	
	Computer Union Co., Ltd.	60,000,000	60,000,000	100.00	96.949	
<b>ENERGY</b>						
	Union Energy Co., Ltd.	1,350,000,000	1,350,000,000	10.00	99.259	
	Unio Energy (China) Co., Ltd.	500,000,000	500,000,000	100.00	100.000	
<b>TRADING, INVESTMENT &amp; SERVICES</b>						
<b>Trading</b>						
	Sports Ace Co., Ltd.	40,000,000	40,000,000	100.00	50.000	
	Uni-Fibre Co., Ltd.	120,000,000	120,000,000	100.00	25.667	
	Union Universe Co., Ltd.	7,500,000	7,500,000	100.00	49.863	
<b>Investment</b>						
	Union Capital Co., Ltd.	250,000,000	250,000,000	100.00	29.000	
	Saha-Union Holding Co., Ltd.	1,000,000,000	1,000,000,000	100.00	99.540	
	Union Business Management Co., Ltd.	500,000,000	500,000,000	100.00	29.400	
	Union Overseas Holding Co., Ltd.	100,000,000	25,000,000	2.50	25.000	
	Union Equity Co., Ltd.	230,000,000	230,000,000	10.00	99.434	
	Union Rubber Plus Co., Ltd.	40,000,000	30,000,000	7.50	25.000	
	Textport International Co., Ltd.	50,000,000	50,000,000	100.00	85.180	
	Uni-Agro Co., Ltd.	65,000,000	65,000,000	100.00	30.000	
<b>Services</b>						
	Union Sime Darby (Thailand) Co., Ltd.	4,000,000	4,000,000	100.00	18.950	
	Union Printing Co., Ltd.	30,000,000	30,000,000	10.00	94.735	
	Venus Shoes Co., Ltd.	100,000,000	100,000,000	100.00	76.000	
	Union Construction Corp., Ltd.	200,000,000	200,000,000	100.00	1.948	
	Union Human Resources Development Co., Ltd.	1,000,000	250,000	2.50	99.993	
<b>Overseas</b>						
	Saha-Union International (U.S.A.) Inc.	US\$ 500,000	US\$ 250,000	US\$ 1	10.000	
	Saha-Union International Ltd. (Hong Kong)	HK\$ 254,894,000	HK\$ 254,894,000	HK\$ 100	99.980	
	Saha-Union International (Taipei) Ltd.	NT\$ 5,000,000	NT\$ 5,000,000	NT\$ 25	10.000	
	Saha-Union International (GA) Inc.	US\$ 3,000,000	US\$ 3,000,000	US\$ 1	100.000	
	Saha-Union International (UK) Ltd.	GBP 100,000	GBP 100,000	GBP 1	10.000	
	Saha-Union Investment (China) Co., Ltd.	US\$ 33,000,000	US\$ 33,000,000	US\$ 1	100.000	
	Union Education Management Ltd.	US\$ 9,000,000	US\$ 9,000,000	US\$ 1	49.000	
	Union Education Index Ltd.	HK\$ 32,000,000	HK\$ 32,000,000	HK\$ 1	85.000	
	Zhejiang Saha-Union Thread Industry Co.,Ltd.	US\$ 6,000,000	US\$ 2,800,000	US\$ 1	70.000	
	Shanghai Saha-Union Thread Industry Co.,Ltd.	RMB 23,500,000	RMB 23,500,000	RMB 1	50.000	
	Investment in Companies in the Group					
	Investment in Other Companies					
	Total Investment					

as of December 31, 2004

	Investment per share (Baht)	S.U. Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value	Date of establishment	Product / Service
			43.10	18.20		10 Aug. 1972	Investment and Sales Distributor of Saha-Union Group
	10.77	319,978,513.41	13.24	5.30	157,410,000.00	21 Mar. 1977	Fabric
	140.70	70,335,622.00	217.91	217.91	108,929,722.44	26 Apr. 1974	Garment
	10.41	52,215,572.50	100.83	100.83	505,520,279.70	2 Nov. 1973	Cotton Synthetic Sewing Thread
	93.13	46,563,324.78	139.26	139.26	69,630,000.00	4 Jun. 1971	Sewing Thread
	116.01	43,502,205.00	684.65	684.65	256,743,750.00	23 May 1961	Zippers
	153.33	11,500,000.00	264.58	264.58	19,843,500.00	28 May 1969	Buttons
	100.00	10,000,000.00	129.24	129.24	12,924,000.00	15 Feb 1989	Buttons
	10.00	1,250,000.00	60.26	60.26	7,532,500.00*	24 Jan. 1998	Cleanroom Garment
	50.00	749,850.00	95.23	95.23	1,428,164.31	20 Oct. 1988	Garment
	14.48	131,378,696.98	19.50	10.40	94,381,040.00	17 Mar. 1982	Sport Shoes
	111.67	68,897,580.00	198.82	198.82	122,666,174.22	5 Aug. 1986	Sport Shoes
	58.75	9,400,000.00	117.48	117.48	18,796,800.00	29 Sep. 1988	Soles
	14.46	53,084,046.25	42.77	25.00	91,795,500.00	8 Oct. 1973	Rubber thread elastic braids & webbing
	19.02	235,432,531.30	20.44	16.90	209,224,197.00	3 Jan. 1969	Plastic products
	318.92	19,266,000.00	2,726.07	2,726.07	164,681,888.70	21 Jun. 1973	Cellophane, magic, kraft and pp tape
	100.92	72,057,235.50	314.53	314.53	224,572,532.82	18 Aug. 1986	Vacuum bottles
	133.70	52,410,933.00	147.11	147.11	57,666,384.45	16 Dec. 1988	Pipes
	112.92	13,552,200.00	742.49	742.49	89,106,967.39	3 Nov. 1988	Fasteners
	80.56	16,110,854.50	77.79	77.79	15,557,533.26	24 Mar. 1971	Rubber Products
	104.02	16,873,180.10	119.60	119.60	19,401,272.80	9 Jul. 1970	Rubber estates
	10.00	99,999,930.00	17.98	17.98	179,799,874.14	22 Jun. 1992	Manufacture Hardisk drive and computer accessories
	106.06	61,693,471.30	27.00	27.00	15,705,657.00	18 Nov. 1982	Manufacture Hardisk drive and computer accessories Computer and all kinds peripherals distributor
	10.00	1,339,999,950.00	8.67	8.67	1,161,779,956.65	02 Feb. 1994	Electronic power & energy investment
	100.00	499,999,400.00	33.51	33.51	167,549,798.94	09 Aug. 1996	Electronic power & energy investment
	112.06	22,412,500.00	107.09	107.09	21,418,000.00	2 Apr. 1984	Sport Shoes distributor
	100.00	30,800,000.00	191.42	191.42	58,957,360.00	5 Nov. 1980	Supply raw materials and textile distributor
	100.22	3,748,010.00	1,514.91	1,514.91	56,653,089.27	7 Mar. 1968	Grandslam garments
	100.00	72,500,000.00	155.14	155.14	112,476,500.00	29 Jun. 1970	Investment
	100.00	995,398,600.00	17.73	17.73	176,484,171.78	14 Nov. 1989	Investment
	99.80	146,712,439.98	96.48	96.48	141,825,600.00*	30 Jun. 1993	Investment
	2.50	6,250,025.00	2.84	2.84	7,100,028.40	29 Apr. 1994	Investment
	10.00	228,698,014.00	11.00	11.00	251,568,042.00	31 May 1989	Investment
	7.50	7,500,000.00	10.55	10.55	10,550,000.00	1 Mar. 1995	Investment
	104.00	44,293,600.00	93.14	93.14	39,668,326.00	14 Apr. 1978	Investment
	104.95	20,464,690.80	75.38	75.38	14,699,100.00	22 Aug. 1972	Agriculture Business
	91.58	694,141.16	309.35	309.35	2,344,873.00	4 Aug. 1981	Broking Services
	10.37	29,465,812.50	7.99	7.99	22,707,979.50	10 Jul. 1970	Printing Services
	80.42	61,120,000.00	61.04	61.04	46,390,400.00	29 Sep. 1988	Assets and apartments rental
	113.71	4,431,100.00	60.10	60.10	2,342,036.90	7 Sep. 1973	Architectural, Construction, and Interior
	2.50	249,982.50	6.75	6.75	674,952.75	26 Sep. 2004	Training and Personnel Development
	22.01	550,250.00	45.18	45.18	1,129,500.00	12 Oct. 1977	Import and sales distributor of Saha-Union Group
	488.32	1,244,449,250.48	520.92	520.92	1,327,533,364.80	18 Sep. 1972	Import & Export and sales distributor of Saha-Union Group
	19.30	385,917.66	83.86	83.86	1,677,200.00	8 Nov. 1984	Supply raw materials for The Group Companies
	25.55	76,652,500.00	35.92	35.92	107,760,000.00	29 Jan. 1988	Import and sales distributor of Saha-Union Group
	46.09	460,850.00	65.74	65.74	657,400.00	22 Oct. 1991	Non-Operation
	35.87	1,183,719,250.00	42.10	42.10	1,389,300,000.00	25 Feb. 1995	Investment
	40.34	177,906,700.00	7.02	7.02	30,958,200.00	13 Oct. 2003	International School Management
	5.31	144,539,025.76	4.30	4.30	116,960,000.00	20 Oct. 2003	International School Management
	39.04	39,035,000.00	39.03	39.03	39,030,000.00	20 Jun. 2003	Dying
	4.72	55,500,447.81	4.72	4.72	55,460,000.00	18 Nov. 2004	Supply raw materials and textile distributor
		7,844,189,204.27			7,808,973,618.22		
		245,919,462.20			413,734,814.08		
		8,090,108,666.47			8,222,708,432.30		



## Business Results and Five Years Financial Statistics

	2004 Equity Method	2003 Equity Method (Restated)
<b>Revenues</b>		
Sales	15,235.3	14,931.2
Export	7,190.6	7,360.5
Domestic	8,044.7	7,570.7
Dividends Received	206.3	278.2
Other Incomes	741.4	606.7
<b>Total Revenues</b>	<b>16,183.0</b>	<b>15,816.1</b>
<b>Expenses</b>		
Cost of Sales	14,421.9	14,119.8
Selling and Administrative Expenses	914.7	843.0
Interest Expenses	27.9	22.6
<b>Total Expenses</b>	<b>15,364.5</b>	<b>14,985.4</b>
Operating Profit (Loss)	818.5	830.7
Gain (Loss) on Exchange Rate	93.7	87.7
Profit (Loss) before Corporate Income Tax	912.2	918.4
Corporate Income Tax	(172.7)	(118.8)
Net Profit (Loss) after Corporate Income Tax	739.5	799.6
(Less) Dividends Income	(195.7)	(261.6)
Plus (Less) Participating Gain (Loss)		
- Subsidiary	(459.8)	77.3
- Associated	340.5	365.4
<b>Net Profit (Loss)</b>	<b>424.5</b>	<b>980.7</b>
Earning per Share (Baht)	1.46	3.37
Dividends per Share (Baht)	1.25	1.25
Dividends per Net Profit (%)	85.62%	37.09%
<b>Assets</b>		
Loan to Group Companies	3,629.1	2,441.5
Current Assets	3,282.1	3,001.1
Investment in Group and Other Companies	10,094.3	11,404.2
Long Term Investment	-	102.7
Property, Plant and Equipment-Net	782.1	639.9
Other Assets	282.1	289.5
<b>Total Asset</b>	<b>18,069.7</b>	<b>17,878.9</b>
<b>Liabilities and Shareholder's Equity</b>		
Deposit from Group and Other Companies	682.3	350.3
Current Liabilities	3,161.5	3,788.2
Long Term Loan	1,424.3	993.5
Other Liabilities	302.3	139.9
<b>Shareholder's Equity</b>		
Shareholder's 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	(233.8)	(217.6)
Appropriated and Unappropriated Retain Earnings	5,959.4	5,897.5
Auditing Standard	1,174.7	1,328.1
Total Shareholder's Equity	12,499.3	12,607.0
<b>Total Liabilities and Shareholder's Equity</b>	<b>18,069.7</b>	<b>17,878.9</b>
Book Value (Baht)	43.10	43.32

Unit : Million Baht

	2002 Equity Method	2001 Equity Method	2000 Equity Method
	14,291.6	14,861.0	14,679.6
	7,181.5	7,755.9	7,167.0
	7,110.1	7,105.1	7,512.6
	407.0	174.3	271.8
	536.1	608.8	551.6
	<b>15,234.7</b>	<b>15,644.1</b>	<b>15,503.0</b>
	13,448.3	14,002.1	13,917.8
	801.4	803.8	771.5
	61.3	150.1	206.6
	<b>14,311.0</b>	<b>14,956.0</b>	<b>14,895.9</b>
	923.7	688.1	607.1
	(106.0)	129.0	54.8
	817.7	817.1	661.9
	(117.3)	(184.0)	(116.2)
	700.4	633.1	545.7
	(391.3)	(157.4)	(248.6)
	147.6	247.4	220.9
	532.2	236.2	439.2
	<b>988.9</b>	<b>959.3</b>	<b>957.2</b>
	3.40	3.72	3.89
	1.25	1.25	1.25
	36.76%	33.60%	32.13%
	456.9	1,666.8	1,712.6
	3,049.2	2,849.0	3,324.2
	12,623.9	11,348.3	10,425.0
	102.6	102.6	102.7
	731.5	859.1	867.0
	289.6	297.1	295.0
	<b>17,253.7</b>	<b>17,122.9</b>	<b>16,726.5</b>
	424.7	524.2	533.4
	3,543.8	4,017.3	4,367.3
	500.0	1,000.0	1,710.0
	144.1	108.4	124.6
	3,000.0	3,000.0	3,000.0
	2,599.0	2,599.0	2,599.0
	(217.6)	(217.6)	(1,462.5)
	5,280.6	5,017.0	5,079.7
	1,979.1	1,074.6	775.0
	12,641.1	11,473.0	9,991.2
	<b>17,253.7</b>	<b>17,122.9</b>	<b>16,726.5</b>
	43.44	44.43	40.60





## Structure of Income and Investment

Group of Business	2004					
	Domestic	%	Overseas	%	Total	%
Manufacturing	12,660,894,379.25	71.80	13,488,617,232.20	76.50	26,149,511,611.55	148.30
Energy	1,144,992,405.70	6.49	-	-	1,144,992,405.70	6.49
Investment and Others	111,507,305.29	0.63	134,198,936.38	0.76	245,706,241.67	1.39
Total	13,917,394,090.24	78.93	13,622,816,168.68	77.26	27,540,210,258.92	156.19
Connected Transaction	-	-	-	-	(10,748,407,522.17)	(60.96)
Net Sales					16,791,802,736.75	95.23
Share of Profits					340,509,469.45	1.93
Other Incomes					500,734,927.41	2.84
Total Income					17,633,047,133.61	100.00

All details are shown in the Financial Statement No. 25, section : Segment Information

Group of Business		Company Name	2004 % Investment Equity Method	Group of Business		Company Name	2004 % Investment Equity Method
<b>Manufacturing</b>				<b>Trading, Investment &amp; Services</b>			
Textiles	Union Textile Industries Public Co., Ltd.		51.77	Commercial	Sports Ace Co., Ltd.		50.00
	Union Garment Co., Ltd.		99.98		Uni-Fibre Co., Ltd.		54.63
	Union Thread Industries Co., Ltd.		36.23		Union Universe Co., Ltd.		49.86
	Union Spinning Mills Co., Ltd.		52.16	Investment	Union Capital Co., Ltd.		49.08
	Union Industries Corp., Ltd.		29.60		Saha-Union Holding Co., Ltd.		99.67
	Union Button Corp., Ltd.		10.71		Union Business Management Co., Ltd.		57.90
	Venus Button Corp., Ltd.		30.00		Union Overseas Holding Co., Ltd.		58.98
	Fashion Apparel Co., Ltd.		99.97		Union Equity Co., Ltd.		99.43
	Union Micron Clean Co., Ltd.		44.43		Union Rubber Plus Co., Ltd.		43.00
Footwear	Union Footwear Public Co., Ltd.		51.23		Texport International Co., Ltd.		85.18
	Union Shoes Co., Ltd.		97.85		Venus Shoes Co., Ltd.		96.86
	Uni-Sole Co., Ltd.		70.69		Venus Thread Co., Ltd.		25.07
Plastics & Rubber and Metal	Union Pioneer Public Co., Ltd.		52.67	Uni-Ago Co., Ltd.		45.02	
	Union Plastic Public Co., Ltd.		49.70	Services	Union Printing Co., Ltd.		94.74
Union Thai-Nichiban Co., Ltd.		40.27	Union Construction Corp. Ltd.		98.90		
Union Zojirushi Co., Ltd.		51.00	Union Human Resources Development Co., Ltd.		99.99		
Computer & Electronics Parts	Union Stainless Steel Product Co., Ltd.		98.00	Overseas	Saha-Union International (U.S.A.) Inc.		42.60
	Union Nifco Co., Ltd.		39.90		Saha-Union International Ltd. (Hong Kong)		99.98
	Union Rubber Products Corp., Ltd.		99.99		Saha-Union International (Taipei) Ltd.		42.51
	Thai Rubber Enterprise Corp., Ltd.		50.69		Saha-Union International (GA) Inc.		100.00
	Saha-Union Public Co., Ltd. (Sriracha Project)				Saha-Union International (UK) Ltd.		42.60
Energy	Union Technology Co., Ltd.		99.99	Saha-Union Investment (China) Co., Ltd.		100.00	
	Computer Union Co., Ltd.		96.95	Union Education Management Ltd.		49.00	
	Computer Union Systems Co., Ltd.		96.95	Union Education Index Co., Ltd.		85.00	
Union Energy Co., Ltd.		99.45	Zhejiang Saha-Union Thread Industry Co., Ltd.		99.99		
Union Energy (China) Co., Ltd.		99.99	Shanghai Saha-Union Thread Industry Co., Ltd.		67.25		



*To maintain competitiveness, the company will endeavor to increase management efficiency, as well as the efficiency of the production processes and machinery, to improve and maintain its top quality reputation.*

## Textiles

### Types of Products and Services

Companies in the textile group are engaged in the production of three categories of goods:

1. Garment accessories such as zippers, threads, and buttons.
2. Yarn spinning, fabric weaving, fabric printing and dyeing.
3. Ready made or ready-to-wear apparel.

These products are for both domestic consumption and export under the VENUS trade brand name. Certain products are manufactured according to requirements from trading partners, while some of the products are accessories for customers to add to their ready-to-wear products and some are bought for direct retail distribution.

### Preparation of Products and Services

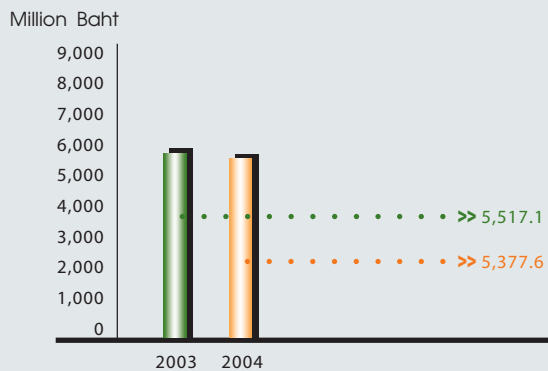
Most of the raw materials for textile operations are imported. The company then estimates the amount to be imported according to the purchasing orders from customers in each quarter of the year. The production processes, therefore, are related to the planning of advanced procurement of the raw materials and the management of the warehouse and inventory systems. Prices of raw materials for textile operations continuously fluctuate and the cost of finished products are adjusted accordingly, depending on the situation in currency exchanges and world markets.

### Performance in 2004

The Kingdom's economy showed a growth of over 6%, however, that growth is strong only in certain industries. The textile industry, for example, did not enjoy this strong growth, as a result of fierce competition in the markets. Production costs were also higher, while the markets do not allow for appropriate price adjustments. Rising prices of oil and raw materials, compounded by the increased import of cut-priced products from China, have had a heavy impact upon the textile industry in the Kingdom, as well as the export markets for its products.

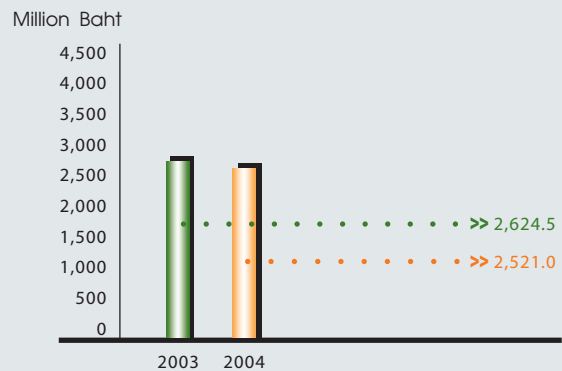
Saha Union's group of companies showed a total revenue of Baht 5,377.6 million from sales of textile products in 2004, a decline from the previous year's revenue of Baht 5,517.1 million, or, 2.53 percentage lower. Export total was Baht 2,521.0 million, lower by 3.94 percentage points, while domestic sales were Baht 2,865.5 million, lower by 1.25 percentage points, in comparison to the 2003 figures.





**Total Sales**

2003 : 5,517.1 Million Baht  
2004 : 5,377.6 Million Baht



**Export**

2003 : 2,624.5 Million Baht  
2004 : 2,521.0 Million Baht

### Trends of the Industry and Competition

It is widely expected that the world economy will experience a period of slow growth and recovery, which will continue for some time. The situation puts the textile industry in a tight spot. Factors bearing direct impact upon textile operations are mostly those causing production costs to go up continuously, in contrast to the prices of the products, which cannot be adjusted up, in order to compete. On some occasions, when market conditions dictate, product prices are even marked down. To maintain competitiveness, the company will endeavor to increase management efficiency, as well as the efficiency of the production processes and machinery, to improve and maintain its top quality reputation. The company will also introduce measures to reduce production costs, improve and develop skilled personnel at all levels in aspects of production, distribution and services. The company recognizes the need to be ready for the fierce competition in 2005 under the agreement of the World Trade Organization.



*At the same time, it plans to develop skilled personnel to become more efficient in various jobs, so that they can substitute each other in times of need*

## Footwear



### Types of Products and Services

The footwear companies manufacture sport shoes by divided into two sections, first one made to order and export to brand owner "NIKE", while another one produce under the company's own brand name, "D-maQ" to sell domestically which consist of exercise shoes , tennis shoes, badminton shoes, and aerobic shoes.

### Preparation of Products and Services

A certain quantity of the company's raw materials is export. All of them 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 2004

The footwear group companies continued to receive purchasing orders from NIKE. During the year, however, textile operations encountered a labor shortage problem, which affected the production process and schedules, causing additional production expenses than originally anticipated. Overall, the footwear operation created a total revenue of Baht 2,912.1 million, a decline from last year (2003) of Baht 2,965.1 million, or 1.79 percentage points less than that of 2003.

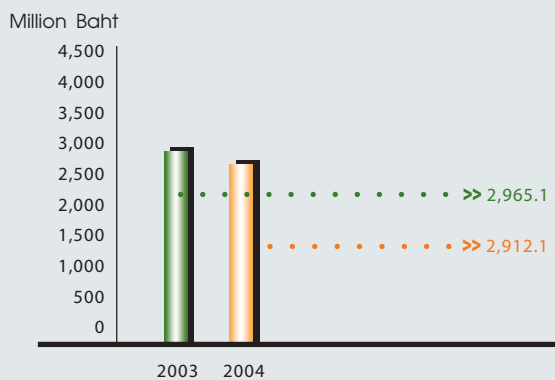


## Trends of the Industry and Competition

NIKE footwear and accessories are doing well in the world market, Saha Union's footwear group still enjoys purchasing orders in the same quantity as last year, especially, for waterproof shoes (Goretex), for which NIKE has indicated its high confidence in Saha Union Group, as the sole manufacturer of this product in Thailand. Problems with production and labor migration during 2004, created disruptions in the production process and affected the cost-per-unit at the end of the production line.

In 2005, the company has increased production lines in factories upcountry. At the same time, it plans to develop skilled personnel to become more efficient in various jobs, so that they can substitute each other in times of need. In this way, the problem of migration and labor shortages can be alleviated to a degree.

D-Maq footwear, the company's own brand, shows promising sales. The products are very well received among local consumers and there is also continuous development of products. In 2005, the company will add to the lines of exercise shoes, badminton shoes and running shoes, with a range of footwear for children and ladies, plus a range of healthy shoes as well, all of which should be available on the market in the second quarter of 2005.



### Total Sales

2003 : 2,965.1 Million Baht  
2004 : 2,912.1 Million Baht





*For market development, the company emphasizes the importance of Customer Relationship Management to build up continuous growth and acquire new markets.*

## Plastics, Rubber and Metal



### Types of Products and Services

These groups of companies manufacture products categorized into four groups:

- \* Plastics include parts and equipment for automobiles, parts for electrical appliances and bathroom sundries.
- \* Rubber acquired from rubber plantations for raw materials, namely rubber sheets and liquid rubber. End products include weaving and elastic braids, elastic bands and rubber products for various applications.
- \* Stainless steel includes vacuum bottles and kitchen utensils.
- \* Packaging products include all types of adhesive tapes, cellulose tapes, printing tapes and cardboard boxes for the packaging industry.

### Performance in 2004

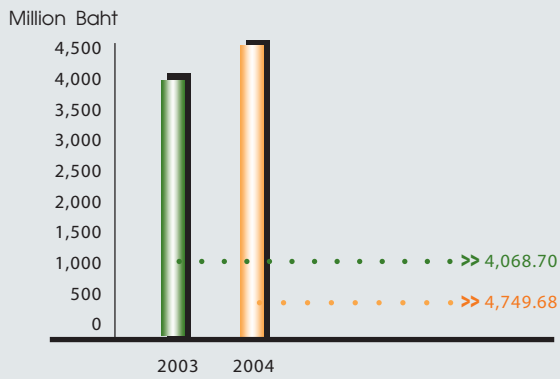
The group effort of always improving the quality of its products and services, with emphasis on responding to customers' needs, yielded a good result in 2004 as total sales of these groups amounted to Baht 4,749.68 million, a growth of 16.74% over last year's total sales. Domestic sales accounted for a total Baht 2,544.06 million, or 52.23% of total sales, while exports accounted for a total Baht 2,205.62 million, or 47.77% of total sales.

Plastics remain top revenue products with sales of Baht 1,745.28 million, a growth of 31.28%. Stainless steel products came second with sales of Baht 1,245.14 million, a growth of 19.76%.

Rubber products created total revenue of Baht 941.71 million, and growth of 1.82%. Packaging products posted total sales of Baht 883.07 million and a growth of 5.35% over the previous year's performance.

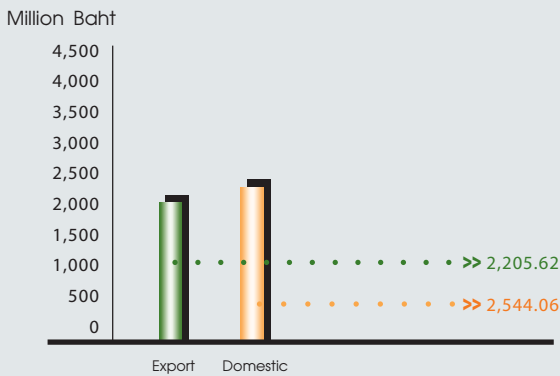
### Trends of the Industry and Competition

The company continuously searches for ways and methods to hold its competitive edge. In 2005 the group of companies committed themselves to achieve improvements in market development, personnel development and products, all aimed at increasing the business potential of its operations.



### Total Sales

2003 : 4,068.70 Million Baht  
 2004 : 4,749.68 Million Baht



### Export and Domestic Sales

Export : 2,205.62 Million Baht  
 Domestic : 2,544.06 Million Baht



For market development, the company emphasizes the importance of Customer Relationship Management to build up continuous growth and acquire new markets.

The company also stresses the importance of personnel development with programs of training and workshops to enable all employees to upgrade themselves in both skills and knowledge. Management is also more open to accepting opinions, widening the distribution of responsibility in decision-making in the production process, and creating a teamwork spirit. With added potential and fluidity in business operations, the company aims to be the leading business organization in the Kingdom.





*The company successfully acquired the Thailand Quality Award standard in self-evaluation in 2004. By the year 2008, the company expects to score higher than 350 points from the evaluation. Furthermore, the company is also committed to achieving the Award of "First Class Electronics Manufacturer".*



## Computer and Electronics Parts

### Electronics

#### Types of Products and Services

Manufactures Hard Disk Drives for export, which is under Union Technology Company Limited

#### Performance in 2004

During the year, the company proceeded to improve its overall operation as follows:

- \* Expansion of factories enabled a production capacity increase of 20%.
- \* Landscape improvements in factory frontal areas have created more pleasant environment to welcome visitors, providing ample shade and protection from sunlight and rain.
- \* Provision of additional parking spaces in anticipation of an increased workforce.
- \* Awarded OHSAS 18001 and TIS 18001 certifications by BVQI, for the achievement of high standards of safety, hygiene and environment conservation in the workplace.
- \* Total products manufactured and exported in 2004 was 15% more than that of 2003.

#### Trends of the Industry and Competition

The market for computer hard disk drives continues to grow, especially small hard disk drives of 1 and 2.5 inches. Many manufacturers of consumer electronics, such as MP3 players, use small hard disks in their own products. At the same time, cell-phone manufacturers began using 1-inch hard disk drives in their new cell-phones with increasing demand. However, this is an area of intense competition in aspects of price, delivery, quality, techniques and services.

The company successfully acquired the Thailand Quality Award standard in self-evaluation in 2004 and began to formulate measures for improvements to meet the standard. By the year 2008, the company expects to score higher than 350 points from the evaluation. Furthermore, the company is also committed to achieving the Award of "First Class Electronics Manufacturer".

### Computer

#### Types of Products and Services

Computer Union Company Limited operates as a distributor and service provider of computer hardware and information technologies, complemented with software and services. The company also provides security systems and maintenance for office computers, and supplies hardware that exactly meets the requirements of customers. The company's two product and service categories are:

- The distributor of leading computer hardware from world-recognized manufacturers like IBM, Hewlett Packard and Fujitsu. The company also supplies equipment to the banking sector, including automatic teller machines, checking machines, peripherals and banking computer software.

- As a software provider and consultant, the company provides services in consulting, design and computer programming development, in addition to setting up customers' systems as per their requirements.

### Performance in 2004

The information technology industry continues to grow at a satisfactory rate, with market volumes in 2004 of over Baht 100 billion, a 16% increase over that of 2003. At the same time, service volumes were Baht 18,064 million and the hardware account reached Baht 67,193 million.

Encouraging growth factors in the industry include government support for IT in the form of state investments in the field at all levels, from grass roots to top government departments. Another important factor is the telecommunication industry's reduced service rates, which increased Broadband usage to one million in 2004. Hi-Speed Internet rates are also lower, which further contributed to the rapid growth of the market.

The group's performance in electronics is lower than expected, considering the overall state of the IT industry. Main revenues were derived from sales of computer hardware, which yield low profit margins. The company is currently in transition from being a distributor of IT hardware to that of a complete IT service provider, and has not yet acquired the full complement of experienced management and skilled personnel necessary for this new function.

### Trends of the Industry and Competition

In 2005, the company will implement a four-pronged plan to achieve success in the IT industry. Firstly, it will build and maintain cutting edge technologies and skills above those of competitors for long-term supremacy in the market. Secondly, management and the workforce will remain committed in their effort to maintain maximum efficiency, while fully extending their resources. Thirdly, the company will acquire innovative IT systems that meet user specifications, above and beyond consumers' expectations. Fourthly, management will closely oversee all financial aspects with a view to generating a growth in profits for shareholders. The overall aim is to achieve a services and hardware sales target of 30% of total sales in 2005.





*The company has now commenced expansion projects at four of its power plants will commence operations during 2005. to fulfill the energy demands of the region and achieve suitable reward from the whole operation*

## Energy



### Types of Products and Services

Projects of Energy business are:

1. Joint ventures in China,
  - Four cogeneration plants in Zhejiang Province and Five cogeneration plants in Jiangsu Province
  - Two thermal power plants in Yunnan Province.
2. Investment project in Independent Power Producer in Thailand.

### Energy Business in China

Union Energy Co.,Ltd., a company in Saha-Union Group, has jointly invested with its business partner in China. The ratio of investment is more than 50% of the total investment in 11 thermal and cogeneration power plants in provinces of Zhejiang, Jiangsu and Yunnan

- Four Cogeneration Plants in Zhejiang Province. Of these, three have been operational for some years, while the fourth is a new investment called "Shangyu Hangzhou - Union Cogeneration Co., Ltd.", is located in a chemical industrial area near to Hangzhou Province.
- Five Cogeneration Plants in Jiangsu Province and increased investment in "Yixing - Union Biochemical Co., Ltd.", to produce good grade lime acid for food industry exports.
- Two Thermal Power Plants in Yunnan province.

### Performance of Power Plants in China

Chinese Government policy follows strict guidelines to maintain a balance between the growth of its economy and avoiding economic crisis, or overheating. During 2003-2004, there was a severe shortage in the supply of electricity to industry. Central Government intervened in the control of projects with high-energy demands, such as steel, cement and aluminum production, as well as automobile assembly. To meet the increasing demand, the government encouraged the rushed construction of new power plants to generate additional electricity supplies for Chinese industry.

During 2004, electricity demand in China continued to rise. Each of the Saha-Union's power plants increased their power generating output and sold all the energy they produced. However, the cost of generating electricity also rose, as the coal to fuel all the power plants increased in price by more than 50%. This was further exacerbated by a fall in coal stocks due to increased demand from new power plants and other industries, coupled with the difficulty in transporting coal from sources over long distances to various destinations, resulting in a sharp rise in coal prices. The cost of electricity is strictly regulated by the Chinese Government, therefore private power plant operators cannot adjust unit prices of electricity according to prevailing generating costs.



Consequently, during 2004, more than 85% of power plants in China , operated at a loss and Central Government had to import coal to alleviate the shortage. In addition, local Governments had to pay compensation to the power plants in their localities to keep them operating. All 11 Saha Union's power plants in China operated at a loss and not meet the target in 2004.

### Trends of the Industry and Competition

Despite efforts by the Chinese Government to slow down economic growth, China's growth rate is still higher than those of many other Asian countries. In 2005, Central Government has allowed private operators of power plants to adjust their unit prices for electricity corresponding to the generating cost. At the same time the Government is encouraging plant operators to switch to natural gas to lessen dependence on coal, resulting in a cleaner environment. However, it is estimated that the problem of electrical power shortages will remain in Chinese industry for at least two more years, especially in Zhejiang and Jiangsu provinces, where the nine power plants are operated by companies in Saha Union Group. The new policy of allowing power generators to adjust energy unit prices corresponding to fuel prices, plus the ever-rising demand for electricity should at least enable Saha Union's power plant to sell electricity and steam at a fair profit, with the potential to achieve a decent return on investment.

The company has now commenced expansion projects at four of its power plants at the Wuxi-Union Cogeneration, Co., Ltd., Yixing-Union Cogeneration Co., Ltd., Zhangjiagang Shenzhou-Union Cogeneration Co., Ltd. and Zhejiang Jiashan-Union Cogeneration Co., Ltd. In addition, a new power plant, the Shangyu Hangzhou-Union Cogeneration Co., Ltd., will commence operations during 2005. The expansion to increase electricity supply capacity should give Saha Union's power plants the opportunity to fulfill the energy demands of the region and achieve suitable reward from the whole operation.

### 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 Producer (IPP). A company in Saha-Union Group has jointly invested with its overseas business partner, which boast long experience in the energy industry, setting up Union Power Development Co., Ltd. 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.

Currently, Union Power Development Co., Ltd. has changed its name to Ratchaburi Power Co.,Ltd. (RPCL) and is still to operate the electricity generating power plant by using natural gas instead of coal.





The project, "Independent Power Producer (IPP)" comprises twin thermal energy electricity generating plants, burning natural gas to generate steam power. Each power plant generates 700 Megawatts, with a total capacity of 1,400 Megawatts.

The plants are located on the same estate of Ratchaburi Holding Plc., Baan Rai Subdistrict, Damnoernsaduak District, Ratchaburi Province.

#### Performance in 2004

Ratchaburi Power Co., Ltd. sealed a Power Purchase Agreement (PPA), Gas Service Agreement (GSA) and Land Lease Agreement (LLA) with the Electricity Generating Authority of Thailand (EGAT) on 27 February 2004. EGAT agreed to purchase all electricity generated by Ratchaburi Power for a period of 25 years. Power distribution begins from the time the first unit of electricity supplied by the generators reaches EGAT's system in March of 2008. The second phase of the project will begin generating and feeding electricity into the EGAT system in June of the same year. Ratchaburi Power is viewed as a very promising investment project. Ratchaburi Power presented an analysis report on the impact of the project on the environment to the Office of Policy and Planning of Natural Resources and Environment on 3 September 2004. The report was then scrutinized by a committee of experts on three separate occasions: 5 November 2004, 20 January 2005 and 7 March 2005, with approval being given at the third hearing.

Ratchaburi Power invited contractors to bid for the contracts to construct the twin power plants on 28 June 2004, and the selected bidder should be announced by March, 2005.

Ratchaburi Power is in the process of acquiring loans for the project, and expects to be able to conclude loan agreements by early 2006. Construction of the power plants will commence in December of the same year.





## Investment in International School

The Saha-Union Group has decided to invest in the business of education with Dulwich College of London, England, a recognized and respected professional expert in international education. The company also received the license from Dulwich College permitting to establish and operate an international school in China. Moreover, Dulwich College in London will also provide support in establishing curriculums, instructors and educational experts to offer advice and observe the setting-up proceedings, the organization of facilities and educational equipment to the same standards as those in Dulwich College, London.

The first international school was established in Shanghai under the name of Dulwich College, Shanghai. Classes began in 2003, and at present, the school offers classes from kindergarten to grade 9, with an enrollment of 540 students. The plan is for the school to expand one more grade each year up to grade 13. At present, management is building the second phase of facilities for classrooms, an activity hall and provision of educational assistants and equipment. The new facilities will be in service in 2006.

In 2004, the management established two more new schools, one in Beijing and the other in Suzhou. In Beijing, the company acquired The International Montessori School of Beijing, which is a very famous kindergarten and primary school in China. In August 2005, the school will re-register its name as Dulwich College, Beijing, with plans to offer classes up to grade 9 and eventually up to grade 12 in 2006. At the moment, ongoing negotiations are continuing in search for suitable ground and location for the building of a new facility, which is expected to begin in 2006.

Similarly, in Suzhou, the project is a cooperation with Suzhou High School, a very well known high school throughout China, which will be re-registered as Dulwich College, Suzhou. The school will be different from the schools in Shanghai and Beijing, as it will offer dormitory accommodation for overseas students. At this time, school buildings are under construction and the school is expected to open for classes in 2006.

# 11 POWER PLANTS IN CHINA

Yunnan

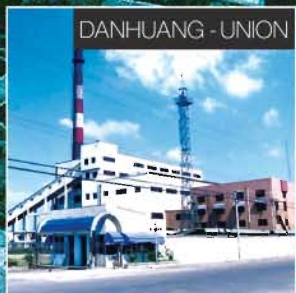
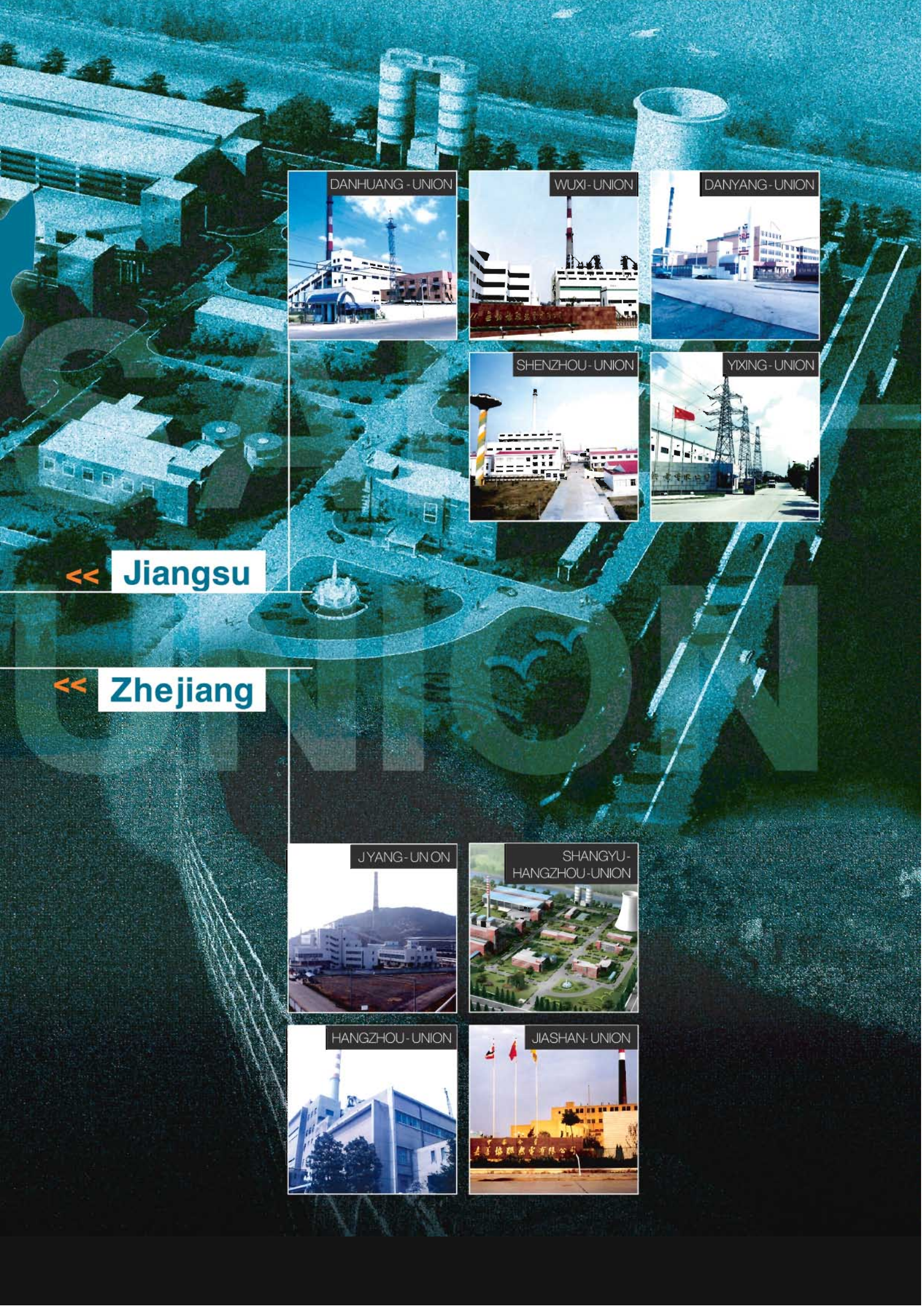


LULIANG-UNION

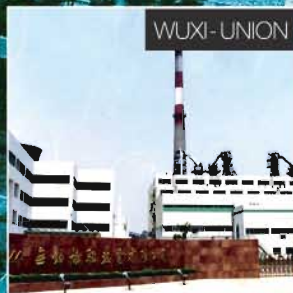


QUJING-UNION





DANHUANG - UNION



WUXI - UNION



DANYANG - UNION



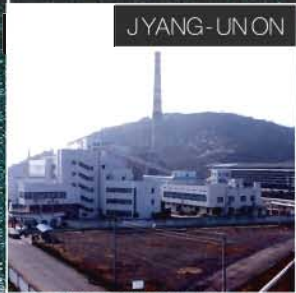
SHENZHOU - UNION



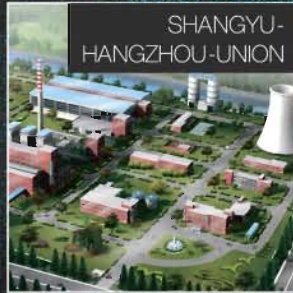
YIXING - UNION

<< Jiangsu

<< Zhejiang



JIYANG - UNION



SHANGYU - HANGZHOU - UNION



HANGZHOU - UNION



JIASHAN - UNION



## Structure of Shareholding

### 10 MAJOR SHAREHOLDERS IN SAHA-UNION PCL ON 31 MARCH 2004

NO.	SHAREHOLDERS	ULTIMATE SHAREHOLDERS	BUSINESS	NO. OF SHARES	% OF SHARES
1.	GROUP OF COMPANIES				
1.1	Union Thread Industries Company Limited	Darakananda Group	Investment	28,938,500	9.65
1.2	Union Capital Company Limited	Darakananda Group	Investment	18,750,000	6.25
1.3	Union Business Management Company Limited	Darakananda Group	Investment	18,650,000	6.22
1.4	Union Industries Corporation Limited	Darakananda Group	Investment	17,880,300	5.96
1.5	Uni-Fibre Company Limited	Darakananda Group	Investment	7,533,340	2.51
1.6	Saha - Union Holding Company Limited	Darakananda Group	Investment	6,334,040	2.11
1.7	Union Multi-Capital Company Limited	Darakananda Group	Investment	6,000,000	2.00
1.8	Darakananda Company Limited	Darakananda Group	Investment	3,000,000	1.00
1.9	Union Equity Company Limited	Darakananda Group	Investment	2,782,700	0.93
2.	BANGKOK BANK PUBLIC COMPANY LIMITED			12,325,000	4.11
3.	Mr. KUMTORN POONSAKUDOMSIN			8,447,964	2.82
4.	SOUTHEAST LIFE INSURANCE COMPANY LIMITED			7,808,100	2.60
5.	Mrs. NAREE TUNTIVATTANA			5,870,000	1.96
6.	TISCO FINANCE PUBLIC COMPANY LIMITED			4,650,000	1.55
7.	BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED			3,804,500	1.27
8.	GERLACH&CO-DIMENSIONAL EMERGING MARKETS VALUE FUND,INC			3,025,300	1.01
9.	KIATNAKIN FINANCE PUBLIC COMPANY LIMITED			2,620,000	0.87
10.	Mr. AKSORNPRASIT DARAKANANDA			2,398,500	0.80

## NUMBER OF DIRECTORS' SHAREHOLDING AND REMUNERATION

Remuneration for Directors consists of meeting fee and allowance only and has no adjustment since then. The amount of remuneration of each Director in 2004 is as follow:

NAME	No. of Share 2004	No. of Share 2003	% of Change	Remuneration (Baht)
Mr. Amnuay Viravan	371,980	371,980	-	3,975,000
Mr. Damri Darakananda *	-	-	-	720,000
Mr. Panas Simasathien	-	-	-	720,000
Mr. Amorn Chandara-somboon	25,960	25,960	-	720,000
Mr. Kisao Suzuki	-	-	-	720,000
Mrs. Chongraksa Darakananda *	50,000	50,000	-	720,000
Mr. Sumeth Darakananda	634,814	634,814	-	720,000
Mr. Chackchai Panichapat	-	-	-	720,000
Mr. Kamol Khoosuwan	10,030	10,030	-	720,000
Mr. Sompop Amatayakul	10,000	10,000	-	840,000
Mr. Nontaphon Nimsomboon	-	-	-	120,000
Mrs. Araya Arunanondchai	2,251,694	2,251,694	-	240,000
Miss Sriwarin Jirapakkana	127,284	127,284	-	120,000
Miss Pakinee Prertitumrong	1,950,624	1,950,624	-	240,000
Mrs. Supung Tangsujaritpunt	144,962	144,962	-	120,000
Mr. Songsak Thampimukvatana	-	-	-	120,000
Mr. Thitivat Suebsaeng	-	-	-	120,000
Miss Dalad Sapthavichaikul	13,052	13,052	-	120,000
Mr. Chutindhon Darakananda	-	-	-	120,000
Mr. Aksornprasit Darakananda **	2,398,500	2,398,500	-	120,000
Mrs. Chantornree Darakananda **	27,500	27,500	-	120,000
Mr. Bovornrat Darakananda	-	-	-	120,000
Mr. Vacharaphong Darakananda ***	1,582,600	1,582,600	-	120,000
Mrs. Sasithorn Darakananda ***	20,000	-	100	120,000
Mr. Nantiya Darakananda	75,380	75,380	-	120,000

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

### Remuneration for the Management

- The remuneration for all six of the Executive Directors and the Executives, including their salary and bonus, totaled Bht. 11,078,157,08 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 remunerations

The company also contributes the remuneration in the form of Provident Fund for 6 Executives with the rate of 3% amounted to Baht 226,824, the fund is managed by Bangkok bank Public Company Limited





## Structure of Management

The structure of the boards comprises of 4 different committees:

1. The Board of Directors comprises of 25 board members, with the number of meeting attended:

NAME	POSITION	MEETING ATTENDED
Mr. Amnuay Viravan	Chairman and Advisory Board's Chairman	12
Mr. Damri Darakananda	Vice Chairman and Advisor Board's Vice Chairman	2
Mr. Panas Simasathien	Executive Chairman and Advisor	12
Mr. Amorn Chandara-somboon	Director and Advisor	12
Mr. Kisao Suzuki	Director and Advisor	5
Mrs. Chongraksa Darakananda	Director and Advisor	1
Mr. Sumeth Darakananda	Director and Advisor	1
Mr. Chackchai Panichapat	Director, Advisor and Independent Director	10
Mr. Kamol Khoosuwan	Director and Advisor	2
Mr. Sompop Amatayakul	Chairman of The Audit Committee	6
Mr. Nontaphon Nimsomboon	Vice Executive Chairman	11
Mrs. Araya Arunanondchai	Audit Committee Member and Independent Director	10
Miss Sriwarin Jirapakkana	President	12
Miss Pakinee Prerttiumrong	Audit Committee Member and Independent Director	11
Mrs. Supung Tangsujaritpunt	Vice President	12
Mr. Songsak Thampimukvatana	Vice President	12
Mr. Thitivat Suebsaeng	Director	2
Miss Dalad Saphthavichaikul	Vice President	12
Mr. Chutindhon Darakananda	Vice President	1
Mr. Aksornprasit Darakananda	Vice President	6
Mrs. Chantornree Darakananda	Director	12
Mr. Bovornrat Darakananda	Vice President	3
Mr. Vacharaphong Darakananda	Vice President	10
Mrs. Sasithorn Darakananda	Director	9
Mr. Nantiya Darakananda	Director	2
Mrs. Sirinun Sansanakom as the Secretary of the Company		

Duties and Responsibilities are as follows:

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.



#### Board of Directors consists of four Independent Directors as follows:

1. Mr. Sompop Amartayakul
2. Mrs. Araya Arunanondchai
3. Ms. Pakinee Prettitumrong
4. Mr. Chackchai Panichapat

#### Structure of Criteria for the Selection of Independent Directors

The company's Board of Directors selectively extends an invitation to persons of recognized capability, experience, vision and with a good understanding of the nature of the company's business. The Board deems such appointments as a favorable contribution to the company's progress and development. Such persons must also be willing to devote their time adequately to the business of the company, and they must ensure they meet all regulations and requirements of the state agencies concerning the appointment of an independent director of a business entity.

#### Board of Directors' Meeting

Usually, the Board of Directors meet once a month to follow progress on business operations to ensure they are progressing satisfactorily according to plans and objectives. At the meeting, Board members confer with one another on problems and/or solutions, in which they may make a decision for approval and then assign it to management to implement the remedies, or solutions to problems. In 2004, there were 12 Board meetings and Directors, who are not on business abroad, attended every meeting. As Saha Union has many business ventures abroad, many Board Members have responsibilities for overseeing the company's interests overseas and cannot always attend all meetings. The secretary to the Board of Directors records minutes of meetings and forwards a report of each meeting regularly to absent Directors and also receives and records suggestions and opinions from them.

Information on attendance of meetings by each board member is under "Structure of Management, Board of Directors", on page 38

## 2. The Executive Committee

NAME	POSITION
Mr. Panas Simasathien	Chairman
Mr. Nontaphon Nimsomboon	Vice Chairman
Miss Sriwarin Jirapakkana	President
Mrs. Supung Tangsujaritpunt	Vice President
Mr. Songsak Thampimukvatana	Vice President
Miss Dalad Saphavichaiikul	Vice President
Mr. Chutindhon Darakananda	Vice President
Mr. Aksornprasit Darakananda	Vice President
Mr. Bovornrat Darakananda	Vice President
Mr. Vacharaphong Darakananda	Vice President
Mr. Thitivat Suebsaeng	Executive Director
Mrs. Chantorntree Darakananda	Executive Director
Mrs. Sasithorn Darakananda	Executive Director
Mr. Nantiya Darakananda	Executive Director

#### Duties and Authorities 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 affiliates and 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 Audit Committee has all the necessary qualifications according to the rules of SET and the Board of Director's charter approval on 25<sup>th</sup> November, 2002, with two years terms.

The Audit Committee consists of the following members:

- |                               |                        |
|-------------------------------|------------------------|
| 1. Mr. Sompop Amatayakul      | Chairman               |
| 2. Mrs. Araya Arunanondchai   | Audit Committee Member |
| 3. Miss Pakinee Prertitumrong | 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

The Board consists of 10 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:

- |                                |               |
|--------------------------------|---------------|
| 1. Mr. Amnuay Viravan          | Chairman      |
| 2. Mr. Damri Darakananda       | Vice Chairman |
| 3. Mr. Panas Simasathien       |               |
| 4. Mr. Amorn Chandara-somboon  |               |
| 5. Mr. Kisao Suzuki            |               |
| 6. Mrs. Chongraksa Darakananda |               |
| 7. Mr. Sumeth Darakananda      |               |
| 8. Mr. Sompop Amatayakul       |               |
| 9. Mr. Chackchai Panichapat    |               |
| 10. Mr. Kamol Khoosuwan        |               |

#### 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.

## **Corporate Governance**

Over the years, Saha-Union Public Company Limited's Board of Directors have realized the importance of good corporate governance. This is crucial to Saha-Union Public Company Limited's operations - as it enables the company to generate growth and stability. The company is a registered and has, therefore, established its corporate governance in accordance with the principles and practices of the Stock Exchange of Thailand as follows:

### **1. Policies on Good Corporate Governance**

The Board of Directors of Saha Union Pcl. firmly recognizes the importance of good corporate governance in maintaining the company's stability and prosperity. The company has established operational plans and follow-up evaluations for improvements, or adjustments in necessary areas. Various committees are appointed with authorization from the Board to implement such duties and responsibilities. These committees are free to voice their opinions for the benefit of the organization, and all interested parties are entitled to equal rights to information and transparency from the management of the company. The Board and its committees oversee and manage the business with emphasis on risk management and with fluidity to keep abreast of ever-changing situations. Its motto in corporate governance is "Integrity, Quality, Service". Since late 2004, Saha Union Pcl. and its group of companies have followed directives to improve management and operations through self-evaluation, after which, solutions for corrections of inadequacy, or improvements are proposed for inclusion in the operational plan for 2005.

### **2. Shareholders: Rights and Equitable Treatment**

In 2004, the company called an annual meeting of shareholders. The notice and relevant documents were forwarded to all shareholders no less than seven days in advance. They included the annual report, financial statements, invitation to the meeting and its agendas, complete with proposals of the Board of Directors, literature of





explanation, opinions and evidence of each agenda. The shareholders then had sufficient time and opportunity to study the information prior to the date of the meeting. Also included were proxy authorization forms and relevant documents in the event any shareholders were unable to attend the meeting in person. The meeting was held on company premises, which is convenient for the majority of shareholders, who registered for the meeting during the hour before the meeting convened. At the opening of the meeting, the Chairman of the Board explained the voting and tabulation procedures to the shareholders, who are able to vote according to the agendas. Each shareholder has an equal right to vote, pose questions or give opinions. Voting according to the agenda, with all its details, is recorded and published in the report of the meeting of shareholders.

Concerning the remuneration of directors, shareholders voted to authorize the Board of Directors to decide upon the matter. The amount of remuneration has not been adjusted since, and is not included on the agenda until there is any change in the future.

### **3. Shareholders' Meetings**

In 2004, Shareholder's meeting was comprised of a total of 16 board members, excluding members who were in overseas. All Independent Directors, Audit Committee Members, Chairman of the Board, Executive Chairman and President attended the meeting. The Chairman gives every opportunity to the shareholders to voice their opinions, or ideas. Concerned Directors respond and field any questions they might have before the meeting moves on to another agenda. At the conclusion of each agenda, everyone casts their vote, the votes are counted, and after tabulation, the resolution is notified. Details of the discussion and important minutes of each agenda are recorded in the report of the meeting and are filed in a systematic manner for easy access to re-examine and/or confirm.

During the agenda for the appointment of directors, the company proceeded according to company regulations, with details recorded under "Nomination of Directors and Executives" on page 40

### **4. Various Groups of Stakeholders**

The company respects the rights of everyone and every interested party. All operational procedures of the company comply with the law and with relevant rules and regulations of the state, with the interests of the public taken into consideration. The management cooperates and compromises to achieve a balance of interests of the company and society, and through this balance it can progress in pursuit of success, sustaining growth and stability. The company is committed to maintaining the balance of the environment of the community in which it establishes its operations, which are often beyond the high standards set by the state. Always conscious of its duty to society and the community as a good corporate citizen, Saha Union Pcl. honors its agreements with all trading partners, both in quality, quantity and on schedule. It recognizes the importance of inside information provided by its trading partners and is very scrupulous in handling such sensitive information. The company strictly complies with conditions of loans from financial institutions, as the company's reputation is at stake. The Board of Directors appoints a committee to study remuneration payments to management and staff and personnel at all levels, and proposes changes, or adjustments at appropriate times and circumstances.

### **5. Leadership and Vision**

The Board of Directors takes full responsibility for leadership and sets goals, objectives and policies for the company's business operations. The Board also approves strategic planning and budgets of operations, and authorizes committees to follow up and evaluate operations planning and proposed changes according to the situation. Committees are very well versed in their skills and duties to the company, as members have to complete preparation programs for directors organized by the Institute of Directors (IOD), before they are entrusted with overseeing the interests of the company and all shareholders.

The company follows strict rules of segregation of positions. The Board of Directors has distinctive duties and responsibilities to management and to shareholders. The Chairman of the Board is not the same individual as the Executive Chairman, and the President is not the same person in either of the above capacities.

During 2003 and 2004, certain members of the Board of Directors attended four meetings with high-ranking executives in order to receive information concerning new data and knowledge that would enhance the company's business vision. The meeting was also informative concerning innovative ideas, strategies and planning, with emphasis on human resource development for effectiveness, and on risk management in preventing damage to the company, and damage control strategies. Such meetings give the directors an opportunity to enhance their vision and

understanding of operations while strengthening their leadership qualities to lead the organization with an edge over its competitors. In the global marketplace, directors need all the skills and strength they can muster to lead the company effectively with the greatest return for shareholders.

#### **6. Conflicts of Interests**

The Board of Directors is very careful about creating a situation of benefit contradiction, or a list of conflicts of interest between groups of companies and affiliates. The Board strictly adheres to the policy of Integrity, Quality and Service. Ordinarily, company-to-company lists of products and prices occur in normal circumstances and conditions and procedures are in accordance with normal business practices. When an out-of-the-ordinary list is made, it needs approval from the Board of Directors, shareholders, and/or state agencies according to regulations. Under the guidance of the principles of Integrity, Quality and Service, the company reveals all details of transactions between companies in the group under the guidelines of the SET. The details of lists of company-to-company in 2004 is recorded under "Common Interested Persons and Connected Transactions" on page 58-60

Regarding policy for internal information, the company has established regulations to prevent malpractice. The Management and staff are prohibited from misusing their authority for personal benefit or aiding others in illegal practices. All members of staff are to perform their duties honestly. The company has a set procedure for disciplinary action that can be taken. These are listed under the company's internal policies.

#### **7. Business Ethics**

Saha-Union Public Company Limited established a policy, under its business ethic "Integrity, Quality Service", of the business operations and practices of directors and staff and their responsibilities to customers, business partners and society. Although these policies have not been put in writing as all concerned parties are familiar with them because of long-standing involvement with the company. These ethical policies are strictly adhered to.

#### **8. Balance of Power of Non-Executive Directors**

Saha-Union Pcl. Is comprised of 25 board members. These include 14 executive directors, 4 Independent Directors, 3 Audit committee members, who meet all the requirement of SET, and 9 advisory board members. The ratio of Non-executives, comprised of members of the Independent Directors and the Audit Committee Members, is 48% of the total Board of the Executive Directors to achieve equilibrium in the Board. Under normal circumstances, non-executive directors are free to voice their opinions at meetings of the Board of Directors, and the Board takes such opinions into consideration when deciding on further action, in light of the best interests of the company.

#### **9. Aggregation or Segregation of Positions**

Saha-Union Public Company Limited's Chairman of the Board of Directors, Chairman of the Executive Committee and President have separate and distinct responsibilities. The Chairman of the Executive Committee is responsible for setting up operational plans and performs duties assigned by the Board of Directors. This is done with the aim of achieving all the company's objectives. The President is responsible for administering work assigned by the Board of Directors and Chairman of the Executive Committee. The Chairman of the Board of Directors is responsible for setting up the company's objectives and operational policy and ensuring all operations meet with their objectives.

#### **10. Remuneration for Directors and the Management**

Saha-Union Public Company Limited makes remuneration payments to Directors and Executive Members. The company gives both meeting fees and an allowance to directors. The executive members are provided with salaries and bonuses. Board members of the audit committee receive extra remuneration in line with their increased duties and responsibilities. The company believes that the amount of remuneration is appropriate when considering the type of business the company does and the dedication to service of the directors. The amount of remuneration has to be approved by the shareholders during the company's general shareholder meeting. Remuneration of the Management team is in line with the company's principles and policy as established by Board of Directors. The final amount is depends on the performance of both the company and the individual's performance. No sub-committee has been established to take care of the remuneration, but the company has a group of directors who make careful consideration of all factors including the state of the company. The details of the remuneration for Directors and the Management appear on page 37 of the annual report.





### 11. Board of Director's Meeting

Normally, Saha-Union Public Company Limited's Executive Committee meeting is held every month before the board meeting so the board of directors can assess the company's performance. The schedule for the monthly meetings is set at the beginning of the year so directors can arrange their enrollment. The company's secretary is responsible for sending out invitations, agenda and relevant documents 7 days before each meeting. Each monthly meeting includes an assessment of operational performance and normally two hours are spent while executive members present the topics and the directors carefully consider any problems that have occurred. In 2002, the board of directors attended 12 meetings.

This does not include directors who had important duties to perform or were overseas. The secretary later provided all relevant information for absent directors. Details of Meeting attended of each Director is in the page 38

The company records all details of the meeting and the approved report from the board of directors is kept for future inspection. The company's secretary is able to give some advice on the relevant laws and regulations.

The Board of Directors has already conducted a self-evaluation on its performance in 2004.

### 12. Committees

On 22 October 1999 Saha-Union Public Company Limited's sub-committee agreed to establish an audit committee, who meet all requirements of the Stock Exchange of Thailand. This sub-committee is comprised of independent and non-executive directors and is operational for two-years. The Audit Committee consists of the following members:

- |                                |                         |
|--------------------------------|-------------------------|
| 1. Mr. Sompop Amatayakul       | Chairman                |
| 2. Mrs. Araya Arunanondchai    | Member (Non-Executives) |
| 3. Miss Pakinee Prerttitumrong | Member (Non-Executives) |

All three sub-committee members have performed their duties consistently In 2003, the board of audit committee held 5 meetings and reported to the company's board of directors every three months.

The audit sub-committee set up a charter, which was approved by the company's board of directors. 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, coordinate 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/weakness 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.

The company presents the "Report of the Audit Committee for 2004" on page 57

Moreover, the Executive Committee has also approved a resolution for the appointment of three committees.

\* Corporate Marketing Committee with Mr. Songsak Thampimukvatana as Chairman of the Committee with responsibility for supporting and encouraging cooperation of the marketing effort of the company and affiliates. With more information and concerted effort, the marketing committee will enhance the efficiency and effectiveness of the group's marketing activities.

\* Operating Management Committee with Dr. Nopparat Panyapas as Chairman of the Committee, with responsibility for the development of executives and personnel of the company and its affiliates. The Committee makes studies and proposes methods to improve operational efficiency and ways to achieve the highest degree of effectiveness in the long-term.

\* Human Resource Management with Mr. Vaidhaya Veeravaidhaya as Chairman, it will oversee the development of personnel at all levels, conduct training, workshops and refresher courses for personnel to improve themselves to reach their full potential in their duties and fields of expertise. The management of human resource by the Committee follows the principles of a Competency Based System.

### 13. Controlling System and Internal Audit

Saha-Union Public Company Limited places great importance on its internal control system both at the management level and the operational level for greater efficiency of the company. The company established suitable, clear and concise rules and procedures for the internal control system. It also as set up a range of operational authorities from the management level, down to the operational level. Responsibility for internal control is divided among staff, inspectors and the evaluation team, enabling each group to inspect each other. The company also has a financial report system so the management can follow all operations. The company's inspection system is designed to benefit to the company. The Board of Directors' opinions on the internal control system are printed under the internal control section.

The company's internal control department is responsible for inspecting the company's working systems, major operations and financial activities to ensure they comply with established precedents. The internal control department, operates under the board of the audit committee and follows the annual operational plans and missions. The department reports directly to the board of audit committee and, in some urgent cases, to the management for rapid assessment and necessary adjustments. The internal control department has the authority to make independent inspections.

To ensure efficient risk management the company employed a group of staff to oversee any possible-risk situations in the business. Such risk management includes managing currency exchange on the forward rate, the establishment of amounts and prices, and the adjustment of strategy in line with rapidly changing situations. This enables the operational staff to manage such operations as the purchase of raw materials to reduce any possible risks. It helps increase the company's stability and maintain operational efficiency into the future.

### 14. Director's Report

The details of the Report of the Board of Directors to the Financial Statements is on page 56

### 15. Relations with Investors

Saha-Union Public Company Limited's Board of Directors has a policy to disclose all appropriate information in full. The company, therefore, circulates its financial report and any general information that might affect the share price on the Stock Market. This information is distributed through the Stock Market's channel for investors and involved parties. In addition, the company discloses information through its website [www.sahaunion.co.th](http://www.sahaunion.co.th) in the Investor Relations section. The company has also established a working unit to provide company information to investors, analysis experts and any involved parties who require it. Those wishing to contact the Public Relations department should call 0 2311 5111 ext. 7420, Mr. Witchasorn Suwannakindra or fax to 0 2311 6867. The company welcomes any opinions or advice that will enable it to improve in the future.

#### 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 2004:

#### 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, normally in August.

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 as,

Executives scope of authority, harvens 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 Excutives 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 anyirregularity 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 Procedures

A subsidiary of Saha-Union's energy group, Union Energy Co., Ltd., has invested in an electricity generating plant project of Union Power Development Co., Ltd., which in 2003, changed its name to Ratchaburi Power Co., Ltd., (RPCL). The nature of the project has also changed from the original plan. The plant is now relocated in Ratchaburi Province and fuel type has been switched from coal to natural gas. Other details are contained in the 2003 annual report. RPCL plans to complete the construction of the first phase and commence power supply in March 2008. At present, it is in the process of seeking permits and licenses from relevant state agencies. RPCL is also currently concluding loan agreements with financial institutions. Expected timeline is early 2006. The period 2004-2005 is being used to check that each step of the construction operation is proceeding according to plan. Union Energy expects to repay its loans and begin to see a return on investment in dividends from this operation in 2008.

### Performance

#### Overall Operational Performance

The operational performance of Saha Union, Plc. and its subsidiaries during the past year showed a net profit of Baht 424.48 million, an decrease of 56.72 percent from the year 2003 which was shown as Baht 980.76 million the main result of changing in performance was total sales, shown an decrease of 3.58 % , or Baht 623 million from the year 2003. Moreover, shown a gross profit of Baht 432.27 million, which was 2.10% lower than that of 2003. However, taking into account, the increased costs of raw materials, with no corresponding adjustment in finished products' selling prices, the ratio of profits showed the 2004 profit is 10.73% less than that of 2003. Other contributing factors were Baht 53.87 million (3.37%) in sales and management expenses incurred by Saha-Union and affiliates. Union Textile Industry Plc., a newly established subsidiary in 2004, posed sales and management costs of Baht 116 million, which further raised expenses to Baht 170 million. Furthermore, losses from depreciation of investment at the end of the year were Baht 156.47 million. Factors having significant impact on the company's performance were as follows:

#### \* Policies of state agencies within other countries and higher costs of raw materials.

Saha-Union's subsidiaries have invested in electricity generating plants in China for many years with satisfactory results, up until 2003 and 2004, when coal, the main fuel for the power plants, began a steep price rise which reached 50% higher than its original cost at the latest report. Meanwhile, electricity and steam prices were maintained at original levels under the direct control of the Chinese local and central governments. Energy producers are not permitted to adjust prices corresponding to fuel costs. Consequently, management of the subsidiaries is currently negotiating for price increases in electricity and steam, but it takes time for the various state agencies to reach decisions. In the meantime, the entire operation faces a loss for the first time. At present, management has succeeded in negotiating price increases at certain power plants, or granting some compensation for higher fuel costs. However, at Danhuang-Union Cogeneration plant, the state would not allow any price adjustment or provide any compensation. The Board of Directors of the company managing the plant, therefore, decided to shut down the operation to reduce mounting losses. Loss from this investment is recorded at Baht 156.47 million, while the impact of high fuel costs has resulted in a total profit of Baht 58 million by the Saha-Union group of companies and affiliates operating in China in 2004, compared to a profit of Baht 323 million a year ago. Furthermore, caused to adjusted the investment loss and other assets up to Baht 216 million. Eventually, By the policy of China in the year of 2004 allowed the structure of fuel price were free to be adjusted depended up on production cost and coal price. As a result, the situation of energy business in 2005 would be better than the previous year.

#### \* Government policy on Free Trade Agreement

This agreement allows the same types of goods from abroad with lower retail prices, to compete advantageously with goods produced by the company. Without import tariffs, domestic products are at a disadvantage as the cost of raw materials is higher, and retail prices cannot be increased relative to production costs due to competitive prices of imported products with lower labor and material costs. The result is lower gross profits for Saha-Union and many other local manufacturers. The company is seeking ways to invest in new locations to reduce production costs to keep its competitive edge and also look for new markets for its products at the same time.

### Marketing and Competition

The market for industrial goods started to change, with trends showing a growing demand for marketing and

competition. There were also changes in the similar forms of products required as well as fierce competition with lower cost of sales. 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 tried to keeping its market shares by launching marketing strategies in the area that the production cost was suitable for market environment.

#### \* Currency exchange rates

Currency exchange rate fluctuations have significant impacts on total sales in Baht currency. For example, due to currency fluctuations, payment from sales in foreign currencies, with substantial amounts in US dollars, or sometimes in Thai Baht, can cut substantially into the company's earnings. In early 2004, the Thai Baht's value was up, with a tendency to climb further, but by mid-year, the Baht weakened until the end of 2004, when the US Government devalued the dollar, then the Thai Baht suddenly gained value again. The higher Baht reduced total sales value in US dollars after exchanging to Thai Baht, resulting in drastically lower revenues from sales. Although management followed precautionary practices of forward currency exchange agreements, an unexpected sudden change in the currency rates can happen at any time. Risk management has helped cushion and reduce losses to a certain degree.

#### \* Diversification of business

As the market for Saha-Union products becomes evermore-highly competitive with similar products from abroad at lower production costs, driving evermore-fiercer competition, the company has made moves to diversify its operations. To this end, the company has increased investments and expanded its operations in China with an emphasis on energy. There are already power plants in operation in three provinces; Jiangsu, Zhejiang, and Yunnan. In late 2003, the company turned to the education business by investing in international schools, beginning in Shanghai, and has now expanded to another in Beijing. This latest move is to help spread investments and risks, while the new business opportunity afforded by the locations of these schools should be very favorable for the establishment of international education. Both Shanghai and Beijing are full of expatriates working for various businesses, so it is natural that they would want their children to have their education in quality international schools. Saha-Union is therefore certain of a good return on investment in the long run.

### Performance of Business Groups

#### \* Revenues from sales and services

The income from sales in 2004 was Baht 16,791.8 million, comparing with Baht 17,414.65 million in 2003, indicating a Baht 622.85 million (3.58%) drop in income compared to the year 2003. Main factors for the drop included Union Textile industries Pcl. (UT), changing its status from an affiliate in 2003 to a subsidiary in 2004. The fiscal budget of Saha-Union needed to be adjusted by subtracting company-to-company sales between Saha-Union and its subsidiaries with UT. Sales subtracted were more than UT customer sales, therefore sales were down by Baht 575 million. Up to the year 2003, UT was an affiliate, and sales of a subsidiary to an affiliate were not taken out. The fiscal budget adjustment is in accordance with standard principles of accounting. Operations showing a sale increase in 2004, were plastics, rubber and metal, all products related to the automobile industry, which shows continuous growth. The demand for vacuum steel bottles was also strong in foreign markets. The energy group in China also indicated higher sales of energy as demand for electricity and steam continued to increase. The groups with declining sales were textiles, footwear and computers, because of strong competition from imported products at lower prices. The Free Trade Agreement policy in 2004 meant that consumer goods can now compete freely in the domestic market, and a good number of these have lower production costs than the same items have in Thailand. Footwear sales also suffered from currency exchange fluctuations throughout 2004. Management expects the declining sales trend in textiles, footwear and computers to continue downward, and has, therefore, already made moves to invest in other business ventures.

#### \* Other revenue

The company was able to generate revenues other than from sales, and in 2004, other revenues reached a total Baht 102.44 million, 25.72% more than that of 2003. Union Textile Industries, Pcl. (UT) other income was Baht 81.57 million. This amount was included with Saha-Union's other income figure in 2004, as UT changed its status from affiliate to subsidiary. Other significant income were earned from sales by the energy group in China, which was Baht 25 million more than in 2003. Other subsidiaries made no significant increase or decrease in other income.

Returns on investments were lower than that of 2003 by Baht 24.89 million. Main factors were a decline of earnings from operations by affiliates in energy projects in China, plus rising fuel costs. At the same time, electricity and steam prices were regulated by the state, and plant operators were unable to adjust prices corresponding to fuel



costs. The company is optimistic that the energy group's situation should improve in the future, dependent on the outcome of negotiations between the management of each affiliate and the Chinese State agencies.

#### \* Expenses and costs of management and sales

Costs of sales in 2004 declined from that of 2003 by Baht 190.59 million, as net sales declined by Baht 622.85 million. Costs of sales had increased in a ratio more than net sales in the past, especially among the groups of plastics, rubber and metal. In the energy group the costs of sales increased sharply, but net sales did not increase, while in footwear and textiles, costs of sales increased slightly, but net sales decreased. Market situations and competitors are major factors influencing cost increases.

Management expenses and sales amounted to Baht 1,768.15 million in 2004, an increase of Baht 170.76 million compared to Baht 1,597.38 million in 2003. There were added expenses of Baht 116.89 million from the changing status of UT from an affiliate to a subsidiary, while the other increase of Baht 53.87 million or 3.37% was made up from existing subsidiaries, a normal nature of business operations. Labor costs increased by 2.49%, and electricity costs by 2.36%. The company allowed other expenses only as were necessitated.

#### • Profit

\* In 2004, The company showed the gross profit of 10.73%, compared to the year before as 12.83%, a decreased of 2.10%, caused by the higher cost of production in 2004. Saha-Union Pcl. revealed profits in ratio to total revenue of 3.97%, a decline of 3.65% compared to last year's figure, which showed a ratio of 7.62%. The decline in profits was mainly caused by the operations of subsidiaries and affiliates in China. In 2004, the energy groups in China gained profits of Baht 58 million, compared with profits of Baht 323 million a year ago. The most significant factor for this situation was that private operators generating electricity in China have relied solely on coal for fuel, the price of which, in 2004, climbed by 50%, while the prices of electricity and steam were controlled by the state agencies. Negotiations for any price increase took time to take effect. At present, some power plants of the company have been permitted to adjust prices and received compensation for the higher cost of coal, while others awaited the outcome of negotiations.

The ratio of net profit to total revenue in 2004 was 2.41% comparing to 5.40% in 2003, a decline of 2.99%. The decline was caused by losses from operations in China as mentioned previously. The company also paid more interest to the increasing long-term loans of Baht 15 million, or 0.10% of total revenue. The return on equity was 3.38%, declining by 4.62% compared to 8% of the year before. This was due to the net profit of 2004 was much lower than that of 2003. However, when compared to the interests from fixed deposit accounts, the return from Saha-Union is still much better. Management has since made adjustments to its operational strategies and risk management in order to increase operational efficiency.

In 2004, Saha-Union's balance sheet indicated a net profit of Baht 424.48 million, with cash flows from operating activities of Baht 1,009.35 million. The 2003 cash flows amounted to 144.01% of net profit, whereas the 2004 cash flows amounted to 237.79%, up by 93.78%. The factors included many non-cash lists of accounts payable and receivable, which had an impact on the balance sheet. Losses from investment depreciation in operations at Danhuang Union Cogeneration were Baht 156 million. There were also depreciations and amortizations worth Baht 873.49 million, as well as realized earnings from shared profits of affiliates of Baht 340.51 million. The amount of cash flow from activities over the net profit, indicates the strength of profit and liquidity in overall operations.

#### • Return on Equity

The year 2004 saw the company achieve a net profit from accounted for under equity method, in accordance with standard accountancy procedures, which require that profits made from both the subsidiaries and associates are also shown. The net profit was 424.48 million Baht and net profit per share was 1.46 Baht. The company expects to pay dividends of Baht 1.25 per share, with a ratio of payable dividends set at 85.62 percent of the net profit accounted under equity method.

The management of the company maintains a policy that dividend payments be kept flexible, and not fixed in proportion to the profit. However, its policy requires that the dividends will be paid at the appropriate ratio to the investment by calculated from the cost of expenses. The policy that evidently has an impact on the cash flow, as shown by past 5 years dividend records : average 1.25 Baht per share.

## Financial Status

Changes in the financial status of the company during the year 2004 were as follows:

### Assets

As of 31 December 2004, Saha - Union Pcl.'s total assets were worth 20,730 million Baht, an increase of around 7.32% from the previous year, when assets were valued at 19,316 million Baht.

Assets at the end of 2004 comprised of current asset, worth 37.18 percent, investment worth 37.78 percent, building and equipment, worth 21.29 percent and other asset, worth 3.74 percent, compared to those of the previous year, while compared to the end of 2003, the company's current assets showed an increase of 0.76 percent. When Union Textile (UT) changed its status from affiliate to subsidiary in 2004, its assets and liabilities became part of the Saha-Union balance sheet. The UT inventory was Baht 800 million, the majority of which was awaiting trans-shipment to customers with advanced orders. Other current assets showed no significant movement. Investments were down by 3.16% as the company reduced its investments in UT by Baht 180.89 million. A subsidiary, Union Energy Co., Ltd., transferred 5% of its investment (Baht 83.25 million) in Ratchaburi Power Co., Ltd. to PTT Plc. The company increased its investments in Union Education Management Ltd., to a total Baht 79.66 million, while its subsidiaries in China also increased their investments in the power generating industry at Wuxi-Union Cogeneration Co., Ltd. to Baht 163 million.

Total value of estate, buildings and equipment increased by 3.44%, due to the inclusion of fixed assets belonged to UT, amounting to Baht 854 million. There were also the fixed assets of Baht 84.86 million of a new subsidiary in China, Shanghai Sahaunion Thread Industry Co., Ltd., which were added to the total assets.

Other assets showed a reduction of 1.05%, as one of the subsidiaries received the return of advanced cash of Baht 97.05 million from Ratchaburi Power Co., Ltd. and there were tax returns from the Department of Internal Revenue Service to some of the subsidiaries.

#### • Quality of assets

As at 31 December 2004, debtor accounts and other accounts receivable, amounted to Baht 2,610.7 million, a small reduction from last year's Baht 2,844.4 million. The majority of these accounts are not over their due dates, the average calling being within 59 days, near enough to the company's loans calling dates. The accounts of the majority of the company and its subsidiaries' debtors, shown that all payments were up to date. However, the accounts of debtors over a year old were listed under payments receivable, which shown a figure of Baht 41.16 million, while those listed under doubtful debts amounted to Baht 36.8 million, giving a ratio of 1.57 percent against total debtors. For the present, the company believes that its reserve unpaid debts are sufficient.

Short-term loans, given to related businesses at the end of 2004, amounted of 203.27 million Baht, a decreased from previous year with shown of 629.19 million Baht. All loans are given to the subsidiaries for their circulating capital and other activities of the operation in 2004. Saha - Union ,Pcl. believes that its related businesses will be able to pay off all of their debts, with interest, in the near future by in line with the rates of the country's major bank.

As of 31 December 2003, the inventory was up by Baht 1,084 million, or 4.81 percent, just a slight rise from the previous year with the amounted of 1,203.57 million Baht. In 2004, the new subsidiary, UT's inventory of Baht 800 million was added to the company's balance sheet, as well as an inventory worth Baht 100 million from plastics, rubber, metal and footwear groups. Most of the inventories were destined for customers with advanced purchasing orders and the company has already evaluated the net sales from these inventories. There are also records of depreciation and amortization at the respectable value of Baht 109.8 million as of 31 December 2004.

With regard to investments, the company has investments, both domestic and overseas, with details included in the financial statement, categories 8-9 and 10. During 2004, one of the energy group subsidiaries in China was shut down because of the high cost of coal. As the local government did not permit electricity and steam price adjustments to compensate for the high costs of fuel, problems reached a point falling far short of ECONOMY OF SCALE. The Board of Directors of this subsidiary therefore decided to cease operations as the most economical solution, until the fuel price or unit price of energy improved. The evaluation of investments against expected returns shows a difference of Baht 156 million. The company has recorded reserves for the amount of depreciation of the investments, which are included in the depreciation list of assets in the balance sheet of 2004.

### Liquidity

As of 31 December 2004, Saha Union Pcl. had a cash flow to the tune of Baht 1,009 million for its operational activities, with Baht 89 million for financing. On top of this, the company had spent Baht 749 million in investments,



and had a total of Baht 171.5 million in net cash flow. The cash flow from operational activities dropped from the previous year to Baht 403 million, on the back of increased inventory, which was up by Baht 316.6 million. Debtor's Loans amounted to Baht 60 million, while at the year ending December 2004, other current assets increased by Baht 44 million, while other liabilities were reduced by Baht 32 million. Cash flows from operating activities were worth Baht 1,009 million, affected by the operational loss due to closure of Danhuang Union Cogeneration in China, resulting in an investment depreciation of Baht 156.8 million, plus the reduction of other fixed assets of Baht 138 million. Cash flows, therefore, exceeded profits from the operation.

Further investment activities of the company included an additional investment of Baht 163 million in power generating plants in China, as well as an investment of Baht 80 million in the international school business there. It also invested in stocks of subsidiaries, worth Baht 116 million, while receiving payments from short-term loans of Baht 153 million, dividends from investments of Baht 77.9 million, payments from the transfer of investments of Baht 99.9 million, and received payments of Baht 120 million for the retrieving of investments. The company had also invested in permanent assets like buildings, equipment and machinery, mostly for its textiles, footwear, computer businesses and energy project in China.

In terms of investment activities, the company's cash flow from short-term loans came to Baht 401 million; long-term loans, Baht 628 million; paid-up term loans, Baht 709 million; and paid-up dividends to shareholders, Baht 408 million. Saha Union Pcl. used its net cash flow from such financing activities, Baht 88 million for further investment and expansion of the business operations.

The cash flow from the three activities showed a net increase of Baht 171.5 million, which, when added to the cash equivalents (Baht 1,852.5 million at the beginning of the year), came to Baht 2,024 million at the end of the year 2004.

Saha Union's liquidity ratios at the end of 2004 stood at 1.58 times, with current assets against current liabilities at 1.11 times, reflecting the company's ability to transform assets into cash for the payment of all current debts. Following debt repayment, the company would be left with cash reserves at a ratio of 0.47 times. This means that the company has a very high liquidity rate. Saha-Union, Pcl. showed a high liquidity capacity, with the average collectible account payable in 59 days, corresponding to the company's policies on credit trading. The cycle of cash flow from payments of raw materials to receiving payments for sales of products is a period of 32 days, longer than last year's cycle period of 19 days. This year (2004), the UT cash flow cycle is included, which is considerably longer as the product distribution period at UT is longer with increased inventory. Although the cash flow cycle was somewhat lengthened, Saha-Union, Pcl. still has a strong liquidity capacity.

Impact of short-term loan payments on liquidity Saha Union Pcl.'s short-term loans in the year 2004 were valued at Baht 1,220 million. Meanwhile, long-term loans due within the year came to Baht 263 million, and payments (also due within the year) for rental contracts, at Baht 67 million. Liability expenses stood at Baht 573 million, and, when added to other current liabilities (at Baht 310 million), came to Baht 2,433 million. Combined, Saha Union Pcl.'s assets, liquidity, cash & cash equivalents and deposits (in financial institutes) came to Baht 2,024 million, meaning that the company was able to pay as much as 83.19 percent of its one year-short term loans at a moment's notice. Moreover, as far as trust receipts (T/R) were concerned, the company's L/Cs (with payment guaranteed on the due dates) could be used to pay off the T/Rs. Therefore, when considering the value of short-term capital investment, the earning/spending is also relevant.

#### **Investment expenses**

Most of the cash of Saha Union Public Company Limited and its subsidiaries in 2004 was tied up in investments worth Baht 7,833 million, with additional sums going towards the purchase of land, buildings, equipment and machinery, worth Baht 840 million. Such investment was to be used for the expansion of various business groups. The main objective of the increased investment in 2004 was to adjust and upgrade the production processes in line with new technologies and changing market demand, and to prepare for the growth and expansion of the business. In case of return on investment, The company and its subsidiaries invested in the affiliated company both in Investment plans Thailand and in China. Over the past 4-5 years, the companies have generated and earned about 6% of their total investments a year in energy projects in China. However, In the year 2004, most of the power generating plants suffered a loss due to the cost of coal, the main fuel, which climbed by 50%, while the unit prices for electricity and steam remained the same, under government regulation. Negotiations for a price increase and compensation takes time before taking effect. The situation will also have an affect on next year's dividends, resulting in a reduced dividend, or maybe none at all. Operations of the energy group in China may show less return on

investment than in previous years, however, the company projects that within three years the investments in international schools in China will begin paying off, and the return for investment will be for the long term.

Investment plans in the future, are in the process of researching, no further decision in this period of time.

#### **Source of investment**

By the end of December 2004, the company and its subsidiaries' total liabilities stood at 6,788,685,853 Baht, while the shareholders' equity was worth 12,499,317,691 Baht. The structure of capital showed that the majority of the investment comprised the shareholders' equity, while the amount of debts was significantly less than the capital. Meanwhile, the ratio of liabilities to shareholders' equity was 0.54:1, significantly lower than the accepted average ratio 2:1 of other similar-sized establishments. With a strong capital structure in place, Saha Union Pcl. showed very low risk in its liabilities, with a large capital as well.

The ratios of ability to make interest payments is 20.81 time, the generally accepted ratios of ability to make payments is 2-3 time, and the ratios of ability to make payments of interests and the loans due in one year is 1.32 time. The company has a strong capital structure, with cash flow is 0.32 times, allowing it to meet its financial obligations without effecting its cash flow.

#### **Shareholders' equity**

By the end of 2004, shareholders' equity amounted to Baht 12,499,317,691, less than the previous year's value by Baht 107.74 million. A major influential factor was the stronger Baht at the end of 2004, which reduced certain earnings from exports after currency exchange to Thai Baht. The reduction amounted to Baht 117.13 million. The company's registered paid-up capital of Baht 3,000 million, plus share premiums worth Baht 2,599 million, less the subsidiaries' equity of Baht 233.76 million, brings the company's statutory reserve to Baht 823.46 million, other reserve of Baht 122.54 million, and unappropriated profits to Baht 5,013.45 million. Meanwhile, gains from currency exchange fluctuations came to an additional Baht 1,005 million, and unrealised profits from the transfer of investments to assets to Baht 169.55 million. As no profit was made from the adjustment of real estate value, resulting in a shareholders' equity on 31 December 2004, of Baht 12,499 million.

#### **• Liabilities**

Saha Union Pcl. had Baht 4,005.66 million in short-term debts from outside sources in 2004, and Baht 1,470.55 million in long-term ones. The latter were under lease-hold agreements amounting to Baht 46.2 million, with 36-month contracts — a length of time long enough to allow the company to use its permanent assets to generate income. Meanwhile, Saha Union Pcl.'s US dollar long-term loans were valued at US\$ 40.5 million, with interest rates set according to SIBOR. These loans, for which property was not used as collateral, are due between 2005 and 2010. The loans are bound by certain limitations and procedures, and the company is required to keep a fixed ratio between the liabilities and shareholders' equity, transactions and asset transfers. The impact of currency exchange fluctuations on the long-term loans was monitored closely by the company's teams of experts, who kept close watch on the trends and managed the risks appropriately. The company is capable of making payments on these long-term loans, using the returns from its investment projects to meet the payments. As such, any negative risks are minimal. Able to keep loan payments up to date, the company, despite having more financial obligations in the future, has a 1.32 time chance of meeting payments, which is deemed more than adequate.

#### **Major factors that have an impact on the company's future operations and financial status**

Saha-Union has declared publicly its interest concerning a subsidiary, Union Energy Co., Ltd., which has invested in the "Independent Power Producer in Thailand" project. At present, the project has changed its name to Ratchaburi Power Co., Ltd., (RCPL) and as at 31 December 2004, this subsidiary had investment and loans worth Baht 700 million. Progress of the project included two more Thai investors, PTI Plc. and Ratchaburi Alliance Co., Ltd. in the early part of the year. RCPL is, at the moment, in the process of concluding loan agreements with financial institutions, and expects to secure loans by early 2006. RCPL is also in the process of renewing permits and applying for licenses with the relevant state agencies. The company projects that the construction of the first phase should be complete and in operation, generating electricity by March, 2008. Events under control and beyond control of the company should resolve into a promising situation. The company forecasts it will acquire a firm return on loans and dividends from investments, which will elevate the company's worth further.





## Risk Factors

Risk factors with considerable impact for the company.

With reference to the Power Plant (Independent Power Producer : IPP) in Thailand, as listed in information of 2001, 2002 and 2003, Saha Union Pcl. has revealed information concerning the IPP Project in Prachuab Khiri Khan Province under the name Union Power Development Co.,Ltd (UPDC). It appears there is a risk, as there is uncertainty as to whether the building of the power plant will be permitted. At present, Saha Union's affiliated company (Union Energy Co.,Ltd. : UE) has committed investments and loans, totaling Baht 700 million. Investment risk has now lessened somewhat, as UPDC has changed its name to Ratchaburi Power Co., Ltd. There has also been a reconstruction of the shareholding in this company, with Ratchaburi Electric Generating Public Co., Ltd. holding 25%; PTT Public Co., Ltd.; 15%; Saha Union affiliates (UE) 10%; and foreign investors holding the other 50 %.

Agreement has been reached with the Thai Government to relocate the electricity generating plant to Ratchaburi Province and for a switch in fuel from coal to natural gas. Construction should be completed and the plant generating power for distribution by March 2008. There are no apparent problems in securing loans for this project; instead, the risk factor would be in the concession and license of operations from the state agencies. The result will be clarified by the first, or second quarter of 2005. Saha Union expects no further delay as the Ministry of Energy has already projected a rise in electricity demand concurrent with present economic growth, therefore, the risk for investments and loans in this project is almost nil.

### Risk in Businesses

#### • Business Operation Risks

From the fierce local and overseas competition, forcing the company to drop the price of products in the footwear, textile and electronic parts business groups. Such a drop in price is expected to have an impact on total product sales and, in turn, lower the profit margin.

Saha Union Pcl. and its group of companies continuously support development programs for personnel to acquire more skills and knowledge for the improvement of each individual and for the organization as a whole. Management continuously seeks new ground and new avenues to break into new businesses with assured long-term returns. The company is always poised to expand production bases to new locations, with geographical diversity, to take advantage of new opportunities to expand the market and lower production costs. A prime example is the business of education, in which the company has opened and operates international schools in China, while also operating spinning yarn factories and dyeing works in China.



- **Risk from Relying on Major Customers' Order**

Products such as footwear and computer parts current rely heavily on major buyers. Major footwear customers include NIKE, which bought more than 90 percent of the company's total products last year, and Hitachi Global Storage Technologies Co.Ltd., 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 this buyers, it would be face huge problems. Not surprising, the company is trying its best not to let such a situation occur. Among 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 improve customer satisfaction. Equally important, the company recognizes, is the ability to maintain good, long-standing relationships with customers.

- **Risk of currency exchange fluctuations**

The majority of the raw materials used by the company for production are imported, while payment for sales and exports are made in foreign currencies. Such a situation means that Saha-Union Pcl. is vulnerable to currency exchange fluctuations, which have a direct impact on the cost of raw materials and export sales when the income for these is changed into Baht. To lower such risks, the company has devised a protection scheme or "Natural Hedge", and may consider forward contract purchasing in some circumstances.

- **Risk of raw material prices**

Major raw materials used by Saha Union Pcl.comprise textiles, footwear, and rubber - all of which may fluctuate in price. The price of cotton, synthetic yarn and raw rubber, for example, went up slightly, causing increased raw material costs. Meanwhile, the price of finished goods could not be adjusted in light of tough competition, which brought profits low. To cope with the situation, the company, with the help of its skilful team of managers, implemented various strategies to reduce such risks. They will keep careful watch of trends, manage the risks, and activate sound strategies to procure raw materials from the right place and right time - for maximum results.

- **Risk of Investment in China**

Investments in power plants in China showed promising results until the year 2004. However, rising coal prices - the main fuel for the power plants - due to shortages and rising transportation costs, as well as strict Government regulations governing the unit price of electricity, meant operators were unable to adjust prices in response to increased fuel costs. This resulted in a sharp fall in return on investment. Power Plant Management negotiated with the Government to obtain authorization to increase unit prices of electricity and steam according to the rising costs of fuel. In addition, Management asked for compensation from the Government for the loss in revenue. As a result, some plants are now allowed to increase their unit prices for electricity and steam and have received compensation, in part, for their operational losses. The company is also endeavoring to access new sources of fuel, especially where coal is of poor quality and prices are unacceptable. An effort to achieve coal production targets is in progress at the moment.



## Director's Reporting

### Report by the Board of Directors

on their responsibilities for all details appearing in the company's financial report

The Board of Directors claims total responsibility for all financial details and notes of the company and its subsidiaries appearing in the annual report. The financial report was made in accordance with certified accounting standards, while the company applied appropriate accounting policies, with careful consideration and estimates. The company also revealed additional important information in the section entitled Notes on Financial Statements.

The Board of Directors has maintained a suitable and efficient internal control system, ensuring that the company's accounts are complete and kept accurately, while containing sufficient information. Such stringent internal control measures help protect the company's interests, and highlight any recurring weak points. They also ensure that the company does not get involved in any fraudulent or suspect activities.

To better carry out its responsibilities, the Board of Directors established the Board of the Audit Committee, last year, comprising the Independent Board Member and Non-Executive Directors. These were responsible for scrutinizing and Financial Report and inspecting the company's internal controls. Comments made by the Board of the Audit Committee on this subject are listed in Report of the Audit Committee in this Annual Report.

The Board of Directors concluded, on 31 December 2004, that the company's internal control system was satisfactory and sufficiently adequate to give credibility to the Financial Reports of both the company and its subsidiaries.



(Mr. Amnuay Viravan)

Chairman



(Miss Sriwarin Jirapakkana)

President

## Report of the Audit Committee

To shareholders

In 2004, the Audit Committee comprised three independent directors; Mr. Sompop Amatayakul, Chairman, Audit Committee; Mrs. Araya Arunanondchai and Miss Pakinee Prertitumrong, Committee Members. The Audit Committee held four meetings with company executives, internal and external auditors.

Aspects reviewed were as follows:

1. The Committee conducted reviews and scrutinized financial statements for 2003, and quarterly financial reports for 2004. It agreed that preparation of financial reports, company-to-company lists, which may create conflicts of interest, and circulation of information had all been correctly followed and complied with standard accounting principles, rules and regulations of the SET.
2. The Committee conducted reviews and re-examined the scope and methods of annual internal auditing by the internal auditing department. It acknowledged that the internal control system was working reasonably efficiently. It made proposals and suggestions during the reviews, and urged a follow-up by involved departments of proposed improvements, or changes for rectification of any shortcomings, and that the implementation of such activities should be done in a transparent manner. Furthermore, the Committee found no significant issue of deficiency in the activities of risk-management.
3. The Committee held meetings with all involved executives, external and internal auditors, and proposed useful suggestions to management, who agreed to implement them appropriately.
4. The Committee reviewed operations of the internal auditing department and found that they met with standard principles of internal auditing.
5. The Committee reviewed all its own activities in 2004 to ensure they complied with the charter approved by the Board of Directors, which indicated no major inadequacy.
6. The Committee approved the selection of external auditors of the company and their remuneration for consideration by the Board of Directors before forwarding for approval at the shareholders' meeting.



**Mr. Sompop Amatayakul**  
Chairman of the Audit Committee





## Common Interested Persons

### and Connected Transactions

#### 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.

## Common Interested Persons and Connected Transactions

Company	Types of Relationship	Information		
		Type of Business	Amount (Million Baht)	Conditions of Costs
1. Saha-Union Holding Co., Ltd.	Related Persons, with holding more than 10%	1. Loan 2. A Balance of Interest 3. Dividends 4. Total Interest	7.43 0.11 7.76 3.80	<ul style="list-style-type: none"> <li>● Balance of payment as of the end of 2004</li> <li>● Shareholders' meeting vote</li> <li>● Referred to types and rates of a major commercial bank</li> </ul>
2. Union Thread Industries Co., Ltd.	10 Major Related Shareholders	1. Trading 2. Dividends 3. Total Interest	1,322.41 45.19 290.83	<ul style="list-style-type: none"> <li>● Market prices</li> <li>● Shareholders' meeting vote</li> <li>● Balance of payment as of the end of 2004</li> </ul>
3. Venus Thread Co., Ltd.	Related Persons, with holding more than 10%	1. Trading 2. Creditor-Debitor	133.39 31.78	<ul style="list-style-type: none"> <li>● Market prices</li> <li>● Balance of payment as of the end of 2004</li> </ul>
4. Union Spinning Mills Co., Ltd.	Related Persons, with holding more than 10%	1. Trading 2. Creditor-Debitor	776.27 241.82	<ul style="list-style-type: none"> <li>● Market prices</li> <li>● Balance of payment as of the end of 2004</li> </ul>
5. Saha-Union International (USA) Inc.	Related Persons, with holding more than 10%	1. Trading	2.62	<ul style="list-style-type: none"> <li>● Market prices</li> </ul>
6. Union Capital Co., Ltd.	10 Major Related Shareholders	1. Loan 2. Dividends 3. Total Interest	5.00 23.44 0.32	<ul style="list-style-type: none"> <li>● Shareholders' meeting vote</li> <li>● Referred to types and rates of a major commercial bank</li> </ul>
7. Union Business Management Co., Ltd.	10 Major Related Shareholders	1. Dividends 2. Total Interest	23.31 1.11	<ul style="list-style-type: none"> <li>● Shareholders' meeting vote</li> <li>● Referred to types and rates of a major commercial bank</li> </ul>
8. Union Textile Industries Public Co., Ltd.	Related Persons, with holding more than 10%	1. Trading 2. Dividends 3. Loan 4. Total Interest 5. A Balance of Interest 6. Creditor-Debitor	2,888.90 1.25 210.00 12.76 1.54 650.10	<ul style="list-style-type: none"> <li>● Market prices</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 2004</li> <li>● Balance of payment as of the end of 2004</li> </ul>
9. Venus Corp., Ltd.	Related Persons, with holding more than 10%	1. Loan 2. Total Interest	2.74 0.01	<ul style="list-style-type: none"> <li>● Referred to types and rates of a major commercial bank</li> </ul>
10. Union Industries Corp.	10 Major Related Shareholders	1. Trading 2. Dividends 3. Creditor-Debitor	259.00 29.10 107.87	<ul style="list-style-type: none"> <li>● Market prices</li> <li>● Shareholders' meeting vote</li> <li>● Balance of payment as of the end of 2004</li> </ul>
11. Venus Button Co., Ltd.	Related Persons, with holding more than 10%	1. Dividends	1.29	<ul style="list-style-type: none"> <li>● Shareholders' meeting vote</li> </ul>





Company	Types of Relationship	Information		
		Type of Business	Amount (Million Baht)	Conditions of Costs
12. Venus Product Co., Ltd.	Related Persons, with holding more than 10%	-None-	-	
13. Union Distributor Co., Ltd.	Related Persons, with holding more than 10%	-None-	-	
14. Union Zip Co., Ltd.	Related Persons, with holding more than 10%	-None-	-	
15. Union Limousine Co., Ltd.	Related Persons, with holding more than 10%	1. Loan 2. Total Interest	0.01	● Referred to types and rates of a major commercial bank
16. Union Knitting Yarn Co., Ltd.	Related Persons, with holding more than 10%	1. Loan 2. Total Interest		
17. Uni-Fibre Co., Ltd.	10 Major Related Shareholders	1. Loan 2. A Balance of Interest 3. Dividends 4. Total Interest	46.63 0.04 9.42 0.24	● Balance of payment as of the end of 2004 ● Shareholders' meeting vote ● Referred to types and rates of a major commercial bank
18. Union Oversea Holding Co., Ltd.	Related Persons, with holding more than 10%	1. Loan 2. A Balance of Interest 3. Total Interest	28.39 0.03 0.14	● Balance of payment as of the end of 2004 ● Referred to types and rates of a major commercial bank
19. Union Multi-Capital Co., Ltd.	10 Major Related Shareholders	-None-	-	
20. Thai Rubber Enterprise Co., Ltd.	Related Persons, with holding more than 10%	-None-	-	
21. Union Pioneer Pcl.	Directors and Related Persons, with holding more than 10%	1. Trading 2. Dividends 3. Creditor-Debitor	971.66 7.34 134.83	● Market prices ● Shareholders' meeting vote ● Balance of payment as of the end of 2004
22. Union Button. Corp.	Directors and Related Persons, with holding more than 10%	1. Trading 2. Dividends 3. Creditor-Debitor	155.11 1.56 38.66	● Market prices ● Shareholders' meeting vote ● Balance of payment as of the end of 2004

# Report and Financial Statements

## Saha-Union Public Company Limited

### Report of Independent Auditor

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 2004 and 2003, 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. Included in the consolidated financial statements for 2004 are the financial statements of eleven overseas subsidiaries and one local subsidiary which were audited by other auditors whose reports were furnished to me. Such financial statements reflect total assets as of 31 December 2004 of Baht 6,586 million, total revenues and net loss for the year then ended of Baht 1,862 million and Baht 507 million, respectively (2003 : total assets of Baht 6,278 million, total revenues of Baht 1,429 million and net earnings of Baht 87 million). Since I did not audit the financial statements of those subsidiaries, my opinion on the consolidated financial statements, insofar as it relates to the amounts included for those subsidiaries, is based solely on the reports of the other auditors.

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

In my opinion, based on my audits and the reports of other auditors, 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 2004 and 2003, the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Under my audit report dated 24 February 2004, I drew attention to the fact that, with respect to the investment in, loans and advance to a related company engaged in a power generating project to supply electricity to the Electricity Generating Authority of Thailand, an agreement concluded by the parties on various issues in order to facilitate the implementation of the project with a reasonable return on investment had yet to be executed. As discussed in Note 10 to the financial statements, such agreement was executed during the first quarter of 2004.



**Narong Puntawong**

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

Ernst & Young Office Limited  
Bangkok : 21 February 2005



## Balance Sheet

as at 31 December 2004 and 2003

Saha-Union Public Company Limited  
and its Subsidiaries

(Unit : Baht)

	CONSOLIDATED			THE COMPANY ONLY	
	Note	2004	2003 (Restated)	2004	2003 (Restated)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		2,024,029,913	1,852,517,204	274,163,936	322,240,318
Trade accounts and notes receivable	5				
Related parties	6	289,885,926	475,985,501	955,362,381	650,611,514
Unrelated parties		2,357,623,141	2,396,369,816	1,640,132,733	1,621,507,752
Less : Allowance for doubtful accounts		(36,795,941)	(27,971,554)	(15,198,226)	(13,597,927)
Trade accounts and notes receivable - net		2,610,713,126	2,844,383,763	2,580,296,888	2,258,521,339
Short-term loans to related parties	6	203,266,545	626,192,273	3,629,145,250	2,441,450,250
Inventories - net	7	2,287,707,859	1,203,573,143	286,266,643	262,021,374
Other current assets					
Accrued income		94,350,825	132,960,449	51,669,960	72,073,849
Advance		75,738,708	81,203,563	693,437	463,645
Refundable input tax		81,184,725	83,422,848	77,726,019	76,863,336
Prepaid expenses		74,147,493	54,771,590	2,969,826	2,989,776
Refundable import duty		19,311,162	16,494,600	-	-
Others		237,984,569	139,447,036	8,257,249	6,016,937
<b>TOTAL CURRENT ASSETS</b>		<b>7,708,434,925</b>	<b>7,034,966,469</b>	<b>6,911,189,208</b>	<b>5,442,640,824</b>
<b>NON-CURRENT ASSETS</b>					
Investments accounted for under equity method					
Investments in subsidiaries	8	-	-	6,670,469,712	7,864,492,505
Investments in associated companies	9	6,763,061,511	6,568,682,402	2,997,935,996	3,084,826,623
Negative goodwill	8	(30,751,885)	-	-	-
		6,732,309,626	6,568,682,402	9,668,405,708	10,949,319,128
Other long-term investments					
Investments in other companies - net	10	630,400,655	746,117,613	425,928,955	454,875,013
Investments pending sale	11	470,250,000	470,250,000	-	-
Unit trusts	12	-	123,240,000	-	102,700,000
		1,100,650,655	1,339,607,613	425,928,955	557,575,013
Advance to related party	6	-	97,048,280	-	-
Property, plant and equipment - net	13	4,414,131,882	3,448,535,661	782,117,767	639,925,145
Other non-current assets					
Land awaiting development		404,407,438	403,805,439	275,812,438	275,210,438
Leasehold rights		220,495,544	232,053,727	-	-
Withholding tax deducted at source		43,519,836	68,748,036	-	7,178,285
Others		106,404,960	122,734,815	6,299,000	7,047,310
<b>TOTAL NON-CURRENT ASSETS</b>		<b>13,021,919,941</b>	<b>12,281,215,973</b>	<b>11,158,563,868</b>	<b>12,436,255,319</b>
<b>TOTAL ASSETS</b>		<b>20,730,354,866</b>	<b>19,316,182,442</b>	<b>18,069,753,076</b>	<b>17,878,896,143</b>

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



# Balance Sheet (Continued)

as at 31 December 2004 and 2003

Saha-Union Public Company Limited  
and its Subsidiaries

(Unit : Baht)

	CONSOLIDATED			THE COMPANY ONLY	
	Note	2004	2003 (Restated)	2004	2003 (Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdrafts and short-term loans					
from financial institutions		1,220,318,703	560,098,002	284,885,784	256,592,648
Trust receipts		359,380,288	330,406,616	225,441,460	259,177,403
Trade accounts and notes payable					
Related parties	6	794,211,270	1,088,002,641	1,818,551,293	1,766,224,160
Unrelated parties		1,112,364,195	788,586,902	72,170,897	56,168,836
Current portion of long-term loan	14	263,356,818	500,000,000	163,356,818	500,000,000
Current portion of liabilities					
under financial lease agreements	15	67,022,149	63,251,324	-	-
Other accounts payable - related parties	6	-	-	369,427,453	817,026,503
Deposits from related parties	6	74,380,679	87,567,751	682,298,273	350,251,417
Other current liabilities					
Accrued expenses		573,138,610	461,130,746	133,160,336	103,132,171
Corporate income tax payable		92,314,233	68,759,681	69,188,129	1,913,159
Cash received in advance					
for sale of investment	11	99,900,000	-	-	-
Others		217,860,312	226,747,482	25,314,513	28,015,550
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,874,247,257</b>	<b>4,174,551,145</b>	<b>3,843,794,956</b>	<b>4,138,501,847</b>
<b>NON-CURRENT LIABILITIES</b>					
Long-term loans - net of current portion	14	1,424,344,433	1,059,663,927	1,424,344,433	993,445,000
Liabilities under financial lease					
agreements - net of current portion	15	46,207,733	79,674,214	-	-
Provision for employee compensation					
and pension expenses	4	430,049,056	265,044,047	49,419,790	47,084,176
Provision for losses of subsidiaries	8	-	-	231,286,626	81,965,482
Provision for losses of associated companies	9	4,069,555	155,093	21,589,580	10,841,198
Other non-current liabilities		9,767,819	42,319,564	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,914,438,596</b>	<b>1,446,856,845</b>	<b>1,726,640,429</b>	<b>1,133,335,856</b>
<b>TOTAL LIABILITIES</b>		<b>6,788,685,853</b>	<b>5,621,407,990</b>	<b>5,570,435,385</b>	<b>5,271,837,703</b>

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



## Balance Sheet (Continued)

as at 31 December 2004 and 2003

Saha-Union Public Company Limited  
and its Subsidiaries

(Unit : Baht)

	CONSOLIDATED			THE COMPANY ONLY	
	Note	2004	2003	2004	2003
			<b>(Restated)</b>		<b>(Restated)</b>
<b>SHAREHOLDERS EQUITY</b>					
Share capital					
Registered, issued and fully paid 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	16	(233,763,910)	(217,573,410)	(233,763,910)	(217,573,410)
Retained earnings					
Appropriated					
Statutory reserve	17	823,461,888	806,524,511	823,461,888	806,524,511
Other reserve		122,542,620	94,154,465	122,542,620	94,154,465
Unappropriated		5,013,448,139	4,996,808,140	5,013,448,139	4,996,808,140
Translation adjustments		1,005,075,114	1,122,202,850	1,005,075,114	1,122,202,850
Unrealised gain on the change in value of investments in available-for-sale securities	22	169,553,840	205,941,884	169,553,840	205,941,884
Equity attributable to the Company's shareholders		12,499,317,691	12,607,058,440	12,499,317,691	12,607,058,440
Minority interest (equity attributable to minority shareholders of subsidiaries)		1,442,351,322	1,087,716,012	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>13,941,669,013</b>	<b>13,694,774,452</b>	<b>12,499,317,691</b>	<b>12,607,058,440</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>20,730,354,866</b>	<b>19,316,182,442</b>	<b>18,069,753,076</b>	<b>17,878,896,143</b>

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

# Statements of Earnings

For the years ended 31 December 2004 and 2003

## Saha-Union Public Company Limited and its Subsidiaries

(Unit : Baht)

	CONSOLIDATED			THE COMPANY ONLY	
	Note	2004	2003 (Restated)	2004	2003 (Restated)
<b>REVENUES</b>					
Sales		16,791,802,737	17,414,658,802	15,235,304,941	14,931,221,073
Other income					
Interest income		38,791,165	57,453,082	222,840,815	110,465,102
Rental income		5,497,314	3,715,191	257,013,821	258,508,545
Dividend income		18,306,513	38,596,856	10,602,792	16,635,197
Gain on exchange		92,225,700	103,597,181	93,749,276	87,686,643
Others		345,914,235	194,933,310	261,523,199	237,721,868
		500,734,927	398,295,620	845,729,903	711,017,355
Share of profits (loss) from investments accounted for under equity method		340,509,470	365,398,736	(119,324,410)	442,731,442
<b>TOTAL REVENUES</b>		<b>17,633,047,134</b>	<b>18,178,353,158</b>	<b>15,961,710,434</b>	<b>16,084,969,870</b>
<b>EXPENSES</b>					
Cost of sales		14,989,492,779	15,180,082,608	14,421,913,937	14,119,769,907
Selling and administrative expenses		1,768,149,247	1,597,385,559	901,547,559	829,956,523
Loss on impairment of assets	8	156,470,990	-	-	-
Directors' remuneration	18	18,191,000	15,426,000	13,215,000	13,050,000
<b>TOTAL EXPENSES</b>		<b>16,932,304,016</b>	<b>16,792,894,167</b>	<b>15,336,676,496</b>	<b>14,962,776,430</b>
EARNINGS BEFORE INTEREST EXPENSES, INCOME TAX AND MINORITY INTEREST		700,743,118	1,385,458,991	625,033,938	1,122,193,440
INTEREST EXPENSES		(66,542,153)	(51,277,892)	(27,917,400)	(22,578,885)
CORPORATE INCOME TAX	20	(266,941,449)	(271,353,977)	(172,635,625)	(118,849,753)
EARNINGS BEFORE MINORITY INTEREST		367,259,516	1,062,827,122	424,480,913	980,764,802
(EARNINGS) LOSS OF SUBSIDIARIES IN RESPECT OF MINORITY INTEREST		57,221,397	(82,062,320)	-	-
<b>NET EARNINGS FOR THE YEAR</b>		<b>424,480,913</b>	<b>980,764,802</b>	<b>424,480,913</b>	<b>980,764,802</b>
<b>BASIC EARNINGS PER SHARE</b>					
Net earnings		1.46	3.37	1.46	3.37
Weighted average number of shares		290,148,918 shares	291,012,306 shares	290,148,918 shares	291,012,306 shares

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



# Statements of Changes in Shareholder's Equity

## Saha-Union Public Company Limited and its Subsidiaries

For the years ended 31 December 2004 and 2003

(Unit : Bant)

CONSOLIDATED											
Note	Issued and paid up share capital	Share premium	Company's shares held by the subsidiaries	Statutory reserve	Other reserve	Unappropriated retained earnings	Transition adjustments	Unrealised gain(loss) on the change in value of investments in a available-for-sale securities	Minority interest	Total	
	3,000,000,000	2,599,000,000	(217,573,410)	731,752,598	64,688,294	4,820,188,735	1,718,812,408	260,275,849	1,201,156,043	14,178,300,517	
21	-	-	-	-	-	(99,837,634)	-	-	(65,893,704)	(165,731,338)	
22	-	-	-	-	-	-	-	(211,728,062)	-	(211,728,062)	
4	-	-	-	-	-	(236,304,298)	-	-	(37,421,444)	(273,725,742)	
	3,000,000,000	2,599,000,000	(217,573,410)	731,752,598	64,688,294	4,484,046,803	1,718,812,408	48,547,787	1,097,840,895	13,527,115,375	
	-	-	-	-	-	-	-	157,394,097	-	157,394,097	
	-	-	-	-	-	-	(596,609,558)	-	-	(596,609,558)	
	-	-	-	-	-	980,764,802	-	-	-	980,764,802	
23	-	-	-	-	-	(375,000,000)	-	-	-	(375,000,000)	
	-	-	-	-	-	11,234,619	-	-	-	11,234,619	
	-	-	-	-	-	(363,765,381)	-	-	-	(363,765,381)	
	-	-	-	74,771,913	-	(74,771,913)	-	-	-	-	
	-	-	-	-	29,466,171	(29,466,171)	-	-	-	-	
	-	-	-	-	-	-	-	-	(10,124,883)	(10,124,883)	
	3,000,000,000	2,599,000,000	(217,573,410)	806,524,511	94,154,465	4,996,808,140	1,122,202,850	205,941,884	1,087,716,012	13,694,774,452	
21	3,000,000,000	2,599,000,000	(217,573,410)	806,524,511	94,154,465	5,048,030,096	1,122,202,850	718,699,872	1,087,716,012	14,258,764,396	
22	-	-	-	-	-	(51,221,956)	-	-	-	(51,221,956)	
	-	-	-	-	-	-	-	(512,757,988)	-	(512,757,988)	
	3,000,000,000	2,599,000,000	(217,573,410)	806,524,511	94,154,465	4,996,808,140	1,122,202,850	205,941,884	1,087,716,012	13,694,774,452	
	-	-	-	-	-	-	-	(36,388,044)	-	(36,388,044)	
	-	-	-	-	-	-	(117,127,736)	-	-	(117,127,736)	
	-	-	(16,190,500)	-	-	-	-	-	-	(16,190,500)	
	-	-	-	-	-	424,480,913	-	-	-	424,480,913	
23	-	-	-	-	-	(375,000,000)	-	-	-	(375,000,000)	
	-	-	-	-	-	12,484,618	-	-	-	12,484,618	
	-	-	-	-	-	(362,515,382)	-	-	-	(362,515,382)	
	-	-	-	16,937,377	-	(16,937,377)	-	-	-	-	
	-	-	-	-	28,388,155	(28,388,155)	-	-	-	-	
	-	-	-	-	-	-	-	-	354,635,310	354,635,310	
	3,000,000,000	2,599,000,000	(233,763,910)	823,461,888	122,542,620	5,013,448,139	1,005,075,114	169,553,840	1,442,351,322	13,941,669,013	

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

# Statements of Changes in Shareholder's Equity

## Saha-Union Public Company Limited and its Subsidiaries

For the years ended 31 December 2004 and 2003

(Unit : Baht)

		THE COMPANY ONLY							
Note	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
	3,000,000,000	2,599,000,000	(217,573,410)	731,752,598	64,688,294	4,820,188,735	1,718,812,408	260,275,849	12,977,144,474
<b>Balance as of 31 December 2002 - as previously reported</b>									
Less : Prior year's adjustments of overseas subsidiaries and associated companies	-	-	-	-	-	(99,837,634)	-	-	(99,837,634)
Adjustments to investments in associated companies holding shares in the Company	-	-	-	-	-	-	-	(211,728,062)	(211,728,062)
Cumulative effect of the change in accounting policy relating to employee compensation and pension expenses	-	-	-	-	-	(236,304,298)	-	-	(236,304,298)
<b>Balance as of 31 December 2002 - as restated</b>	3,000,000,000	2,599,000,000	(217,573,410)	731,752,598	64,688,294	4,484,046,803	1,718,812,408	48,547,787	12,429,274,480
Increase in fair value of investments	-	-	-	-	-	-	-	157,394,097	157,394,097
Decrease in translation adjustments	-	-	-	-	-	-	(596,609,558)	-	(596,609,558)
Net earnings for the year	-	-	-	-	-	980,764,802	-	-	980,764,802
Dividend paid	-	-	-	-	-	(375,000,000)	-	-	(375,000,000)
Less : Dividend paid in respect of company's shares held by subsidiaries	-	-	-	-	-	11,234,619	-	-	11,234,619
Dividend paid - net	-	-	-	-	-	(363,765,381)	-	-	(363,765,381)
Transferred to statutory reserve	-	-	-	74,771,913	-	(74,771,913)	-	-	-
Transferred to other reserve	-	-	-	-	29,466,171	(29,466,171)	-	-	-
<b>Balance as of 31 December 2003 - as restated</b>	3,000,000,000	2,599,000,000	(217,573,410)	806,524,511	94,154,465	4,996,808,140	1,122,202,850	205,941,884	12,607,058,440
<b>Balance as of 31 December 2003 - as previously reported</b>	3,000,000,000	2,599,000,000	(217,573,410)	806,524,511	94,154,465	5,046,030,096	1,122,202,850	718,699,872	13,171,038,384
Less : Prior year's adjustments of overseas associated company	-	-	-	-	-	(51,221,956)	-	-	(51,221,956)
Adjustments to investments in associated companies holding shares in the Company	-	-	-	-	-	-	-	(512,757,988)	(512,757,988)
<b>Balance as of 31 December 2003 - as restated</b>	3,000,000,000	2,599,000,000	(217,573,410)	806,524,511	94,154,465	4,996,808,140	1,122,202,850	205,941,884	12,607,058,440
Decrease in fair value of investments	-	-	-	-	-	-	-	(36,388,044)	(36,388,044)
Decrease in translation adjustments	-	-	-	-	-	-	(117,127,736)	-	(117,127,736)
Increase in Company's shares held by subsidiaries	-	-	(16,190,500)	-	-	-	-	-	(16,190,500)
Net earnings for the year	-	-	-	-	-	424,480,913	-	-	424,480,913
Dividend paid	-	-	-	-	-	(375,000,000)	-	-	(375,000,000)
Less : Dividend paid in respect of company's shares held by subsidiaries	-	-	-	-	-	12,484,618	-	-	12,484,618
Dividend paid - net	-	-	-	-	-	(362,515,382)	-	-	(362,515,382)
Transferred to statutory reserve	-	-	-	16,937,377	-	(16,937,377)	-	-	-
Transferred to other reserve	-	-	-	-	28,388,155	(28,388,155)	-	-	-
<b>Balance as of 31 December 2004</b>	3,000,000,000	2,599,000,000	(233,763,910)	823,461,888	122,542,620	5,013,448,139	1,005,075,114	169,553,840	12,499,317,691

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



## Statements of Cash Flows

For the years ended 31 December 2004 and 2003

Saha-Union Public Company Limited  
and its Subsidiaries

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
		<b>(Restated)</b>		<b>(Restated)</b>
<b>Cash flows from (used in) operating activities :</b>				
Net earnings	424,480,913	980,764,802	424,480,913	980,764,802
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities :-				
Share of (profit) loss from investments accounted for under equity method	(340,509,470)	(365,398,736)	119,324,410	(442,731,442)
Dividend receipt from investments in other companies	(14,833,791)	(21,328,893)	(10,327,791)	(16,581,392)
Negative goodwill recognition	(6,150,377)	-	-	-
Gain on sales of investment	-	(2,840,985)	-	(26,456,714)
Earnings (loss) attributed to minority shareholders of subsidiaries	(57,221,397)	82,062,320	-	-
Unrealised gain on exchange	(20,232,579)	(75,114,421)	(19,979,261)	(68,465,152)
Gain on exchange from cash received from capital decrease of an overseas subsidiary	(61,484,679)	-	(61,484,679)	-
(Gain) loss on sales of fixed assets	(3,569,043)	15,992,469	(2,404,440)	(1,096,349)
Loss on impairment of assets	156,470,990	-	-	-
Allowance for doubtful accounts (reversal)	8,824,388	(21,469,927)	1,600,299	(6,474,671)
Provision for stock damage/obsolescence (reversal)	24,038,234	5,448,975	2,745,007	(1,140,000)
Provision for employee compensation and pension expenses	50,919,180	46,271,566	2,335,613	7,026,878
Depreciation and amortisation	873,488,734	663,893,370	151,286,938	154,927,587
	1,034,221,103	1,308,280,540	607,577,009	579,773,547
Decrease (increase) in operating assets				
Trade accounts and notes receivable	(60,161,548)	229,324,310	(342,535,213)	61,798,528
Inventories	(316,671,286)	(46,835,979)	(26,990,276)	(20,722,238)
Other current assets	(43,910,096)	(85,982,386)	18,579,801	22,799,139
Other non - current assets	138,260,650	17,460,075	7,324,595	153,099
Increase (decrease) in operating liabilities				
Trade accounts and notes payable	224,164,883	(66,165,264)	73,298,609	170,115,149
Other current liabilities	65,436,872	(6,999,142)	(352,712,636)	(409,283,850)
Other non - current liabilities	(31,983,868)	63,323,986	-	-
Net cash from (used in) operating activities	1,009,356,710	1,412,406,140	(15,458,111)	404,633,374

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

# Statements of Cash Flows (Continued)

For the years ended 31 December 2004 and 2003

## Saha-Union Public Company Limited and its Subsidiaries

(Unit : Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2004	2003	2004	2003
		<b>(Restated)</b>		<b>(Restated)</b>
<b>Cash flows from (used in) investing activities :</b>				
Decrease (Increase) in short-term loans to related parties	152,925,727	(68,705,846)	(1,187,695,000)	(1,984,558,000)
Increase in investments	(100,975,504)	(544,648,895)	(601,797,935)	(1,190,158,179)
Gain on exchange from cash received from capital decrease of an overseas subsidiary	61,484,679	-	61,484,679	-
Decrease (Increase) in assets and liabilities in subsidiaries from translation adjustments	134,405,570	(104,323,164)	-	-
Net cash paid for acquisition of shares of subsidiary (Note 8)	(116,473,708)	-	-	-
Cash receipt from reduction of capital in subsidiaries	-	-	1,602,200,000	1,966,325,420
Cash received in advance for sale of investment	99,900,000	-	-	-
Dividend receipt from investments in other companies	14,833,792	21,328,893	10,327,791	16,581,393
Dividend receipt from investments accounted for under equity method	63,099,947	57,274,812	195,680,866	261,571,122
Cash receipt from redemption of unit trusts	120,000,000	-	100,000,000	-
Increase in property, plant and equipment	(1,178,152,237)	(830,168,912)	(291,075,120)	(62,222,149)
Net cash used in investing activities	(748,951,734)	(1,469,243,112)	(110,874,719)	(992,460,393)
<b>Cash flows from (used in) financing activities :</b>				
Decrease in bank overdrafts and short-term loans from financial institutions	407,851,394	141,537,605	237,321	54,227,779
Increase (decrease) in deposits from related companies	(13,187,071)	16,191,119	332,046,856	(74,427,208)
Cash receipt from long-term loans	620,972,271	980,688,015	620,972,271	997,162,500
Repayment of long - term loans	(666,218,928)	-	(500,000,000)	-
Increase (decrease) in liabilities under financial lease agreements	(29,695,656)	58,067,269	-	-
Dividend paid	(408,614,277)	(422,215,397)	(375,000,000)	(375,000,000)
Net cash from (used in) financing activities	(88,892,267)	774,268,611	78,256,448	601,963,071
Net increase (decrease) in cash and cash equivalents	171,512,709	717,431,639	(48,076,382)	14,136,052
Cash and cash equivalents at beginning of year	1,852,517,204	1,135,085,565	322,240,318	308,104,266
Cash and cash equivalents at end of year	2,024,029,913	1,852,517,204	274,163,936	322,240,318
Supplemental cash flows information				
Cash paid during the years for :				
Interest expenses	63,450,701	49,467,767	23,622,183	20,554,648
Corporate income tax	247,302,441	292,766,803	105,749,510	134,872,237

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



## Note to Financial Statements

For the years ended 31 December 2004 and 2003

Saha-Union Public Company Limited  
and its Subsidiaries

## 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, rubber products and metal. The Company's registered address is 1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok.

## 2. BASIS OF CONSOLIDATION

2.1 The consolidated financial statements include the financial statements for the years ended 31 December 2004 and 2003 of the Company and the following subsidiaries :-

Company name	Percentage directly and indirectly owned		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	
	2004	2003			2004	2003	2004	2003
Saha-Union International Ltd. (Hong Kong)	99.98	99.98	Hong Kong	Importer and distributor	0.69	1.13	0.63	0.67
Saha-Union International (GA) Inc.	100.00	100.00	USA	Importer and distributor	0.74	1.50	0.69	0.54
Saha-Union Investment (China) Co., Ltd.	100.00	100.00	China	Investment holding	6.15	6.60	0.16	-
Union Education Index Co., Ltd.	85.00	-	Hong Kong	Investment in international school business	0.67	-	0.01	-
Union Textile Industries Plc.	51.77	-	Thailand	Spinning and weaving	9.09	-	2.25	-
Saha-Union Holding Co., Ltd.	99.67	99.67	Thailand	Investment holding	0.85	1.00	0.04	0.01
Union Garment Co., Ltd.	99.98	99.98	Thailand	Manufacturing of garments	0.97	0.85	0.68	0.77
Fashion Apparel Co., Ltd.	99.97	99.97	Thailand	Manufacturing of garments	0.08	0.11	0.23	0.14
Union Pioneer Plc.	52.67	52.67	Thailand	Manufacturing of rubber thread, elastic braids & webbing	1.80	1.79	0.28	0.30
Union Zojirushi Co., Ltd.	51.00	51.00	Thailand	Manufacturing of vacuum bottles	3.05	2.86	0.2	0.09
Union Stainless Steel Products Co., Ltd.	98.00	98.00	Thailand	Manufacturing of pipes	0.56	0.54	0.33	0.10
Thai Rubber Enterprise Corp. Ltd.	50.69	50.69	Thailand	Rubber estates	0.18	0.17	0.03	0.03
Union Rubber Products Corp. Ltd.	99.99	99.99	Thailand	Manufacturing of rubber product	0.11	0.12	0.07	0.09
Union Footwear Plc.	51.23	51.23	Thailand	Manufacturing of sports shoes	3.04	2.51	0.19	0.18
Union Shoes Co., Ltd.	97.85	97.85	Thailand	Manufacturing of sports shoes	1.00	1.03	0.07	0.18
Venus Shoes Co., Ltd.	96.86	96.86	Thailand	Dormitory rental and service	0.32	0.36	0.09	0.08
Uni-Sole Co., Ltd.	70.69	70.69	Thailand	Machine and warehouse rental	0.20	0.27	0.01	-
Union Printing Co., Ltd.	94.74	94.74	Thailand	Printing services	0.15	0.16	0.14	0.14
Computer Union Co., Ltd.	96.95	88.58	Thailand	Computer dealer	2.94	3.65	8.36	9.91
Uni-Media Co., Ltd.	-	78.00	Thailand	Dormant	-	-	-	-
Union Equity Co., Ltd.	99.43	99.43	Thailand	Investment holding	0.23	0.34	-	-
Union Construction Co., Ltd.	98.90	98.90	Thailand	Architectural, construction and interior design	0.70	0.77	0.22	0.41
Union Technology Co., Ltd.	99.99	99.99	Thailand	Manufacturing of electronic components	1.30	0.77	0.05	0.04
Union Energy Co., Ltd.	99.45	99.45	Thailand	Investment in electric power & energy business	3.89	5.42	0.08	0.09
Union Energy (China) Co., Ltd.	99.99	99.99	Thailand	Investment holding	14.22	12.04	-	-



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	
	2004	2003			2004	2003	2004	2003
	Textport International Corp., Ltd.	85.18			85.18	Thailand	Investment holding	0.04
Union Overseas Holding Co., Ltd.	58.98	58.98	Thailand	Investment holding	-	-	-	-
Union Human Resource Development Co., Ltd.	99.99	99.99	Thailand	Train and develop employees' skill	0.01	-	0.01	-
Computer Union System Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	96.95	88.58	Thailand	Dormant	0.01	0.01	-	-
Jakkarat Union Footwear Co., Ltd. (99.99 percent owned by Union Footwear Plc.)	51.23	51.23	Thailand	Manufacturing of shoe upper	0.14	0.17	0.02	0.01
Burirum Union Shoes Co., Ltd. (99.99 percent owned by Union Shoes Co., Ltd.)	97.85	97.85	Thailand	Manufacturing of shoe upper	0.02	0.04	-	-
Phon Union Footwear Co., Ltd. (50.00 percent owned by Union Footwear Plc. and 49.99 percent by Union Shoes Co., Ltd.)	53.53	53.53	Thailand	Manufacturing of sole	0.29	0.30	-	-
Shanghai Saha-Union Thread Industry Co., Ltd. (50.00 percent owned by the Company, 10.00 percent by Saha-Union Investment (China) Co., Ltd. and 20.00 percent by Union Thread Industries Co., Ltd.)	67.25	-	China	Manufacturing of textile products	1.02	-	0.12	-
Zhejiang Saha-Union Thread Industry Co., Ltd. (70.00 percent owned by the Company, 20.00 percent by Union Energy (Hong Kong) Co., Ltd. and 10.00 percent by Saha-Union Investment (China) Co., Ltd.)	99.99	99.99	China	Manufacturing of dye thread (not commencing its business)	0.53	0.24	-	-
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd. (Hong Kong))	99.98	99.98	Hong Kong	Investment holding	0.69	2.06	0.02	0.05
Jiashan-Union Cogeneration Co., Ltd. (56.93 percent owned by Union Energy (China) Co., Ltd., 10.00 percent by Saha-Union Investment (China) Co., Ltd. and 9.03 percent by Union Energy (Hong Kong) Co., Ltd.)	75.96	73.97	China	Power generation	2.38	2.34	1.76	1.31
Danyang-Union Cogeneration Co., Ltd. (49.50 percent owned by Union Energy (China) Co., Ltd. and 5.50 percent by Saha-Union Investment (China) Co., Ltd.)	55.00	55.00	China	Power generation	3.60	4.17	2.51	2.54
Danhuang-Union Cogeneration Co., Ltd. (90.00 percent owned by Union Energy (China) Co., Ltd. and 10.00 percent by Saha-Union Investment (China) Co., Ltd.)	99.99	99.99	China	Power generation (Dormant)	0.79	1.70	0.50	1.11
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	2.19	2.08	1.91	1.46



2.2 During the year, the Company acquired three new subsidiaries, namely, Union Textile Industries Plc., Union Education Index Co., Ltd. and Shanghai Saha-Union Thread Industry Co., Ltd. In addition, the Company sold one subsidiary, Uni-Media Co., Ltd.

2.3 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.

2.4 The Company presented negative goodwill as a deduction against assets in the balance sheet, to be recognised as income over a period of 5 years.

### 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 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions with an original maturity of 3 months or less and without encumbrances.

#### 3.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. 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.

#### 3.4 Inventories

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

#### 3.5 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

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

Buildings	20	years
Land and leasehold improvements	5 - 20	years
Machinery and equipment	3 - 10	years
Molds	5	years
Facilities	5	years
Furniture and fixtures	5	years
Motor vehicles	5	years

Depreciation of molds acquired since the year 2002 is calculated by reference to its net book value on a double - declining basis, over the useful lives of 5 years.

Depreciation of plant and equipment of a company's branch acquired since the year 2000 is calculated by reference to its net book value on a double-declining basis, over the useful lives of 5-20 years.

The Company and its subsidiaries recognise impairment loss if events or changes in circumstances indicate the carrying value may not be recoverable.

No depreciation is provided for land, machinery under installation and construction in progress.

#### 3.6 Investments

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

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 in the earnings statement when the net realisable value is lower than the cost of investment.

#### 3.7 Employee compensation and pension

Employee compensation and pension expenses are provided in the accounts by reference to the provisions of labour laws and the Company's personnel regulations, and are determined based upon the probability that employees in each age group will work until reaching their retirement age. Prior to 2003, employee compensation and pension expenses were recognised as and when incurred.

### 3.8 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.

Exchange gains and losses are included in determining earnings.

### 3.9 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 in issue during the year after deducting the Company's shares held by the subsidiaries.

### 3.10 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from these estimates.

## 4. CHANGE IN ACCOUNTING POLICY

In prior years, the Company recorded employee compensation and pension expenses when they were incurred. However, for reasons of prudence, in 2003 the Company began to set aside provision for employee compensation and pension expenses in its accounts, based upon the provisions of the labour laws and the Company's personnel regulations as mentioned in Note 3.7. The prior years' financial statements have been restated to reflect this change, as if the new accounting policy had always been applied. The change has the effect of decreasing net earnings for 2003 by Baht 19.1 million (Baht 0.07 per share). The cumulative effect of the change up to the 31 December 2002 amounting to Baht 236.3 million has been adjusted against the beginning balance of retained earnings for 2003.

## 5. TRADE ACCOUNTS AND NOTES RECEIVABLE

As at 31 December 2004 and 2003, 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 2004 amounted to approximately Baht 41.6 million (2003 : Baht 33.3 million) and Baht 18.8 million for the Company only (2003 : Baht 17.5 million). Based on such assessment, an allowance for doubtful accounts of Baht 36.8 million (2003 : Baht 28.0 million) and Baht 15.2 million for the Company only (2003 : Baht 13.6 million) has been made in the accounts. The Company and its subsidiaries believe that the such allowance is adequate under the current circumstance.

## 6. 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 : -

### Consolidated

(Unit : Million Baht)

	For the year ended 31 December		Pricing policy
	2004	2003	
Transactions with associated companies			
Sales of merchandise	972	1,770	Cost plus margin
Lending (weighted average balance outstanding at month end)	21	255	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	4	17	See "lending" above
Purchases of merchandise	4,145	5,981	Resale price reduced by a margin.
Borrowings (weighted average balance outstanding at month end)	56	54	Interest rate with reference to the savings deposit rate of local commercial bank.
Transactions with related companies			
Sales of merchandise	14	6	Cost plus margin
Lending (weighted average balance outstanding at month end)	172	261	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	7	16	See "lending" above
Purchases of merchandise	173	143	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	19	22	Interest rate with reference to the savings deposit rate of local commercial bank.



## The Company Only

(Unit : Million Baht)

	For the year ended 31 December		Pricing policy
	2004	2003	
Transactions with subsidiaries			
Sales of merchandise	1,954	1,014	Cost plus margin
Rental income	256	258	Contract price
Service income	181	143	Contract price
Lending (weighted average balance outstanding at month end)	3,662	1,307	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	209	79	See "lending" above
Purchases of merchandise	6,554	4,788	₹Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	560	332	Interest rate with reference to the savings deposit rate of local commercial bank.
Transactions with associated companies			
Sales of merchandise	828	1,625	Cost plus margin
Lending (weighted average balance outstanding at month end)	21	255	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	4	17	See "lending" above
Purchases of merchandise	4,006	5,753	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	56	54	Interest rate with reference to the savings deposit rate of local commercial bank
Transactions with related companies			
Purchases of merchandise	170	143	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	19	22	Interest rate with reference to the savings deposit rate of local commercial bank.

The outstanding balances as at 31 December 2004 and 2003 of the above transactions are shown separately in the balance sheets as follows :-

(Unit : Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Trade accounts and notes receivable - related parties :				
Subsidiaries				
Union Textile Industries Plc.	-	-	366,762,110	-
Union Garment Co., Ltd.	-	-	3,251,934	2,978,544
Union Footwear Plc.	-	-	133,033,308	78,826,714
Union Shoes Co., Ltd.	-	-	38,369,514	38,001,713
Saha-Union International (GA) Inc.	-	-	44,296,430	22,209,377
Saha-Union International (GA) Inc.	-	-	13,478,432	4,484,593
Saha-Union International Ltd. (Hong Kong)	-	-	16,028,791	19,687,554
Union Zojirushi Co., Ltd.	-	-	73,698,164	39,916,396
Others	-	-	3,475,696	525,423
	-	-	692,394,379	206,630,314
Associated companies				
Union Textile Industries Plc.	-	251,328,018	-	250,414,569
Union Thread Industries Co., Ltd.	117,261,539	65,097,464	115,300,092	62,800,459

	(Unit : Baht)			
	Consolidated		The Company Only	
	2004	2003	2004	2003
Union Spinning Mills Co., Ltd.	118,137,619	86,575,560	112,101,743	84,217,900
Venus Thread Co., Ltd.	31,899,889	40,171,818	31,783,391	40,040,667
Saha-Union International (USA) Inc.	892,664	3,798,210	892,664	3,798,209
Union Universe Co., Ltd.	6,732,010	7,274,976	-	-
Others	13,908,018	20,939,071	2,773,126	2,642,485
	288,831,739	475,185,117	262,851,016	443,914,289
Related companies	1,054,187	800,384	116,986	66,911
<b>Total</b>	<b>289,885,926</b>	<b>475,985,501</b>	<b>955,362,381</b>	<b>650,611,514</b>
Short-term loans to related companies				
Subsidiaries				
Union Energy (China) Co., Ltd.	-	-	3,366,920,000	1,937,350,000
Union Textile Industries Plc.	-	-	210,000,000	-
Computer Union Co., Ltd.	-	-	40,000,000	63,860,000
Union Construction Corp., Ltd.	-	-	3,500,000	3,500,000
Union Rubber Products Corp., Ltd.	-	-	1,000,000	1,000,000
Saha-Union Holding Co., Ltd.	-	-	7,425,250	47,945,250
Venus Shoes Co., Ltd.	-	-	300,000	16,200,000
	-	-	3,629,145,250	2,069,855,250
Associated companies				
Union Business Management Co., Ltd.	-	128,795,000	-	128,795,000
Union Capital Co., Ltd.	-	22,800,000	-	22,800,000
Union Textile Industries Plc.	-	220,000,000	-	220,000,000
Union Education Management Ltd.	39,161,850	-	-	-
	39,161,850	371,595,000	-	371,595,000
Related companies				
Ratchaburi Power Co., Ltd. (related by share holding)	162,723,152	253,194,570	-	-
Others	1,381,543	1,402,703	-	-
	164,104,695	254,597,273	-	-
<b>Total</b>	<b>203,266,545</b>	<b>626,192,273</b>	<b>3,629,145,250</b>	<b>2,441,450,250</b>
Advance to related party :				
Related company				
Ratchaburi Power Co., Ltd. (related by share holding)	-	97,048,280	-	-
Trade accounts and notes payable - related parties ::				
Subsidiaries				
Union Textile Industries Plc.	-	-	283,339,995	-
Union Footwear Plc.	-	-	168,916,735	146,250,356
Union Technology Co., Ltd.	-	-	142,883,292	196,722,898
Union Shoes Co., Ltd.	-	-	129,281,591	100,135,669
Union Pioneer Plc.	-	-	121,349,511	122,606,127
Union Garment Co., Ltd.	-	-	88,710,480	95,649,161
Union Zojirushi Co., Ltd.	-	-	102,639,926	75,310,508
Union Stainless Steel Products Co., Ltd.	-	-	2,974,521	6,420,421
Union Rubber Products Corp. Ltd.	-	-	9,067,500	2,820,000



(Unit : Baht)				
	Consolidated		The Company Only	
	2004	2003	2004	2003
Others	-	-	138,031	-
	-	-	1,049,301,582	745,915,140
Associated companies				
Union Textile Industries Plc.	-	371,500,296	-	330,006,803
Union Thread Industries Co., Ltd.	175,967,372	179,885,126	175,532,604	179,885,126
Union Industries Corp., Ltd.	107,475,115	105,663,739	107,475,115	105,663,739
Union Spinning Mills Co., Ltd.	129,737,265	90,232,481	129,718,015	90,232,481
Union Plastic Plc.	201,754,084	166,626,627	198,280,806	166,189,425
Union Thai-Nichiban Co., Ltd.	114,896,004	100,634,788	114,793,984	100,561,435
Venus Thread Co., Ltd.	-	18,481,806	-	18,481,806
Uni-Fibre Co., Ltd.	6,574,105	6,480,135	-	-
Saha - Union International (Taipei) Ltd.	8,071,364	14,957,047	-	-
Others	8,813,418	6,250,088	2,530,953	2,000,879
	753,288,727	1,060,712,133	728,331,477	993,021,694
Related companies				
Union Button Corporation Co., Ltd. (related by share holding)	38,622,233	25,767,492	38,622,233	25,767,492
Others	2,300,310	1,523,016	2,296,001	1,519,834
	40,922,543	27,290,508	40,918,234	27,287,326
<b>Total</b>	<b>794,211,270</b>	<b>1,088,002,641</b>	<b>1,818,551,293</b>	<b>1,766,224,160</b>
Other accounts payable - related parties : Subsidiaries				
Saha - Union International Ltd. (Hong Kong)	-	-	111,569,721	114,787,281
Union Energy (Hong Kong) Co., Ltd.	-	-	257,857,732	702,239,222
<b>Total</b>	-	-	<b>369,427,453</b>	<b>817,026,503</b>
Deposits from related parties : Subsidiaries				
Union Energy Co., Ltd.	-	-	465,217,482	86,962,236
Union Shoes Co., Ltd.	-	-	-	14,500,000
Uni-Media Co., Ltd.	-	-	-	74,621
Union Equity Co., Ltd.	-	-	82,863,562	58,389,016
Textport International Co., Ltd.	-	-	31,450,000	24,450,000
Union Overseas Holding Co., Ltd.	-	-	28,386,550	28,307,793
Union Technology Co., Ltd.	-	-	-	50,000,000
	-	-	607,917,594	262,683,666
Associated companies				
Uni-Fibre Co., Ltd.	46,634,005	45,077,766	46,634,005	45,077,766
Venus Corp., Ltd.	2,746,674	2,742,985	2,746,674	2,742,985
Union Limousine Co., Ltd.	-	3,000,000	-	3,000,000
Union Zip Co., Ltd.	-	2,500,000	-	2,500,000
Union Capital Co., Ltd.	5,000,000	-	5,000,000	-
Others	-	2,147,000	-	2,147,000
	54,380,679	55,467,751	54,380,679	55,467,751
Related companies	20,000,000	32,100,000	20,000,000	32,100,000
<b>Total</b>	<b>74,380,679</b>	<b>87,567,751</b>	<b>682,298,273</b>	<b>350,251,417</b>

## 7. INVENTORIES

Inventories as at 31 December 2004 and 2003 consist of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Raw materials	948,723,104	419,032,032	553,014	471,947
Work in process	405,349,957	185,543,876	-	-
Finished goods	875,854,030	614,915,768	309,488,638	285,036,836
Packing materials	13,733,498	21,773,432	-	-
Spare parts and supplies	126,928,754	44,472,786	28,379	16,874
Goods in transit	26,921,577	3,600,076	6,045,979	3,600,076
Total	2,397,510,920	1,289,337,970	316,116,010	289,125,733
Less : Provision for stock obsolescence	(109,803,061)	(85,764,827)	(29,849,367)	(27,104,359)
Inventories - net	2,287,707,859	1,203,573,143	286,266,643	262,021,374

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

Company name	Type of business	Percentage owned				Investment				Dividend	
		by the Company		Paid-in capital		Cost method		Equity method		2004	2003
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Saha-Union International Ltd. (Hong Kong)	Import and distribution	99.98	99.98	255	255	1,244,449	1,244,449	1,263,507	1,268,142	-	-
				(Million HKD)							
Saha-Union International (GA) Inc.	Import and distribution	100.00	100.00	3	7	76,652	178,852	107,758	275,337	-	-
				(Million USD)							
Saha-Union Investment (China) Co., Ltd.	Investment holding	100.00	100.00	33	30	1,183,719	1,046,788	1,246,681	1,117,299	-	-
				(Million USD)							
Union Education Index Co., Ltd.	Investment in international school business	85.00	-	32	-	144,539	-	116,930	-	-	-
				(Million HKD)							
Union Textile Industries Plc.	Spinning and weaving	51.77	-	600	-	319,979	-	387,931	-	-	-
Saha-Union Holding Co., Ltd.	Investment holding	99.67	99.67	1,000	1,000	995,399	995,399	198,727	225,095	-	-
Union Garment Co., Ltd.	Manufacture of garments	99.98	99.98	50	50	70,336	70,336	108,932	106,901	9,998	24,994
Fashion Apparel Co., Ltd.	Manufacture of garments	99.97	99.97	2.5	2.5	750	750	3,011	4,236	750	187
Union Pioneer Plc.	Manufacture of rubber thread, elastic braids & webbing	52.67	52.67	75	75	53,084	53,084	159,180	154,574	7,343	11,015
Union Zojirushi Co., Ltd.	Manufacture of vacuum bottles	51.00	51.00	140	140	72,057	72,057	224,566	210,210	17,850	35,700
Union Stainless Steel Products Co., Ltd.	Manufacture of pipes	98.00	98.00	40	40	52,411	52,411	57,666	62,001	-	-
Union Rubber Products Corp. Ltd.	Manufacture of rubber product	99.99	99.99	20	20	16,111	16,111	15,557	15,493	-	-
Union Footwear Plc.	Manufacture of sports shoes	51.23	51.23	200	200	131,379	131,379	168,701	178,771	9,075	11,344
Union Shoes Co., Ltd.	Manufacture of sports shoes	97.85	97.85	100	100	68,898	68,898	146,774	147,770	3,085	3,085
Venus Shoes Co., Ltd.	Dormitory rental and services	96.86	96.86	100	100	61,120	61,120	58,226	47,647	-	-
Thai Rubber Enterprise Corp. Ltd.	Rubber estates	50.69	50.69	31	31	16,873	16,567	19,402	17,909	-	-
Uni-Sole Co., Ltd.	Machine and warehouse rental	70.69	70.69	50	50	9,400	9,400	29,592	34,019	4,480	-
Union Printing Co., Ltd.	Printing services	94.74	94.74	30	30	29,466	29,466	22,543	23,131	-	-
Computer Union Co., Ltd.	Computer dealer	96.95	88.58	60	60	61,693	54,901	15,704	45,469	-	7,971
Uni-Media Co., Ltd.	Dormant	-	78.00	-	166.5	-	96,703	-	57	-	-

Company name	Type of business	Percentage owned by the Company				Investment				Dividend	
		2004		2003		Cost method		Equity method		2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
				(Except for other specified currency)						(Restated)	
Union Equity Co., Ltd.	Investment holding	99.43	99.43	230	230	228,698	228,698	327,574	343,387	-	-
Union Construction Co., Ltd.	Architectural, construction and interior design services	98.90	98.90	200	200	4,431	4,431	(73,908)	(77,642)	-	-
Union Technology Co., Ltd.	Manufacture of electronic components	99.99	99.99	100	100	100,000	100,000	179,789	202,623	80,000	110,000
Union Energy Co., Ltd.	Investment in electric power & energy business	99.45	99.45	1,350	1,350	1,340,000	1,340,000	1,161,646	1,152,462	-	-
Union Energy (China) Co., Ltd.	Investment holding	99.99	99.99	500	2,000	499,999	1,999,999	385,614	1,938,683	-	-
Textport International Co., Ltd.	Investment holding	85.18	85.18	50	50	44,294	44,294	39,599	37,416	-	-
Union Overseas Holding Co., Ltd.	Investment holding	58.98	58.98	25	25	6,250	6,250	8,255	8,206	-	-
Union Human Resources Development Co., Ltd.	Train and develop employees' skill	99.99	99.99	0.25	0.25	250	250	675	230	-	-
Computer Union System Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Dormant	96.95	88.58	5.03	5.03	-	-	5,395	4,862	-	-
Jakkarat Union Footwear Co., Ltd. (99.99 percent owned by Union Footwear Plc.)	Manufacture of shoe uppers	51.23	51.23	20	20	-	-	2,171	563	-	-
Burirum Union Shoes Co., Ltd. (99.99 percent owned by Union Shoes Co., Ltd.)	Manufacture of shoe uppers	97.85	97.85	5	5	-	-	3,501	5,105	-	-
Phon Union Footwear Co., Ltd. (50.00 percent owned by Union Footwear Plc. and 49.99 percent by Union Shoes Co., Ltd.)	Manufacture of sole	53.53	53.53	70	70	-	-	(5,257)	(3,620)	-	-
Shanghai Saha-Union Thread Industry Co., Ltd. (50.00 percent owned by the Company, 10.00 percent by Saha-Union Investment (China) Co., Ltd. and 20.00 percent owned by Union Thread Industries Co., Ltd.)	Manufacture of textile products	67.25	-	23.5	-	55,500	-	55,444	-	-	-
Zhejiang Saha-Union Thread Industry Co., Ltd. (70.00 percent owned by the Company, 20.00 percent by Union Energy (Hong Kong) Co., Ltd. and 10.00 percent by Saha-Union Investment (China) Co., Ltd.)	Manufacture of thread (not commencing its business)	99.99	99.99	2.8	0.9	39,035	-	37,749	(703)	-	-
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd. (Hong Kong))	Investment holding	99.98	99.98	223.2	223.2	-	-	101,098	102,061	-	-
Jiashan-Union Cogeneration Co., Ltd. (56.93 percent owned by Union Energy (China) Co., Ltd., 10.00 percent by Saha-Union Investment (China) Co., Ltd. and 9.03 percent by Union Energy (Hong Kong) Co., Ltd.)	Power generation	75.96	73.97	8.3	7.1	-	-	79,079	109,361	-	-



Company name	Type of business	Percentage owned by the Company				Investment				Dividend	
		2004		2003		Cost method		Equity method		2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Danyang-Union Cogeneration Co., Ltd. (49.50 percent owned by Union Energy (China) Co., Ltd. and 5.50 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	55.00	55.00	180	180	-	-	6,225	54,248	-	-
Danhuang-Union Cogeneration Co., Ltd. (90.00 percent owned by Union Energy (China) Co., Ltd. and 9.99 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation (Dormant)	99.99	99.99	6.7	6.7	-	-	(152,121)	30,583	-	-
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	-	-	107,044	167,580	-	-
Total						6,926,772	7,922,593	6,620,960	8,009,466	132,581	204,296
<b>Provision for losses of subsidiaries</b>						-	-	231,286	81,965		
						<b>6,926,772</b>	<b>7,922,593</b>	<b>6,852,246</b>	<b>8,091,431</b>		
<b>Less: Fair value of Company's shares held by subsidiaries</b>						-	-	(181,776)	(226,939)		
<b>Investments in subsidiaries</b>						<b>6,926,772</b>	<b>7,922,593</b>	<b>6,670,470</b>	<b>7,864,492</b>		

In February 2004, the Company purchased 11,887,700 shares in Union Textile Industries Public Company Limited for Baht 11.70 per share, a total of Baht 139 million. This purchase price was Baht 37 million less than the net asset value of the subsidiary attributable to the Company's holding. The Company presented this amount as a deduction against its assets in the balance sheet, to be recognised as income over a period of 5 years. The above share purchase affected the change of status of that company from an associated company to a subsidiary of the Company.

The book value as at 31 December 2004 of negative goodwill arising from this share purchase in as follows :-

(Unit : Thousand Baht)

Negative goodwill as at share purchase date	(36,902)
Recognition during the year	6,150
Negative goodwill as at 31 December 2004	(30,752)

The recognition of negative goodwill above is included in other income in the consolidated earnings statement.

The valuation of the acquired assets and liabilities of the above company as at the acquisition date was as follows :-

(Unit : Thousand Baht)

Cash and cash equivalents	22,613
Accounts receivable	165,480
Inventories - net	408,230
Other current assets	21,037
Long-term investments	111,884
Property, plant and equipment - net	413,928
Current liabilities	(548,748)
Non-current liabilities	(136,207)
Total net assets	458,217
Less : Negative goodwill	(36,902)
Less : Balance brought forward of investment in subsidiary	(282,229)
Cash payments for purchase of shares of subsidiary	139,086
Less : Cash and cash equivalents of subsidiary	(22,613)
Net cash paid for acquisition of shares of subsidiary	116,473



During the year 2004, the Company invested HKD 27.2 million in Union Education Index Co., Ltd., and the Company, Saha-Union Investment (China) Co., Ltd. (subsidiary) and Union Thread Industries Co., Ltd. (associated company), invested respective amounts of RMB 11.75 million, RMB 2.35 million and RMB 4.70 million, in Shanghai Saha-Union Thread Industry Co., Ltd. In addition, the Company invested additional amounts of USD 3 million in Saha-Union Investment (China) Co., Ltd. and USD 1 million in Zhejiang Saha-Union Thread Industry Co., Ltd.

The Company sold the investment in Uni-Media Co., Ltd. at its net book value.

Union Energy (China) Co., Ltd. and Saha-Union International (GA) Inc. reduced their share capital and returned capital of Baht 1,500 million and USD 4 million, respectively, to the Company.

During the year 2004, Danhuang-Union Cogeneration Co., Ltd. ceased its electricity generation business and signed an agreement to sell its fixed assets and leasehold rights to a company in China. The price is RMB 32.2 million, or Baht 156 million lower than the net book value of the assets, and the Company recorded this difference under the caption of "loss on impairment of assets" in the earnings statement.

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

Company name	Type of business	Percentage owned				Investment				Dividend	
		by the Company		Paid-in capital		Cost method		Equity method		2004	2003
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Consolidated</b>					(Except for other specified currency)				(Restated)		
Saha-Union International (UK) Ltd.	Dormant	42.60	32.56	0.1	0.1	461	461	1,298	938	-	-
				(Million GBP)							
Saha-Union International (Taipei) Ltd.	Supplies raw materials to group companies	42.51	32.50	5	5	386	386	5,843	4,735	-	-
				(Million TWD)							
Saha-Union International (USA) Inc.	Import and distribution	42.60	42.60	0.3	0.3	550	550	3,018	3,608	-	-
				(Million USD)							
Union Education Management Ltd. and its subsidiaries	Management of international school	49.00	49.00	9	5	177,907	98,243	110,046	47,021	-	-
				(Million USD)							
Union Capital Co., Ltd.	Investment holding	49.00	49.00	250	250	72,500	72,500	78,679	68,216	-	-
Uni-Agro Co., Ltd.	Investment and agriculture	45.02	45.02	65	65	20,465	20,465	12,295	12,974	-	-
Union Textile Industries Plc.	Spinning and Weaving	-	37.79	-	600	-	180,892	-	278,806	-	8,906
Uni-Fibre Co., Ltd.	Distribution of textiles	54.63	51.71	120	120	55,800	30,800	97,525	61,751	-	-
Union Thread Industries Co., Ltd.	Manufacture of thread	36.23	36.23	200	200	52,216	52,216	658,678	648,069	9,024	9,024
Union Industries Corp, Ltd.	Manufacture of zippers	29.60	29.60	150	150	43,502	43,502	267,013	252,565	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	30.00	30.00	40	40	10,000	10,000	13,142	13,105	400	500
Union Business Management Co., Ltd.	Investment holding	57.90	55.24	500	500	241,712	146,712	164,176	42,123	-	-
Union Thai-Nichiban Co., Ltd.	Manufacture of tape	40.27	40.27	15	15	19,266	19,266	164,682	159,496	24,164	18,123
Union Plastic Plc.	Manufacture of plastic products, molds	49.70	49.68	250	250	236,217	236,217	257,871	253,982	12,403	6,202
Union Nifco Co., Ltd.	Manufacture of plastic products	39.90	39.90	40	40	13,552	13,552	114,551	73,215	6,001	3,600
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	49.86	49.86	7.5	7.5	3,748	3,748	56,173	54,157	2,431	2,431
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	50.00	50.00	40	40	22,412	22,412	21,418	42,901	-	-
Union Micronclean Co., Ltd.	Manufacture of clothes for cleaning room	44.43	41.85	5	5	2,550	1,900	13,716	10,434	2,550	1,900
Union Rubber Plus Co., Ltd.	Investment holding	43.00	45.68	30	30	14,700	14,700	19,582	19,989	392	980

Company name	Type of business	Percentage owned				Investment					
		by the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
					(Except for other specified currency)				(Restated)		
Union Spinning Mills Co., Ltd.	Manufacture of thread	52.16	52.16	200	200	46,563	46,563	90,952	82,397	500	-
Ban Pai Union Garment Co., Ltd. (50.00 percent owned by Union Garment Co., Ltd.)	Manufacture of ready to wear clothes	49.99	49.99	2	2	1,000	1,000	886	1,486	-	50
Ban Pai Union Footwear Co., Ltd. (74.99 percent owned by Union Footwear Plc.)	Manufacture of shoe upper	38.42	22.69	10	5	7,500	2,500	4,070	5,031	-	-
Hangzhou-Union Cogeneration Co., Ltd. (45.00 percent owned by Union Energy (China) Co., Ltd. and 5.00 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	260	260	535,757	535,757	739,462	757,134	-	51,284
Jiyang-Union Cogeneration Co., Ltd. (45.00 percent owned by Union Energy (China) Co., Ltd. and 5.00 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	17	17	222,641	222,641	352,885	363,941	8,502	20,382
Yunnan Luliang-Union Cogeneration Co., Ltd. (50.00 percent owned by Union Energy (China) Co., Ltd.)	Power generation	50.00	50.00	24.7	24.7	453,156	453,156	498,090	474,354	-	-
Yunnan Qujing-Union Power Co., Ltd. (45.19 percent owned by Union Energy (China) Co., Ltd. and 4.81 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	28.1	28.1	509,690	509,690	602,369	596,907	1,523	4,087
Wuxi-Union Cogeneration Co., Ltd. (25.00 percent owned by Union Energy (China) Co., Ltd., 10.00 percent by Saha-Union Investment (China) Co., Ltd. and 10.00 percent by Union Energy (Hong Kong) Co., Ltd.)	Power generation	45.00	45.00	25.7	25.7	632,642	469,534	757,676	555,897	1,826	44,787
Yixing-Union Cogeneration Co., Ltd. (40.00 percent owned by Union Energy (China) Co., Ltd. and 10.00 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	60	60	1,113,296	1,111,274	1,407,419	1,472,401	117,875	12,496
Yixing Union Biochemical Co., Ltd. (50.00 percent owned by Yixing - Union Cogeneration Co., Ltd., 15.00 percent by Union Energy (China) Co., Ltd. and 10.00 percent by Saha-Union Investment (China) Co., Ltd.)	Manufacture of citric acid	50.00	50.00	5	5	52,797	55,473	116,004	74,956	2,358	-
Shangyu Hangzhou-Union Cogeneration Co., Ltd. (50.00 percent owned by Hangzhou-Union Cogeneration Co., Ltd., 22.50 percent by Union Energy (Hong Kong) Co., Ltd. and 2.50 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation (in construction process)	49.99	49.99	100	100	124,883	124,883	110,907	114,197	-	-
Venus Product Co., Ltd. (99.86 percent owned by Union Industries Corp. Ltd.)	Manufacture of venus thread	24.97	24.97	2	2	-	-	(150)	(155)	-	-



Company name	Type of business	Percentage owned				Investment					
		by the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
				(Except for other specified currency)				(Restated)			
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	Dormant	24.83	24.83	1	1	-	-	800	747	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp. Ltd.)	Fuel retailer	24.96	24.96	4	4	-	-	117	95	-	-
Union Zip Co., Ltd. (94.75 percent owned by Union Industries Corp., Ltd.)	Dormant	23.69	23.69	3	3	-	-	406	397	-	-
Union Knitting Yarn Co., Ltd. (99.96 owned by Union Industries Corp. Ltd.)	Dormant	24.99	24.99	5	5	-	-	762	763	-	-
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	25.07	150	150	-	-	6,220	5,565	-	-
Venus Corp. Ltd. (99.93 percent owned by Union Business Management Co., Ltd.)	Dormant	29.38	29.38	30	30	-	-	14,330	14,329	-	-
Union Kotec Molds Co., Ltd. (51.00 percent owned by Union Plastic Plc.)	Manufacture of molds	25.34	25.34	15	15	-	-	(3,920)	-	-	-
Total						4,687,869	4,500,993	6,758,991	6,568,527	196,699	191,502
<b>Provision for losses of associated companies</b>						-	-	4,070	155		
<b>Investments in associated companies</b>						<b>4,687,869</b>	<b>4,500,993</b>	<b>6,763,061</b>	<b>6,568,682</b>		

### The Company Only

Company name	Type of business	Percentage owned				Investment					
		by the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
				(Except for other specified currency)				(Restated)			
Saha-Union International (UK) Ltd.	Dormant	42.60	32.56	0.1	0.1	461	461	1,298	938	-	-
Saha-Union International (Taipei) Ltd.	Supplies raw materials to group companies	42.51	32.50	5	5	386	386	5,843	4,735	-	-
Saha-Union International (USA) Inc.	Import and distribution	42.60	42.60	0.3	0.3	550	550	3,018	3,608	-	-
Union Education Management Ltd. and its subsidiaries	Management of international school	49.00	49.00	9	5	117,907	98,243	110,046	47,021	-	-
Union Capital Co., Ltd.	Investment holding	49.00	49.00	250	250	72,500	72,500	78,679	68,216	-	-
Uni-Agro Co., Ltd.	Investment and agriculture	45.02	45.02	65	65	20,465	20,465	12,295	12,974	-	-
Union Textile Industries Plc.	Spinning and weaving	-	37.79	-	600	-	180,892	-	278,806	-	8,906
Uni-Fibre Co., Ltd.	Distribution of textiles	54.63	51.71	120	120	30,800	30,800	72,525	61,751	-	-

Company name	Type of business	Percentage owned				Investment					
		by the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
					(Except for other specified currency)				(Restated)		
Union Thread Industries Co., Ltd.	Manufacture of thread	36.23	36.23	200	200	52,216	52,216	658,678	648,069	9,024	9,024
Union Industries Corp., Ltd.	Manufacture of zippers	29.60	29.60	150	150	43,502	43,502	267,013	252,565	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	30.00	30.00	40	40	10,000	10,000	13,142	13,105	400	500
Union Business Management Co., Ltd.	Investment holding	57.90	55.24	500	500	146,712	146,712	69,176	42,123	-	-
Union Thai-Nichiban Co., Ltd.	Manufacture of tape	40.27	40.27	15	15	19,266	19,266	164,682	159,496	24,164	18,123
Union Plastic Plc.	Manufacture of plastic products, molds	49.70	49.68	250	250	235,433	235,433	257,086	253,197	12,380	6,190
Union Nifco Co., Ltd.	Manufacture of plastic products	39.90	39.90	40	40	13,552	13,552	114,551	73,215	6,001	3,600
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	49.86	49.86	7.5	7.5	3,748	3,748	56,173	54,157	2,431	2,431
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	50.00	50.00	40	40	22,412	22,412	21,418	42,901	-	-
Union Micronclean Co., Ltd.	Manufacture of clothes for cleaning room	44.43	41.85	5	5	1,250	1,250	12,417	9,784	1,250	1,250
Union Rubber Plas Co., Ltd.	Investment holding	43.00	45.68	30	30	7,500	7,500	12,382	12,789	200	500
Union Spingning Mills Co., Ltd.	Manufacture of thread	52.16	52.16	200	200	46,563	46,563	90,952	82,397	500	-
Ban Pai Union Garment Co., Ltd. (50.00 percent owned by Union Garment Co., Ltd.)	Manufacture of ready to wear clothes	49.99	49.99	2	2	-	-	(114)	486	-	-
Ban Pai Union Footwear Co., Ltd. (74.99 percent owned by Union Footwear Plc.)	Manufacture of shoe upper	38.42	22.69	10	5	-	-	(3,430)	2,531	-	-
Hangzhou-Union Cogeneration Co., Ltd. (45.00 percent owned by Union Energy (China) Co., Ltd. and 5.00 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	260	260	-	-	203,705	221,378	-	-
Jiyang-Union Cogeneration Co., Ltd. (45.00 percent owned by Union Energy (China) Co., Ltd. and 5.00 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	17	17	-	-	130,244	141,300	-	-
Yunnan Luliang-Union Cogeneration Co., Ltd. (50.00 percent owned by Union Energy (China) Co., Ltd.)	Power generation	50.00	50.00	24.7	24.7	-	-	44,934	21,198	-	-
Yunnan Qujing-Union Power Co., Ltd. (45.19 percent owned by Union Energy (China) Co., Ltd. and 4.81 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	28.1	28.1	-	-	92,678	87,217	-	-
Wuxi-Union Cogeneration Co., Ltd. (25.00 percent owned by Union Energy (China) Co., Ltd., 10.00 percent by Saha-Union Investment (China) Co., Ltd. and 10.00 percent by Union Energy (Hong Kong) Co., Ltd.)	Power generation	45.00	45.00	25.7	25.7	-	-	125,034	86,364	-	-



Company name	Type of business	Percentage owned				Investment					
		by the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
									(Restated)		
Yixing-Union Cogeneration Co., Ltd. (40.00 percent owned by Union Energy (China) Co., Ltd., 10.00 percent by Saha-Union Investment (China) Co., Ltd. and 10.00 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation	50.00	50.00	60	60	-	-	294,124	361,126	-	-
Yixing-Union Biochemical Co., Ltd. (50.00 percent owned by Yixing - Union Cogeneration Co., Ltd., 15.00 percent by Union Energy (China) Co., Ltd. and 10.00 percent by Saha-Union Investment (China) Co., Ltd.)	Manufacture of citric acid	50.00	50.00	5	5	-	-	63,207	19,483	-	-
Shangyu Hangzhou-Union Cogeneration Co., Ltd. (50.00 percent owned by Hangzhou-Union Cogeneration Co., Ltd., 22.50 percent by Union Energy (Hong Kong) Co., Ltd. and 2.50 percent by Saha-Union Investment (China) Co., Ltd.)	Power generation (in construction process)	49.99	49.99	100	100	-	-	(13,976)	(10,686)	-	-
Venus Product Co., Ltd. (99.86 percent owned by Union Industries Corp., Ltd.)	Manufacture of venus thread	24.97	24.97	2	2	-	-	(150)	(155)	-	-
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	Dormant	24.83	24.83	1	1	-	-	801	747	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	Fuel retailer	24.96	24.96	4	4	-	-	117	95	-	-
Union Zip Co., Ltd. (94.75 percent owned by Union Industries Corp., Ltd.)	Dormant	23.69	23.69	3	3	-	-	406	397	-	-
Union Knitting Yarn Co., Ltd. (99.96 percent owned by Union Industries Corp., Ltd.)	Dormant	24.99	24.99	5	5	-	-	762	763	-	-
Venus Thread Co., Ltd. (97.92 percent owned by Union Thread Industries Co., Ltd. and 2.08 percent by Union Spinning Mills Co., Ltd.)	Dormant	25.07	25.07	150	150	-	-	6,220	5,565	-	-
Venus Corp., Ltd. (99.93 percent owned by Union Business Management Co., Ltd.)	Dormant	29.38	29.38	30	30	-	-	14,330	14,329	-	-
Union Kotec Molds Co., Ltd. (51.00 percent owned by Union Plastic Plc.)	Manufacture of molds	25.34	25.34	15	15	-	-	(3,920)	-	-	-
Total						845,223	1,006,451	2,976,346	3,073,985	63,100	57,274
Provision for losses of associated companies						-	-	21,590	10,841		
Investments in associated companies						845,223	1,006,451	2,997,936	3,084,826		

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 operations of investee companies.

The shares of profits (losses) from investments in associated companies accounted for under the equity method, as included in the earnings statements for the year ended 31 December 2004 and 2003 have generally been calculated from financial statements prepared by the management of those 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.

During 2004, Union Education Management Ltd. increased its share capital from USD 5 million to USD 9 million. The Company has invested an additional USD 1.96 million to maintain its percentage shareholding in that company. In addition, Wuxi-Union Cogeneration Co., Ltd. called up additional capital totalling RMB 25.1 million from Saha-Union Investment (China) Co., Ltd. and Union Energy (Hong Kong) Co., Ltd. (subsidiaries).

## 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		2004	2003
	2004	2003	2004	2003
	%	%	Thousand baht	Thousand baht
Union Button Corporation Co., Ltd.	10.71	10.71	11,500	11,500
Imperial Technology Management Service Plc.	0.67	0.67	10,000	10,000
Ratchaburi Power Co., Ltd.	10.00	14.99	166,500	249,750
Wuxi Nan Yang Colour Printing & Packing Co., Ltd.	11.76	11.76	23,002	23,002
Zhuo Zhou Resources Link Co., Ltd.	36.86	36.86	32,687	32,687
Less : Provision for devalue of investments			(32,687)	(32,687)
Others			12,706	15,188
			223,708	309,440

Investment in available-for-sale securities :

Company name	Unrealised gains (losses) on change					
	Cost method		in value of investment		Fair value	
	2004	2003	2004	2003	2004	2003
	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht
Saha Pathana Inter-Holding Plc.	27,508	27,508	95,772	110,958	123,280	138,466
Bangkok Bank Plc.	204,402	204,402	73,884	87,263	278,286	291,665
New Plus Knitting Plc.	2,010	2,010	(1,841)	(1,460)	169	550
Electricity Generating Plc.	2,324	2,324	2,634	3,673	4,958	5,997
	236,244	236,244	170,449	200,434	406,693	436,678
Total investments in other companies					630,401	746,118



### The Company Only

Investments in ordinary shares :

Company name	Percentage owned by		Cost method	
	the Company		2004	2003
	2004	2003	2004	2003
	%	%	Thousand baht	Thousand baht
Union Button Corporation Co., Ltd.	10.71	10.71	11,500	11,500
Imperial Technology Management Service Plc.	0.67	0.67	10,000	10,000
Others			2,694	2,694
			24,194	24,194

Investment in available-for-sale securities :

Company name	Unrealised gains (losses) on change					
	Cost method		in value of investment		Fair value	
	2004	2003	2004	2003	2004	2003
	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht	Thousand baht
Saha Pathana Inter-Holding Plc.	27,508	27,508	95,772	110,958	123,280	138,466
Bangkok Bank Plc.	204,402	204,402	73,884	87,263	278,286	291,665
New Plus Knitting Plc.	2,010	2,010	(1,841)	(1,460)	169	550
	233,920	233,920	167,815	196,761	401,735	430,681
Total investments in other companies					425,929	454,875

The investment in Zhuo Zhou Resources Link Co., Ltd. held by Union Energy (China) Co., Ltd., a subsidiary, are classified as general investments since Union Energy (China) Co., Ltd. does not have any significant control and influence over that investee company. The investment is accounted for under the cost method, and not adjusted to reflect proportionate interest in its operating results. However, Union Energy (China) Co., Ltd. had recorded fully provision for devalue of investment as the possibility of return being earned on that investment was low.

#### Investment in Ratchaburi Power Co., Ltd.

During the first quarter of 2004, Union Energy Co., Ltd. (a subsidiary) sold its 832,500 ordinary shares of Ratchaburi Power Co., Ltd., equal to 5 percent of that company's share capital, to PTT Plc. at the carrying cost of the shares. As a result of this sales transaction, the interest of the subsidiary decreased from 15 percent to 10 percent. The subsidiary has not set aside provision for impairment of this investment since the management has calculated the future returns from the operations of the power-generating project and found that the present value of these future returns is higher than the cost of the investment.

Ratchaburi Power Co., Ltd. (RPC) is a company engaged in a power-generating project to supply electricity to the Electricity Generating Authority of Thailand (EGAT). The project has been unable to proceed as planned due to several factors. In 2003, EGAT and RPC held negotiations and agreed to change the fuel for the project from coal to natural gas, to relocate the project site from Hin Krut to the existing power plant complex of Ratchaburi Electricity Generating Co., Ltd. in Ratchaburi province and to extend the schedule for power plant completion such that it is to be ready to commence its commercial operations on March 2008. The parties further agreed to allow PTT Plc. and Ratchaburi Alliance Co., Ltd. to participate as additional shareholders in RPC. In order to effectuate these agreements and allow the project to proceed in accordance with the new plans, the relevant parties entered into various contracts on 27 February 2004.

During the year 2004, Ratchaburi Power Co., Ltd. contacted various agencies in both the public and private sectors in order to implement the project as planned. These included applying for approval of the environmental impact assessment report from the office of Natural Resources and Environmental Policy and Planning, requesting a construction permit from the Tambol Administration Organisation, of the area where the project is to be established, and contacting domestic and overseas financial institutions to arrange financing for implementation of the project.



## 11. INVESTMENT PENDING SALE

This represents investment in 4,702,500 ordinary shares of Ratchaburi Power Co., Ltd. (as discussed in Note 10 above). In 1998, Union Energy Co., Ltd. (a subsidiary) agreed to sell this investment under certain conditions to foreign companies. To date such condition have yet to be met. Following the execution of the agreement, the subsidiary no longer has the voting rights in relation to these shares. As a result, the subsidiary has recorded the investment it has agreed to sell under the caption of "Investment pending sale" in the balance sheets. In March 2004, the subsidiary received Baht 99.9 million from the buyers and recorded such cash receipt under the caption of "Cash received in advance for sale of investment" in the balance sheet.

## 12. UNIT TRUSTS

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

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
Cost (at Baht 10 per unit)	-	120,000	-	100,000
Add : Unrealised gains on the change in value of the investments	-	3,240	-	2,700
Fair value	-	123,240	-	102,700

During 2004, the Company and its subsidiaries redeemed these unit trusts.

## 13. PROPERTY, PLANT AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated						
	Land	Land and leasehold improvement	Buildings facilities	Machinery and equipment	Power plants	Others	Total
Cost							
31 December 2003	95,217	128,503	2,465,077	2,506,115	2,036,569	1,474,552	8,706,033
Assets of newly acquired subsidiary	82,236	-	998,377	3,452,558	-	96,442	4,629,613
Additions	1,105	9,702	13,629	287,024	152,556	815,778	1,279,794
Disposal / written off	-	-	(14,313)	(182,843)	-	(140,986)	(338,142)
Transfer in / (out)	-	6,370	258,563	56,256	-	(321,189)	-
Translation adjustment	-	-	-	-	(28,028)	(2,034)	(30,062)
31 December 2004	178,558	144,575	3,721,333	6,119,110	2,161,097	1,922,563	14,247,236
Accumulated depreciation							
31 December 2003	-	103,449	1,743,934	1,611,738	826,301	961,256	5,246,678
Assets of newly acquired subsidiary	-	-	825,947	2,941,338	-	59,781	3,827,066
Depreciation for the year	-	10,728	159,452	361,376	126,034	191,061	848,651
Disposal / written off	-	-	(9,181)	(175,070)	(1,981)	(49,115)	(235,347)
Translation adjustment	-	-	-	-	(15,615)	(896)	(16,511)
31 December 2004	-	114,177	2,720,152	4,739,382	934,739	1,162,087	9,670,537
Allowance for impairment loss							
31 December 2003	-	-	-	10,819	-	-	10,819
Loss on impairment for the year	-	-	-	-	151,748	-	151,748
31 December 2004	-	-	-	10,819	151,748	-	162,567
Net book value							
31 December 2004	95,217	25,054	721,143	883,558	1,210,268	513,296	3,448,536
31 December 2003	178,558	30,398	1,001,181	1,368,909	1,074,610	760,476	4,414,132
Depreciation charges (included in earnings statements)							
2003							638,161
2004							848,651

(Unit : Thousand Baht)					
	The Company Only				
	Land	Land and leasehold improvement	Building and facilities	Others	Total
Cost					
31 December 2003	58,955	105,654	1,833,432	740,882	2,738,923
Additions	-	9,380	716	289,354	299,450
Disposal / written off	-	-	(14,234)	(8,957)	(23,191)
Transfer in / (out)	-	4,400	228,934	(233,334)	-
31 December 2004	58,955	119,434	2,048,848	787,945	3,015,182
Accumulated depreciation					
31 December 2003	-	88,920	1,385,152	624,926	2,098,998
Depreciation for the year	-	9,574	85,769	55,944	151,287
Disposal / written off	-	-	(9,046)	(8,175)	(17,221)
31 December 2004	-	98,494	1,461,875	672,695	2,233,064
Net book value					
31 December 2003	58,955	16,734	448,280	115,956	639,925
31 December 2004	58,955	20,940	586,973	115,250	782,118
Depreciation charges (included in earnings statements)					
2003					154,928
2004					151,287

#### 14. LONG - TERM LOANS

The outstanding balances as of 31 December 2004 and 2003 consisted of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2004	2003	2004	2003
a) Loans from the BIBFs of two local banks carrying interest at rates based on the SIBOR, and repayable during 2006 to 2011 (The principal amounts to USD 15.5 million).	607,638,751	-	607,638,751	-
b) Loan from local bank carrying interest at rates based on MLR, and repayable during 2002 to 2004.	-	500,000,000	-	500,000,000
c) Loan from local bank carrying interest at rates based on the SIBOR, and repayable during 2005 to 2010 (The principal totalling amounts USD 25 million)	980,062,500	993,445,000	980,062,500	993,445,000
d) Loan from overseas bank carrying interest at rate of 0.48675% per month, and repayable at call	-	66,218,927	-	-
e) Loan from local bank carrying interest at rates based on MLR, and repayable in 2005	100,000,000	-	-	-
Total	1,687,701,251	1,559,663,927	1,587,701,251	1,493,445,000
Less : current portion of long - term loans	(263,356,818)	(500,000,000)	(163,356,818)	(500,000,000)
Long - term loans - net of current portion	1,424,344,433	1,059,663,927	1,424,344,433	993,445,000

Under the loan agreements, there are covenants and restrictions, including in relation to the maintenance of a debt to equity ratio, and negative pledges on certain of the Company's assets that are essential for the Company's operations.

## 15. FINANCIAL LEASE

This represents the obligations payable under the 36 months 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 2004 carried a net book value of Baht 101 million (2003 : Baht 145 million).

## 16. COMPANY'S SHARES HELD BY THE SUBSIDIARIES

These represent the acquisition cost of the 9,987,694 Company's shares acquired and held by three subsidiaries ("treasury shares") (2002 : 8,987,694 shares acquired and held by two subsidiaries).

## 17. STATUTORY RESERVE

In accordance with Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit until such reserve reaches 10 percent of its registered share capital. The statutory reserve could not use for dividend payment.

However, the Company's regulations require the Company to set aside statutory reserve until such reserve reaches at least 25 percent of its registered share capital.

## 18. 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.

## 19. NUMBER OF EMPLOYEES AND RELATED COSTS

	Consolidated		The Company Only	
	2004	2003	2004	2003
Number of employees at year end (Persons)	20,339	17,833	596	576
Cost of employees for the year (Thousand Baht)	2,540,132	2,005,929	163,148	155,747

## 20. CORPORATE INCOME TAX

The Company's corporate income tax for the year 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.

## 21. PRIOR YEAR'S ADJUSTMENTS

As at 31 December 2003, these represent adjustment to the brought forward balance of retained earnings of an overseas associated company in relation to write off of intangible assets by that company.

As at 31 December 2002, these represent prior years' adjustments made by certain overseas subsidiary and associated companies. They mainly related to the correcting of depreciation of plant and equipment that was under-charged in the past and adjustment of the carrying value of ending inventory.

## 22. ADJUSTMENT TO INVESTMENTS IN ASSOCIATED COMPANIES HOLDING SHARES IN THE COMPANY

An accounting guideline issued by the Federation of Accounting Professions on 12 January 2005 stipulates that unrealised gains on investments in shares of a holding company by its associated companies are not to be recognised as an increase in the shareholders' equity of the holding company, and are to be eliminated as though the investments had always been recorded at cost. To accord with this guideline, the unrealised gains arising from such investments recorded in prior years, totalling Baht 513 million, have been excluded from shareholders' equity of the Company.

## 23. DIVIDEND

At the Annual General Meeting of the shareholders held on 20 April 2004 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 2003 earnings (2003 : Baht 1.25 per share, totalling Baht 375 million).

## 24. PROMOTIONAL PRIVILEGES

Certain subsidiaries have been granted the following promotional investment privileges :-

Company	Privileges	Expiry Date
Union Garment Co., Ltd.	- Exemption from import duty on imported raw and essential materials	8 May 2005
Buriram Union Shoes Co., Ltd.	- Exemption from corporate income tax on profits - 50% reduction of corporate income tax on profits	8 years from the date revenue was first earned 5 years from expiration of tax exemption
Union Footwear Plc.	- Reduction of import duty on imported molds	31 December 2009
Phon Union Footwear Co., Ltd.	- Reduction of import duty on imported machines - Exemption from corporate income tax on profits totalling not exceeds 100% of investment excluding land and working capital	5 years from the date of first import 8 years from the date revenue was first earned
Jakkarat Union Footwear Co., Ltd.	- Exemption from corporate income tax on profits - 50% reduction of corporate income tax on profits	8 years from the date revenue was first earned 5 years from expiration of tax exemption

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

(Unit : Thousand Baht)

	Consolidated					
	Promoted	2004 Non-promoted	Total	Promoted	2003 Non-promoted	Total
REVENUES						
Sales - Local	-	9,501,809	9,501,809	-	8,474,272	8,474,272
- Export	-	13,917,394	13,917,394	-	13,127,401	13,127,401
Services income	136,809	3,984,068	4,120,877	30,195	3,432,834	3,463,029
Total	136,809	27,403,271	27,540,080	30,195	25,034,507	25,064,702
Interest income	12	251,922	251,934	6	139,461	139,467
Gains on exchange	20	97,931	97,951	338	100,532	100,870
Other income	1,260	932,262	933,522	595	1,318,761	1,319,356
TOTAL REVENUES	138,101	28,685,386	28,823,487	31,134	26,593,261	26,624,395
Less : Eliminated transactions			(11,190,440)			(8,446,042)
			17,633,047			18,178,353

(Unit : Thousand Baht)

	The Company Only					
	Promoted	2004 Non-promoted	Total	Promoted	2003 Non-promoted	Total
REVENUES						
Sales - Local	-	6,054,734	6,054,734	-	5,760,292	5,760,292
- Export	-	7,190,570	7,190,570	-	7,360,463	7,360,463
Services income	-	1,990,001	1,990,001	-	1,810,466	1,810,466
Total	-	15,235,305	15,235,305	-	14,931,221	14,931,221
Interest income	-	222,841	222,841	-	110,465	110,465
Gains on exchange	-	93,749	93,749	-	87,687	87,687
Other income	-	409,815	409,815	-	955,597	955,597
TOTAL REVENUES	-	15,961,710	15,961,710	-	16,084,970	16,084,970

## 25. SEGMENT INFORMATION

The Company and its subsidiaries' business operations involve four principal segments : (1) textile, footwear, computer and electronics components (2) plastic, rubber and metal (3) power generation and (4) 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 2004 and 2003 of the Company and its subsidiaries.

(Unit : Million Baht)

	For the year ended 31 December 2004											
	Textile, footwear, computer and electronics components		plastic, rubber and Metal		Power generation		Investment and others		(Less) Eliminated transactions		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Sale revenue												
Local sales	10,919	9,579	2,569	2,242	-	-	134	116	(5,489)	(3,300)	8,133	8,637
Export sales	8,836	8,432	3,825	3,458	1,145	1,117	112	121	(5,259)	(4,350)	8,659	8,778
Total	19,755	18,011	6,394	5,700	1,145	1,117	246	237	(10,748)	(7,650)	16,792	17,415
Operating profit	411	580	225	259	(333)	96	585	553	(188)	(101)	700	1,387
Interest expenses											(66)	(51)
Corporate income tax											(267)	(272)
(Earnings) loss of subsidiaries in respect of minority interest								57	(82)			
Net earnings for the year											424	982
Property, plant and equipment	2,218	1,210	720	751	1,074	1,210	402	277	-	-	4,414	3,448

## 26. 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.

## 27. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2004, the Company and its subsidiaries had commitments and contingent liabilities as follows :-

27.1 Commitments in respect of lease of several plots of land, equipments 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	27.2	14.4
Between 2 and 5 years	70.9	57.6
6 years and above	76.5	56.4
	174.6	128.4

27.2 Outstanding bank guarantees of Baht 337 million issued by the banks on behalf of the Company and its subsidiaries (the Company only : Baht 113 million) in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

## 28. RELATED PARTY GUARANTEES

28.1 The Company has provided guarantees to financial institutions against certain obligations of its subsidiary and associated companies, charging such companies 1% of the guarantee amount as a fee. The outstanding guarantees as at 31 December 2004 and 2003 are summarized below :-

	Consolidated		The Company Only	
	2547	2546	2547	2546
Guarantees for subsidiaries Million Baht		123.5	125.8	123.5
Guarantees for associated companies Million Baht	-	13.2	-	13.2

28.2 The Company has provided guarantee to a bank on behalf of a related company in respect of a bank guarantee amounting to Baht 70 million required for a project of that related company.

28.3 The Company has issued a letter of a guarantee to PTT Plc. of the compliance of Union Energy Co., Ltd. with the Stock Purchase Agreement, as discussed in Note 10. The amount of the guarantee facility is as stipulated in the agreement.

28.4 The Company has provided a guarantee to a bank in China for a stand-by letter of credit issued on behalf of Dulwich College International School, Shanghai to secure a loan of USD 2.5 million, and provided a guarantee to a bank in China to secure a loan of USD 6 million provided to Shangyu Hangzhou-Union Cogeneration Co., Ltd.

## 29. 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 with financial institutions, 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 14)

#### Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk as a result of their operations is limited since the Company has entered into forward exchange contracts with local financial institutions to hedge the foreign currency risk generated from foreign receivables and trust receipts at any particular time. The outstanding balances under the contracts as at 31 December 2004 are as follows :-

	Amount
Forward sale contracts	
USD : THB	USD 35 million
JPY : THB	JPY 450 million
EUR : THB	EUR 2 million
HKD : THB	HKD 3 million
Forward purchase contracts	
THB : USD	USD 6 million

However, the Company and its subsidiaries are exposed to foreign exchange risk on their investments 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. Moreover, as at 31 December 2004, the Company has outstanding balances of other accounts payable-related parties of HKD 73.1 million and long-term loan principal of USD 40.5 million which are currently not hedged by derivative financial instruments since the Company believes that the likelihood of material losses arising from foreign exchange fluctuations is low under the current circumstance.

#### 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.

## 30. PRESENTATION

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

### 1. Audit Fee

Company's auditor is Mr. Narong Puntawong of Ernst & Young Office Limited

During 2004, Saha-Union Pcl. and its subsidiaries paid the audit fee for Ernst & Young Office Limited which the company's auditor is in charge, amounted to Baht 3,644,000. The company and its subsidiaries directly did not pay all fees to auditor or person / company related to auditor and office of the auditor.

### 2. Non-Audit Fee

Saha-Union Pcl. and its subsidiaries also paid to other services as follows:

Paid to Ernst & Young Office Limited which the company's auditor is in charge for taxation consulting, amounted to Baht 80,000. No other fee for other services in both the year 2004 and next to the auditor or the office.



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## General Information

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Saha-Union Public Co., Ltd.  
1828 Sukhumvit Road, Bangchak,  
Phrakanong, Bangkok 10260  
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 10260

Tel. (66-2) 311-5111-9, 332-5600 Fax. (66-2) 332-3123, 332-5616

##### ● Union Garment Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

Tel. (66-2) 311-5111-9, 332-5600 Fax. (66-2) 332-3123, 332-5616

##### ● Union Thread Industries Co., Ltd.

142 Soi Latphrao 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 Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Tel. (66-2) 530-0511-30 Fax. (66-2) 538-4247

##### ● Union Industries Co., Ltd.

142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Tel. (66-2) 514-1191-4 Fax. (66-2) 538-4248

##### ● Union Button Corporation Limited

142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Tel. (66-2) 530-3003-7 Fax. (66-2) 538-1132

##### ● Venus Button Co., Ltd.

142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Tel. (66-2) 530-3003-7 Fax. (66-2) 538-1132

##### ● Union Micron Clean Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

Tel. (66-2) 311-5111-9, 332-5600 Fax. (66-2) 741-6145

##### ● Fashion Apparel Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

Tel. (66-2) 311-5111 Fax. (66-2) 311-6867

##### Footwear

##### ● Union Footwear Public Co., Ltd.

Head Office: 1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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 10260

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) Bangpakong, Chachoengsao 24180

Tel. (038) 538-499, 538-640-3 Fax. (038) 538-473

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● **Uni-Soles Co., Ltd.**

Head Office: 142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Branch: 99 Moo 5 Bangna-Trad Road, (K.M. 38) Bangpakong, Chachoengsao 24180

Tel. (038) 538-499, 538-640-3 Fax. (038) 538-475

Plastics, Rubber and Metal

● **Union Pioneer Public Co., Ltd.**

1 Moo 13 Serithai Road, Minbur, Bangkok 10510

Tel. (66-2) 517-0106-8 Fax. (66-2) 517-9056

● **Thai Rubber Enterprise Co., Ltd.**

252 Sukapiban Road, Tambon Watmai, Muang, Chantaburi 22000

Tel. (66-2) 517-8217-21 Fax. (66-2) 517-1016

● **Union Thai-Nichiban Co., Ltd.**

12 Bangchan Industrial Estates, Serithai Road, Minburi, Bangkok 10510

Tel. (66-2) 517-0100-3 Fax. (66-2) 517-0104

● **Union Plastic Public Co., Ltd.**

11 Moo 13 Bangchan Industrial Estates, Serithai Road, Minburi, Bangkok 10510

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

● **Union Zojirushi Co., Ltd.**

11/3 Bangchan Industrial Estates, Serithai Road, Minburi, Bangkok 10510

Tel. (66-2) 919-8893-5 Fax. (66-2) 517-1863

● **Union Rubber Products Corporation Limited**

142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Tel. (66-2) 517-8217-21 Fax. (66-2) 517-1016

● **Union Stainless Steel Products Co., Ltd.**

11/12 Moo 14 Bangchan Industrial Estates, Serithai Road, Minburi, Bangkok 10510

Tel. (66-2) 919-8996-7 Fax. (66-2) 517-8167

● **Union Nifco Co., Ltd.**

99 Moo 5 Bangna-Trad Road, (K.M. 38) Bangpakong, Chachoengsao 24180

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

Computer and Electronics Parts

● **Computer Union Co., Ltd.**

Head office 1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

Tel. (66-2) 311-5111-9 Fax. (66-2) 332-7940, 311-6875

Branch : 947 Tosapolland Building 3, 5 th FL. C3,E, Bangna-Trad Road, Bangna, Bangkok 10260

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● **Union Technology Co., Ltd.**

Head office 1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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## ● Energy

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### ● Union Energy Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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### ● Union Energy (China) Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

Tel. (66-2) 311-5111-9, 332-5600 Fax. (66-2) 332-5616

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## ● Trading, Investment and Services

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### Trading

#### ● Sports Ace Co., Ltd.

611/272-276 Soi Rathutit 2, Chareonkroong Road, Bangklo, Bangkoleerm, Bangkok 10120

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

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#### ● Uni-Fibre Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

Tel. (66-2) 311-5111 Fax. (66-2) 331-5668, 332-5615

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#### ● Union Universe Co., Ltd.

52/16-17 Soi Chareonkroong 41 Chareonkroong Road, Bangrak, Bangkok 10500

Tel. (66-2) 266-2976-80 Fax. (66-2) 237-6468

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### Investment

#### ● Union Capital Co., Ltd.

142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Tel. (66-2) 530-0511-30 Fax. (66-2) 539-6134

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#### ● Saha-Union Holding Co., Ltd.

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

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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

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#### ● Union Equity Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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#### ● Union Rubber Plus Co., Ltd.

142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

Tel. (66-2) 530-7040-54 Fax. (66-2) 539-6124

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#### ● Texport International Co., Ltd.

142 Soi Latphrao 80 (Chantima), Khwang Wangthonglang, Khet Wangthonglang, Bangkok 10310

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● **Uni - Media Co., Ltd.**

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● **Processing Center Co., Ltd.**

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● **Uni-Agro Co., Ltd.**

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● **Union Printing Co., Ltd.**

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● **Venus Shoes Co., Ltd.**

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● **Union Human Resources Development Co., Ltd.**

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c. Total Remuneration and Number of the Executive of Consolidated Company in Main Business	None
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## Office Locations

### Saha-Union Public Company Limited

#### DOMESTIC

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##### Head Office

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##### Sriracha Operations

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##### Bangpoo Operations

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##### Bangchan Operations

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