



SAHA-UNION PUBLIC COMPANY LIMITED

ANNUAL REPORT **2005**

INTEGRITY

QUALITY

SERVICE

INTEGRITY

QUALITY

SERVICE

Originally a manufacturer of reliable zipper recognized for their high quality throughout Thailand for many years, Saha-Union Group has developed and expanded steadily to become today, a dynamic corporation of diverse business operations that remains fully committed to achieving superior quality throughout all aspects of its operation. The company continuously looks to the future, while creating, developing and nurturing a wide range of new technology products and services that will continue to meet the various expectations of our customers... today... tomorrow... and far into the future.

S A H A - U N I O N



VISION

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Major Financial Ratio and Information

Unit : Million Baht

Saha-Union Public Company Limited (Consolidated)

	2005	2004	2003
			(Restated)
Total Revenues	18,589.0	17,633.1	18,178.4
Total Sales	17,377.2	16,791.8	17,414.7
Gross Profit	2,004.6	1,802.3	2,234.6
Net Profit	856.6	424.5	980.8
Total Assets	20,521.3	20,730.4	19,316.2
Total Liabilities	5,575.3	6,788.7	5,621.4
Total Shareholder's Equity	14,946.0	13,941.7	13,694.8
Earning Ratio (%)	4.61%	2.41%	5.40%
Earning per Share (Baht)	2.95	1.46	3.37
Dividend per Share (Baht)	1.25	1.25	1.25
Book Value (Baht)	46.78	43.10	43.32
Net Asset Value (Baht)	46.78	43.10	43.32
Return on Assets (%)	4.15%	2.12%	5.30%
Return on Equity (%)	6.57%	3.38%	7.93%
Debt to Equity Ratio (Times)	0.41	0.54	0.45

Saha-Union Public Company Limited

	2005	2004	2003
			(Restated)
Total Revenues	16,797.5	15,961.7	16,085.0
Total Sales	15,539.8	15,235.3	14,931.2
Export	7,678.7	7,190.6	7,360.5
Domestic	7,861.1	8,044.7	7,570.7
Gross Profit	817.5	813.4	811.4
Net Profit	856.6	424.5	980.8
Earning per Share (Baht)	2.95	1.46	3.37
Dividend per Share (Baht)	1.25	1.25	1.25
Book Value (Baht)	46.78	43.10	43.32

Report of the Board of Directors



In 2005, the Thai economy experienced slower growth than in 2004, both in demand and supply. Many factors with negative impacts contributed to this; natural disasters from the tsunami which hit major tourist spots, droughts, floods, bird flu epidemic and violence in the southern provinces. There were interest rate adjustments on six occasions with a total interest rate increase of 2 percent per annum, but perhaps the most influential factor was the steep and rapidly increasing price of petroleum. Gross Domestic Products (GDP) indicated a growth rate of 4.7 percent, against 6.2 in 2004.

The economic stability of the Kingdom was buffeted by a balance of payment deficit of US\$ 3,714 million in the red, related directly to the trade deficit of US\$ 8,578 million, with higher oil prices being the major import factor. Export growth in 2005 hovered around 15 percent, lower than last year's, presenting 23 percent. Exports in the first half of 2005 were slow; however, the latter half of the year witnessed a rejuvenation and growth in the export of electronics, automobiles, chemical products and rubber. The increase of capital flows rendered a balance of payments on the plus side by US\$ 5,422 million, and although lower than last year, foreign currency reserves were up and stable. Unemployment rates remained in low figures.

Inflation at 4.5 percent, was up 2 percent on last year. After remaining at 3.3 percent during the first half of the year, it quickly accelerated in the second half of 2005 due to fast-climbing oil prices and the higher cost of fresh dairy produce. Consumer index indicated a growth of 0.6 percent compared with 3.9 percent last year. The resulting slow down affected both durable and non-durable goods; the hardest hit being the automotive industry. The increasing inflation rate, higher interest rates, declining consumer confidence, reduced prices of agricultural products and accumulated household debts resulted in consumers spending more conservatively.

During 2005, the world economy also experienced slow growth. The United States of America, EU, ASEAN, Japan and China all suffered from the impact of rising oil prices. The US adjusted its Federal rate eight times, resulting in a total 2.0 percent increase. The EU increased its interest rate by 0.25 to 2.25 percent on 1 December 2005, being the first adjustment in two years. Natural disasters of catastrophic scale happened in various regions throughout the world, resulting in a global contraction of economic growth in 2005.

The slow worldwide economic growth rate also had a direct impact upon Saha-Union operations, although there were some bright spots of light with encouraging results in certain industries, where its affiliates showed positive operational returns. Increasingly strong competition in the world and domestic markets prevented the company from adjusting product prices corresponding to increasing production costs. Important factors remained the rising costs of raw materials, by-products from petroleum processing, rising costs of agricultural products such as cotton and rubber, and the rising costs of energy, such as natural gas and electricity. All these factors combined to influence all Saha-Union Group operations with rising costs in overall operations, resulting in price adjustments of finished products being severely curtailed in ratio to the production costs. Nevertheless, the expansion of business investments in China and increased operational efficiency enabled its affiliates and subsidiaries in China to control costs and expenses of power plants in China. Total earnings were 290 million, an increase over the previous year, while net profits of affiliates and subsidiaries for 2005 were Baht 312 million, an increase over the last year, resulted by the business in China.

Investment in the Ratchaburi Power Company Limited showed promising results from operations in the Independent Power Project. The subsidiary has secured contracts and concerned permits, and financial support contracts needed for the launching of operations. This, in turn, allowed Union Energy Company Limited to receive

payments for the sale of its holdings in full with profits of Baht 224 million. Statements of income showed revenues from sales at Baht 17,377 million an increase of Baht 585 million from last year's total sales of Baht 16,792 million. Total revenues of Baht 18,589 million in 2005 outpaced revenues in 2004 of Baht 17,633 million, by Baht 956 million. Net profits in 2005 of Baht 857 million, shown an increase of Baht 432 million more than last years' presented to Baht 425 million. The net profit per share in 2004 was Baht 1.46 per share, while in 2005, it went up to Baht 2.95 per share.

The financial status of Saha-Union Pcl. is very stable and strong. Liabilities at the end of 2005 amounted to Baht 5,575 million, with shareholder's equity at Baht 13,565 million. The ratio of debts to capital in 2005 was 0.41:1, compared to 0.54:1 in 2004.

It is expected that the world economy will slow down in 2006, however, Saha-Union's management believes the growth of its operations in China should generate considerable momentum that will contribute a positive support towards expanding both the Asian and world economies. Interest rates are expected to climb, but the Thai economy will have a period of steady growth with less pressure from inflation rates. The offshore market will continue to be very important to main industries in Thailand, while bank interest rates should increase with the Kingdom running a current account deficit as high oil prices continue their upward trend. There is a risk of uncertainty, the unstable world situation and the low growth of the US economy and those of its trading partners may lead to a more serious lower growth rate than expected. There are indications within the Kingdom that overall demand in the private sector is weakening, especially in consumption by the private sector. The launch of big investment projects by the government (MEGA Projects) are not yet certain. In 2006, Saha-Union Group will have to adjust and make necessary preparations to deal with the consequences of the on going talks on Free Trade Agreement (FTA) with multi-national trading partners, with certain changes in the Thai economic structure to come following FTA meetings.

On behalf of the Saha Union Pcl. The Board of Directors would like to express its sincere gratitude to all shareholders, trading partners and customers for their ongoing trust and support of the Board and management of the company. All directors, executives and employees promise you our continued total effort and commitment to excellence in order to move the company forward with unending growth, earning the best interest return on shareholder's investments, together with maximum benefits for everyone involved and society as a whole in the future.



Panas Simasathien

Mr. Panas Simasathien
Executive Chairman



Amnuay Viravan

Mr. Amnuay Viravan
Chairman



Damri Darakananda

Mr. Damri Darakananda
Vice Chairman



Mr. Amnuay Viravan
Chairman

Age 73

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 of the University Council, Siam University
- Member of the Advisory Board, Bangkok Bank Public Company Limited
- Chairman, Foundation for Research of Thailand
- Chairman, the Queen's Gallery Foundation



Mr. Damri Darakananda
Vice Chairman

Age 73

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
Executive Chairman

Age 72

Education

- Ph.D., (Accounting), University of Illinois, U.S.A.
- 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
- 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**
Advisor

Age 75

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 Committee of Negotiate and Evaluation of Legal Development for Government Agency (The Secretarial of Cabinet)
- Director of Mahamongkut Ratchavittayalai Foundation
- Qualified member of the Mahidol University Council
- Member of the Advisory Board of SASIN, Business Administration Institute, Chulalongkorn University
- Executive Director of the Bangkok Bank Public Company Limited



**Mrs. Chongraksa
Darakananda**
Advisor

Age 72

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**
Advisor

Age 70

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, ProMed Company Limited



Mr. Chakchai Panichapat
Advisor

Age 67

Education

- Master's Degree, (Electrical Engineering), University of Texas, Austin, Texas, U.S.A.
- Bachelor's Degree, (Electrical Engineering) (Honors), Chulalongkorn University

Experiences

- Deputy Secretary General of the Board of Investment
- Member of the Board of Directors of the National Science and Technology Development Agency
- Director, Board of the Industrial Estate Authority of Thailand

Current Positions

- Member of the Board of Directors and Executive Director, Amata Corporation Public Company Limited
- Member of the Board of Directors and Executive Director, Kang Yong Electric Public Company Limited
- Member of the Board of Directors and Audit, Committee Member, Thai Lift Industries Public Company Limited
- Director and Chairman of the Audit Committee Board, City Recreation and Sports Public Company Limited
- Member of the Board of Directors and Audit Committee Member, Magnecom Precision Technology Public Company Limited
- Member of the Board of Directors and Audit Committee Member, Central Pattana Public Company Limited
- Member of the Board of Directors Thitikorn Public Company Limited



Mr. Kamol Khoosuwan
Advisor

Age 66

Education

- Arrangement Development : Ashridge College, London, UK.
- The Joint State-Private Sector Regular Course, National Defence College
- Bachelor's Degree, (Political Science), Chulalongkorn University

Experiences

- Training Manager, Shell (Manila) Company Limited
- Personnel Manager, Thai Oil Company Limited
- Training Manager, Charoen Pokphand Company Limited
- President, Saha-Union Public Company Limited
- President, Union Energy Company Limited

Current Positions

- Advisor, Union Energy (China) Company Limited
- Advisor, Saha-Union Public Company Limited



Mr. Sompop Amatayakul
Chairman of the Audit
Committee and Advisor

Age 65

Education

- Honorary Doctorate's Degree from Thammasat University and the National Institute of Development Administration

Experiences

- Deputy Minister, Ministry of Industry
- Chairman, Bangkok Metropolitan Bank Public Company Limited
- Chairman, State Railway of Thailand
- President, Saha-Union Public Company Limited
- General Manager, IBM (Thailand) Company Limited

Current Positions

- Executive Chairman, B.B Business Management Company Limited
- Director, Union Plastic Public Company Limited
- Director, Union Pioneer Public Company Limited



Mrs. Araya Arunanondchai
Audit Committee Member

Age 62

Education

- Certificate, The Joint State-Private Sector Regular Course, National Defence College (Class 1994)
- 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



Miss Sriwarin Jirapakkana
Executive Director and
President

Age 58

Education

- Master's Degree (Management), SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree, (Accounting), Chulalongkorn University

Experiences

- Vice President-Finance, Saha-Union Public Company Limited
- Director, Companies in Saha-Union Group

Current Positions

- President, Saha-Union Public Company Limited
- President, Union Textiles Industries Public Company Limited
- Chairman, Union Nifco Company Limited
- Chairman, Union Plastic Public Company Limited
- Director, Union Pioneer Public Company Limited
- Director, Union Thai-Nichiban Company Limited
- Director, Union Zojirushi Company Limited
- Director, Union Stainless Steel Products Company Limited
- Director, Companies in Saha-Union Group



**Mrs. Sirinun
Sansanakom**
Vice President

Age 57

Education

- Master's Degree, (Laws), Thammasat University
- Bachelor's Degree, (Laws), Thammasat University
- Bachelor's Degree of National Defence college

Experiences

- Member of The Board of the Federation of Thai Industries
- Vice Chairman of Legal Affairs Committee of The Federation of Thai Industries
- Director of Taxation Committee of The Federation of Thai Industries
- Director of Accounting Professions Committee of Accounting Taxation of Federation of Accounting Professions
- Director of The Thai Commercial Arbitration Committee Board of Trade of Thailand

Current Positions

- Vice President/ Executive Director, Saha-Union Public Company Limited
- Director and Secretary, Imperial Technology Management Service Public Company Limited
- Director and Secretary, Union Footwear Public Company Limited
- Director and Secretary, Chiangmai Night Bazaar Company Limited
- Director, Union Printing Corporation Limited
- Director, Union Multi-Capital Company Limited



**Miss Pakinee
Prettitumrong**
Audit Committee Member

Age 56

Education

- Bachelor's Degree, (Economics), Thammasat University

Experiences

- Manager, Chongsawat Corporation

Current Positions

- Director, Union Industries Corporation Limited
- Director, Union Thread Industries Company Limited
- Director, Union Button Corporation Limited
- Director, Union Footwear Public Company Limited



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

Age 56

Education

- Certificate of Vocational Education (Accounting)

Experiences

- 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

Current Positions

- Executive Director and Vice President, Saha-Union Public Company Limited



Mr. Noparut Punyapas
Executive Director

Age 56

Education

- Ph.D. in Mechanical Engineering, Georgia Institute of Technology, Atlanta, Georgia, U.S.A.

Experiences

- Managing Director, VR (Thailand) Company Limited
- Vice President, Engineering and Maintenance, Siam Integrated Cold Rolled Steel Public Company Limited
- Managing Director, Union Nifco Company Limited

Current Positions

- Managing Director, Union Plastic Public Company Limited
- Director, Union Nifco Company Limited
- Chairman, Union Pioneer Public Company Limited
- Chairman, Union Kotec Mold Company Limited



Mr. Songsak Thampimukvatana
Executive Director
and Vice President

Age 55

Education

- Bachelor's Degree, (Engineering), Adamson University, Philippines

Experiences

- Managing Director, Union Footwear Public Company Limited

Current Positions

- Executive Chairman, the Footwear Business, Saha-Union Group
- Chairman, Union Footwear Public Company Limited
- Vice President, Saha-Union Public Company Limited



Mr. Thitivat Suebsaeng
Executive Director

Age 52

Education

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

Experiences

- Chief of 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
- Director, Union Itoh Mold Company Limited

Current Positions

- 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



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

Age 49

Education

- Master's Degree, (Computer), University of Illinois, U.S.A.
- Bachelor's Degree, (Economics) (First Honors) Chulalongkorn University

Experiences

- Manager, Office of the President, Saha-Union Public Company Limited
- Manager, Office of the Executive Chairman, Saha-Union Public Company Limited

Current Positions

- Vice President, Saha-Union Public Company Limited
- Managing Director, Uni-Fibre Company Limited
- Managing Director, Computer Union Company Limited
- Director, Union Textile Industries Public Company Limited
- Director, Union Energy Company Limited
- Director, Union Energy (China) Company Limited
- Director Union Pioneer Public Company Limited
- Director, Processing Center Company Limited
- Director, Companies in Saha-Union Group
- Director, Union Education Management Company Limited



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

Age 46

Education

- Master's Degree, (Bus.Adm.), SASIN Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor's Degree, (Industrial Engineering), Stanford University, U.S.A.

Experiences

- Managing Director, Union Thread Industries Company Limited
- Director, Companies in Saha-Union Group

Current Positions

- Vice President, Saha-Union Public Company Limited
- Director, Companies in Saha-Union Group



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

Age 44

Education

- Bachelor's Degree, (Chemical Engineering), Georgia Institute of Technology, U.S.A.

Experiences

- Director, Companies in Saha-Union Group

Current Positions

- 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



**Mrs. Chantorntree
Darakananda**
Executive Director

Age 42

Education

- Bachelor's Degree, (Medical), Chulalongkorn University

Experiences

- Director, Companies in Saha-Union Group

Current Positions

- 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



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

Age 42

Education

- 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.

Experiences

- 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

Current Positions

- Managing Director, Union Spinning Mills Company Limited



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

Age 40

Education

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

Experiences

- Assistant Managing Director, Venus Thread Company Limited
- General Manager, Saha-Union Public Company Limited (Sriracha Operation)

Current Positions

- Vice President, Saha-Union Public Company Limited



Mrs. Sasithorn Darakananda
Executive Director

Age 39

Education

- Master's Degree, (Chemical Engineering) University of Southern California, U.S.A.
- Bachelor's Degree, (Chemical Technology), Chulalongkorn University

Experiences

- Production Planning & Control Manager
- Procurement Manager
- Administrative Manager, Saha-Union Public Company Limited (Sriracha Project)

Current Positions

- Executive Director, Saha-Union Public Company Limited
- Director, Union Technology Company Limited



Mr. Nantiya Darakananda
Executive Director

Age 37

Education

- 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.

Experiences

- Assistant Managing Director, Union Button Corporation Limited
- Assistant to the Executive Vice Chairman, Saha-Union Public Company Limited

Current Positions

- President, Blood Transfusion Services Company Limited (BTS)
- President, Venus Technology Company Limited
- President, ProMed 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

Persons	Relationship
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 : IOD			
		Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FN)	Audit Committee Program (ACP)
	Year	Participation	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	
Mrs. Chongraksa Darakananda		18/2004			
Mr. Sumeth Darakananda		35/2005			
Mr. Chakchai Panichapat		5/2003			
Mr. Kamol Khoosuwan		18/2004			
Mr. Sompop Amatayakul					
Mrs. Araya Arunanondchai		32/2005			
Miss Sriwarin Jirapakkana		18/2004			
Mrs. Sirinun Sansanakom		2/2003			
Miss Pakinee Prerttiumrong		2/2003			
Mrs. Supung Tangsujaritpunt		2/2003			
Mr. Noparut Punyapas		12/2004			
Mr. Songsak Thampimukvatana		2/2003			
Mr. Thitivat Suebsaeng		21/2004			
Miss Dalad Saphavichaikul	2001		9/2001	1/2001	10/2005
Mr. Chutindhon Darakananda		17/2004			
Mr. Aksornprasit Darakananda	2001		5/2001		
Mrs. Chantorntree Darakananda		5/2003			
Mr. Bovornrat Darakananda		18/2004			
Mr. Vacharaphong Darakananda		2/2003			
Mrs. Sasithorn Darakananda		2/2003	65/2005	11/2004	
Mr. Nantiya Darakananda		2/2003			

Board of the Executives Saha-Union Public Company Limited

The Advisory Board	<p>Mr. Amnuay Viravan Mr. Damri Darakananda Mr. Panas Simasathien Mr. Amorn Chandara-somboon Mrs. Chongraksa Darakananda Mr. Sumeth Darakananda Mr. Chackchai Panichapat Mr. Kamol Khoosuwan Mr. Sompop Amatayakul</p>	<p>Chairman Vice Chairman</p>
Board of Executive Committee	<p>Mr. Panas Simasathien Miss Sriwarin Jirapakkana Mrs. Sirinun Sansanakom Mrs. Supung Tangsujaritpant Mr. Noparat Punyapas Mr. Songsak Thampimukvatana Mr. Thitivat Suebsaeng Miss Dalad Saphavichaikul Mr. Chutindhon Darakananda Mr. Aksornprasit Darakananda Mrs. Chantorntree Darakananda Mr. Bovornrat Darakananda Mr. Vachaphong Darakananda Mrs. Sasithorn Darakananda Mr. Nantiya Darakananda</p>	<p>Chairman President</p>
Board of Audit Committee	<p>Mr. Sompop Amatayakul Mrs. Araya Arunanondchai Miss Pakinee Prerttitumrong</p>	<p>Chairman</p>
Nomination and Remuneration Management Committee	<p>Mr. Sompop Amatayakul Mr. Damri Darakananda Mrs. Araya Arunanondchai</p>	<p>Chairman, Nomination and Remuneration Management Committee</p>
Risk Management Committee	<p>Miss Sriwarin Jirapakkana Miss Dalad Saphavichaikul Mrs. Chanthorntree Darakananda Mrs. Srinual Sombatpaiwan</p>	<p>Chairman, Risk Management Committee</p>
Executive Officers	<p>Mr. Panas Simasathien Miss Sriwarin Jirapakkana Mrs. Sirinun Sansanakom Mrs. Supung Tangsujaritpant Mr. Songsak Thampimukvatana Miss Dalad Saphavichaikul Mr. Chutindhon Darakananda Mr. Aksornprasit Darakananda Mr. Bovornrat Darakananda Mr. Vachaphong Darakananda Mr. Preecha Shunhavanich Mr. Skolchai Chotirattanakul Mr. Manas Asavametha Mrs. Srinual Sombatpaiwan</p>	<p>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 - Sale and Marketing Manager, Textile Business (Local) Manager, Textile Business (Export) Manager, Accounting and Finance</p>

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		
MANUFACTURING						
Textile	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.	2,500,000	2,500,000	50.00	29.994	
Footwear	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	
Plastics & Rubber and Metal	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	32,000,000	100.00	50.693	
Computer & Electronics Parts	Saha-Union Public Co., Ltd. (Sriracha 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	97.865	
ENERGY	Union Energy Co., Ltd.	1,350,000,000	1,350,000,000	10.00	99.259	
	Unio Energy (China) Co., Ltd.	3,700,000,000	1,300,000,000	100.00	100.000	
TRADING, INVESTMENT & SERVICES						
Trading	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	
Investment	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	
Services	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	
Overseas	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 Investment (China) Co., Ltd.	US\$ 33,500,000	US\$ 33,500,000	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					

	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
			46.77	16.50		10 Aug. 1972	Investment and Sales Distributor of Saha-Union Group
	10.77	319,978,513.41	10.75	4.04	119,988,000.00	21 Mar. 1977	Fabric
	140.70	70,335,622.00	200.72	200.72	100,336,716.48	26 Apr. 1974	Garment
	10.41	52,215,572.50	99.32	99.32	497,949,758.80	2 Nov. 1973	Cotton Synthetic Sewing Thread
	93.13	46,563,324.78	145.40	145.40	72,700,000.00	4 Jun. 1971	Sewing Thread
	116.01	43,502,205.00	636.10	636.10	238,537,500.00	23 May 1961	Zippers
	153.33	11,500,000.00	268.68	268.68	20,151,000.00	28 May 1969	Buttons
	100.00	10,000,000.00	130.29	130.29	13,029,000.00	15 Feb 1989	Buttons
	10.00	1,250,000.00	77.56	77.56	9,695,000.00	24 Jan. 1998	Cleanroom Garment
	50.00	749,850.00	75.65	75.65	1,134,523.05	20 Oct. 1988	Garment
	14.48	131,378,696.98	16.62	7.15	64,886,965.00	17 Mar. 1982	Sport Shoes
	111.67	68,897,580.00	194.58	194.58	120,050,217.18	5 Aug. 1986	Sport Shoes
	58.75	9,400,000.00	109.57	109.57	17,531,200.00	29 Sep. 1988	Soles
	14.46	53,084,046.25	43.50	22.20	81,514,404.00	8 Oct. 1973	Rubber thread elastic braids & webbing
	19.02	235,432,531.30	20.99	14.20	175,797,846.00	3 Jan. 1969	Plastic products
	318.92	19,266,000.00	2,728.65	2,728.65	164,837,746.50	21 Jun. 1973	Cellophane, magic, kraft and pp tape
	100.92	72,057,235.50	342.34	342.34	244,428,705.96	18 Aug. 1986	Vacuum bottles
	133.70	52,410,933.00	163.68	163.68	64,161,741.60	16 Dec. 1988	Pipes
	112.92	13,552,200.00	908.03	908.03	108,973,588.33	3 Nov. 1988	Fasteners
	80.56	16,110,854.50	87.09	87.09	17,417,477.46	24 Mar. 1971	Rubber Products
	105.90	17,179,605.10	133.65	133.65	21,680,435.70	9 Jul. 1970	Rubber estates
	10.00	99,999,930.00	14.54	14.54	145,399,898.22	22 Jun. 1992	Manufacture Hardisk drive and computer accessories
	105.32	61,841,971.30	108.50	108.50	63,710,223.50	18 Nov. 1982	Manufacture Hardisk drive and computer accessories Computer and all kinds peripherals distributor
	10.00	1,339,999,950.00	10.21	10.21	1,368,139,948.95	2 Feb. 1994	Electronic power & energy investment
	100.00	1,299,999,400.00	22.55	22.55	834,349,864.70	9 Aug. 1996	Electronic power & energy investment
	112.06	22,412,500.00	98.88	98.88	19,776,000.00	2 Apr. 1984	Sport Shoes distributor
	100.00	30,800,000.00	194.98	194.98	60,053,840.00	5 Nov. 1980	Supply raw materials and textile distributor
	100.22	3,748,010.00	1,541.43	1,541.43	57,644,857.71	7 Mar. 1968	Grandslam garments
	100.00	72,500,000.00	154.47	154.47	111,990,750.00	29 Jun. 1970	Investment
	100.00	995,398,600.00	17.32	17.32	172,403,037.52	14 Nov. 1989	Investment
	99.80	146,712,439.98	94.97	94.97	139,605,900.00	30 Jun. 1993	Investment
	2.50	6,250,025.00	2.85	2.85	7,125,028.50	29 Apr. 1994	Investment
	10.00	228,698,014.00	10.88	10.88	248,823,663.36	31 May 1989	Investment
	7.50	7,500,000.00	9.87	9.87	9,870,000.00	1 Mar. 1995	Investment
	104.00	44,293,600.00	116.00	116.00	49,404,400.00	14 Apr. 1978	Investment
	104.95	20,464,690.80	75.53	75.53	14,728,350.00	22 Aug. 1972	Agriculture Business
	91.58	694,141.16	418.27	418.27	3,170,486.60	4 Aug. 1981	Broking Services
	10.37	29,465,812.50	6.88	6.88	19,553,304.00	10 Jul. 1970	Printing Services
	80.42	61,120,000.00	70.11	70.11	53,283,600.00	29 Sep. 1988	Assets and apartments rental
	113.71	4,431,100.00	59.85	59.85	2,332,294.65	7 Sep. 1973	Architectural, Construction, and Interior
	2.50	249,982.50	7.74	7.74	773,945.82	26 Sep. 2004	Training and Personnel Development
	22.01	550,250.00	44.28	44.28	1,107,000.00	12 Oct. 1977	Import and sales distributor of Saha-Union Group
	488.32	1,244,449,250.48	548.26	548.26	1,397,207,714.40	18 Sep. 1972	Import & Export and sales distributor of Saha-Union Group
	19.30	385,917.66	97.65	97.65	1,953,000.00	8 Nov. 1984	Supply raw materials for The Group Companies
	25.55	76,652,500.00	35.12	35.12	105,360,000.00	29 Jan. 1988	Import and sales distributor of Saha-Union Group
	35.33	1,183,719,250.00	43.92	43.92	1,471,320,000.00	25 Feb. 1995	Investment
	40.34	177,906,700.00	6.63	6.63	29,238,300.00	13 Oct. 2003	International School Management
	5.31	144,539,025.76	5.12	5.12	139,264,000.00	20 Oct. 2003	International School Management
	39.04	39,035,000.00	41.90	41.90	41,900,000.00	20 Jun. 2003	Dying
	4.72	55,500,447.81	5.80	5.80	68,150,000.00	18 Nov. 2004	Supply raw materials and textile distributor
		8,644,183,279.27			8,792,441,233.99		
		245,919,462.20			432,425,996.40		
		8,890,102,741.47			9,224,867,830.39		

Business Results and Five Years Financial Statistics

	2005 Equity Method	2004 Equity Method
Revenues		
Sales	15,539.8	15,235.3
Export	7,678.7	7,190.6
Domestic	7,861.1	8,044.7
Dividends Received	189.5	206.3
Other Incomes	766.3	741.4
Total Revenues	16,495.6	16,183.0
Expenses		
Cost of Sales	14,722.3	14,421.9
Selling and Administrative Expenses	944.2	914.7
Interest Expenses	70.2	27.9
Total Expenses	15,736.7	15,364.5
Operating Profit (Loss)	758.9	818.5
Gain (Loss) on Exchange Rate	(67.0)	93.7
Profit (Loss) before Corporate Income Tax	691.9	912.2
Corporate Income Tax	(137.2)	(172.7)
Net Profit (Loss) after Corporate Income Tax	554.7	739.5
(Less) Dividends Income	(179.1)	(195.7)
Plus (Less) Participating Gain (Loss)		
- Subsidiary	(45.9)	(459.8)
- Associated	526.9	340.5
Net Profit (Loss)	856.6	424.5
Earning per Share (Baht)	2.95	1.46
Dividends per Share (Baht)	1.25	1.25
Dividends per Net Profit (%)	42.37%	85.62%
Assets		
Loan to Group Companies	3,229.1	3,629.1
Current Assets	3,322.7	3,282.1
Investment in Group and Other Companies	11,809.6	10,094.3
Long Term Investment	-	-
Property, Plant and Equipment-Net	694.2	782.1
Other Assets	286.4	282.1
Total Asset	19,342.0	18,069.7
Liabilities and Shareholder's Equity		
Deposit from Group and Other Companies	1,396.0	682.3
Current Liabilities	2,832.5	3,161.5
Long Term Loan	1,220.8	1,424.3
Other Liabilities	327.5	302.3
Shareholder's Equity		
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)	(233.8)
Appropriated and Unappropriated Retain Earnings	6,453.6	5,959.4
Auditing Standard	1,746.4	1,174.7
Total Shareholder's Equity	13,565.2	12,449.3
Total Liabilities and Shareholder's Equity	19,342.0	18,069.7
Book Value (Baht)	46.78	43.10

	2003 Equity Method	2002 Equity Method	2001 Equity Method	
	14,931.2	14,291.6	14,861.0	
	7,360.5	7,181.5	7,755.9	
	7,570.7	7,110.1	7,105.1	
	278.2	407.0	174.3	
	606.7	536.1	608.8	
	15,816.1	15,234.7	15,644.1	
	14,119.8	13,448.3	14,002.1	
	843.0	801.4	803.8	
	22.6	61.3	150.1	
	14,985.4	14,311.0	14,956.0	
	830.7	923.7	688.1	
	87.7	(106.0)	129.0	
	918.4	817.7	817.1	
	(118.8)	(117.3)	(184.0)	
	799.6	700.4	633.1	
	(261.6)	(391.3)	(157.4)	
	77.3	147.6	247.4	
	365.4	532.2	236.2	
	980.7	988.9	959.3	
	3.37	3.40	3.72	
	1.25	1.25	1.25	
	37.09%	36.76%	33.60%	
	2,441.5	456.9	1,666.8	
	3,001.1	3,049.2	2,849.0	
	11,404.2	12,623.9	11,348.3	
	102.7	102.6	102.6	
	639.9	731.5	859.1	
	289.5	289.6	297.1	
	17,878.9	17,253.7	17,122.9	
	350.3	424.7	524.2	
	3,788.2	3,543.8	4,017.3	
	993.5	500.0	1,000.0	
	139.9	144.1	108.4	
	3,000.0	3,000.0	3,000.0	
	2,599.0	2,599.0	2,599.0	
	(217.6)	(217.6)	(217.6)	
	5,897.5	5,280.6	5,017.0	
	1,328.1	1,979.1	1,074.6	
	12,607.0	12,641.1	11,473.0	
	17,878.9	17,253.7	17,122.9	
	43.32	43.44	44.43	

Structure of Income and Investment

Group of Business	2005					
	Export	%	Local	%	Total	%
Manufacturing	13,916,942,354.21	74.87	13,831,336,015.11	74.41	27,748,278,369.32	149.27
Energy	1,125,590,520.38	6.06	-	-	1,125,590,520.38	6.06
Investment and Others	95,973,150.91	0.52	58,412,655.01	0.31	154,385,805.92	0.83
Total	15,138,506,025.50	81.44	13,889,748,670.12	74.72	29,028,254,695.62	156.16
Connected Transaction	-	-	-	-	(11,651,052,239.51)	(62.68)
Net Sales					17,377,202,456.11	93.48
Share of Profits					526,955,201.17	2.83
Other Incomes					684,799,180.86	3.68
Total Income					18,588,956,838.14	100.00

All details are shown in the Financial Statement No. 24, section : Segment Information

2005			2005			
Group of Business	Company Name	% Investment Equity Method	Group of Business	Company Name	% Investment Equity Method	
Manufacturing			Trading, Investment & Services			
Textiles	Union Textile Industries Public Co., Ltd.	51.77	Trading	Sports Ace Co., Ltd.	50.00	
	Union Garment Co., Ltd.	99.98		Uni-Fibre Co., Ltd.	54.64	
	Union Thread Industries Co., Ltd.	36.26		Union Universe Co., Ltd.	49.86	
	Union Spinning Mills Co., Ltd.	52.19	Investment	Union Capital Co., Ltd.	49.09	
	Union Industries Corp., Ltd.	29.60		Saha-Union Holding Co., Ltd.	99.67	
	Union Button Corp., Ltd.	10.71		Union Business Management Co., Ltd	57.92	
	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		Uni-Ago Co., Ltd.	45.02	
	Uni-Sole Co., Ltd.	70.69		Services	Union Printing Co., Ltd.	94.73
Plastics & Rubber and Metal	Union Pioneer Public Co., Ltd.	52.67	Union Human Resources Development Co., Ltd.		99.99	
	Union Plastic Public Co., Ltd.	49.70	Venus Shoes Co., Ltd.		96.86	
Metal	Union Thai-Nichiban Co., Ltd.	40.27	Union Construction Corp., Ltd.	98.90		
	Union Zojirushi Co., Ltd.	51.00	Union Sime Darby (Thailand) Co., Ltd.	18.95		
	Union Stainless Steel Product Co., Ltd.	98.00	Overseas	Saha-Union International (U.S.A.) Inc.	42.64	
	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.	42.55	
	Thai Rubber Enterprise Corp., Ltd.	50.69		Saha-Union International (GA) Inc.	100.00	
	Computer & Electronics Parts	Saha-Union Public Co., Ltd. (Sriracha Project)			Saha-Union Investment (China) Co., Ltd.	100.00
		Union Technology Co., Ltd.		99.99	Union Education Management Ltd.	49.00
Computer Union Co., Ltd.		97.87		Union Education Index Co., Ltd.	85.00	
Computer Union Systems Co., Ltd.		97.86		Zhejiang Saha-Union Thread Industry Co., Ltd.	99.99	
Energy	Union Energy Co., Ltd.	99.45	Shanghai Saha-Union Thread Industry Co., Ltd.	67.25		
	Union Energy (China) Co., Ltd.	99.99				

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.

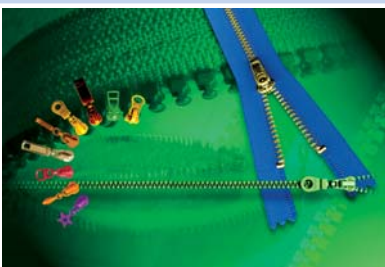
These products are for both domestic consumption and export under the VENUS trade brand name. Certain products are manufactured according to requirements from trading partners, while some of the products are accessories for customers to add to their ready-to-wear products and some are bought for direct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

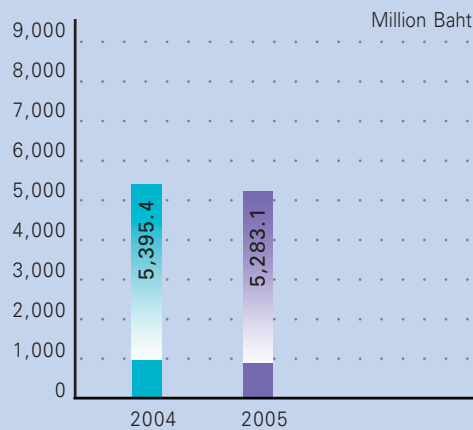
Preparation of Products and Services

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 2005

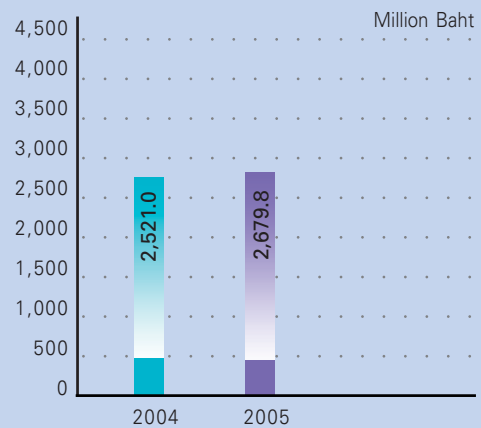
In 2005, like in the previous year, the textile industry experienced an overall slump. Contributing to this was the continuously fierce competition among manufacturers, over supplies, constant increase in the prices of raw material and the inability to find alternative raw materials. Moreover, another major drawback that hindered competitiveness was the cost of labour. The labour cost which was higher than that in Indonesia, China, Pakistan and India, together with the continuous rise in oil prices, had a major effect on the production cost. Hence, during the year 2005, the Textile companies suffered the consequences, and the performance was less than expected.





Total Sales

2004 : 5,395.4 Million Baht
2005 : 5,283.1 Million Baht



Export

2004 : 2,521.0 Million Baht
2005 : 2,679.8 Million Baht

the company's main focus was continuous development, namely-enhancement of the production process, skill development for the personnel and a more efficient management to meet the market's demands for existing as well as new products.

Trends of the Industry and Competitiveness

The beginning of 2005 marked the end of the quota system for the Textile Industry. With the import tax being lowered to 5%, more and more cheaper products made in China were imported into the country. Competition was thus higher than in the previous years. Besides, with the rising prices of raw material in the world market, the company had to suffer a higher production cost. As product prices could not be adjusted uniformly with the production cost, tremendous adjustments had to be made in order to maintain competitiveness. Hence, the company's main focus was continuous development, namely-enhancement of the production process, skill development for the personnel and a more efficient management to meet the market's demands for existing as well as new products. Another measure taken was the introduction of new machinery and modern equipments for the manufacturing. This was mainly for cost stabilization and maintenance of high standards and quality.

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.

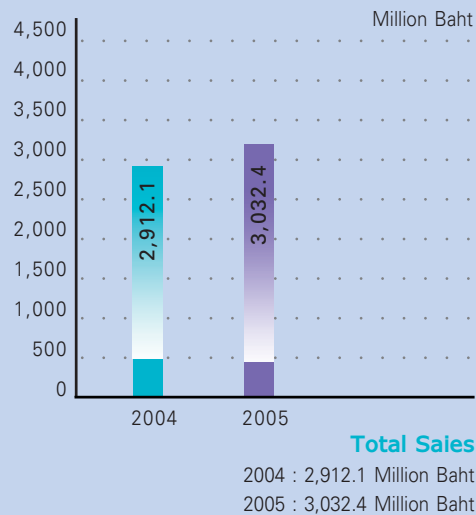
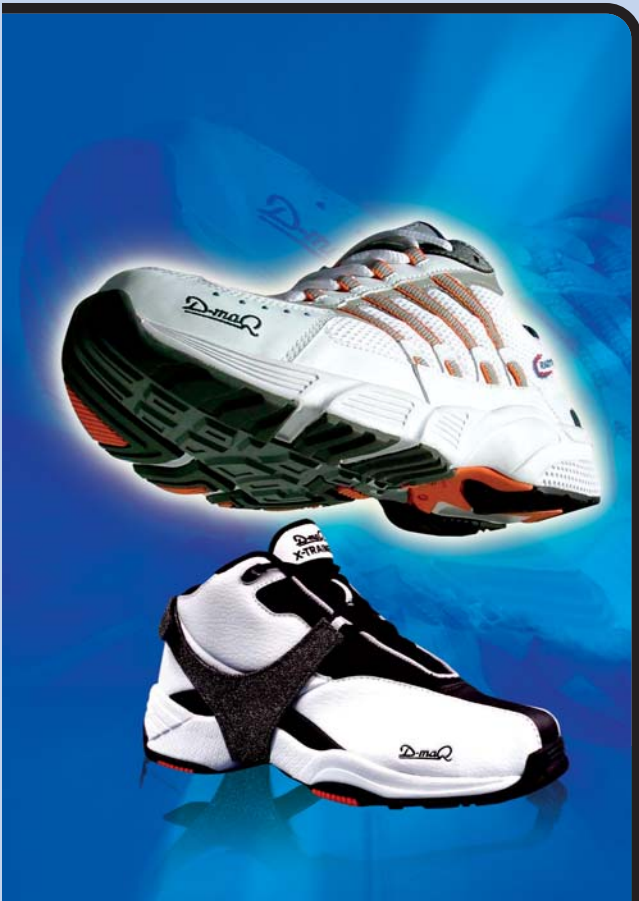
Performance in 2005

The market for footwear in general achieved a high growth rate during the course of 2005. The company, as a manufacturer of the NIKE All Condition Gear (ACG) shoes, continued to receive purchasing orders with total sales higher than the year before.

Trends of the Industry and Competition

For the year 2006, the company expects to receive slightly more orders from the major customers like NIKE. This is because shoes manufactured in other countries-for example-China, which are partly made of genuine leather, were being affected by the anti-dumping policy initiated by some of the European countries. However, to remain competitive and to earn the customers’ trust, the company continued to focus on the development and cost management in order to balance cost and quality and to improve performance and competitiveness. With Countries like China and Vietnam as competitors, the company maintain strict policies to ensure prompt delivery of quality products to the customer at the most competitive prices.





Company remained committed to existing customers, and focused mainly on the following issues: attracting new customers, expansion of the market upcountry and continuous development of the management.

From the beginning of 2005, with the introduction of the ongoing development of new products, the company's own brand, D-maQ, expanded into additional markets. There are various types of products, i.e., the 2D TECH athletic shoes with specially made insoles used for easing the discomfort caused by over pronation (the arch of the foot is collapsed or lowered). In order to get the exact shoe size and shape required by each individual customer, foot sizing is done through a foot scan. This is to meet with the customer's requirements as well as to guarantee satisfaction. Furthermore, the company's footwear has branched out to manufacture children's shoes which can be used at school and casual shoes for ladies which are particularly comfortable to wear.

During the year 2005, the company remained committed to existing customers, and focused mainly on the following issues: attracting new customers, expansion of the market upcountry and continuous development of the management.

Plastics, Rubber and Metal



Types of Products and Services

These groups of companies manufacture products categorized into four groups:

- 1. Plastics** include parts and equipment for automobiles, parts for electrical appliances and bathroom sundries.
- 2. 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.
- 3. Stainless steel** includes vacuum bottles and kitchen utensils.
- 4. Packaging products** include all types of adhesive tapes, cellulose tapes, printing tapes and cardboard boxes for the packaging industry.

Performance in 2005

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 2005 as total sales of these groups amounted to Baht 5,338.7 million, a growth of 10.87% over last year's total sales. Domestic sales accounted for a total Baht 3,001.9 million, or 56.23% of total sales, while exports accounted for a total Baht 2,336.8 million, or 44.77% of total sales.

Plastics remain top revenue products with sales of Baht 1,832.8 million, a growth of 4.92%. Stainless steel products came second with sales of Baht 1,535.1 million, a growth of 23.41%.

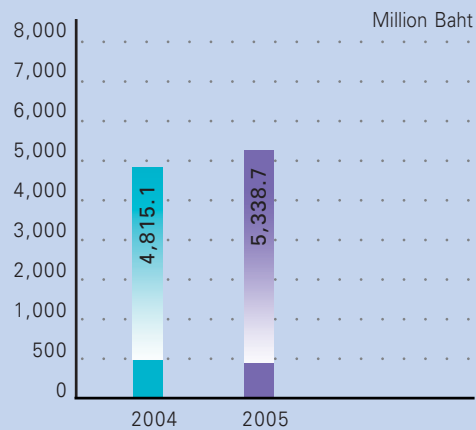
Rubber products created total revenue of Baht 1,079.6 million, and growth of 14.67%. Packaging products posted total sales of Baht 891.1 million and a growth of 0.94% over the previous year's performance.

Trends of the Industry and Competition

During the course of 2005 and up to 2006, the group companies remained committed to improving the quality of the products and services, as well as focused on marketing and human resource development. Furthermore, the TQA (Total Quality Award) standards and practices were introduced and practiced in order to maximize the business potential.

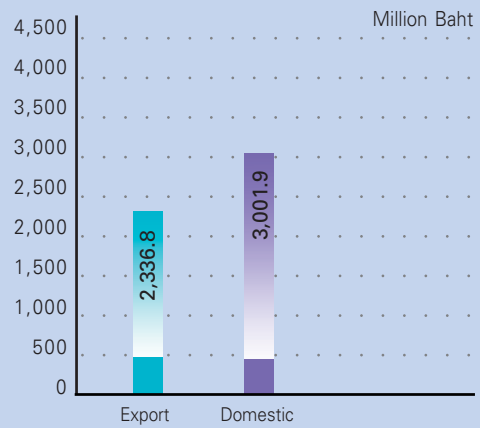
The company also emphasizes the importance of adjusting the management system in order to achieve performance excellence by using the Thailand Quality Award as a model. under "Saha-Union Quality Award" Project was launched as part of the restructuring process.





Total Sales

2004 : 4,815.1 Million Baht
2005 : 5,338.7 Million Baht



Export and Domestic Sales

Export : 2,336.8 Million Baht
Domestic : 3,001.9 Million Baht

The company also emphasizes the importance of adjusting the management system in order to achieve performance excellence by using the Thailand Quality Award as a model.

As for the business development plan, the company believes that good customer relationships are at the heart of the business. This is vital for the development and expansion of the current market as well as the new markets.

Another factor contributing to efficient management is the high quality of the personnel. Hence all employees are encouraged to participate in the various training programs and workshops as a way to upgrade themselves in terms of skills and knowledge. Besides, the company also strongly believes in the concept of teamwork as a significant way to promote working efficiency and success.

Computer and Electronics Parts



Electronics

Types of Products and Services

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

Performances in 2005

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

- An increase of 10% in the manufacturing and exports as compared to that of the previous year
- Manufacturing and exports reached 100 million pieces
- Upgrading of the Information Technology system (IT Upgrade) to achieve faster and more efficient management information services for customers
- Conducting customer satisfaction surveys to improve organizational performance as well as profitability

Trend of the Industry and Competition

Despite the slump in the country's economic growth rate of 2005 as compared to that of the previous year, there was a continuous growth for the manufacturing of electronics parts, especially the Hard Disk Drives. This demand for Hard Disk Drives used for notebook, PC and consumer electronics was relatively high, and the trend was expected to continue. However, following the sudden growth in the electronics industry, competition among the manufacturers became more intense. Apart from the pricing which usually is the main concern for customers, the company now has to focus on the high quality and prompt delivery of the products. Besides, technical support and reliable services also played a major part in this. Hence, the company has invested in the development and improvement of management and conducting customer satisfaction surveys to improve and enhance customers' satisfaction.



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 distributes its products through a network system of more than 100 distributors as well as markets and sells directly to both the public and private sectors, primarily the banking sector. The company's two product and service categories are:

1. 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.
2. 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.

Performances in 2005

The overall revenue of 2005 was estimated at 1,700 million baths, an increase over that of the 2004. This is due mainly to the company's decision to increase sales of banking related products, i.e. Auto-Update, Passbook Printer, Cheque Printer, as well as the IBM products (PC, pSeries, xSeries storage and software). In terms of hardware and services, the main clientele for the company were customers in the banking sectors.

The company aims to become “Thailand’s number one complete IT service provider”. With that, the company stresses the importance of achieving customers’ satisfaction, catering to all the needs and demands

Trends of the Industry and Competition

As the IT industry continues to grow, the company's main focus for 2006 is the horizontal growth.

- Maintain the same customer base in order to reduce marketing cost and expand only into the public sector.
- Adjust the scope of products by expanding the service providing aspects and concentrate on products that yield high profits margin, especially banking products and software.
- Expand and operate as provider of IBM products, hardware and software rather than merely as a distributor
- The company aims to become “Thailand’s number one complete IT service provider”. With that, the company stresses the importance of achieving customers’ satisfaction, catering to all the needs and demands, i.e. providing the customers with a solution-an innovative contributing to the customer’s success. Besides, the best service which is beyond the customers’ expectation as well as efficient management and personnel development are to be emphasized and implemented.

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 total investment was more than million 4,000 Baht in 10 thermal and cogeneration power plants in provinces of Zhejiang, Jiangsu, and Yunan. Eight of power plants are cogeneration plants which produced both thermal and electricity, two of them are only produced electricity.

The Operation of Power Plants in China in 2005

Energy shortages in China were less severe during 2005 than in the year before. In Jiangsu Province, problems of fuel supply and demand were back in balance, although in Zhejiang, during the summer, power plants were hard pressed to meet rising demands for electricity. The improving situation enabled the Chinese government to adjust its compensation policy by reducing compensation in the form of cash rebates during the period of high coal prices and severe power shortages, while adjusting the electricity price-per-unit in relation to the price of coal (the major power generation fuel source). Adjustments began during May 2005, and local government also allowed adjustments in the prices of steam power supply, beginning in the second quarter of the year.

Following this, coal prices indicated a downward trend, resulting in reduced power and steam generating costs. The four power generating plants, Wuxi-Union Cogeneration Co., Ltd., Yixing-Union Cogeneration, Co., Ltd., Zhangjiagang Shenzhou-Union Cogeneration Co., Ltd., and Zhejiang Jiashan-Union Cogeneration Co., Ltd. were each able to operate at full capacity, producing maximum supplies of electricity and steam pressure, resulting in higher revenues from the energy business in 2005 for the Saha-Union Group operating in China.



Plant management is currently engaged in a research project to determine future power and steam demands in the region, with a view to potential expansion of operations.

Strategies and Trends of the Industry

The Chinese economy continues to grow, with a projected growth rate in 2006 expected to be very close to that of 2005, which indicated an enviable 9.9 percent. Power supply needs are similarly forecast to increase, or be close to the previous year's rate. However, there are more new large power plants opening in China and greater competition, in the long term, can be expected. It is, therefore, quite clearly of paramount importance, for the Saha- Union Group to expand its capability and competitive edge to cope with long term competition. Selective investments will be made in projects with a clear-cut potential for profitable returns in long-term operations.

The new Shangyu Hangzhou-Union Cogeneration Co., Ltd. power plant, which has operated profitably since it started running in late 2004, operated at full capacity throughout 2005, accumulating an ever-increasing number of customers for steam supply. Plant management is currently engaged in a research project to determine future power and steam demands in the region, with a view to potential expansion of operations.

Energy Business in Thailand

Types of Products and Services

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 Pcl., Baan Rai Subdistrict, Damnoensaduak District, Ratchaburi Province.

Operations in 2005

Ratchaburi Power Company Limited had done all activities in both permitting licenses and signing agreement in 2005 as follows:

- Achieving report of the environment impact analysis from the Office of Policy and Planning of Natural Resources and Environment on March 7, 2005.
- Signing Engineering, Procurement, and Construction contract : EPC, with all partners as Mitsubishi Heavy Industries Ltd., Mitsubishi Corporation and Shino-Thai Engineering and Construction Pcl. On March, 29, 2005.
- Obtaining Construction Permit from Sub-district Organization Administration (SAO) Baan-Rai on May 27, 2005.
- Obtaining Factory Operating License from Department of Industrial Works on June 3, 2005.
- Obtaining Electricity Business Concession from Department of Energy Business on August 18, 2005.
- Signing the Loan Documents with group of lenders on December 14, 2005.

Ratchaburi Power Company Limited successfully organized meetings with people and residents in nine sub-districts and four districts surrounding the site of the power plant project, between 29 July-6 September 2005. Objectives were clarified and joint discussions were conducted on the evaluations of the impact on the environment by the Office of the Environment Protection Agency, with active participation by people in the affected areas.

Ratchaburi Power Co., Ltd. began construction on 1 March 2005, and is expected to commence the supply of electricity to the Electricity Generating Authority of Thailand (EGAT) Public Company Limited. on schedule. The first power plant unit will begin feeding power supply to EGAT in March 2008, and the second unit will commence operations and supply electricity in June of the same year.



Investment in International School



Apart from the energy business in China, the Saha-Union Group was also engaged in the education business. At the beginning, education for the personnel was provided in the form of a school for adults, which had been set up by some of the Group's companies. The idea was to enable employees to work and at the same time receive higher education and training. The school's curriculum and the instructors were approved by the Ministry of Education. Later on, as more and more employees with higher education joined the company, the need for extra education was becoming less. Hence, the education business was put aside at the time.

However, having had acquired some experience in the business earlier on as mentioned, the company later on decided to go into the education business. Together with experts in international education, the company obtained a license to set up an international school in China and became the exclusive franchisee of Dulwich College London, England. The international school in China follows the British system of education, based on the British National Curriculum. Moreover, supports in terms of the management, the personnel, educational experts and instructors as well as location and setting up the school are provided directly by the school in London. This is to ensure that the international school in China offers the highest quality of education, and sharing the same standards of excellence as Dulwich College London.

Apart from the school in Shanghai, SUC set up another school in Beijing. Founded in 2004, Dulwich College Beijing now offers a world class education to over 700 children from kindergarten up to Grade 9. By the year 2006, the school aims to provide a complete education up to the Grade 12, and with an addition of a new purpose-built building which houses more classrooms, a gym and other facilities, will be able to accommodate up to more than 1,000 students.

As for the investment in Suzhou, this is a collaboration between SUC and a local secondary school in Suzhou, Jiang-Su. The new school project is still pending as the official license from the government has not yet been granted.

Activities to Benefit the Society



The Saha-Union Group has always striven not only to provide sound ethical management of their companies and businesses, based upon the philosophy-**Integrity, Quality and Service**, but also to make meaningful contributions to society and communities which are home to or adjacent to our companies, in accordance with the communities' needs and resources available to the respective companies.

During the past year, Saha-Union Public Company Limited and group companies have contributed to society and communities in the various useful undertakings, for example, in education, environmental conservation, religious and social projects, as can be noted in the following:

Contributions to Education

The company places great emphasis in supporting education, especially in information, science and technology based education which would lead to scientific advancement essential for sustainable development. The company has supported in the establishment of web-based strategic business games, particularly at the National Competition organized by Chulalongkorn University, Faculty of Commerce and Accountancy, during October 15-30, 2005, and information technology for the Exhibition and Competition to demonstrate the technical capacity, research and new inventions and integrating technological and scientific achievements in another exhibition during November 23-27, 2005.

Environment

The company took part in Her Majesty the Queen's reforestation project since the beginning in 1994 in commemoration of the 50th Anniversary of His Majesty the King's Ascension to the throne, and up to the present time. Realizing the reforestation or growing more trees will improve greatly our environment-both air and water-the Saha-Union Group has participated and made our contributions from the very beginning to improve the eco-system for people and wildlife, and to upgrade the income of the people.



Religion

We realize the importance of religion in building better society where people are guided by fine religious principles, enabling people to co-exist in peace, harmony and happiness. We therefore continue to support religion as fundamental pillar of Thai society (Nation, Religion, Monarchy).

Social Welfare

The company has been supporting activities and projects or foundations on a regular basis in order to assist those of lesser means and the disadvantages so that they could acquire better quality of life by participating in such activities as:

- Contribute financially to the Rajaprachanukrau Foundation to assist victims of the Tsunami which devastated lives and properties of people in the 6 southern provinces of Thailand hit by the giant waves (December 26, 2004).
- Support and assist victims of terrorism and violence in the 3 southern provinces.
- Donated money to the Thai Red Cross to assist in the medical treatment and looking after the victims of disasters, including provide training and medical support.
- Contribute to UNICEF to help poor and disadvantaged children all over the world, for example, homeless and hill-tribe children, those sexually abused, or forced into child labour, etc. The support through UNICEF will enable to these poor child victims to return to normal, healthy and peaceful lives.
- Community relations-The company helps to offer skills training for community members and action workers nearby the Saha-Union companies so that they could upgrade their skills and livelihoods.

Structure of Shareholding

10 MAJOR SHAREHOLDERS IN SAHA-UNION PCL.

ON 7 APRIL 2005

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	8,493,440	2.83
	1.6 Saha - Union Holding Company Limited	Darakananda Group	Investment	6,204,994	2.07
	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.	SOUTHEAST LIFE INSURANCE COMPANY LIMITED			8,203,800	2.73
4.	Mr. KUMTORN POONSAKUDOMSIN			8,154,644	2.72
5.	TISCO FINANCE PUBLIC COMPANY LIMITED			4,650,000	1.55
6.	BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED			3,804,500	1.27
7.	Mrs. NAREE TUNTIVATTANA			3,200,000	1.07
8.	GERLACH&CO-DIMENSIONAL EMERGING MARKETS VALUE FUND,INC			3,025,300	1.01
9.	Miss PIYASRI TUNTIVATTANA			2,900,000	0.97
10.	KIATNAKIN FINANCE PUBLIC COMPANY LIMITED			2,650,010	0.97

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 2005 is as follow:

Name	No. of share 2005	No. of share 2004	% of change	Remuneration (Baht)
Mr. Amnuay Viravan	373,960	371,980	0.53%	4,095,000.00
Mr. Damri Darakananda *	-	-	-	720,000.00
Mr. Panas Simasathien	-	-	-	720,000.00
Mr. Amorn Chandara-somboon	25,960	25,960	-	720,000.00
Mrs. Chongraksa Darakananda *	50,000	50,000	-	720,000.00
Mr. Sumeth Darakananda	634,814	634,814	-	720,000.00
Mr. Chackchai Panichapat	-	-	-	720,000.00
Mr. Kamol Khoosuwan	5,030	10,030	(49.85%)	720,000.00
Mr. Sompop Amatayakul	10,000	10,000	-	840,000.00
Mrs. Araya Arunanondchai	2,251,694	2,251,694	-	240,000.00
Miss Sriwarin Jirapakkana	127,284	127,284	-	120,000.00
Mrs. Sirinun Sansanakom	85,024	(Director in 2005)	-	80,000.00
Miss Pakinee Prerttiumrong	1,950,624	1,950,624	-	240,000.00
Mrs. Supung Tangsujaritpunt	144,962	144,962	-	120,000.00
Mr. Noparut Punyapas	-	-	-	110,000.00
Mr. Songsak Thampimukvatana	-	-	-	120,000.00
Mr. Thitivat Suebsaeng	-	-	-	120,000.00
Miss Dalad Saphavichaikul	13,052	13,052	-	120,000.00
Mr. Chutindhon Darakananda	322,000	-	100%	120,000.00
Mr. Aksornprasit Darakananda **	2,398,500	2,398,500	-	120,000.00
Mrs. Chantorntree Darakananda **	27,500	27,500	-	120,000.00
Mr. Bovornrat Darakananda	-	-	-	120,000.00
Mr. Vacharaphong Darakananda ***	1,582,600	1,582,600	-	120,000.00
Mrs. Sasithorn Darakananda ***	40,000	20,000	100%	120,000.00
Mr. Nantiya Darakananda	-	75,380	(100%)	120,000.00

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

Total Remuneration

During the year of 2005, Board of Directors consisted of 26 members, one more than the number of Directors at the end of the year, which was 25 members, since one of the Director had resigned during the year.

Remuneration for the Management

The remuneration for all six of the Executive Directors and the Executives, including their salary and bonus, totaled Bht. 11,625,276.10 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 249,726 the fund is managed by Bangkok bank Public Company Limited

Structure of Management

Management Structure

Management Structure consists of six committees as Board of Director which included four Independent Directors, Board of Executive Director, Advisory Board, Risk management Committee, Board of the Audit Committee, and Nomination and Remuneration Committee.

Lists of Board's name and responsibilities of each committee are as follows:

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	5
Mr. Panas Simasathien	Executive Chairman and Advisor	11
Mr. Amorn Chandara-somboon	Director and Advisor	10
Mrs. Chongraksa Darakananda	Director and Advisor	4
Mr. Sumeth Darakananda	Director and Advisor	2
Mr. Chackchai Panichapat	Director, Advisor and Independent Director	11
Mr. Kamol Khoosuwan	Director and Advisor	7
Mr. Sompop Amatayakul	Chairman of The Audit Committee	9
Mrs. Araya Arunanondchai	Audit Committee Member and Independent Director	8
Miss Sriwarin Jirapakkana	President	12
Mrs. Sirinun Sansanakom	Vice President	8
Miss Pakinee Prerttitumrong	Audit Committee Member and Independent Director	12
Mrs. Supung Tangsujaritpunt	Vice President	11
Mr. Noparut Punyapas	Director	11
Mr. Songsak Thampimukvatana	Vice President	12
Mr. Thitivat Suebsaeng	Director	6
Miss Dalad Saphavichaikul	Vice President	12
Mr. Chutindhon Darakananda	Vice President	7
Mr. Aksornprasit Darakananda	Vice President	7
Mrs. Chantornree Darakananda	Director	10
Mr. Bovornrat Darakananda	Vice President	1
Mr. Vacharaphong Darakananda	Vice President	11
Mrs. Sasithorn Darakananda	Director	8
Mr. Nantiya Darakananda	Director	1
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 2005, Bound Member who were in shanghai office had a chance to participate in the meeting by using Video Conference Vice President Director, 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. In 2005, Board member who were in Shanghai's Office had participated in the meeting by using Video Conference. 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 40

2. The Executive Committee

NAME	POSITION
Mr. Panas Simasathien	Chairman
Miss Sriwarin Jirapakkana	President
Mrs. Sirinun Sansanakom	Vice President
Mrs. Supung Tangsujaritpant	Vice President
Mr .Noparut Punyapas	Executive Director
Mr. Songsak Thampimukvatana	Vice President
Miss Dalad Saphthavichaikul	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 28th November, 2005, with two years terms.

The Audit Committee consists of the following members:

NAME	POSITION
1. Mr. Sompop Amatayakul	Chairman
2. Mrs. Araya Arunanondchai	Audit Committee Member
3. Miss Pakinee Prerttiumrong	Audit Committee Member

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

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

4. The Advisory Board

The Board consists of 9 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:

NAME	POSITION
1. Mr. Amnuay Viravan	Chairman
2. Mr. Damri Darakananda	Vice Chairman
3. Mr. Panas Simasathien	Advisor
4. Mr. Amorn Chandara-somboon	Advisor
5. Mrs. Chongraksa Darakananda	Advisor
6. Mr. Sumeth Darakananda	Advisor
7. Mr. Sompop Amatayakul	Advisor
8. Mr. Chackchai Panichapat	Advisor
9. Mr. Kamol Khoosuwana	Advisor

5. Nomination and Remuneration Committee

The company appoints Members of the Board, with relevant experience and qualifications, as members of the Nomination and Remuneration Committee as follows:

NAME	POSITION
1. Mr. Sompop Amatayakul	Chairman
2. Mr. Damri Darakananda	Director
3. Mrs. Araya Arunanondchai	Director

Scope of responsibility and authority is as follows:

1. Select and nominate qualified individuals for appointment to the Board of Directors
2. Establish nomination procedures for the appointment of Members to the Board of Directors
3. Consider the systems and procedures of remuneration of Board Members
4. Determine the amount of remuneration of Board Members and propose the determined amount to a meeting of the Board of Directors for approval

6. Risk Management Committee

NAME	POSITION
1. Miss Sriwarin Jirapakkana	Chairman
2. Miss Dalad Saphavichaikul	Director
3. Mrs. Chantorntree Darakananda	Director
4. Mrs. Srinual Sombatpaiwan	Director and Secretary

The committee takes full responsibility for mapping out strategies for risk management and damage control. It also has the authority to oversee all activities involving risk management of the company. The committee may appoint sub-committees for any specific risk management duty, to act on its behalf, and as required by the circumstances.

Information concerning educational background, work experience, skills and past performance of Members of the Board of Directors and executives, is included in The Board of Directors ,together with information concerning the scope of duties, responsibilities and authority of the Members of the Board.

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

All shareholders of the company enjoy full privileges and rights in all aspects as investors in Saha Union Public Company Limited. Each shareholder enjoys the right to acquire, or transfer holdings, receive data and information on operations and receive return profits on their investments. All shareholders receive invitations to the shareholders' meeting and vote on agendas required by law to be passed as resolutions at the shareholders' meeting, such as, the appointment, or removal of directors; amendments to regulations, or contracts; appointments of auditors and remuneration; appropriation of profits and dividends, etc.

Saha Union Pcl. encourages its shareholders to exploit their rights; by attending meetings and casting their votes. For this purpose, the company always notifies all shareholders of meetings, regulations and procedures of the meetings in adequate time prior to each meeting. Any shareholder may elect anyone to attend a meeting by proxy on their behalf, which authorizes their representative to participate fully at the meeting, together with the right to question, or submit proposals, advice, or opinions. The Board of Directors will respond by taking such into consideration. There has never been a record of a single attempt by the company to limit or violate the rights of shareholders. Saha Union Pcl. always ensures that all shareholders, participating in a meeting, are well assisted in the registration procedures prior to the meeting (more than one hour before the meeting). The location of the meeting is always at a site easily accessible to all shareholders, and the schedule of the meeting is always at a convenient time for all shareholders. During the meeting, refreshments are always provided. Each year, prior to the annual shareholders' meeting (no less than 7-days in advance of the meeting), Saha Union Pcl. always sends out invitations to the meeting to every shareholder, enclosing documents of information on the annual report, financial statements and regulations, together with any required documents for joining the meeting. This allows adequate time for all shareholders to study the information before the meeting date. This year, the company offers an additional channel of access to information via its own website at www.sahaunion.co.th which shareholders may access anytime before the scheduled mailing of invitations and documentation.

3. Shareholders' Meetings

At the annual shareholders' meeting in 2005, 19 members of the Board of Directors attended the meeting. Members who missed the meeting were engaged in company business abroad. Members attending the meeting included the Chairman of the Board, Chairman of the

Executive Board, Chairman of the Audit Committee, the Managing Director, Chairman of the Sub-Committee CMC, Chairman of the Sub-Committee OMC, independent directors, other directors and the independent auditor. The Chairman of the Board presented the opening address and notified everyone present of the regulations and procedures governing the meeting, vote-casting procedures, counting of ballots and resolutions. The Chairman of the Board then proceeded according to the agendas and schedule, during which, there was sufficient time during each agenda for shareholders to question, or voice their opinions. Directors, or involved committees, replied to questions to the satisfaction of all shareholders, before the commencement of voting on resolutions. Every shareholder retains an equal right to cast his/her vote. After considerations on the acceptance of reports on financial statements, the meeting also proceeded to consider, agree and authorize the remuneration of each member of the Board of Directors; the choice and appointment of independent auditors and approve the remuneration for the yearly auditing service. In the event of a change of independent auditors the Board of Directors would notify reasons for the change to all shareholders in advance. The proceedings followed the schedule, during which, several shareholders expressed their opinions and then it continued to the open agendas, which the Board of Directors accepted and took into consideration for further discussion. The Secretary of the Board of Directors recorded the proceedings of the meeting and completed a report concerning it, which included all important agendas, agreements and resolutions on record and the completed report was presented to the Stock Exchange of Thailand (SET) within 14-days following the date in which the meeting was adjourned. In addition, Saha Union Pcl. also presents the reports of such meetings through the company's website. All shareholders' meeting reports are very well archived systematically for easy access for any future reference.

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 2004 and 2005, 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 2005 is recorded under “Common Interested Persons and Connected Transactions” on page 62-64

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.

The company has in place, measures protecting its internal information and preventing anyone from exploiting this inside information in the trading of the company’s holdings to the advantage, or disadvantage, of outsiders. Resolutions approved by the Board of Directors of the company require all executives and all Board Members to refrain from trading in the company’s holdings within a 14-day period before the disclosure of information in quarterly reports of financial statements. In addition, all executives and Board Members are required to refrain from trading within a 24-hour period after disclosure of the same information. The Secretary of the Board of Directors will notify the scheduling of disclosure information to all executives and all Members of the Board.

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 15 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 39 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. In 2005, Board member who were in Shanghai’s office had a chance to participate in the meeting by using Video Conference. The secretary later provided all relevant information for absent directors. Details of Meeting attended of each Director is in the page 40

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 2005.

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:

NAME	POSITION
1. Mr. Sompop Amatayakul	Chairman
2. Mrs. Araya Arunanondchai	Member and Independent Director
3. Miss Pakinee Prertitumrong	Member and Independent Director

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 2005 on page 61"

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.
- Compensation Management with Dr. Noparut Panyapas as the chairman, responsible for studying and reviewing the policy of compensation and remuneration of all employees in the Group, including presenting the regulation or any improvement concerned to the Board of Executive Committee.

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 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.

Management has appointed a Risk Management Committee with Miss Sriwarin Jirapakkana appointed as Chairman of the Risk Management Committee. This committee is responsible and authorized to devise policies and strategies for identifying and monitoring risks concerning all aspects of the company's activities. The committee also has the power to oversee the risk management of the entire operations of the company. It is authorized by the Board of Directors to appoint a sub-committee on risk management to oversee a specific risk aspect and act as a risk management task force to follow measures according to any specific circumstances. At present, sub-committees and task forces have already been appointed to oversee activities involving risks in various operations, while other task forces evaluate and study risks of investments in businesses the company is involved with. All are charged with reporting immediately, any irregular, or alarming trends within any of the company's business activities to the Board of Executives for further instructions.

14. Director's Report

The details of the Report of the Board of Directors to the Financial Statements is on page 60

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 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. 7274, Mrs. Chanida Tepasadintra na Ayuthaya 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.

The Board of Directors agrees that executives and members of the Board should avoid making transactions of company holdings within a period of 14-days before information regarding financial statements in each quarter is revealed, and, in addition, to refrain from trading during the first 24- hour period after the same information is revealed. The Secretary of the Board of Directors will notify the scheduling of disclosure information to all executives and all Members of the Board.

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 2005:

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.

Management Discussion and Analysis

Operational Planning and Progress

Business performance divided into Both Domestic and International Operations

Domestic business in the form of an investment in the Independent Power Project are all forecast to indicate a very good return in the near future. As a subsidiary of Saha-Union Group, the Union Energy Company Limited (UE) has invested in Ratchaburi Power Company Limited (RPCL), a power generation plant operator, with a contract and permits to generate and supply power to the Electricity Generating Authority of Thailand (EGAT). Saha-Union Pcl. has continuously kept the public informed of this operation ever since it began. According to the schedule, RPCL will complete construction of the first phase of the power plant and generate and supply electricity to EGAT in March 2008. During 2005, RPCL secured the required permits and licenses for the operation and also signed loan contracts with various creditors. RPCL expects to draw upon the first payment from the loans within the first quarter of 2006. The business aspect of IPP has progressed as planned and Saha- Union Pcl. will receive payment according to the ratios of its holdings during the first quarter of 2006. The company has already received the proceeds from the sale of the assets, thus reducing the risk of the loans and of selling the assets under conditions.

International Operations are involved mainly in power and steam generation and are proceeding according to schedule. A new joint venture power generation plant, Shangyu Hangzhou Union Cogeneration has been operating at full capacity since it commenced operation, generating 24 megawatts and 390 tons of steam per hour. This new company has performed beyond expectations showing profits in its first year of operation, in 2005. There are expansion plans for other power plants to increase electric generation and steam-making capacities at Wuxi-Union Cogeneration, Yixing-Union Cogeneration, Zhangjiagang Shenzhou-Union Cogeneration, and Zhejiang Jiashan-Union Cogeneration, with initial information already presented during 2003 and 2004. All expansion projects are now completed, and as a result, these affiliates have now shown increased profits in 2005 over those of 2004.

Performance

Overall Operational Performance

In 2005, Saha-Union Plc. and its subsidiaries showed net profits of Baht 856.62 million, an increase of 101.80 percent over net profits of Baht 424.48 million in 2004. Contributing factors to this exceptional jump in operational profits included the company's subsidiaries sell-off of part of their investment in the Independent Power Project to offshore shareholders with conditions. The conditions have subsequently been met, making the transfer complete, and the subsidiaries have reaped profits from the sales. In addition, various investment groups realized increased profits amounting to Baht 133.79 million more than those of 2004. Sales of investments under conditions is not a normal part of the company's business operation and revenue from normal operational businesses will be generated when the power plants of the project commence operation in 2008. Saha-Union Pcl. will then see the return of its investment in the form of dividends. The other contributing factor was that subsidiaries in the energy industries in China, performed much better than in 2004, showing increased profits of Baht 94.58 million. In 2005, Saha-Union Pcl. also realized additional earned income from its affiliates of Baht 186.45 million more than that of 2004. The majority came from operations in China, which indicated an increase of Baht 183.94 million. The company also saw total sales from other activities increase by 3.49 percent, with the costs of sales reduced by 0.81 percent, while sales and management expenses increased by 0.72 percent. However, the company experienced losses from currency exchange transactions of Baht 71.59 million, or 0.41 percent of total sales and interest payments increased to Baht 42.54 million, or 0.23 percent of total sales.

Main Factors Affecting Company's Operations

● Policies of International Country

As the subsidiaries has been in operation in the energy industries in China with good results until 2004 and 2005, when coal, the main fuel for electricity generation in China, became more expensive. Although coal prices climbed steadily over the years, the prices of electricity and steam could not be adjusted accordingly, as they were controlled by state agencies. Thus, operations during this period did not realize any profit. Following negotiations with the Chinese government in 2005, it was agreed that energy prices could be adjusted according to the cost of fuel. Restructuring of energy prices consequently took effect in May 2005. The effect of the successful negotiations and restructuring of energy prices is very encouraging in comparison to the bleak situation of 2004.

● Marketing and Competition

As Thailand enters Free Trade Agreement arrangements, Saha-Union Group has experienced very strong market competition in both the textile and footwear industries. Many brand name manufacturers are offering similar products manufactured under much lower production costs and both textiles and footwear have become a buyer's market. As the products' prices per unit stay low, Saha-Union Group cannot adjust its prices in ratio to the increasing prices of raw materials and production costs due to the highly competitive conditions in the market. Nevertheless, the company is holding on to its market share at present and adapting its strategies. Saha-Union Pcl. is expanding its textile business into China in an effort to keep its production costs down and, at the same time, expand the market in this industry. It is also endeavoring to improve its organization to achieve greater efficiency, and moving production bases upcountry is another option for retaining higher production efficiency.

● Foreign Currency Exchange

Foreign currency exchange rate fluctuation is a prominent factor affecting operations by Saha-Union Pcl. and its group of companies in two main sectors. Firstly, there is always the risk that when the company exports its products, payments made in foreign currencies may result in less Baht at the time of exchange, compared to that at the time the trade deal was made. Secondly, there are long-term loans in foreign currencies, and steep fluctuations in foreign exchange rates can adversely affect payments of these loans. During 2004 and 2005, the company had long-term loans, which were not then due at US\$ 40.5 million and US\$36.33 million respectively. At the end of 2004, the exchange rate was Baht 39.2025 to one US Dollar, and Saha-Union Pcl. earned profits of Baht 92.23 million from the exchange. Conversely, in 2005, a weakened Baht and stronger US Dollar, resulted in an exchange rate of Baht 41.1748 to one US Dollar, with a resultant loss to the company of Baht 71.59 million. Both losses and gains were actually from the same loans made at the same time. The difference of losses during the period 2004-2005 was Baht 163.82 million.

● Business Diversification

Saha-Union Pcl. has always maintained a policy of seeking opportunities to expand into new business ventures. As an example, the company has invested considerably in the energy industries, in both onshore and offshore (China) operations. It has also spread the investment risk by branching out into new business undertakings, such as the educational industry in big cities in China, which show great marketing potential. At the moment, its affiliates are operating two prestigious international schools in Shanghai and in Beijing. These two ventures have shown admirable growth results in 2005 and the return of investment is much more encouraging than that of 2004.

Business Groups' Performance

● Revenue from Sales and Services

In 2005, Saha Union Pcl. earned total revenue of Baht 17,377.2 million, from sales and services. This is an increase of Baht 585.4 million over the previous year's income of Baht 16,791.8 million. The increase was due, in part, to higher sales of computers and electronic components, while the expansion and diversification of operations in China also showed good results, especially the thread mill and dyeing operation in the textile industry, as well as the opening of international schools in Shanghai and Beijing. Onshore operations in plastics, rubber and metal also showed good results.

As the textile factory in China was not fully operational in 2004, the operation in 2005 would therefore indicate higher total sales in comparison.

● Other Revenues

Saha Union Pcl. earns part of its total revenue from other activities other than sales and services, and in 2005 these other sources of income totaled Baht 1,211.75 million, compared to Baht 841.24 million in 2004. This increase of Baht 370.51 million in 2005 is 1.75 percent up in ratio to the total revenue which divided into 3 major performances as:

* Normal activities in 2005, other than sales, resulted in total revenue reduced by Baht 39.71 million in comparison to that of the previous year. Revenue from interests, leases, rents and dividends did not show noticeable increases. However, during 2004, the company had been fortunate to make appreciable gains totaling Baht 92.2 million from currency exchange transactions. In 2005, the values of the Baht and US Dollar offered no such opportunities.

* Dividends from investments, as per normal loss/gain practices, increased by Baht 186.44 million, or 0.9 percent of total revenue, being earned from the energy industries and other business operations of affiliates in China. Operations in energy industries in China continued to show promising results in 2005, mainly due to the Chinese government agreement to price adjustments in electricity and steam based on actual coal prices, in the second quarter of the year. Furthermore, the expansion projects of each affiliate are now complete and they were operating at full capacity in 2005, details of which are reported in business result section.

* Proceeds from sales of investments. There was no revenue from this source in 2004. In 2005, subsidiaries completed conditioned sales of their investments to foreign investors, which actually began in 1998. At present, all necessary conditions have been met, and the proceeds show profits of Baht 223.7 million. This is not a normal activity of the company, nor a normal source of revenue.

● Sales and Management Costs and Expenses

In 2005, sales costs rose by Baht 383.11 million over those of 2004, while total sales increased by Baht 585.40 million. At the same time, the company managed to reduce sales costs by 0.81 percent in ratio to net sales. Management is currently engaged in increasing operational efficiency, especially in the onshore businesses, or domestic operations of plastics, rubber and metals. With regard to offshore operations, especially the textile industries, management is taking care to ensure these operations are within the Economy of Scale. As for other operations in Thailand, most products are in highly competitive markets, where the costs of raw materials are high, thus driving production costs higher. Management is endeavoring to solve these problems, while the company continues to focus its efforts on increasing overall efficiency. Programs to help develop personnel skills, with measures to improve work performance, such as the employment of the Balanced Score Card, Occ, Jit, etc., have been implemented, with the concepts of improvement following that of TQA.

Sales and management costs and expenses in 2005 totaled Baht 1,955.40 million, a Baht 187.25 million increase over the Baht 1,768.15 million expenses of 2004. However, ratio to total revenue shows the increase to be 0.49 percent. Main factors for the increase, are rising costs of utilities, transportation, export costs, which, together, represent an increased ratio of 0.3 percent, with rising oil prices continuing to be the main reason. There was also a slight increase in expenses involving research and development programs. In sum, sales and management costs and expenses have increased within the realm of normal business practices and changing circumstances.

● Profit

In 2005, Saha Union Pcl. showed gross profit ratios of 11.54 percent, compared to 10.73 percent in 2004, which is a 0.81 percent increase over the previous year. The company achieved higher total sales in 2005, with lower sales costs in ratio to the increase of total sales. In addition, certain businesses in China were able to increase their prices per unit, and the increase in sales subsequently pushed the gross profit margin up along with it. The profit from operations in 2005 in ratio to total revenue, is 7.14 percent, which is 3.51 percent higher than last year's ratio. In 2004, the profit margin from total revenues was 3.63 percent. The operation in the energy industries in China during 2004 encountered high coal price problems, with energy prices controlled by the government and local agencies. This status remained until the second quarter of 2005, when the company successfully negotiated permission to adjust energy prices according to fuel prices. At the same time, in 2005, the company's affiliates were able to operate at full capacity at all power plants. Total output, leading to increased sales, resulted in earned incomes from subsidiaries and affiliates being higher than in 2004. Furthermore, in 2005, the company realized income from the sales of investments as stated in section proceeding from sales of investment. There was additional revenue of Baht 223.7 million, or 1.20 percent of total revenue. In 2004, the company lost Baht 156.47 million from depreciation of investments, while in 2005, the loss was only Baht 13.34 million in the same category. In addition, Saha Union Pcl. experienced a loss from currency exchange transactions of Baht 71.59 million in 2005. Currency exchange transactions in 2004 showed a profit as reported in section Exchange Rate.

Net profit ratio to total revenue in 2005 was 4.61 percent, compared to the ratio of 2.41 percent in 2004, an increase of 2.2 percent. This was as a result of higher profits from operations as reported previously, however, the company had to make higher interest payments by Baht 42.54 million, or 0.23 percent of total revenue. Saha Union Pcl. had long-term loans in 2005, with a balance at the year-end of US\$ 36.33 million, and interest rates in accordance with the SIBOR system. During 2005 there were adjustments to interest rates, and it is inevitable that the company must bear the burden of higher interest payments.

The return on equity in 2005 was 6.57 percent, compared to 3.38 per cent in 2004, a gain of 3.19 percent, as the net profit for 2005 was higher than that of 2004, as reported earlier.

The financial statements of the company in 2005 report net profits of Baht 856.62 million, with a cash flow from its operations in 2005 of Baht 682.35 million, or 79.66 percent of its net profits. There are items of earned incomes included in the net profits, but are not shown in the item of cash flow from operations, instead, these items are listed under investment activities. There are items of earned income from investments according to the equity method, of Baht 526.96 million, of which cash flow from the proceedings is not included with cash flow of normal activities. The Baht 223.7 million profit from sales of investments, or 26.12 percent of net profits, is not shown as part of the cash flow from normal activities, but is, instead, included in investment activities. However, the main factor in the lower cash flow from operations is the servicing of debts by a total amount of Baht 496 million. The company indicated a state of high liquidity at the end of 2005, and management therefore deemed it appropriate to service the trust receipt debts to lessen the amount of payable interests.

● Return on Equity

The year 2005 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 856.62 million Baht and net profit per share was 2.95 Baht. The company expects to pay dividends of Baht 1.25 per share, with a ratio of payable dividends set at 42.37 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 dividend records:

Year	Dividends	Earnings per share
2004	1.25	1.46
2003	1.25	3.37
2002	1.25	3.40
2001	1.25	3.72
2000	1.25	3.89
1999	1.25	4.20

Financial Status

The financial situation of Saha Union Pcl. is as follows:

Assets

As of 31 December 2005, Saha Union Pcl's total assets were worth Baht 20,521 million, a reduction by Baht 209.05 million, or 1.01 percent less than the total assets of Baht 20,730 million of 2004.

At the end of 2005, the company showed the components of its assets as follows; current assets of 37.14 percent, investment of 39.32 percent, buildings and equipment of 19.93 percent, and other assets of 3.61 percent. When compared to the assets at the end of 2004, current assets in both fiscal years are nearly equal. Differences are in the items of investment, such as the selling of investments in process in 2004, worth Baht 470.25 million, which were completed before the end of 2005. The subsidiaries completed sales of investments according to the conditions of the sales as reported. Furthermore investments in the company's affiliates were higher than in 2004, and earned incomes to shareholders' equity were increased as the operations by affiliates improved.

Estates, buildings and equipment assets were lower than in 2004 by 1.36 percent. The machinery and equipment were liquidated when the company decided to cease operations of a subsidiary in the energy industries in China (Danhuang-Union Cogeneration). In the process of liquidation, machinery and equipment were auctioned off.

● Quality of Assets

As of 31 December 2005, the net amount of accounts receivable was Baht 2,577.55 million, a little lower, by Baht 33.16 million, of that of 2004, which was Baht 2,610.71 million. However, the majority of receivable accounts are not overdue. The average period for debt collection, or payment in 2005, was 55 days, very close to the 59 days period in 2004. Nevertheless, Saha Union Pcl. and its subsidiaries estimated the net amount of bad debts, overdue by more than a year, to be Baht 41 million. The company and its subsidiaries have therefore set aside an amount for bad debts and probable defaults of Baht 40.1 million, which are 1.53 percent of total debtors. This amount should be sufficient to cover the probable debt default at present.

Short-term loans activities had an outstanding balance on 31 December 2005 of Baht 302.54 million, an increase of Baht 99.27 million over that of last year. In 2005, subsidiaries issued short-term loans to others in accordance with shareholders' equity, the loans were increased by Baht 97.10 million to allow the investment to continue in operation. These loans will be paid back in full during the first quarter of 2006. There are also loans of Baht 2 million extended to cover the educational management operation. The short-term loan is in the form of assistance to the group of companies for their current capital and activities related to the operation. The interests on the loans follows the loan interest rates of one commercial bank, and Saha Union Pcl. is certain the debtors will be capable of servicing the debts in full.

The inventory at 31 December 2005, showed a net amount of Baht 2,280.45 million, or 11.11 percent of total assets. The balance of the net inventory declined by Baht 7.26 million, compared to last year's net inventory of Baht 2,287.71 million. Saha Union Pcl. and its subsidiaries periodically check the inventory, with reports of the analysis of the age and expiry date of the inventory for evaluation of depreciation of goods. At the end of 2005, the company set up a reserve fund for depreciated, outdated, or expired inventory items totaling Baht 128.79 million, which is 5.4 percent of the total inventory. The company believes the reserve fund for expired, or depreciated goods in the inventory is an appropriate amount.

Saha Union Pcl and its subsidiaries and affiliates have both onshore and offshore investments with details in the reports and notes in the fiscal budget and financial statements contained in sections 7, 8, 9, and 10. In 2005, investments were 39.32 percent of total assets. The reports also present differences in total investments between 2004 and last year in the Financial Status section.

● Liquidity

Cash flow statements at 31 December 2005. Saha Union Pcl. has a Baht 682.35 million cash flow from its various operations and Baht 205.48 million from investment activities. Baht 1,313.23 million was spent on financing activities, and from all 2005 operations, the net cash flow declined by Baht 161.65 million.

The company's cash flow from activities was Baht 327 million less than that of 2004. The main factor for this was the company experiencing high liquidity at the end of 2005, and deciding to service debts of the trust receipt accounts before calling dates to save on interest payments. Accounts payable and notes were reduced by Baht 335.77 million. Other changes included the expenses assets for operations with a net increase of Baht 19.53 million, with Baht 60.36 million more expenses in clearing debts in other aspects of activities not related to trading creditors. Both items are deemed insignificant to the overall cash flow status.

Saha Union Pcl. received Baht 205.48 million higher net cash flow from investment activities over that of 2004, with a cash flow from investments of Baht 836.33 million. In 2005, the company received cash dividends of Baht 96.19 million, and extended loans of Baht 99.27 million to the related businesses as reported in the Quality of Assets. The company also spent Baht 413.48 million in acquiring estates, buildings, and equipment for the expansion of its production capacity in plastics, rubber and metals, footwear and energy industries in China. There was also cash flow from sales of investments in the IPP as reported. The reported Baht 622 million gains from sales of investments, brought about a state of high liquidity in the cash flow status nearing the end of 2005. However, there will be a need for liquidity in two years' time as the company will have to increase funds to finance more investments in related operations.

Financing activities, Saha Union Pcl. and its subsidiaries have a cash flow of Baht 8 million from long-term debts, while deposits from related businesses are lower by Baht 14.54 million. The company also made payments to service its short and long-term debts totaling Baht 910.91 million, plus dividends to shareholders of Baht 395.78 million. In all, Saha Union Pcl. has a total cash flow of Baht 1,313.23 million from its financing activities.

The cash flow from the three activities together, showed a net decline of Baht 161.65 million. The amount combined the cash flow and equivalent from the beginning of 2005, of Baht 2,024.03 million, resulting in a company cash flow equivalent of Baht 1,862.37 million at the end of 2005.

The high liquidity situation at the end of 2005, showed Saha Union Pcl. with a ratio of current assets to current liabilities of 1.99:1, and instant current assets to current liabilities of 1.40:1. From these ratios, the company was able to convert its current assets into cash for servicing all current liabilities and still had a surplus liquidity of 0.40 in ratio. The period for collecting from receivable accounts was 55 days in 2005, a small improvement over the period of last year (59-days) and is within the credit cycle extended to trading partners. The cycle of cash flow, from the moment a payment is made for raw materials to the day when the company actually receives cash for the sale, is 27 days, only 4 days longer than last year's cycle of 23 days. Profit ratio in 2005 was 7.14 percent, much higher than the 3.63 percent of last year, due to better operational performance and attaining more profit, as reported earlier. The ratio of liabilities to shareholder's equity was 0.41:1 indicating that the spending of cash from loans was less than the shareholders' equity, therefore, the risk in liquidity is very low. The ability to service interests on debts is 9.54 times, indicating sufficient cash flow to cover the servicing of interests to creditors. Dividend per share was 6.57 percent, which is better than the return from interests of fixed deposit accounts in any commercial banks.

● **Calling Dates of Short Term Debts with Effect on Liquidity**

Saha Union Pcl's financial statements show short-term liabilities of Baht 704 million, and long term liabilities with a due date within one year of Baht 275 million, rental contracts debts to creditors of Baht 57 million, accounts payable on expenses of Baht 577 million, and other current liabilities of Baht 255 million. Total short-term liabilities to be serviced within one year amount to Baht 1,868 million. However, the company indicates current assets liquidity, cash, and cash equivalent on hand for instant spending of Baht 2,461 million, a healthy 131 percent of short-term liabilities. The company's liquidity can adequately take care of all short-term liabilities during the year. Liabilities in trust-receipts can be covered by accounts receivable in letters of credit, which will be serviced on calling dates and then the trust-receipt debts will be paid off in full. Volumes and periods of cash flow and spending of short-term cash flow are in good balance financially.

● **Expenses in Investment**

During 2005, Saha Union Pcl. indicated various expenses in investments, such as short-term loans to related companies in line with shareholders' equity. The loans of Baht 97.1 million were for investment and development of projects in the Kingdom's energy industries, so that the projects are able to continue to progress according to plan. Interest rates on the loans are equal to rates of an overdrawn check account at a major commercial bank. Planning and schedules indicate that the company will receive the principals and interests all in the first half of 2006, as the energy project will have financial support from financial institutes and investments from shareholders. Saha Union Pcl. also shows spending in investments in real estate, buildings and equipment to a value of Baht 413 million for capacity expansion in plastics, rubber and metals, and footwear. These businesses need development for the improvement of their production processes to keep up with new technologies and changing demands of customers, both in quantity and requirements of products. There also are expenses incurred for more machinery and equipment in the energy industries in China to increase the power output of the power plants, and for a small factory to be able to operate Economies of Scale, in a search for top efficiency in all aspects of the operation.

● **Investment Plan**

Saha Union Pcl.'s plans included investment in the textile industries in China in 2005, An investment of Baht 190 million was allocated for the registered capital of a yarn spinning and dyeing factory. The move is aimed at lowering production costs and, at the same time, exploring and exploiting the market potential in China. Earlier reports have already presented detailed information of these investments through the information channels of the Securities Exchange of Thailand during 2005.

● **Capital Sources**

The structure of the company's capital, at 31 December 2005. The financial statements of the company and its subsidiaries showed total liabilities of Baht 5,575.3 million, with shareholders' equities at Baht 13,165.2 million. The ratio of liabilities to shareholders' equities was 0.41 to 1, in comparison to other companies in the industries, whose ratios vary between 1.5, or 2 to 1. Saha Union Pcl.'s liabilities are therefore in a low ratio, and creditors have a very low risk in extending loans to the company, as the chance of having loans defaulting is quite low. This low ratio means that in the future, the company and its creditors will be comfortable with each other, which provides further leeway for Saha Union Pcl. to request additional loans for business expansion, enabling the company to invest further, yet still remain within the safe, low risk, structural ratio.

● Shareholders' Equity

Saha Union Pcl. and its subsidiaries showed a total shareholders' equities value of Baht 13,565,189,545, which is Baht 1,065,871,854 more than that of 2004 which indicated a value of Baht 12,499,317,691. The increased equity value comes from two sources. Firstly, the accrued incomes are higher by Baht 475.66 million, due to the company's and its subsidiaries' improved operational performance. Secondly, the gains do not have an impact on the cash flow, the adjustment of foreign exchange with impact on part of the revenues in foreign currencies, when changed into Thai Baht. At the end of 2005, the exchange rate was 1 US\$ to Baht 41.1748, compared to Baht 39.2025 in 2004. Therefore, income gained from offshore operations brought more Thai Baht at the 2005 exchange rate. Unearned income from the movement of investments in assets ready for disposal also showed a total increase of Baht 21.43 million. The increased value of equities brought increased amounts of cash flow in 2005 to 3.81 percent of shareholders' equities in 2004.

● Liabilities

Saha Union Pcl. has Baht 3,822.45 million in current liabilities, with other liabilities of Baht 1,752.83 million, indicating total liabilities of Baht 5,575.28 million.

Short-term liabilities include debts related to businesses with periodical servicing of debts on schedules. The debt service payments correspond to payments from customer accounts receivable, which is normal practice in business operations. There are also Baht 979.22 million short-term liabilities with due dates within one year, and other current liabilities of Baht 892.55 million, all of which the company has the liquidity to service upon the due dates.

At the end of 2005, Saha Union Plc. had offshore long-term debts of US\$ 36.33 million, with interest rates in accordance with SIBOR. The due dates for servicing the loans is from 2005 to 2011. The company did not have collateral for these liabilities, when it took out these loans. However, the contract agreements call for procedures and limitations upon the company to maintain certain ratios of total liabilities to shareholders' equity. The agreements also put limitations on the disposal, or transfer of assets deemed important to the operations of the company. SIBOR interest rates show upward trends that may increase the burden for the company in servicing higher interest rates. Foreign currency exchange fluctuations may also affect the servicing of these long-term liabilities, and the company's risk management has therefore taken measures to bring the return from offshore investments in foreign currencies to service the long-term liabilities upon their due dates. Thus, Saha Union Pcl. can reduce the risk of exchange rate fluctuations. The company currently has a high 1.82 to 1 liquidity return to take care of the servicing of liabilities, with due dates coming within one year of 2005.

Factors with an Impact on Operations or the Financial Status in the Future

Saha Union Pcl. has revealed detailed information on investments by its subsidiary, the Union Energy Company Limited, since 2002, and has continued to divulge information regarding its investments in 2003 and 2004. Union energy has invested in the Independent Power Project in Thailand, building a power plant to generate electricity to supply to the Electricity Generating Authority of Thailand (EGAT). The investment is in the form of loans to the operator of the plant, Ratchaburi Power Company Limited (RPCL). Towards the end of 2005, RPCL secured financial support contracts for the project with a group of financial institutions, with all necessary documentation signed and the construction of the power plant progressing on schedule. The plan calls for RPCL to commence the delivery of a power supply to EGAT during the first phase on 1 March 2008. The financial support agreements reduce the risk of the investments from uncontrollable circumstances. In 2006 Saha Union Pcl. will receive payments from the servicing of the loans, both principal and interest, amounting to Baht 260 million. After 2008, the company will reap the return on its investments in term of dividends in each succeeding year in the future.

Future Projects

Future projects being contemplated by Saha-Union Pcl. and its subsidiaries and affiliates can be categorized into both onshore and offshore projects. Various projects are currently in progress, while others are in the research and study stages.

Independent Power Producer Project in Thailand

The Union Energy Company Limited (UE), a subsidiary of Saha-Union Pcl., has a 10 percent investment stake in Ratchaburi Power Company Limited (RPCL), a power generating company, in which Saha-Union Pcl. has revealed all relevant information concerning the project ever since its start. It is an independent electricity generating plant project within the private sector, in which Union Energy Co., Ltd. has secured the contract to generate and supply electric power to the Electricity Generating Authority of Thailand (EGAT). The project consists of a power plant with a total generating capacity of 1,400 megawatts, involving a total investment of US\$ 890 million. The power plant, located in Ratchaburi Province, will begin to generate and supply electricity to EGAT in the first phase in March 2008, according to the RPCL forecast. In 2005 RPCL processed all the necessary documentation and secured the required permits and licenses for the project operation.

In addition, the company has also arranged all necessary financial support for the project and is set to commence construction in 2006. RPCL expects, if all goes according to schedule, a return on investment to be realized in 2008 onward. Various factors could affect the progress of the project, such as financial support from loans may not be received on schedule, or may not comply with the conditions agreed upon. However, it is considered that the chance of these possibilities occurring is very remote. RPCL is confident in the success of the project and of creditors receiving their loans back, beginning in 2006.

International Projects

Textile Business

Saha-Union Pcl. has announced the expansion of its textile business into China, which indicates great marketing potential. To this end, the company has established Shanghai Saha-Union Thread Industries Company Limited, a joint venture with Chinese investors to operate factories making top quality dyed thread, with a production capacity of 864 tons per year. In addition, subsidiaries with Chinese partners are in another joint venture project to establish Shanghai Saha-Union Spinning Mill Company, with a yarn spinning capacity of 7,200 tons per year. Ratio of investment is 50 percent each and the new company will have a registered capital of RMB 128 million, with an RMB 64 million investment by the Thai partner. Saha-Union Pcl. is confident it can forward the investment for the joint venture within the first quarter of 2006. Saha-Union Pcl. is also in the process of registering a former thread-dyeing factory, as a new joint venture entity, registered as Zhejiang Saha-Union Feilun Thread Industries Co., Ltd. The Chinese partners have an 18 percent holding in the new company, while Saha-Union Pcl. will fulfill its financial commitment to the new business within the first quarter of 2006. The new top quality dyed thread business will have a manufacturing capacity of 650 tons per annual. The expansion of the company's textile operations into China is an attempt to open up the market and keep the company's competitive edge, as circumstances and environments change. Careful studies and extensive research indicate no obstacles to the success of this venture in the Chinese textile industry.

Energy Business

Saha-Union Pcl. announced the opening of a new electricity generating plant, Shangyu Hangzhou Union Cogeneration Company Limited, in 2005. The new power plant, with its generating capacity of 30 megawatts of electricity and 390 tons of steam per hour, has performed profitably with great success beyond all expectations, during its first year of operation. The plant is ideally situated in the newly developed chemical industrial zone where the demand for electricity and steam is growing with promising potential. At present, the partners are studying the possibility for future plans to expand the power plant's electricity generation and steam supply capacities. Preliminary studies show convincing returns on investments.

Educational Business

Saha-Union Pcl. has also entered a joint venture in the educational services business. The venture operates international schools under license from Dulwich College London, with the first school being established in Shanghai, where it has met with great success, with more students trying to enroll than the school can accommodate. Saha-Union Pcl. quickly realized the potential for licensed international schools in various cities within China, and has already expanded into Beijing where a new school is now under re-construction and improvement of buildings to accommodate 1,000 students. The first semester of the Dulwich College International curriculum will open in Beijing, in September 2006, catering to students from kindergarten to secondary grade 12. The joint venture required an investment of US\$8 million and the company is confident the operation will operate smoothly according to schedule.

Risk Factors

The company has evaluated its organizational risk by taking into account the analysis of politico-economic events and factors, sociological factors and technological trends, all of which bear impact upon the operations of the company and its affiliates. The risk can be categorized into internal risk and external risk factors; each factor is given full attention in studying risk potential from various angles and aspects, financial, marketing, trading partners, operational procedures and human resources. The studies and analysis allow the company to make accurate evaluations of risks with varying degrees of impact and probability, taking into account all factors involved in the operation of the company. The evaluations also allow management to categorize the levels of priorities to which it can target preventive, or remedial measures to reduce the degrees of risk to acceptable levels. Risk management policies and procedures are transferred throughout management and operational personnel with clear objectives and principles of cooperation and unity, for the shared ambition of the organization's continuous growth and prosperity.

Risk factors with considerable impact, which could affect the company's operation, include: Investment Projects

With its involvement in the Independent Power Project (IPP), Saha- Union Pcl. revealed and presented information concerning risks associated with the project on a continuous basis in 2001, 2002, 2003 and 2004, concerning uncertainty over whether, or not, the power plant would be built. At the end of 2005, the company had investments and loans worth Baht 426.32 million allocated for the project. Currently, there is great optimism that the project will in fact come to fruition. The company overseeing the project secured loan contracts in December 2005, and expects to receive the first check in the first quarter of 2006. This company has already secured the necessary documents, licenses and permits from appropriate government agencies and is ready to commence operations when notified. Loans from affiliated company will be repaid when the power plant begins operating and supplying electric power to prospective buyers. Loans amount to a 10 percent holding in the project, to a value of Baht 700 million, and affiliated company has already prepared cash for this amount ready to commence payments. The project schedule requires the completion of the power plants in Ratchaburi Province in the First Phase of power generation to commence operations on 1 March 2008, while the Second Phase will commence in June of the same year. Total generating capacity will be 1,400 magawatts. Saha Union Pcl. is certain of the fruitful operation of this project and shareholders should see a good return from their investment.

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 Factors Concerning Interest Rates

Loans secured by the company for investments abroad are long-term loans in foreign currencies. Interest payments are according to SIBOR rates and current trends indicate rising interest rates, therefore, there is a risk that higher interest rates may increase the financial burden on the company. However, management has introduced measures to reduce this risk by keeping an appropriate ratio between loans and investment funds to ensure the return on investment is higher than the financing costs.

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 Factors from Business activities

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 Factors in Return on Investment

Domestic and foreign investment is a major operation of the company, which presents a risk in gaining a return from an investment, which if less than expected, may have a bearing on profitability later. Various elements, beyond the direct control of the company and its affiliates, can considerably affect operations. For example, during the past year, many of the company's power plants in China faced rising coal prices (main fuel for electricity generation), and the Chinese government withheld permission for operators to adjust their power supply prices. The losses incurred have since been absorbed and the situation is now stabilized. In 2005, operations showed profits, as the Chinese government agreed to power and steam supply price adjustments related to generating fuel prices.

Domestic investments, such as footwear and textiles, have not resulted in a good return on investment, due to the continuous rise in the cost of materials, while stiff competition restricts adjustments in the prices of finished products commensurate with production costs. Production costs also increased due to a shortage of skilled labor, resulting in a down period, before personnel acquire the necessary skills. Productions falling behind schedule necessitated the use of airfreight shipments, cutting into operational profit margins.

Risk management has noted and taken these events into account and introduced appropriate corrective measures. For example, in footwear production, production procedures have been improved and the workforce stimulated through an improved working environment and incentives. Next year's performance is therefore expected to be much better than that of 2005, and management considers the return from the long-term operation to be acceptable. In the case of an operation facing untenable elements, or a situation whereby even the long-term expectation is very low, the company will not hesitate to act to reduce losses, which may involve reducing funding, or selling off the investment. For example, Danhuang-Union Cogeneration Co., Ltd., failed to become a profitable operation, so management decided to cease all operations and sell off all assets to pay off the debts, as the best course of action. The decision saved the company from a long-term risk and there are now funds in reserve for the devaluation of some assets for the year 2004. This information was previously revealed in earlier reports.

Risk management involves solutions to problems, preventive measures and objective analyses to reach a prepared state of the organization, ready for any situational changes, or fluidity, and ready for any competition that may come its way.

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 2005, 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 2005, the Audit Committee comprised three independent directors; Mr. Sompop Amatayakul, Chairman, Audit Committee; Mrs. Araya Arunanondchai and Miss Pakinee Prertitamrong, 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 2004, and quarterly financial reports for 2005. It agreed that preparation of financial reports, company-to- affiliates and subsidiaries 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 working plan was working reasonably efficiently. It made suggestions in order to improve the performance of the Internal Auditing Department.

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 to ensure they complied with the charter approved by the Board of Directors, which indicated no major inadequacy and complied with standard principles, rules and regulations of the SET.

6. The Committee participated in 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.	10 Major Related Shareholders	1. Loan 2. A Balance of Interest 3. Dividends 4. Creditor-Debitor	3.30 0.01 7.76 0.12	<ul style="list-style-type: none"> Balance of payment as of the end of 2005 Shareholders' meeting vote Referred to types and rates of a major commercial bank
2. Union Thread Industries Co., Ltd.	10 Major Related Shareholders	1. Trading 2. Dividends 3. Creditor-Debitor	1,408.17 45.19 275.35	<ul style="list-style-type: none"> Market prices Shareholders' meeting vote Balance of payment as of the end of 2005
3. Venus Thread Co., Ltd.	Related Persons, with holding more than 10%	1. Trading 2. Creditor-Debitor	107.92 18.02	<ul style="list-style-type: none"> Market prices Balance of payment as of the end of 2005
4. Union Spinning Mills Co., Ltd.	Related Persons, with holding more than 10%	1. Trading 2. Creditor-Debitor	748.75 185.60	<ul style="list-style-type: none"> Market prices Balance of payment as of the end of 2005
5. Saha-Union International (USA) Inc.	Related Persons, with holding more than 10%	1. Trading	1.93	<ul style="list-style-type: none"> Market prices
6. Union Capital Co., Ltd.	10 Major Related Shareholders	1. Loan 2. Dividends 3. Total Interest	14.00 23.44 0.17	<ul style="list-style-type: none"> Shareholders' meeting vote Referred to types and rates of a major commercial bank
7. Union Business Management Co., Ltd.	10 Major Related Shareholders	1. Dividends	23.31	<ul style="list-style-type: none"> Shareholders' meeting vote
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	2,645.98 1.25 376.00 23.48 3.65 619.83	<ul style="list-style-type: none"> Market prices Shareholders' meeting vote Referred to types and rates of a major commercial bank Balance of payment as of the end of 2005 Balance of payment as of the end of 2005
9. Venus Corp., Ltd.	Related Persons, with holding more than 10%	1. Loan 2. Total Interest	0.01 0.01	<ul style="list-style-type: none"> Referred to types and rates of a major commercial bank
10. Union Industries Corp.	10 Major Related Shareholders	1. Trading 2. Dividends 3. Creditor-Debitor 4. Loan	250.82 29.10 5.00 97.92	<ul style="list-style-type: none"> Market prices Shareholders' meeting vote Balance of payment as of the end of 2005

Company	Types of Relationship	Information		
		Type of Business	Amount (Million Baht)	Conditions of Costs
11. Venus Button Co., Ltd.	Related Persons, with holding more than 10%	1. Dividends	1.29	● Shareholders' meeting vote
12. Venus Product Co., Ltd.	Related Persons, with holding more than 10%	-	-	-
13. Union Distributor Co., Ltd.	Related Persons, with holding more than 10%	-	-	-
14. Union Zip Co., Ltd.	Related Persons, with holding more than 10%	-	-	-
15. Union Limousine Co., Ltd.	Related Persons, with holding more than 10%	-	-	-
16. Union Knitting Yarn Co., Ltd.	Related Persons, with holding more than 10%	-	-	-
17. Uni-Fibre Co., Ltd.	10 Major Related Shareholders	1. Loan 2. A Balance of Interest 3. Dividends 4. Total Interest	12.80 0.03 10.62 0.13	● Balance of payment as of the end of 2005 ● 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	28.50 0.11 0.22	● Balance of payment as of the end of 2005 ● Referred to types and rates of a major commercial bank
19. Union Multi-Capital Co., Ltd.	10 Major Related Shareholders	1. Lone	8.00	-
20. Thai Rubber Enterprise Co., Ltd.	Related Persons, with holding more than 10%	-	-	-
21. Union Pioneer Pcl.	Directors and Related Persons, with holding more than 10%	1. Trading 2. Dividends 3. Creditor-Debitor	1,066.90 9.18 136.33	● Market prices ● Shareholders' meeting vote ● Balance of payment as of the end of 2005
22. Union Button. Corp.	Directors and Related Persons, with holding more than 10%	1. Trading 2. Dividends 3. Creditor-Debitor	170.01 1.34 35.04	● Market prices ● Shareholders' meeting vote ● Balance of payment as of the end of 2005

Report and Financial Statement

31 December 2005 and 2004

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 2005 and 2004, 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 2005 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 2005 of Baht 6,503 million, total revenues and net losses for the year then ended of Baht 2,184 million and Baht 248 million, respectively (2004 : total assets of Baht 6,586 million, total revenues of Baht 1,862 million and net losses of Baht 507 million). Since I did not audit the financial statements of those subsidiaries, my opinion on the consolidated financial statements for 2005 and 2004, 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 2005 and 2004, the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.



Narong Puntawong

Certified Public Accountant (Thailand) No. 3315

Ernst & Young Office Limited

Bangkok : 21 February 2006

Balance Sheets

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		1,862,376,086	2,024,029,913	327,006,777	274,163,936
Trade accounts and notes receivable	4				
Related parties	5	202,180,412	289,885,926	933,298,296	955,362,381
Unrelated parties		2,415,499,245	2,357,623,141	1,628,397,508	1,640,132,733
Less : Allowance for doubtful accounts		(40,127,592)	(36,795,941)	(12,715,009)	(15,198,226)
Trade accounts and notes receivable - net		2,577,552,065	2,610,713,126	2,548,980,795	2,580,296,888
Short-term loans to related parties	5	302,536,333	203,266,545	3,229,070,072	3,629,145,250
Inventories - net	6	2,280,449,949	2,287,707,859	284,127,055	286,266,643
Other current assets					
Accrued income		126,891,105	94,350,825	72,024,434	51,669,960
Advance		32,050,331	75,738,708	1,013,201	693,437
Refundable input tax		81,048,349	81,184,725	78,965,590	77,726,019
Prepaid expenses		68,763,659	74,147,493	4,298,518	2,969,826
Refundable import duty		28,807,057	19,311,162	-	-
Others		261,918,842	237,984,569	6,323,602	8,257,249
TOTAL CURRENT ASSETS		7,622,393,776	7,708,434,925	6,551,810,044	6,911,189,208
NON-CURRENT ASSETS					
Investments accounted for under equity method					
Investments in subsidiaries	7	-	-	7,669,832,485	6,670,469,712
Investments in associated companies	8	7,469,793,587	6,763,061,511	3,695,131,458	2,997,935,996
Negative goodwill	7	(23,371,433)	(30,751,885)	-	-
		7,446,422,154	6,732,309,626	11,364,963,943	9,668,405,708
Other long-term investments					
Investments in other companies - net	9	621,563,764	630,400,655	44,620,138	425,928,955
Investment pending sale	10	-	470,250,000	-	-
		621,563,764	1,100,650,655	44,620,138	425,928,955
Property, plant and equipment - net	11	4,089,991,764	4,414,131,882	694,204,348	782,117,767
Other non-current assets					
Land awaiting development		404,407,438	404,407,438	275,812,438	275,812,438
Leasehold rights		209,171,585	220,495,544	-	-
Withholding tax deducted at source		58,233,980	43,519,836	-	-
Others		69,114,733	106,404,960	10,628,357	6,299,000
TOTAL NON-CURRENT ASSETS		12,898,905,418	13,021,919,941	12,790,229,224	11,158,563,868
TOTAL ASSETS		20,521,299,194	20,730,354,866	19,342,039,268	18,069,753,076

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

Balance Sheets (Continued)

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
from financial institutions		704,056,747	1,220,318,703	5,406,699	284,885,784
Trust receipts		303,027,003	359,380,288	216,243,040	225,441,460
Trade accounts and notes payable					
Related parties	5	737,644,163	794,211,270	1,727,661,895	1,818,551,293
Unrelated parties		852,701,936	1,112,364,195	41,065,256	72,170,897
Current portion of long-term loans	12	275,169,852	263,356,818	275,169,852	163,356,818
Current portion of liabilities under financial lease agreements	13	57,309,658	67,022,149	-	-
Other accounts payable - related parties	5	-	-	389,171,201	369,427,453
Deposits from related parties	5	59,842,374	74,380,679	1,395,986,124	682,298,273
Other current liabilities					
Accrued expenses		577,224,194	573,138,610	117,802,312	33,160,336
Corporate income tax payable		86,217,920	92,314,233	23,524,449	69,188,129
Cash received in advance for sale of investment	10	-	99,900,000	-	-
Others		169,258,966	217,860,312	36,482,724	25,314,513
TOTAL CURRENT LIABILITIES		3,822,452,813	4,874,247,257	4,228,513,552	3,843,794,956
NON-CURRENT LIABILITIES					
Long-term loans - net of current portion	12	1,228,826,890	1,424,344,433	1,220,826,890	1,424,344,433
Liabilities under financial lease agreements - net of current portion	13	48,895,229	46,207,733	-	-
Provision for employee compensation and pension expenses		460,184,868	430,049,056	45,503,467	49,419,790
Provision for losses of subsidiaries	7	-	-	259,164,545	231,286,626
Provision for losses of associated companies	8	14,857,856	4,069,555	22,841,269	21,589,580
Other non-current liabilities		61,940	9,767,819	-	-
TOTAL NON-CURRENT LIABILITIES		1,752,826,783	1,914,438,596	1,548,336,171	1,726,640,429
TOTAL LIABILITIES		5,575,279,596	6,788,685,853	5,776,849,723	5,570,435,385

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

Balance Sheets (Continued)

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(Unit : Baht)

	Consolidated		The Company Only	
	Note	2005	2004	2005
SHAREHOLDERS' EQUITY				
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
Share premium		2,599,000,000	2,599,000,000	2,599,000,000
Company's shares held by the subsidiaries	14	(233,763,910)	(233,763,910)	(233,763,910)
Retained earnings				
Appropriated				
Statutory reserve	15	828,672,509	823,461,888	828,672,509
Other reserve		135,773,622	122,542,620	135,773,622
Unappropriated		5,489,113,642	5,013,448,139	5,489,113,642
Translation adjustments		1,555,405,110	1,005,075,114	1,555,405,110
Unrealised gain on the change in value of				
investments in available-for-sale securities	21	190,988,572	169,553,840	190,988,572
Equity attributable to the Company's shareholders		13,565,189,545	12,499,317,691	13,565,189,545
Minority interest (equity attributable to minority				
shareholders of subsidiaries)		1,380,830,053	1,442,351,322	-
TOTAL SHAREHOLDERS' EQUITY		14,946,019,598	13,941,669,013	13,565,189,545
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		20,521,299,194	20,730,354,866	19,342,039,268

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

Statement of Earnings

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
REVENUES					
Sales		17,377,202,456	16,791,802,737	15,539,820,816	15,235,304,941
Other income					
Interest income		43,527,907	38,791,165	233,537,937	222,840,815
Rental income		7,401,480	5,497,314	259,420,348	257,013,821
Dividend income		22,084,784	18,306,513	10,398,359	10,602,792
Gains on exchange	16	-	92,225,700	-	93,749,276
Others		388,011,975	345,914,235	273,333,808	261,523,199
		461,026,146	500,734,927	776,690,452	845,729,903
Share of profits (losses) from investments accounted for under equity method		526,955,201	340,509,470	481,020,700	(119,324,410)
Gains on sales of investments	10	223,773,034	-	-	-
TOTAL REVENUES		18,588,956,837	17,633,047,134	16,797,531,968	15,961,710,434
EXPENSES					
Cost of sales		15,372,603,599	14,989,492,779	14,722,278,930	14,421,913,937
Selling and administrative expenses		1,955,402,066	1,768,149,247	931,890,073	901,547,559
Loss on impairment of assets	7	13,340,000	156,470,990	-	-
Directors' remuneration	17	17,817,000	18,191,000	12,325,000	13,215,000
Losses on exchange	16	71,591,564	-	66,946,725	-
TOTAL EXPENSES		17,430,754,229	16,932,304,016	15,733,440,728	15,336,676,496
EARNINGS BEFORE INTEREST EXPENSES, INCOME TAX AND MINORITY INTEREST		1,158,202,608	700,743,118	1,064,091,240	625,033,938
INTEREST EXPENSES		(109,078,422)	(66,542,153)	(70,224,586)	(27,917,400)
CORPORATE INCOME TAX	19	(256,297,811)	(266,941,449)	(137,244,146)	(172,635,625)
EARNINGS BEFORE MINORITY INTEREST		792,826,375	367,259,516	856,622,508	424,480,913
LOSSES OF SUBSIDIARIES IN RESPECT OF MINORITY INTEREST		63,796,133	57,221,397	-	-
NET EARNINGS FOR THE YEAR		856,622,508	424,480,913	856,622,508	424,480,913
BASIC EARNINGS PER SHARE					
Net earnings		2.95	1.46	2.95	1.46
Weighted average number of shares		290,012,306 shares	90,148,918 shares	290,012,306 shares	290,148,918 shares

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

Statements of Changes in Shareholder's Equity

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(Unit : Baht)

CONSOLIDATED										
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	Minority Interest	Total
20	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	14,288,764,396
	-	-	-	-	-	(51,221,956)	-	-	-	(51,221,956)
21	-	-	-	-	-	-	-	(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)
	-	-	(16,190,500)	-	-	-	(117,127,736)	-	-	(117,127,736)
22	-	-	-	-	-	424,480,913	-	-	-	424,480,913
	-	-	-	-	-	(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
	-	-	-	-	-	-	-	21,434,732	-	21,434,732
	-	-	-	-	-	-	550,329,996	-	-	550,329,996
22	-	-	-	-	-	856,622,508	-	-	-	856,622,508
	-	-	-	-	-	(375,000,000)	-	-	-	(375,000,000)
	-	-	-	-	-	12,484,618	-	-	-	12,484,618
	-	-	-	-	-	(362,515,382)	-	-	-	(362,515,382)
	-	-	-	5,210,621	-	(5,210,621)	-	-	-	-
	-	-	-	-	13,231,002	(13,231,002)	-	-	-	-
	-	-	-	-	-	-	-	-	(61,521,269)	(61,521,269)
	3,000,000,000	2,599,000,000	(233,763,910)	828,672,509	135,773,622	5,489,113,642	1,555,405,110	190,988,572	1,380,830,053	14,946,019,598

Balance as of 31 December 2003 - as previously reported

Less : Prior year's adjustments of overseas associated company
Adjustments to investments in associated companies holding shares in the Company

Balance as of 31 December 2003 - as restated

Decrease in fair value of investments
Decrease in translation adjustments
Increase in Company's shares held by subsidiaries
Net earnings for the year

Dividend paid

Less : Dividend paid in respect of company's shares held by subsidiaries

Dividend paid - net

Transferred to statutory reserve
Transferred to other reserve
Increase in minority interest

Balance as of 31 December 2004

Increase in fair value of investments
Increase in translation adjustments
Net earnings for the year

Dividend paid

Less : Dividend paid in respect of company's shares held by subsidiaries

Dividend paid - net

Transferred to statutory reserve
Transferred to other reserve
Decrease in minority interest

Balance as of 31 December 2005

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

Statements of Changes in Shareholder's Equity (Continued)

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(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
20	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	13,171,038,384
	-	-	-	-	-	(51,221,956)	-	-	(51,221,956)
21	-	-	-	-	-	-	-	(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	12,607,058,440
	-	-	-	-	-	-	-	(36,388,044)	(36,388,044)
	-	-	-	-	-	-	(117,127,736)	-	(117,127,736)
	-	-	(16,190,500)	-	-	-	-	-	(16,190,500)
	-	-	-	-	-	424,480,913	-	-	424,480,913
22	-	-	-	-	-	(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)	-	-	-
	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
	-	-	-	-	-	-	550,329,996	21,434,732	21,434,732
	-	-	-	-	-	-	-	-	550,329,996
	-	-	-	-	-	856,622,508	-	-	856,622,508
22	-	-	-	-	-	(375,000,000)	-	-	(375,000,000)
	-	-	-	-	-	12,484,618	-	-	12,484,618
	-	-	-	-	-	(362,515,382)	-	-	(362,515,382)
	-	-	-	5,210,621	-	(5,210,621)	-	-	-
	-	-	-	-	13,231,002	(13,231,002)	-	-	-
	3,000,000,000	2,599,000,000	(233,763,910)	828,672,509	135,773,622	5,489,113,842	1,555,405,110	190,988,572	13,565,189,545

Balance as of 31 December 2003 - as previously reported

Less : Prior year's adjustments of overseas associated company
Adjustments to investments in associated companies holding shares in the Company

Balance as of 31 December 2003 - as restated

Decrease in fair value of investments
Decrease in translation adjustments
Increase in Company's shares held by subsidiaries
Net earnings for the year

Dividend paid

Less : Dividend paid in respect of company's shares held by subsidiaries

Dividend paid - net

Transferred to statutory reserve
Transferred to other reserve

Balance as of 31 December 2004

Increase in fair value of investments
Increase in translation adjustments
Net earnings for the year

Dividend paid

Less : Dividend paid in respect of company's shares held by subsidiaries

Dividend paid - net

Transferred to statutory reserve
Transferred to other reserve

Balance as of 31 December 2005

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

Statement of Cash Flows

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from (used in) operating activities :				
Net earnings	856,622,508	424,480,913	856,622,508	424,480,913
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	(526,955,201)	(340,509,470)	(481,020,700)	119,324,410
Dividend receipt from investments in other companies	(19,405,359)	(14,833,791)	(10,398,359)	(10,327,791)
Negative goodwill recognition	(7,380,452)	(6,150,377)	-	-
Gain on sales of investment	(223,773,034)	-	-	-
Loss attributed to minority shareholders of subsidiaries	(63,796,133)	(57,221,397)	-	-
Unrealised (gains) losses on exchange	92,268,112	(20,232,579)	94,736,357	(19,979,261)
Gain on exchange from cash received from capital decrease of an overseas subsidiary	-	(61,484,679)	-	(61,484,679)
Gain on sales of fixed assets	(2,192,102)	(3,569,043)	(2,192,102)	(2,404,440)
Loss on impairment of assets	13,340,000	156,470,990	-	-
Allowance for doubtful accounts (reversal)	3,331,651	8,824,388	(2,483,217)	1,600,299
Provision for stock damage/obsolescence	18,985,759	24,038,234	4,955,453	2,745,007
Provision for employee compensation and pension expenses (reversal)	30,135,812	50,919,180	(3,916,323)	2,335,613
Depreciation and amortisation	926,845,425	873,488,734	173,015,518	151,286,938
	1,098,026,986	1,034,221,103	629,319,135	607,577,009
Decrease (increase) in operating assets				
Trade accounts and notes receivable	31,430,952	(60,161,548)	35,408,288	(342,535,213)
Inventories	(11,727,849)	(316,671,286)	(2,815,865)	(26,990,276)
Other current assets	(30,294,192)	(43,910,096)	(19,335,116)	18,579,801
Other non - current assets	(8,941,740)	138,260,650	(4,329,357)	7,324,595
Increase (decrease) in operating liabilities				
Trade accounts and notes payable	(335,776,849)	224,164,883	(141,761,167)	73,298,609
Other current liabilities	(50,656,848)	65,436,872	(30,154,192)	(352,712,636)
Other non - current liabilities	(9,705,879)	(31,983,868)	-	-
Net cash from (used in) operating activities	682,354,581	1,009,356,710	466,331,726	(15,458,111)

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

Statement of Cash Flows (Continued)

AS AT 31 DECEMBER 2005 AND 2004

SAHA-UNION Public Company Limited and Its Subsidiaries

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from (used in) investing activities :				
Decrease (increase) in short-term loans to related parties	(99,269,787)	152,925,727	400,075,178	(1,187,695,000)
Increase in investments	-	(100,975,504)	(799,994,075)	(601,797,935)
Gain on exchange from cash received from capital decrease of an overseas subsidiary	-	61,484,679	-	61,484,679
Net cash paid for acquisition of shares of subsidiary (Note 7)	-	(116,473,708)	-	-
Cash receipt from reduction of capital in subsidiaries	-	-	-	1,602,200,000
Cash received in advance for sale of investment	-	99,900,000	-	-
Cash received from sale of investment	622,042,234	-	-	-
Dividend receipt from investments in other companies	19,405,358	14,833,792	10,398,359	10,327,791
Dividend receipt from investments accounted for under equity method	76,784,942	63,099,947	179,144,310	195,680,866
Cash receipt from redemption of unit trusts	-	120,000,000	-	100,000,000
Increase in property, plant and equipment	(413,480,568)	(1,131,127,425)	(82,909,997)	(291,075,120)
Net cash from (used in) investing activities	205,482,179	(836,332,492)	(293,286,225)	110,874,719)
Cash flows from (used in) financing activities :				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(577,260,065)	407,851,394	(295,533,694)	237,321
Increase (decrease) in deposits from related companies	(14,538,306)	(13,187,071)	713,687,851	332,046,856
Cash receipt from long-term loans	8,000,000	620,972,271	-	620,972,271
Repayment of long - term loans	(263,356,817)	(666,218,928)	(163,356,817)	(500,000,000)
Payment of liabilities under financial lease agreements	(70,295,696)	(76,720,468)	-	-
Dividend paid	(395,779,131)	(408,614,277)	(375,000,000)	(375,000,000)
Net cash from (used in) financing activities	(1,313,230,015)	(135,917,079)	(120,202,660)	78,256,448
Translation adjustments	263,739,428	134,405,570	-	-
Net increase (decrease) in cash and cash equivalents	(161,653,827)	171,512,709	52,842,841	(48,076,382)
Cash and cash equivalents at beginning of year	2,024,029,913	1,852,517,204	274,163,936	322,240,318
Cash and cash equivalents at end of year	1,862,376,086	2,024,029,913	327,006,777	274,163,936
	-	-	-	-
Supplemental cash flows information				
Cash paid during the years for :				
Interest expenses	110,670,515	63,450,701	62,340,110	23,622,183
Corporate income tax	262,394,123	47,302,441	182,907,827	105,749,510
Non-cash item :				
Increase in fixed asset from financial lease agreement	63,270,700	47,024,812	-	-

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

Note to Financial Statements

31 December 2005 and 2004

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, Phraknong, Bangkok.

2. Basis of Consolidation

2.1 The consolidated financial statements include the financial statements for the years ended 31 December 2005 and 2004 of the Company and the following subsidiaries :-

Company name	Percentage		Incorporated	Nature of business	Subsidiary’s		Subsidiary’s	
	directly and	indirectly owned			total assets as a	total revenues as a		
	by the Company	by the Company			percentage to the consolidated total	percentage to the consolidated total		
	2005	2004			2005	2004	2005	2004
Saha-Union International Ltd. (Hong Kong)	99.98	99.98	Hong Kong	Importer and distributor	0.69	0.69	0.53	0.63
Saha-Union International (GA) Inc.	100.00	100.00	USA	Importer and distributor	0.72	0.74	0.88	0.69
Saha-Union Investment (China) Co., Ltd.	100.00	100.00	China	Investment holding	6.21	6.15	0.18	0.16
Union Education Index Co., Ltd.	85.00	85.00	Hong Kong	Investment in international school business	0.84	0.67	0.15	0.01
Union Textile Industries Plc.	51.77	51.77	Thailand	Spinning and weaving	7.79	9.09	2.21	2.25
Saha-Union Holding Co., Ltd.	99.67	99.67	Thailand	Investment holding	0.86	0.85	0.06	0.04
Union Garment Co., Ltd.	99.98	99.98	Thailand	Manufacturing of garments	1.00	0.97	0.72	0.68
Fashion Apparel Co., Ltd.	99.97	99.97	Thailand	Manufacturing of garments	0.07	0.08	0.24	0.23
Union Pioneer Plc.	52.67	52.67	Thailand	Manufacturing of rubber thread, elastic braids & webbing	1.81	1.80	0.27	0.28
Union Zojirushi Co., Ltd.	51.00	51.00	Thailand	Manufacturing of vacuum bottles	2.75	3.05	0.13	0.20
Union Stainless Steel Products Co., Ltd.	98.00	98.00	Thailand	Manufacturing of pipes	0.59	0.56	0.23	0.33
Thai Rubber Enterprise Corp. Ltd.	50.69	50.69	Thailand	Rubber estates	0.20	0.18	0.02	0.03
Union Rubber Products Corp. Ltd.	99.99	99.99	Thailand	Manufacturing of rubber product	0.14	0.11	0.18	0.07
Union Footwear Plc.	51.23	51.23	Thailand	Manufacturing of sports shoes	3.57	3.04	0.23	0.19
Union Shoes Co., Ltd.	97.85	97.85	Thailand	Manufacturing of sports shoes	0.77	1.00	0.06	0.07
Venus Shoes Co., Ltd.	96.86	96.86	Thailand	Dormitory rental and service	0.32	0.32	0.08	0.09
Uni-Sole Co., Ltd.	70.69	70.69	Thailand	Machine and warehouse rental	0.18	0.20	-	0.01
Union Printing Co., Ltd.	94.74	94.74	Thailand	Printing services	0.13	0.15	0.12	0.14
Computer Union Co., Ltd.	97.86	96.95	Thailand	Computer dealer	3.44	2.94	9.52	8.36
Union Equity Co., Ltd.	99.43	99.43	Thailand	Investment holding	0.23	0.23	0.02	-
Union Construction Co., Ltd.	98.90	98.90	Thailand	Architectural, construction and interior design	0.67	0.70	-	0.22
Union Technology Co., Ltd.	99.99	99.99	Thailand	Manufacturing of electronic components	0.53	1.30	0.0	0.05
Union Energy Co., Ltd.	99.45	99.45	Thailand	Investment in electric power & energy business	2.11	3.89	1.24	0.08
Union Energy (China) Co., Ltd.	99.99	99.99	Thailand	Investment holding	14.25	14.22	0.48	-
Texport International Corp., Ltd.	85.18	85.18	Thailand	Investment holding	0.02	0.04	0.06	0.01
Union Overseas Holding Co., Ltd.	58.98	58.98	Thailand	Investment holding	-	-	-	-

Company name	Percentage directly and indirectly owned by the Company		Incorporated in	Nature of business	Subsidiary's total assets as a percentage to the consolidated total		Subsidiary's total revenues as a percentage to the consolidated total	
	2005	2004			2005	2004	2005	2004
	Union Human Resource evelopment Co., Ltd.	99.99			99.99	Thailand	Train and develop employees' skill	-
Computer Union System Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	97.86	96.95	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	-	0.02
Burirum Union Shoes Co., Ltd. (99.99 percent owned by Union Shoes Co., Ltd.)	97.85	97.85	Thailand	Manufacturing of shoe upper	0.01	0.02	-	-
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	0.27	0.29	-	-
Union Tex-East Co., Ltd. (51.00 percent owned by Union Garment Co., Ltd.)	50.99	-	Thailand	Manufacturing of garments	0.05	-	-	-
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	67.25	China	Manufacturing of textile products	0.82	1.02	1.23	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)	0.57	0.53	-	-
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	4.24	0.69	0.07	0.02
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	75.96	China	Power generation	2.83	2.38	1.88	1.76
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	3.92	3.60	2.76	2.51
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.)	99.99	99.99	China	Power generation (Dormant)	0.55	0.79	0.13	0.50
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	2.49	2.19	1.72	1.91

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

2.3 The 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 enunciated under the Accounting Profession Act B.E. 2547. Significant accounting policies adopted by the Company and its subsidiaries are summarised below :-

3.1 Income recognition

Sales of goods are recognised when products are delivered and title passes to customers.

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 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. 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.

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. Trade Account and Notes Receivable

As at 31 December 2005 and 2004, 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 2005 amounted to approximately Baht 41.0 million (2004 : Baht 41.6 million) and Baht 21.0 million for the Company only (2004 : Baht 18.8 million). Based on such assessment, an allowance for doubtful accounts of Baht 40.1 million (2004 : Baht 36.8 million) and Baht 12.7 million for the Company only (2004 : Baht 15.2 million) has been made in the accounts. The Company and its subsidiaries believe that the such allowance is adequate under the current circumstance.

5. Related Party Transactions

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

Consolidated

(Unit : Million Baht)

	For the year ended 31 December		Pricing policy
	2005	2004	
Transactions with associated companies			
Sales of merchandise	766	972	Cost plus margin
Lending (weighted average balance outstanding at month end)	40	21	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	2	4	See "lending" above
Purchases of merchandise	3,899	4,145	Resale price reduced by a margin.
Borrowings (weighted average balance outstanding at month end)	37	56	Interest rate with reference to the savings deposit rate of local commercial bank.
Transactions with related companies			
Sales of merchandise	7	14	Cost plus margin
Lending (weighted average balance outstanding at month end)	206	172	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	6	7	See "lending" above
Purchases of merchandise	178	173	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	24	19	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
	2005	2004	
Transactions with subsidiaries			
Sales of merchandise	2,153	1,954	Cost plus margin
Rental income	256	256	Contract price
Service income	203	181	Contract price
Lending (weighted average balance outstanding at month end)	3,708	3,662	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	226	209	See "lending" above
Purchases of merchandise	7,060	6,554	Resale price reduced by a margin

(Unit : Million Baht)

	31 December		Pricing policy
	2005	2004	
Borrowings (weighted average balance outstanding at month end)	694	560	Interest rate with reference to the savings deposit rate of local commercial bank.
Transactions with associated companies			
Sales of merchandise	630	828	Cost plus margin
Lending (weighted average balance outstanding at month end)	-	21	Interest rate with reference to the loan interest rate of local commercial bank.
Interest income	-	4	See "lending" above
Purchases of merchandise	3,790	4,006	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at demonth end)	37	56	Interest rate with reference to the savings posit rate of local commercial bank
Transactions with related companies			
Purchases of merchandise	170	170	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at demonth end)	24	19	Interest rate with reference to the savings posit rate of local commercial bank.

The outstanding balances as at 31 December 2005 and 2004 of the above transactions are shown separately in the balance sheets as follows :-

(Unit : Baht)

	Consolidated		The Company Only	
	2005	25004	2005	2004
Trade accounts and notes receivable - related parties :				
Subsidiaries				
Union Textile Industries Plc.	-	-	327,342,642	366,762,110
Union Footwear Plc.	-	-	270,356,491	133,033,308
Union Shoes Co., Ltd.	-	-	12,216,797	38,369,514
Saha-Union International (GA) Inc.	-	-	41,357,906	44,296,430
Union Pioneer Plc.	-	-	17,144,789	13,478,432
Saha-Union International Ltd. (Hong Kong)	-	-	12,491,809	16,028,791
Union Zojirushi Co., Ltd.	-	-	40,910,067	73,698,164
Union Stainless Steel Products Co., Ltd.	-	-	23,178,655	3,386,875
Union Garment Co., Ltd.	-	-	2,389,591	3,251,934
Others	-	-	171,478	88,821
	-	-	747,560,225	692,394,379
Associated companies				
Union Thread Industries Co., Ltd.	97,421,480	117,261,539	95,952,327	115,300,092
Union Spinning Mills Co., Ltd.	69,791,405	118,137,619	67,551,767	112,101,743
Venus Thread Co., Ltd.	18,276,078	31,899,889	18,024,217	31,783,391
Saha-Union International (USA) Inc.	1,491,758	892,664	1,491,758	892,664
Union Universe Co., Ltd.	6,723,162	6,732,010	-	-
Others	7,598,364	13,908,018	2,664,609	2,773,126
	201,302,247	288,831,739	185,684,678	262,851,016
Related companies				
	878,165	1,054,187	53,393	116,986
Total	202,180,412	289,885,926	933,298,296	955,362,381

(Unit : Baht)

	Consolidated		The Company Only	
	2005	25004	2005	2004
Short-term loans to related companies				
Subsidiaries				
Union Energy (China) Co., Ltd.	-	-	2,660,320,000	3,366,920,000
Union Textile Industries Plc.	-	-	376,000,000	210,000,000
Computer Union Co., Ltd.	-	-	177,750,072	40,000,000
Union Construction Corp., Ltd.	-	-	14,000,000	3,500,000
Union Rubber Products Corp., Ltd.	-	-	1,000,000	1,000,000
Saha-Union Holding Co., Ltd.	-	-	-	7,425,250
Venus Shoes Co., Ltd.	-	-	-	300,000
	-	-	3,229,070,072	3,629,145,250
Associated companies				
Union Education Management Ltd.	41,258,490	39,161,850	-	-
	41,258,490	39,161,850	-	-
Related companies				
Ratchaburi Power Co., Ltd. (related by share holding)	259,822,335	162,723,152	-	-
Others	1,455,508	1,381,543	-	-
	261,277,843	164,104,695	-	-
Total	302,536,333	203,266,545	3,229,070,072	3,629,145,250
Trade accounts and notes payable – related parties :				
Subsidiaries				
Union Textile Industries Plc.	-	-	292,489,791	283,339,995
Union Footwear Plc.	-	-	249,759,883	168,916,735
Union Technology Co., Ltd.	-	-	121,708,232	142,883,292
Union Shoes Co., Ltd.	-	-	26,467,954	129,281,591
Union Pioneer Plc.	-	-	119,189,835	121,349,511
Union Garment Co., Ltd.	-	-	87,449,257	88,710,480
Union Zojirushi Co., Ltd.	-	-	87,727,468	102,639,926
Union Stainless Steel Products Co., Ltd.	-	-	3,459,143	2,974,521
Union Rubber Products Corp. Ltd.	-	-	14,385,000	9,067,500
Others	-	-	-	138,031
	-	-	1,002,636,563	1,049,301,582
Associated companies				
Union Thread Industries Co., Ltd.	179,452,794	175,967,372	179,395,374	175,532,604
Union Industries Corp., Ltd.	97,158,751	107,475,115	97,158,751	107,475,115
Union Spinning Mills Co., Ltd.	118,048,377	129,737,265	118,048,377	129,718,015
Union Plastic Plc.	179,157,803	201,754,084	178,386,108	198,280,806
Union Thai - Nichiban Co., Ltd.	117,675,634	114,896,004	117,021,925	114,793,984
Uni - Fibre Co., Ltd.	3,645,628	6,574,105	-	-
Saha - Union International (Taipei) Ltd.	3,443,040	8,071,364	-	-
Others	4,036,602	8,813,418	-	2,530,953
	702,618,629	753,288,727	690,010,535	728,331,477
Related companies				
Union Button Corporation Co., Ltd. (related by share holding)	35,014,797	38,622,233	35,014,797	38,622,233
Others	10,737	2,300,310	-	2,296,001
	35,025,534	40,922,543	35,014,797	40,918,234
Total	737,644,163	794,211,270	1,727,661,895	1,818,551,293

(Unit : Baht)

Other accounts payable - related parties :**Subsidiaries**

Saha - Union International Ltd. (Hong Kong) - -

Union Energy (Hong Kong) Co., Ltd. - -

Total**Deposits from related parties :****Subsidiaries**

Union Energy Co., Ltd. - -

Union Technology Co., Ltd. - -

Union Equity Co., Ltd. - -

Texport International Co., Ltd. - -

Union Overseas Holding Co., Ltd. - -

Saha-Union Holding Co., Ltd. - -

Associated companies

Uni-Fibre Co., Ltd. 12,795,406 46,634,005

Venus Corp., Ltd. 46,968 2,746,674

Union Capital Co., Ltd. 14,000,000 5,000,000

Union Industries Corp., Ltd. 5,000,000 -

Related companies**Total**

	Consolidated		The Company Only	
	2005	25004	2005	2004
Other accounts payable - related parties :				
Subsidiaries				
Saha - Union International Ltd. (Hong Kong)	-	-	117,532,474	111,569,721
Union Energy (Hong Kong) Co., Ltd.	-	-	271,638,727	257,857,732
Total	-	-	389,171,201	369,427,453
Deposits from related parties :				
Subsidiaries				
Union Energy Co., Ltd.	-	-	969,083,007	465,217,482
Union Technology Co., Ltd.	-	-	200,000,000	-
Union Equity Co., Ltd.	-	-	86,884,866	82,863,562
Texport International Co., Ltd.	-	-	48,400,000	31,450,000
Union Overseas Holding Co., Ltd.	-	-	28,471,659	28,386,550
Saha-Union Holding Co., Ltd.	-	-	3,304,218	-
	-	-	1,336,143,750	607,917,594
Associated companies				
Uni-Fibre Co., Ltd.	12,795,406	46,634,005	12,795,406	46,634,005
Venus Corp., Ltd.	46,968	2,746,674	46,968	2,746,674
Union Capital Co., Ltd.	14,000,000	5,000,000	14,000,000	5,000,000
Union Industries Corp., Ltd.	5,000,000	-	5,000,000	-
	31,842,374	54,380,679	31,842,374	54,380,679
Related companies	28,000,000	20,000,000	28,000,000	20,000,000
Total	59,842,374	74,380,679	1,395,986,124	682,298,273

6. Inventories

Inventories as at 31 December 2005 and 2004 consist of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2005	25004	2005	2004
Raw materials	934,653,811	948,723,104	823,422	553,014
Work in process	363,938,148	391,796,780	-	-
Semi products	17,066,067	13,553,177	-	-
Finished goods	937,850,848	875,854,030	313,627,462	309,488,638
Packing materials	8,553,848	13,733,498	-	-
Spare parts and supplies	128,132,459	126,928,754	36,195	28,379
Goods in transit	19,043,588	26,921,577	4,444,795	6,045,979
Total	2,409,238,769	2,397,510,920	318,931,874	316,116,010
Less : Provision for stock obsolescence	(128,788,820)	(109,803,061)	(34,804,819)	(29,849,367)
Inventories - net	2,280,449,949	2,287,707,859	284,127,055	286,266,643

7. Investment in Subsidiaries/Provision for Losses of Subsidiaries

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		%	%	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	1,273,181	1,263,507	-	-
				(Except for other specified currency)							
				(Million HKD)							
Saha-Union International (GA) Inc.	Import and distribution	100.00	100.00	3	3	76,652	76,652	105,354	107,758	-	-
				(Million USD)							
Saha-Union Investment (China) Co., Ltd.	Investment holding	100.00	100.00	33	33	1,183,719	1,183,719	1,274,730	1,246,681	-	-
				(Million USD)							
Union Education Index Co., Ltd.	Investment in international school business	85.00	85.00	32	32	144,539	144,539	139,398	116,930	-	-
				(Million HKD)							
Union Textile Industries Plc.	Spinning and weaving	51.77	51.77	600	600	319,979	319,979	326,867	387,931	-	-
Saha-Union Holding Co., Ltd.	Investment holding	99.67	99.67	1,000	1,000	995,399	995,399	198,789	198,727	-	-
Union Garment Co., Ltd.	Manufacture of garments	99.98	99.98	50	50	70,336	70,336	100,337	108,932	9,998	9,998
Fashion Apparel Co., Ltd.	Manufacture of garments	99.97	99.97	2.5	2.5	750	750	2,032	3,011	390	750
Union Pioneer Plc.	Manufacture of rubber thread, elastic braids & webbing	52.67	52.67	75	75	53,084	53,084	162,407	159,180	9,180	7,343
Union Zojirushi Co., Ltd.	Manufacture of vacuum bottles	51.00	51.00	140	140	72,057	72,057	244,419	224,566	17,850	17,850
Union Stainless Steel Products Co., Ltd.	Manufacture of pipes	98.00	98.00	40	40	52,411	52,411	66,659	57,666	-	-
Union Rubber Products Corp. Ltd.	Manufacture of rubber product	99.99	99.99	20	20	16,111	16,111	17,419	15,557	-	-
Union Footwear Plc.	Manufacture of sports shoes	51.23	51.23	200	200	131,379	131,379	144,856	168,701	4,538	9,075
Union Shoes Co., Ltd.	Manufacture of sports shoes	97.85	97.85	100	100	68,898	68,898	142,634	146,774	3,085	3,085
Venus Shoes Co., Ltd.	Dormitory rental and services	96.86	96.86	100	100	61,120	61,120	67,007	58,226	-	-
Thai Rubber Enterprise Corp. Ltd.	Rubber estates	50.69	50.69	32	31	17,179	16,873	21,681	19,402	-	-
Uni-Sole Co., Ltd.	Machine and warehouse rental	70.69	70.69	50	50	9,400	9,400	26,798	29,592	2,320	4,480
Union Printing Co., Ltd.	Printing services	94.74	94.74	30	30	29,466	29,466	19,554	22,543	-	-
Computer Union Co., Ltd.	Computer dealer	97.86	96.95	60	60	61,842	61,693	63,708	15,704	-	-
Union Equity Co., Ltd.	Investment holding	99.43	99.43	230	230	228,698	228,698	326,566	327,574	-	-
Union Construction Co., Ltd.	Architectural, construction and interior design services	98.90	98.90	200	200	4,431	4,431	(76,223)	(73,908)	-	-
Union Technology Co., Ltd.	Manufacture of electronic components	99.99	99.99	100	100	100,000	100,000	145,374	179,789	55,000	80,000
Union Energy Co., Ltd.	Investment in electric power & energy business	99.45	99.45	1,350	1,350	1,340,000	1,340,000	1,368,299	1,161,646	-	-
Union Energy (China) Co., Ltd.	Investment holding	99.99	99.99	1,300	500	1,299,999	499,999	1,052,496	385,614	-	-
Texport International Co., Ltd.	Investment holding	85.18	85.18	50	50	44,294	44,294	49,402	39,599	-	-
Union Overseas Holding Co., Ltd.	Investment holding	58.98	58.98	25	25	6,250	6,250	8,335	8,255	-	-
Union Human Resources Development Co., Ltd.	Train and develop employees' skill	99.99	99.99	0.25	0.25	250	250	774	675	-	-
Computer Union System Co., Ltd.	Dormant	97.86	96.95	5.03	5.03	-	-	5,695	5,395	-	-
(99.99 percent owned by ComputerUnion Co., Ltd.)											

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Jakkarat Union Footwear Co., Ltd. (99.99 percent owned by Union Footwear Plc.)	Manufacture of shoe uppers	51.23	51.23	20	20	-	-	4,495	2,171	-	-
Burirum Union Shoes Co., Ltd. (99.99 percent owned by Union Shoes Co., Ltd.)	Manufacture of shoe uppers	97.85	97.85	5	5	-	-	5,722	3,501	-	-
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	-	-	(12,996)	(5,257)	-	-
Union Tex-East Co., Ltd. (51.00 percent owned by Union Garment Co., Ltd.)	Manufacture of garments	50.99	-	5	-	-	-	(143)	-	-	-
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	67.25	23.5	23.5	55,500	55,500	72,472	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	2.8	39,035	39,035	45,784	37,749	-	-
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	-	-	157,039	101,098	-	-
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	75.96	8.3	8.3	-	-	109,303	79,079	-	-
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	-	-	7,524	6,225	-	-
Danhua-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	-	-	(169,802)	(152,121)	-	-
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	-	-	77,519	107,044	-	-
Total						7,727,227	6,926,772	7,575,465	6,620,960	102,361	132,581
Provision for losses of subsidiaries						-	-	259,164	231,286		
						7,727,227	6,926,772	7,834,629	6,852,246		
Less: Fair value of Company's shares held by subsidiaries						-	-	(164,797)	(181,776)		
Investments in subsidiaries						7,727,227	6,926,772	7,669,832	6,670,470		

Due to Danyang-Union Cogeneration Co., Ltd. has sustained persistent operating losses, the Company's management has therefore considered the future returns on assets of that company. For reasons of prudence, the Company has set up an allowance for impairment of assets amounted to approximately Baht 13 million in its accounts and believed that such allowance is adequate under the current circumstance.

Union Energy (China) Co., Ltd. increased its registered capital from Baht 500 million to Baht 3,700 million through the issuance of 32,000,000 ordinary shares at Baht 100 each, in accordance with the resolutions passed by the Extraordinary General Meeting No.2/2548 on 22 August 2005 and No. 3/2548 on 29 September 2005. Union Energy (China) Co., Ltd. registered the capital increase with the Ministry of Commerce on 12 October 2005 and received 25% of the capital increase, Baht 800 million, from its shareholder.

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.

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 2005 of negative goodwill arising from this share purchase is as follows :-

	(Unit : Thousand Baht)
Negative goodwill as at share purchase date	(36,902)
Accumulated recognition of negative goodwill up to 31 December 2004	6,150
Recognition during the year	7,381
Accumulated recognition of negative goodwill up 31 December 2005	13,531
Negative goodwill as at 31 December 2005	<u>(23,371)</u>

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	<u>116,473</u>

8. Investment in Associated Companies/Provision for Losses of Associated Companies Consolidated

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Saha-Union International (UK) Ltd.	Dormant	-	42.60	0.1	0.1	-	461	-	1,298	-	-
				(Except for other specified currency)							
Saha-Union International (Taipei) Ltd.	Supplies raw materials to group companies	42.55	42.51	5	5	386	386	7,021	5,843	-	-
				(Million GBP)							
Saha-Union International (USA) Inc.	Import and distribution	42.64	42.60	0.3	0.3	550	550	2,924	3,018	-	-
				(Million TWD)							
Union Education Management Ltd. and its subsidiaries	Management of international school	49.00	49.00	9	9	177,907	177,907	108,296	110,046	-	-
				(Million USD)							
Union Capital Co., Ltd.	Investment holding	49.09	49.00	250	250	72,500	72,500	92,912	78,679	-	-
Uni-Agro Co., Ltd.	Investment and agriculture	45.02	45.02	65	65	20,465	20,465	12,338	12,295	-	-
Uni-Fibre Co., Ltd.	Distribution of textiles	54.64	54.63	120	120	55,800	55,800	107,253	97,525	-	-
Union Thread Industries Co., Ltd.	Manufacture of thread	36.26	36.23	200	200	52,216	52,216	671,742	658,678	9,024	9,024
Union Industries Corp, Ltd.	Manufacture of zippers	29.60	29.60	150	150	43,502	43,502	275,033	267,013	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	30.00	30.00	40	40	10,000	10,000	13,273	13,142	400	400
Union Business Management Co., Ltd.	Investment holding	57.92	57.90	500	500	241,712	241,712	180,047	164,176	-	-
Union Thai-Nichiban Co., Ltd.	Manufacture of tape	40.27	40.27	15	15	19,266	19,266	164,838	164,682	24,164	24,164
Union Plastic Plc.	Manufacture of plastic products, molds	49.70	49.70	250	250	236,217	236,217	275,634	257,871	12,403	12,403
Union Nifco Co., Ltd.	Manufacture of plastic products	39.90	39.90	40	40	13,552	13,552	140,974	114,551	18,002	6,001
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	49.86	49.86	7.5	7.5	3,748	3,748	58,064	56,173	3,740	2,431
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	50.00	50.00	40	40	22,412	22,412	19,775	21,418	-	-
Union Micronclean Co., Ltd.	Manufacture of clothes for cleaning room	44.43	44.43	5	5	2,550	2,550	17,559	13,716	3,060	2,550
Union Rubber Plus Co., Ltd.	Investment holding	43.00	43.00	30	30	14,700	14,700	19,560	19,582	392	392
Union Spinning Mills Co., Ltd.	Manufacture of thread	52.19	52.16	200	200	46,563	46,563	97,390	90,952	625	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	423	886	-	-
Ban Pai Union Footwear Co., Ltd. (74.99 percent owned by Union Footwear Plc.)	Manufacture of shoe upper	38.42	38.42	10	10	7,500	7,500	94	4,070	-	-
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	829,437	739,462	-	-
				(Million RMB)							

Company name	Type of business	Percentage owned by		Investment							
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
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 (Million USD)	17 (Except for other specified currency)	222,641	222,641	381,974	352,885	1,832	8,502
Yunnan Luliang-Union Cogeneration Co., Ltd. (50.00 percent owned by Union Energy (China) Co., Ltd.)	Power generation	50.00	50.00	24.7 (Million USD)	24.7	453,156	453,156	550,505	498,090	26,415	-
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 (Million USD)	28.1	509,690	509,690	601,118	602,369	30,231	1,523
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 (Million USD)	25.7	632,642	632,642	874,210	757,676	1,801	1,826
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 (Million USD)	60	1,113,296	1,113,296	1,597,674	1,407,419	46,980	117,875
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 (Million USD)	5	52,797	52,797	208,363	116,004	-	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	49.99	49.99	100 (Million RMB)	100	124,883	124,883	139,771	110,907	-	-
Venus Product Co., Ltd. (99.86 percent owned by Union Industries Corp, Ltd.)	Manufacture of venus thread	24.97	24.97	2	2	-	-	(40)	(150)	-	-
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	Dormant	24.83	24.83	1	1	-	-	611	800	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp. Ltd.)	Fuel retailer	24.96	24.96	4	4	-	-	141	117	-	-
Union Zip Co., Ltd. (94.75 percent owned by Union Industries Corp., Ltd.)	Dormant	23.69	23.69	3	3	-	-	99	406	-	-

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Union Knitting Yarn Co., Ltd. (99.96 owned by Union Industries Corp. Ltd.)	Dormant	24.99	24.99	5	5	-	-	636	762	-	-
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	-	-	6,565	6,220	-	-
Venus Corp. Ltd. (99.93 percent owned by Union Business Management Co., Ltd.)	Dormant	29.38	29.38	30	30	-	-	13,539	14,330	-	-
Union Kotec Molds Co., Ltd. (65.00 percent owned by Union Plastic Plc.)	Manufacture of molds	32.30	25.34	15	15	-	-	(14,818)	(3,920)	-	-
Total						4,687,408	4,687,869	7,454,935	6,758,991	185,819	196,699
Provision for losses of associated companies						-	-	14,858	4,070		
Investments in associated companies						4,687,408	4,687,869	7,469,793	6,763,061		

The Company Only

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Saha-Union International (UK) Ltd.	Dormant	-	42.60	0.1	0.1	-	461	-	1,298	-	-
Saha-Union International (Taipei) Ltd.	Supplies raw materials to group companies	42.55	42.51	5	5	386	386	7,021	5,843	-	-
Saha-Union International (USA) Inc.	Import and distribution	42.64	42.60	0.3	0.3	550	550	2,925	3,018	-	-
Union Education Management Ltd. and its subsidiaries	Management of international school	49.00	49.00	9	9	177,907	177,907	108,296	110,046	-	-
Union Capital Co., Ltd.	Investment holding	49.09	49.00	250	250	72,500	72,500	92,912	78,679	-	-
Uni-Agro Co., Ltd.	Investment and agriculture	45.02	45.02	65	65	20,465	20,465	12,338	12,295	-	-
Uni-Fibre Co., Ltd.	Distribution of textiles	54.64	54.63	120	120	30,800	30,800	82,253	72,525	-	-
Union Thread Industries Co., Ltd.	Manufacture of thread	36.26	36.23	200	200	52,216	52,216	671,742	658,678	9,024	9,024
Union Industries Corp., Ltd.	Manufacture of zippers	29.60	29.60	150	150	43,502	43,502	275,033	267,013	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	30.00	30.00	40	40	10,000	10,000	13,273	13,142	400	400
Union Business Management Co., Ltd.	Investment holding	57.92	57.90	500	500	146,712	146,712	85,048	69,176	-	-
Union Thai-Nichiban Co., Ltd.	Manufacture of tape	40.27	40.27	15	15	19,266	19,266	164,838	164,682	24,164	24,164
Union Plastic Plc.	Manufacture of plastic products, molds	49.70	49.70	250	250	235,433	235,433	274,849	257,086	12,380	12,380

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
				(Except for other specified currency)							
Union Nifco Co., Ltd.	Manufacture of plastic products	39.90	39.90	40	40	13,552	13,552	140,974	114,551	18,002	6,001
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	49.86	49.86	7.5	7.5	3,748	3,748	58,064	56,173	3,740	2,431
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	50.00	50.00	40	40	22,412	22,412	19,775	21,418	-	-
Union Micronclean Co., Ltd.	Manufacture of clothes for cleaning room	44.43	44.43	5	5	1,250	1,250	16,259	12,417	1,500	1,250
Union Rubber Plas Co., Ltd.	Investment holding	43.00	43.00	30	30	7,500	7,500	12,360	12,382	200	200
Union Spingning Mills Co., Ltd.	Manufacture of thread	52.19	52.16	200	200	46,563	46,563	97,390	90,952	625	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	-	-	(577)	(114)	-	-
Ban Pai Union Footwear Co., Ltd. (74.99 percent owned by Union Footwear Plc.)	Manufacture of shoe upper	38.42	38.42	10	10	-	-	(7,406)	(3,430)	-	-
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	-	-	293,681	203,705	-	-
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	-	-	159,333	130,244	-	-
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	-	-	97,349	44,934	-	-
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	-	-	91,427	92,678	-	-
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	-	-	241,568	125,034	-	-
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	-	-	484,378	294,124	-	-
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	-	-	155,566	63,207	-	-

Company name	Type of business	Percentage owned by				Investment					
		the Company		Paid-in capital		Cost method		Equity method		Dividend	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		%	%	Million Baht	Million Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
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	49.99	49.99	100	100	-	-	14,888	(13,976)	-	-
				(Except for other specified currency) (Million RMB)							
Venus Product Co., Ltd. (99.86 percent owned by Union Industries Corp., Ltd.)	Manufacture of venus thread	24.97	24.97	2	2	-	-	(40)	(150)	-	-
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	Dormant	24.83	24.83	1	1	-	-	611	801	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	Fuel retailer	24.96	24.96	4	4	-	-	141	117	-	-
Union Zip Co., Ltd. (94.75 percent owned by Union Industries Corp., Ltd.)	Dormant	23.69	23.69	3	3	-	-	99	406	-	-
Union Knitting Yarn Co., Ltd. (99.96 percent owned by Union Industries Corp., Ltd.)	Dormant	24.99	24.99	5	5	-	-	636	762	-	-
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	-	-	6,565	6,220	-	-
Venus Corp., Ltd. (99.93 percent owned by Union Business Management Co., Ltd.)	Dormant	29.38	29.38	30	30	-	-	13,539	14,330	-	-
Union Kotec Molds Co., Ltd. (65.00 percent owned by Union Plastic Plc.)	Manufacture of molds	32.30	25.34	15	15	-	-	(14,818)	(3,920)	-	-
Total						904,762	905,223	3,672,290	2,976,346	76,785	63,100
Provision for losses of associated companies						-	-	22,841	21,590		
Investments in associated companies						904,762	905,223	3,695,131	2,997,936		

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. Saha-Union International (UK) Ltd. has registered its dissolution, and finished the liquidation and returned capital to its shareholders in properties to their holdings in December 2005.

The shares of profits (losses) from investments in associated companies accounted for under the equity method, as included in the earnings statements for the years ended 31 December 2005 and 2004 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.

9. 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 the Company		Cost method	
	2005	2004	2005	2004
	%	%	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	10.00	166,500	166,500
Wuxi Nan Yang Colour Printing & Packing Co., Ltd.	-	11.76q	-	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			7,744	12,706
			195,744	223,708

Investment in available-for-sale securities :

Company name	Cost method		Unrealised gains (losses) on change in value of investment		Fair value	
	2005	2004	2005	2004	2005	2004
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Saha Pathana Inter-Holding Plc.	27,508	27,508	111,851	95,772	139,359	123,280
Bangkok Bank Plc.	204,402	204,402	76,560	73,884	280,962	278,286
New Plus Knitting Plc.	2,010	2,010	(1,905)	(1,841)	105	169
Electricity Generating Plc.	2,324	2,324	3,070	2,634	5,394	4,958
	236,244	236,244	189,576	170,449	425,820	406,693
Total investments in other companies					621,564	630,401

The Company Only

Investments in ordinary shares :

Company name	Percentage owned by the Company		Cost method	
	2005	2004	2005	2004
	%	%	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
			<u>24,194</u>	<u>24,194</u>

Investment in available-for-sale securities :

Company name	Unrealised gains (losses) on					
	Cost method		change in value of investment		Fair value	
	2005	2004	2005	2004	2005	2004
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Saha Pathana Inter-Holding Plc.	27,508	27,508	111,851	95,772	139,359	123,280
Bangkok Bank Plc.	204,402	204,402	76,560	73,884	280,962	278,286
New Plus Knitting Plc.	2,010	2,010	(1,905)	(1,841)	105	169
	<u>233,920</u>	<u>233,920</u>	<u>186,506</u>	<u>167,815</u>	<u>420,426</u>	<u>401,735</u>
Total investments in other companies					<u>444,620</u>	<u>425,929</u>

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.

During the year 2005, Union Energy (China) Co., Ltd. (a subsidiary) sold its investment in Wuxi Nan Yang Colour Printing & Packing Co., Ltd. to an oversea company.

Investment in Ratchaburi Power Co., Ltd.

In 2004, Union Energy Co., Ltd. (a subsidiary) sold its 832,500 ordinary shares of Ratchaburi Power Co., Ltd. (RPC), equal to 5 percent of that company's share capital, at cost to PTT Plc. As a result, the interest of the subsidiary in RPC decreased from 15 percent to 10 percent. RPC is a company engaged in a power-generating project to supply electricity to the Electricity Generating Authority of Thailand (EGAT). The project was delayed for some time due to several factors, but after negotiations among parties in 2003 RPC has now been able to proceed with the project and expects commercial operation to commence in 2008. The subsidiary has not set aside provision for impairment of this investment since, based on financial projections, the management concluded that the present value of future cash flows from the project is higher than the cost of the investment.

10. Investment Pending Sale

The balance as at 31 December 2004 represents an investment in 4,702,500 ordinary shares of Ratchaburi Power Co., Ltd. (as discussed in Note 9 above) which in 1998 Union Energy Co., Ltd. (a subsidiary) agreed to sell under certain conditions to foreign companies. Following the execution of the agreement, the subsidiary no longer had the voting rights in relation to these shares and hence recorded this investment under the caption of "Investment pending sale" in the balance sheet. 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. The transaction was completed in November 2005 when the buyers fully paid the agreed price amounting to Baht 594 million to the subsidiary and the subsidiary delivered the shares to the buyers. The transaction resulted in a gain of Baht 224 million in 2005.

11. Property, Plant and Equipment

(Unit : Thousand Baht)

	Consolidated							
	Land and leasehold		Buildings and facilities		Machinery and equipment	Power plants	Others	Total
	Land	Improvement	facilities	equipment	plants	Others	Total	
Cost								
31 December 2004	178,558	144,575	3,721,333	6,119,110	2,161,097	1,922,563	14,247,236	
Additions	-	3,231	7,262	130,403	153,117	353,829	647,842	
Disposal / written off	-	-	(1,042)	(172,113)	(477,754)	(171,165)	(822,074)	
Transfer in / (out)	-	5,805	84,779	121,105	-	(211,689)	-	
Translation adjustment	-	-	-	-	158,919	26,534	185,453	
31 December 2005	178,558	153,611	3,812,332	6,198,505	1,995,379	1,920,072	14,258,457	
Accumulated depreciation								
31 December 2004	-	114,177	2,720,152	4,739,382	934,739	1,162,087	9,670,537	
Depreciation for the year	-	9,693	194,767	381,337	116,116	197,601	899,514	
Disposal / written off	-	-	(1,028)	(168,838)	(203,022)	(128,850)	(501,738)	
Translation adjustment	-	-	-	-	72,391	3,603	75,994	
31 December 2005	-	123,870	2,913,891	4,951,881	920,224	1,234,441	10,144,307	
Allowance for impairment loss								
31 December 2004	-	-	-	10,819	151,748	-	162,567	
Loss on impairment for the year	-	-	-	-	13,339	-	13,339	
Disposal / written off	-	-	-	-	(151,748)	-	(151,748)	
31 December 2005	-	-	-	10,819	13,339	-	24,158	
Net book value								
31 December 2004	178,558	30,398	1,001,181	1,368,909	1,074,610	760,476	4,414,132	
31 December 2005	178,558	29,741	898,441	1,235,805	1,061,816	685,631	4,089,992	
Depreciation charges (included in earnings statements)								
2004							848,651	
2005							899,514	

(Unit : Thousand Baht)

	The Company Only					
	Land and leasehold		Buildings and facilities		Others	Total
	Land	Improvement	facilities	Others	Total	
Cost						
31 December 2004	58,955	119,434	2,048,848	787,945	3,015,182	
Additions	-	1,666	2,730	84,261	88,657	
Disposal / written off	-	-	-	(16,111)	(16,111)	
Transfer in / (out)	-	5,563	41,162	(46,725)	-	
31 December 2005	58,955	126,663	2,092,740	809,370	3,087,728	
Accumulated depreciation						
31 December 2004	-	98,494	1,461,875	672,695	2,233,064	
Depreciation for the year	-	8,923	114,063	50,029	173,015	
Disposal / written off	-	-	-	(12,556)	(12,556)	
31 December 2005	-	107,417	1,575,938	710,168	2,393,523	

(Unit : Thousand Baht)

Net book value

31 December 2004

31 December 2005

Depreciation charges (included in earnings statements)

2004

2005

The Company Only				
Land	Land and leasehold improvement	Buildings and facilities	Others	Total
58,955	20,940	586,973	115,250	782,118
58,955	19,246	516,802	99,202	694,205
				151,287
				173,015

As at 31 December 2005, certain fixed assets of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 4,476 million (2004 : Baht 4,341 million) and Baht 1,610 million for the Company only (2004 : Baht 1,553 million).

12. Long - Term Loans

The outstanding balances as of 31 December 2005 and 2004 consisted of :-

(Unit : Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
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 totalling amounts USD 15.5 million).	638,206,300	607,638,751	638,206,300	607,638,751
b) Loan from local bank carrying interest at rates based on the SIBOR, and repayable during 2005 to 2010 (The principal amounts to USD 25 million)	857,790,442	980,062,500	857,790,442	980,062,500
c) Loan from local bank carrying interest at rates based on MLR, and repayable during 2007 to 2010	8,000,000	-	-	-
d) Loan from local bank carrying interest at rates based on MLR, and repayable in 2005	-	100,000,000	-	-
Total	1,503,996,742	1,687,701,251	1,495,996,742	1,587,701,251
Less : current portion of long - term loans	(275,169,852)	(263,356,818)	(275,169,852)	(163,356,818)
Long - term loans - net of current portion	1,228,826,890	1,424,344,433	1,220,826,890	1,424,344,433

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.

13. 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 2005 carried a net book value of Baht 101 million (2004 : Baht 101 million).

14. 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").

15. 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.

16. Gains (Losses) on Exchange

(Unit : Million Baht)

	For the years ended 31 December	
	2005	2004
Consolidated		
Realised gains on exchange	28	72
Unrealised gains (losses) on exchange	(99)	20
Total gains (losses) on exchange	(71)	92
The Company Only		
Realised gains on exchange	28	74
Unrealised gains (losses) on exchange	(95)	20
Total gains (losses) on exchange	(67)	94

17. Director's 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.

18. Number of Employer and Related Costs

	Consolidated		The Company Only	
	2005	2004	2005	2004
Number of employees at year end (Persons)	18,715	20,339	561	596
Cost of employees for the year (Thousand Baht)	2,554,596	2,540,132	154,194	163,148

19. 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.

20. 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.

21. 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.

22. Dividend

At the Annual General Meeting of the shareholders held on 26 April 2005 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 2004 earnings (2004 : Baht 1.25 per share, totalling Baht 375 million).

23. 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 2006
Burirum 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

Company	Privileges	Expiry Date
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	5 years from the date of first import
	- Exemption from corporate income tax on profits totalling not exceeds 100% of investment excluding land and working capital	8 years from the date revenue was first earned
Jakkarat Union Footwear Co., Ltd.	- Exemption from corporate income tax on profits	8 years from the date revenue was first earned
	- 50% reduction of corporate income tax on profits	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

	2005			2004		
	Promoted	Non-promoted	Total	Promoted	Non-promoted	Total
Revenues						
Sales - Local	-	9,615,124	9,615,124	-	9,501,809	9,501,809
- Export	-	15,138,506	15,138,506	-	13,917,394	13,917,394
Services income	161,638	4,106,255	4,267,893	136,809	3,984,068	4,120,877
Total	161,638	28,859,885	29,021,523	136,809	27,403,271	27,540,080
Interest income	12	276,463	276,475	12	251,922	251,934
Gains on exchange	-	-	-	20	97,931	97,951
Other income	728	1,751,674	1,752,402	1,260	932,262	933,522
TOTAL REVENUES	162,378	30,888,022	31,050,400	138,101	28,685,386	28,823,487
Less : Eliminated transactions			(12,461,443)			(11,190,440)
			18,588,957			17,633,047
The Company Only						
Revenues						
Sales - Local	-	5,723,030	5,723,030	-	6,054,734	6,054,734
- Export	-	7,678,721	7,678,721	-	7,190,570	7,190,570
Services income	-	2,138,070	2,138,070	-	1,990,001	1,990,001
Total	-	15,539,821	15,539,821	-	15,235,305	15,235,305
Interest income	-	233,538	233,538	-	222,841	222,841
Gains (losses) on exchange	-	(66,947)	(66,947)	-	93,749	93,749
Other income	-	1,091,120	1,091,120	-	409,815	409,815
TOTAL REVENUES	-	16,797,532	16,797,532	-	15,961,710	15,961,710

24. 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 2005 and 2004 of the Company and its subsidiaries.

(Unit : Million Baht)

For the year ended 31 December 2005 and 2004												
	Textile, footwear, computer and electronics components		Plastic, rubber and Metal		Power and others		Investment generation		(Less) Eliminated transactions		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Sale revenue												
Local sales	10,906	10,919	2,919	2,569	-	-	58	134	(5,735)	(5,489)	8,148	8,133
Export sales	9,816	8,836	4,100	3,825	1,126	1,145	96	112	(5,909)	(5,259)	9,229	8,659
Total	20,722	19,755	7,019	6,394	1,126	1,145	154	246	(11,644)	(10,748)	17,377	16,792
Operating profit	363	411	281	225	(78)	(333)	834	585	(242)	(188)	1,158	700
Interest expenses											(109)	(66)
Corporate income tax											(256)	(267)
Losses of subsidiaries in respect of minority interest											64	57
Net earnings for the year											857	424
Property, plant and equipment - net	1,896	2,218	703	720	1,075	1,074	429	402	(13)	-	4,090	4,414

25. 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.

26. Commitments

As at 31 December 2005, the Company and its subsidiaries had commitments as follows :-

26.1 Commitments in respect of lease of several plots of land, buildings and equipments (the lease agreements are for the period of 1 - 30 years) and are payable as follows :-

Payable	(Unit : Million Baht)	
	Consolidated	The Company Only
Within one year	43.0	14.4
Between 2 and 5 years	90.9	57.6
6 years and above	65.7	40.8
	<u>199.6</u>	<u>112.8</u>

26.2 Outstanding bank guarantees of Baht 365 million issued by the banks on behalf of the Company and its subsidiaries (the Company only : Baht 122 million) in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

27. Related Party Guarantees

27.1 The Company has provided guarantees to financial institutions against certain obligations of its subsidiary, charging such companies 1% of the guarantee amount as a fee. The outstanding guarantees as at 31 December 2005 are Baht 173.5 million (2004 : Baht 123.5 million).

27.2 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.

27.3 The Company has issued a letter of a guarantee to PTT Plc. of the compliance of share purchase agreement between PTT Plc. and Union Energy Co., Ltd. The amount of the guarantee facility is as stipulated in the agreement.

27.4 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.

28. Financial Instrument

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 12).

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 2005 are as follows :-

	Amount
Forward sale contracts	
USD : THB	USD 54 million
JPY : THB	JPY 242 million
Forward purchase contracts	
THB : USD	USD 5 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 2005, the Company has outstanding balances of other accounts payable-related parties of HKD 73.1 million and long-term loan principal of USD 36.3 million which are currently not hedged by derivative financial instruments.

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.

29. Subsequent Event

A meeting of the Board of Directors of the Company held on 24 January 2006 resolved to approve the proposal of a dividend payment of Baht 1.25 per share, totalling Baht 375 million, to the shareholders in respect of the 2005 earnings. The Company will propose this resolution for adoption by the Annual General Meeting of the shareholders.

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.

31. Approval of Financial Statements

These financial statements have been authorised by the Company's authorised directors on 21 February 2006.

Remuneration to Auditor

1. Audit Fees

The auditor of the company is Mr. Narong Pantawongs of Ernst & Young Company Limited. For the calendar year 2005, Saha Union and its subsidiaries paid audit fees direct to the Ernst & Young Auditing Office, amounting to Baht 4,410,000. Neither the company, nor its subsidiaries have ever made direct payment of the fees to the auditor, or individuals, or businesses related to the auditor, or the office the auditor works for.

2. Non-Audit Fee

Saha Union and its subsidiaries have made no other payment, or paid any audit fee, outside of above. There is no uncompleted service with any payment due in the year following, to the auditor, or their auditing office.

The Principles of Corporate Governance

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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

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Depository Co., Ltd.
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Rachadapisek Road, Klongtoey, Bangkok 10110
Tel. (66-2) 359-1200-1 Fax. (66-2) 359-1259

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Tel. (038) 538-499, 538-640-3 Fax. (038) 538-639, 538-470

● **Union Shoes Co., Ltd.**

Head Office: 1828 Sukhumvit Road, Bangchak, Phrakonong, 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

● **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, Minburi, 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**

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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.**

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

Computer and Electronics Parts

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

● Union Technology Co., Ltd.

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Energy

● Union Energy Co., Ltd.

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

● Union Energy (China) Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

Trading, Investment and Services

Trading

● Sports Ace Co., Ltd.

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

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

● Uni-Fibre Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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

● 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

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

● Saha-Union Holding Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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

● Union Business Management Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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● Union Oversea Holding Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakonong, Bangkok 10260

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● Union Equity Co., Ltd.

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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

- **Texport International Co., Ltd.**

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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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