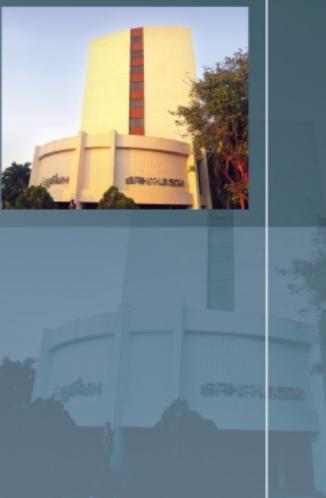




SAHA-UMI





"Integrity Quality Service"

The motto of business operation that we have determinedly adhered to.

The Company has been trusted and accepted by the Thai people nationwide and well recognized internationally for its superior quality.

Today, we remain fully committed to dynamic development and creation of all the best things for the Thai society





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MAJOR FINANCIAL RATIO

AND INFORMATION

Unit : Million Baht

2006	2005	2004
18,881.5	18,589.0	17,633.1
17,403.6	17,377.2	16,791.8
2,201.1	2,004.6	1,802.3
1,201.0	856.6	424.5
19,975.0	20,521.3	20,730.4
5,167.9	5,575.3	6,788.7
14,807.1	14,946.0	13,941.7
6.36%	4.61%	2.41%
4.14	2.95	1.46
46.64	46.78	43.10
46.64	46.78	43.10
5.93%	4.15%	2.12%
8.87%	6.57%	3.38%
0.38	0.41	0.54
	18,881.5 17,403.6 2,201.1 1,201.0 19,975.0 5,167.9 14,807.1 6.36% 4.14 46.64 46.64 5.93% 8.87%	18,881.5 18,589.0 17,403.6 17,377.2 2,201.1 2,004.6 1,201.0 856.6 19,975.0 20,521.3 5,167.9 5,575.3 14,807.1 14,946.0 6.36% 4.61% 4.14 2.95 46.64 46.78 46.64 46.78 5.93% 4.15% 8.87% 6.57%

na - Union Public Company Limited	2006	2005	2004
al Revenues	17,138.5	16,797.5	15,961.7
Total Sales	15,360.4	15,539.8	15,235.3
Export	7,581.2	7,678.7	7,190.6
Domestic	7,779.2	7,861.1	8,044.7
oss Profit	761.8	817.5	813.4
Profit	1,201.0	856.6	424.5
ning per Share (Baht)	4.14	2.95	1.46
idend per Share (Baht)	1.25	1.25	1.25
ok Value (Baht)	46.64	46.78	43.10
ok value (balit)	40.04	40.78	

BOARD OF DIRECTORS' REPORT

In 2006, the overall Thai economy grew at the rate of 5%, which was slightly higher than 4.7% in 2005 due to strong and continuous expansion of the Thai export at the rate of 17.4% resulting from continuous growth of the world economy; meanwhile, the Thai import slowed down and the balance of trade was over - balanced once again after the deficit in 2005.

Main factors affecting the domestic Thai economy include an increase of oil prices and interest rates, political chaos, massive flooding in several provinces, and deflation of Thai currency, which had influences to the decision making on investment. In the first half of 2006, the average value of Thai currency was 38.73 Baht/US dollars, risen by 6% when compared to the second half of 2005 (41.19 Baht/US dollars) due to an influx of foreign currency for acquisition of a large company; moreover, massive deficit of the current account in USA has caused a severe devaluation of US dollars; US capitals flowed out to new Asian markets, and short - term speculation capitals flowed into Thailand throughout last year, particularly in November and the first half of December 2006; as a result, in mid December 2006, the value of Thai currency has risen beyond the foundation of the Thai economy and has broken the 9 - year deflation record at 35.23 Baht/US dollars, or risen by 17% when compared to US dollars; during the same period of time, the value of other Asian currencies has also risen by approx. 7 - 8%; meanwhile, the value of Chinese currency (Yuan) has risen by approx. 3%; therefore, Bank of Thailand has applied its measure to reserve 30% of foreign currencies, which resulted in a slight devaluation of the Thai currency.

The rapid Thai currency deflation has pressured the Thai economy. According to the data of the export sector, the purchase orders have decreased; meanwhile, other business sectors were under uncertain situations; and the fluctuation of Thai currency has complicated the business plans.

Despite a slight increase of consumption in the private sector, the expansion of investment in the private sector has decreased (expanded at 1.3% when compared to 8.5% in 2005); the labor cost tended to increase as prices of products and services were rapidly adjusted because the inflation rate has increased in the first half of 2006 (increased by 5.9%) and has slowed down in the second half of the year; as a result, the average inflation rate in 2006 has increased by 4.7% (slightly higher than 4.5% in 2005).

At present, Saha - Union Group have 45% domestic investment and 55% overseas investment (particularly in China, the Company has invested in cogeneration plants, textile and chemical industries, and international schools); and its export value in US dollars has still increased by 4%; however, the deflation of Thai currency has affected the operating result of some businesses of the Company such as textile and shoes; meanwhile, many businesses of the Company still have satisfactory operating result in spite of the impact.

In 2006, Saha - Union (Public) Co., Ltd., has generated its gross incomes from sale, totally 15,360 million Baht (nearly equal to those of the previous year); the net profit via the cost method has decreased from 554 million Baht in 2005 to 486 million Baht in 2006; however, the net profit via the equity method has increased from 856 million Baht in 2005 to 1,201 million Baht in 2006 due to increasing investment returns from its projects in China; and efficiency of returns from financial assets of the group company was 11.40% or efficiency of returns from net assets of the group company was 11.66%, which was considerably higher than the returns from the fixed deposit interest given by commercial banks; moreover, the group company's ratio of total debts to equities of shareholders was 3.38: 1, which indicated its reliable financial status and its great potential to use outside financial sources for business expansion and investment because the proportion of its debt burdens was small when compared to the equities of its shareholders.

Tendency of business operation in 2007 - events occurred during the yearend of 2006 have destroyed the investment atmospheres; though violent bombings in the southern provinces have not yet affected the overall economy, it is considered as a risk factor which will slow down the national economic growth.

At present, supporting economic factors include potential decreases of domestic interest rates and the active spending of the state budget; however, the world economic slowdown, deflation of Thai currency, political crisis, and fluctuation of oil prices may cause changes in the economic policy and investments in the public sector; as a result, consumers, investors, and entrepreneurs lost their confidence and delayed their consumption and investment. Exportation under such circumstances is rather challenging and may be slowed down despite the decrease of inflation rates to approx. 2.5 - 3.5%.

Saha - Union Group is prepared for risk factors, changes, and more severe competitions in domestic and overseas markets; and will adjust its management policies and will change the responsible persons and channels of distribution of products of its well - prepared affiliate companies, and will change its business strategy from marketer and distributor of products to manufacturer of multi - products; whereas, the managing director of the manufacturing company will be able to determine its flexible guidelines and strategies whether to manufacture or distribute any products, or to cancel or reduce the production capacity of any items of products in order to maintain long - term competitiveness and survival of each affiliate company.

Impacts from such changes would be beneficial to Saha - Union Group in the long term; if considered from the operating result via the equity method in the total financial statement of Saha - Union Group, there is no significant impact or change, which will be mainly subject to the operating result and the market situation; however, if considered from the financial statement of Saha - Union Group in the first year via the cost method, it is predicted that the incomes from sale would decrease by approx. 8,200 million Baht and the net profits would decrease by approx. 80 million Baht per year, or equal to 50% and 12 - 15% respectively. Despite the initial decrease of its incomes from sale, Saha - Union has expected to get its more returns in terms of dividends receivable from an increase of sales volume of its affiliate companies in the following years.

The Company has launched major changes since the beginning of 2007 and its main incomes will be obtained from the investment returns (in the past, the Company's incomes were partially obtained from investment returns and from its sales and marketing operation.

On this occasion, the Board of Directors would like to thank the management and all employees for their devotions and commitments to the Company's sustainable growth and to appreciate the kind support and trust from shareholders, business partners, and all related parties to our corporate supervision. The Board of Directors has its commitments to develop businesses for sustainable growth of the group company and to produce satisfactory returns to shareholders.







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Mr. Panas Simasathien
Executive Chairman

Mr. Amnuay ViravanChairman

Mr. Damri Darakananda Vice Chairman

BOARD OF DIRECTORS

SAHA - UNION PUBLIC COMPANY LIMITED



Mr. Amnuay Viravan Chairman

Age 74 **Education**

- Ph.D., (Business Administration), University of Michigan, U.S.A.
- Master's Degree, (Economics), University of Michigan, U.S.A.
- Master's Degree, (Business Administration), University of Michigan, U.S.A.
- Bachelor's Degree in Commerce, Chulalongkorn University

Experiences

Aperiences	
• 1962 - 1971	Economic and Financial Advisor to the Prime Minister
• 1963 - 1972	Director of the Technical and Planning Department
• 1967 - 1971	Secretary General, Board of Investment
• 1973 - 1975	Director General, Customs Department
• 1975 - 1977	Permanent Secretary, Ministry of Finance
• 1983 - 1992	Executive Chairman, Bangkok Bank Public Company Limited
• 1989 - 1993	Chairman, National Economics and Social Development
	Board (NESDB)
• 1995 - 1996	Deputy Prime Minister
• May - November 1996	Minister of Foreign Affairs
• 1996 - 1997	Minister of Finance

Current Positions

Saha - Union Group Companies

- * Chairman, Saha Union Public Company Limited
- * Chairman, Union Textile Industries Public Company Limited
- * Chairman, Union Energy Company Limited
- * Chairman, Union Energy (China) Company Limited

Other Companies

- Chairman of the Board, Asia Sermkij Leasing Company Limited
- Member of the Advisory Board, Bangkok Bank Public Company Limited
- Chairman, Asia Cement Public Company Limited
- Chairman, Bangkok Grand Pacific Lease Public Company Limited

Other Positions

- Chairman of the University Council, Siam University
- Chairman, Foundation for Research of Thailand
- Chairman, the Queen's Gallery Foundation

Years of Directorship 10 years

* Chairman of a registered company in Saha - Union Group shall supervise the policy implementation of the said company in conformity with Saha - Union Group's policy.



Mr. Damri Darakananda

Vice Chairman

Age 74

Education

• Complete Middle School

Experiences

1972 - 1990 President, Saha - Union Public Company Limited
 1977 - 1991 President, Union Textile Industries Public Company Limited
 1994 - 1996 Executive Chairman, Saha - Union Public Company Limited

- Member, National Legistlative Assembly
- Arbitrator, the Thai textile Manufacturing Association
- Director, Bangkok Bank Public Company Limited

Current Positions

Saha - Union Group Companies

- Vice Chairman, Saha Union Public Company Limited
- Vice Chairman of the Advisory Board, Saha Union Public Company Limited
- Vice Chairman, Union Textile Industries Public Company Limited
- Vice Chairman, Union Energy Company Limited
- Vice Chairman and Executive Chairman Union Energy (China) Company Limited
- Vice Chairman, Saha Union International Limited
- Vice Chairman, Saha Union Investment (China) Company Limited
- Vice Chairman, Saha Union International (Taipei) Limited
- Vice Chairman, Saha Union International (U.S.A.) Inc.
- Vice Chairman, Saha Union International (GA) Inc.
- Vice Chairman, Union Thread Industries Company Limited
- Vice Chairman, Union Industries Corporation Limited
- Director, Companies in Saha Union Group

Years of Directorship 34 years



Mr. Panas Simasathien

Executive Chairman

Age 74

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

•	1972 - 1978	Director General, Comptroller - General's Department
•	1978 - 1982	Director General, Revenue Department
•	1982 - 1992	Permanent Secretary, Ministry of Finance
•	1982 - 1992	Chairman, Krung Thai Bank Public Company Limited
•	1992	Minister of Finance
•	1993 - 1995	Chairman, the Electricity Generating Authority of Thailand (EGAT)

Current Positions

Saha - Union Group Companies

- Executive Chairman, Saha Union Public Company Limited
- Director, Union Textile Industries Public Company Limited
- Chairman, Computer Union Company Limited
- Chairman, Union Technology Company Limited
- Director, Union Energy Company Limited
- Director, Union Energy (China) Company Limited

Other Companies

- Chairman, Scandinavian Leasing Public Company Limited
- Director, the Siam Cement Public Company Limited
- Vice Chairman and Executive Chairman, Siam Piwat Company Limited

Other Positions

- Chairman, the National Economic and Social Development Board (NESDB)
- Chairman, Board of Law Councillor (Law Committee Number 12), the Council of State

Years of Directorship 13 years



Mr. Amorn Chandara-somboon Advisor

Age 76

Education

- Docteur en Droit, University of Paris, France
- Bachelor's Degree, (Laws), Thammasat University

Experiences

•	1980 - 1990	Secretary General, office of the Juridical Council (Office of the
		Council of State)
•	1980 - 1998	Qualified Member of the Khonkaen University Council
•	1986 - 1988	Qualified Member of the Chulalongkorn University Council
•	1989 - Present	Qualified Member of the Mahidol University Council
	1 P. 101	

Current Positions

Saha - Union Group Companies

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

Other Companies

• Director of the Bangkok Bank Public Company Limited

Other 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

Years of Directorship 10 years



Mrs. Chongraksa Darakananda

Advisor

Age 73

Education

• High School Diploma

Experiences

1959 - 1961 Chief accountant / Director, World Trading Company Limited
 1961 - 1972 Manager, Finance Department, Union Industries Corporation

Limited

• 1972 Advisor, Human Resource Department, Union Industries

Corporation Limited

• 1985 - 1990 Vice President, Saha - Union Company Limited

Current Positions

Saha - Union Group Companies

- Advisor, Saha Union Public Company Limited
- Director, Union Textile Industries Public Company Limited
- Chairman, Union Distributor Company Limited
- Vice Chairman, Union Thread Industries Company Limited
- Vice Chairman, Union Industries Corporation Limited
- Vice Chairman, Union Spinning Mills Company Limited
- Vice Chairman, Venus Thread Company Limited
- Director, Union Energy Company Limited
- Director, Union Energy (China) Company Limited
- Director, Companies in Saha Union Group

Years of Directorship 34 years



Mr. Sumeth Darakananda

Advisor

Age 71

Education

• Bachelor's Degree, (Engineering), Nottingham University, UK.

Experiences

1990 - 1994 President, Saha - Union Public Company Limited
 1993 - 1997 Chairman, Union Thai - Nichiban Company Limited
 1993 - 1998 Chairman, Union Plastic Public Company Limited

• 1994 - 1996 Vice Executive Chairman, Saha - Union Public Company Limited

Current Positions

Saha - Union Group Companies

- Advisor, Saha Union Public Company Limited
- Chairman, Union Button Company Limited

Other Companies

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

Years of Directorship 34 years



Mr. Chakchai Panichapat Advisor

Age 68

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

Current Positions

Saha - Union Group Companies

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

Other Companies

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

Years of Directorship 6 years



Mr. Kamol Khoosuwan

Advisor

Age 67

Education

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

Experiences

• 1971 - 1973	Training Manager, Shell (Manila) Company Limited
• 1973 - 1980	Personnel Manager, Thai Oil Company Limited
• 1981 - 1985	Training Manager, Charoen Pokphand Company Limited
• 1997 - 1998	President, Saha - Union Public Company Limited
• 1997 - 1998	President, Union Energy Company Limited

Current Positions

Saha - Union Group Companies

- Advisor, Saha Union Public Company Limited
- Director, Union Energy Company Limited
- Director, Union Energy (China) Company Limited
- Director, Saha Union Holding Company Limited
- Director, Uni factoring and Leasing Company Limited

Years of Directorship 13 years



Mr. Sompop Amatayakul

Chairman of the Audit Committee and Advisor

Age 66

Education

- Faculty of Commerce and Accountancy, Thammasat University, 3rd Year Student
- Bachelor's Degree, (Business Administration), University of the Thai Chamber of Commerce
- Honorary Doctorate's Degree, (Accounting), Thammasat University
- Honorary Doctorate's Degree, (Business Administration), the National Institute of Development Administration (NIDA)

Experiences

- Deputy Minister, Ministry of Industry
- Chairman, Bangkok Metropolitan Bank Public Company Limited
- Chairman, State Railway of Thailand
- 1994 1996 President, Saha Union Public Company Limited
- General Manager, IBM (Thailand) Company Limited

Current Positions

Saha - Union Group Companies

- Chairman of the Audit Committee, Saha Union Public Company Limited
- Member of the Board of Directors and the Audit Committee Member, Union Textile Industries Public Company Limited
- Member of the Board of Directors and the Audit Committee Member,
 Union Plastic Public Company Limited
- Member of the Board of Directors and the Audit Committee Member, Union Pinoneer Public Company Limited Other Companies

Other Companies

• Executive Chairman, B.B Business Management Company Limited

Years of Directorship

8 years



Mrs. Araya Arunanondchai

Audit Committee Member

Age 63

Education

- Certificate, The Joint State Private Sector Regular Course, National Defence College (Class 1994)
- Bachelor's Degree, (Accounting), Thammasat University

Experiences

• 1968 - 1979 Director, Budget Department, Thai Farmers Bank Public

Company Limited

• 1982 Vice President, Saha - Union Corporation Limited

• Chairman, Union Securities Company Limited

Current Positions

Saha - Union Group Companies

- Audit Committee Member, Saha Union Public Company Limited
- Independent Director, Union Plastic Public Company Limited
- Independent Director, Union Pioneer Public Company Limited
- Director, Union Energy Company Limited
- Director, Union Energy (China) Company Limited

Other Companies

- Executive Chairman, Rajburi Sugar Company Limited
- Executive Chairman, Tipamas Company Limited
- Executive Chairman, Rajburi Eganol Company Limited
- Director, Chiengmai Night Bazaar Company Limited

Years of Directorship 13 years



Miss Sriwarin Jirapakkana Executive Director and President

Age 59

Education

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

Experiences

Secretary of Executive Committee and Consolidated Financial
Statements of Saha - Union Group, Saha - Union Company Limited
Vice President, (Finance Department), Saha - Union Public
Company Limited
President, Union Plastic Public Company Limited
President, Union Pioneer Public Company Limited

Current Positions

Saha - Union Group Companies

- President, Saha Union Public Company Limited
- President, Union Textile Industries Public Company Limited
- Chairman, Union Plastic Public Company Limited
- Director, Union Pioneer Public Company Limited
- Director, Union Footwear Public Company Limited
- President, Union Nifco 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

Years of Directorship 13 years



Mrs. Sirinun Sansanakom

Vice President

Age 58

Education

- Bachelor's Degree of National Defence college
- Master's Degree, (Laws), Thammasat University
- Bachelor's Degree, (Laws), (2nd Honor), Thammasat University

Experiences

•	1991 - 1993	Managing Director, Union Securities Company Limited
•	1999 - Present	Director of Legal Affairs / Director of Taxation, The Federation o
		Thai Industries
•	2001 - Present	Vice President of the Registered Company Association
•	2005 - Present	Executive Director / Director, The Federation of Thai Industries
•	2005 - Present	Geographical Indication Director
•	2005 - Present	Director of Accounting Professions Committee of Accounting
		Taxation of Federation Of Accounting Professions

Current Positions

Saha - Union Group Companies

- Vice President and Executive Director, Saha Union Public Company Limited
- Director and Secretary, Union Footwear Public Company Limited
- Secretary of the Board of Directors, Saha Union Group Companies

Other Companies

- Director and Secretary, Imperial Technology Management Service Public Company Limited
- Director and Secretary, Chiengmai Night Bazaar Company Limited

Credentials Conferred

• Model Woman Professional (Central - Private Sector) 2004, by the Federation of Business Woman Association and Profession of Thailand under the Queen's Patronage

Years of Directorship 2 years



Miss Pakinee Prettitumrong

Audit Committee Member

Age 57

Education

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

Experiences

Manager, Chongsawat Corporation

Current Positions

Saha - Union Group Companies

- Audit Committee Member, Saha Union Public Company Limited
- Audit Committee Member, Union Footwear Public Company Limited
- Director, Union Industries Corporation Limited
- Director, Union Thread Industries Company Limited
- Director, Union Button Company Limited

Years of Directorship

8 years



Mrs. Supung Tangsujaritpunt

Executive Director and Vice President

Age 57

Education

• Certificate of Vocational Education (Accounting)

Experiences

• 1975 - 1985 Manager, Finance and Accounting, Union Thread Industries

Company Limited

• 1984 - 1988 Manager, Finance and Accounting, Saha - Union Public Company

Limited (Ladphrao)

• 1989 - 1999 Managing Director, Union Spinning Mills Company Limited

Current Positions

Saha - Union Group Companies

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

• Director, Union Textile Industries Public Company Limited

• Director, Union Energy Company Limited

• Director, Union Energy (China) Company Limited

• Director, Union Spinning Mills Company Limited

• Director, Venus Thread Company Limited

• Director, Union Thread Industries Company Limited

• Director, Union Industries Corporation Limited

Years of Directorship 13 years



Mr. Noparut Punyapas

Executive Director

Age 57

Education

• Ph.D. in Mechnical Engineering, Georgia Institute of Technology, Atlanta, Georgia, U.S.A.

Experiences

• 1995 - 1996 Managing Director, VR (Thailand) Company Limited

• 1997 - 1999 Vice President, Engineering and Maintenance, Siam Integrated

Cold Rolled Steel Public Company Limited

• 1999 - 2001 Managing Director, Union Nifco Company Limited

Current Positions

Saha - Union Group Companies

- Managing Director, Union Plastic Public Company Limited
- Managing Director, Union Pioneer Public Company Limited
- Managing Director, Union Kotec Mold Company Limited
- Chairman, Union Thai Nichiban Company Limited
- Chairman, Union Stainless Steel Products Company Limited
- Director, Union Zojirushi Company Limited
- Director, Union Nifco Company Limited

Years of Directorship 2 years



Mr. Songsak Thampimukvatana Executive Director and Vice President

Age 56

Education

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

Experiences

1997 - 2006 Chairman, Union Footwear Public Company Limited
 1997 - Present Director, Burirum Union Shoes Company Limited
 1997 - Present Director, Banpai Union Footwear Company Limited
 1999 - Present Director, Jakkarat Union Footwear Company Limited
 2002 - Present Director, Phon Union Footwear Company Limited

Current Positions

Saha - Union Group Companies

- Vice President, Saha Union Public Company Limited
- Chairman, Union Footwear Public Company Limited

Burirum Union Shoes Company Limited Banpai Union Footwear Company Limited Jakkarat Union Footwear Company Limited Phon Union Footwear Company Limited Union Metal Work Company Limited

Uni - Soles Company Limited Union Shoes Company Limited

Union Yei Jer Industires Company Limited

Venus Shoes Company Limited

Years of Directorship 10 years



Mr. Thitivat Suebsaeng

Executive Director

Age 53 **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
- 1993 2001 Managing Director, Union Plastic Public Company Limited
- 1997 2002 Director, Union Zojirushi Company Limited
- 2000 2001 Managing Director, Union Stainless Steel Products
 - Company Limited
- 2000 2002 Director, Union Pinoneer Public Company Limited

Current Positions

Saha - Union Group Companies

- Executive Director, Saha Union Public Company Limited
- Director, Union Plastic Public Company Limited
- Director, Union Energy (China) Company Limited
- Director and General Manager, Saha Union Investment (China) Co., Ltd.

3 years

- Director and General Manager, Zhejiang Saha Union Thread Industry Co., Ltd.
- Director, of 9 Cogeneration Plants in Chaina

Years of Directorship



Miss Dalad Sapthavichaikul

Executive Director and Vice President

Age 50

Education

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

Experiences

- 1985 1990 Manager, Office of the President, Saha Union Public Company
 - Limited
- 1991 1998 Manager, Office of the Executive Chairman, Saha Union Public
 - Company Limited

Current Positions

Saha - Union Group Companies

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

Other Companies

• Executive Director, Processing Center Company Limited

Years of Directorship 7 years



Mr. Chutindhon Darakananda Executive Director and Vice President

Age 47

Education

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

Experiences

• 2002 - Present Chairman, Union Thread Industries Company Limited

Current Positions

Saha - Union Group Companies

- Executive Director and Vice President, Saha Union Public Company Limited
- Director, Union Textile Industries Public Company Limited
- Director, Union Pioneer Public Company Limited
- Vice Chairman, Union Thread Industries Company Limited
- Vice Chairman, Union Industries Corporation Company Limited
- Vice Chairman, Union Spinning Mills Company Limited
- Vice Chairman, Venus Thread Company Limited
- Managing Director, Union Distributor Company Limited
- Director, Union Rubber Products Coporation Limited
- Director, Thai Rubber Enterprise Company Limited
- Director, Companies in Saha Union Group

Years of Directorship 16 years



Mr. Aksornprasit Darakananda

Executive Director and Vice President

Age 45

Education

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

Experiences

• Executive Director and Director, The Federation of Thai Industries

• 1994 - Present Director, Union Energy Company Limited

• 2000 - Present Director and Executive Director, Union Energy (China) Company

• 2001 - Present Director, Chiengmai Night Bazaar Company Limited

Current Positions

Saha - Union Group Companies

- Vice President, Saha Union Public Company Limited
- Director, Union Textile Industries Public Company Limited
- Director, Union Plastic Public Company Limited
- Director, Union Pioneer Public Company Limited
- Director, Union Footwear Public Company Limited
- President, Union Energy Company Limited
- Managing Director, Union Thread Industries Company Limited
- Managing Director, Union Industries Corporation Limited
- Managing Director, Venus Thread Company Limited
- Director, Union Spinning Mills Company Limited
- Director, Union Energy (China) Company Limited
- Director, Union Nifco Company Limited
- Director, Union Thai Nichiban Company Limited
- Director, Union Zojirushi Company Limited
- Director, Union Rubber Products Corporation Limited
- Director, Thai Rubber Enterprise Company Limited
- Director, Union Kotec molds Company Limited
- Director, Companies in Saha Union Group

Years of Directorship 18 years



Mrs. Chantorntree Darakananda

Executive Director

Age 43

Education

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

Experiences

• 1995 - Present Assistant Managing Director, Union Industries Corporation Limited

1997 - Present Director, Union Spinning Mills Company Limited
 2002 - Present Director, Union Capital Company Limited

• 2002 - Present Assistant Managing Director, Union Thread Industries

Company Limited

Current Positions

Saha - Union Group Companies

- Executive Director, Saha Union Public Company Limited
- Director, Union Textile Industries Public Company Limited
- Assistant Managing Director, Union Thread Industries Company Limited
- Assistant Managing Director, Union Industries Corporation Limited

4 years

- Director, Union Spinning Mills Company Limited
- Director, Venus Thread Company Limited
- Director, Companies in Saha Union Group

Other Companies

• Director, Latphrao Hospital Public Company Limited

Years of Directorship



Mr. Bovornrat Darakananda

Executive Director and Vice President

Age 43

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

• 1994 - Present Director and Executive Director, Union Energy Company Limited

• 1996 - Present Director and Manager, Union Energy (China) Company Limited

- Vice President, Saha Union International (Georgia) Inc.
- General Manager, Saha Union Investment (China) Co., Ltd.

Current Positions

Saha - Union Group Companies

- Executive Director and Vice President, Saha Union Public Company Limited
- Director, Union Textile Industries Public Company Limited
- Director, Union Pioneer Public Company Limited
- Director, Union Footwear Public Company Limited
- Managing Director, Union Spinning Mills Company Limited
- Director, Union Thread Industries Company Limited
- Director, Union Industries Corporation Limited
- Director, Venus Thread Company Limited
- Director, Union Energy Company Limited
- Director, Union Energy (China) Company Limited
- Director, Companies in Saha Union Group

Years of Directorship

15 years



Mr. Vacharaphong Darakananda

Executive Director and Vice President

Age 41

Education

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

Experiences

- Assistant Managing Director, Venus Thread Company Limited
- 1999 2000 General Manager, Saha Union Public Company Limited (Sriracha Operation)

Current Positions

Saha - Union Group Companies

- Vice President, Saha Union Public Company Limited
- Director, Union Textile Industries Public Company Limited
- Director, Union Plastic Public Company Limited
- Director, Union Pioneer Public Company Limited
- Managing Director, Union Technology Company Limited
- Director, Union Thread Industries Company Limited
- Director, Union Industries Corporation Limited
- Director, Union Spinning Mills Company Limited
- Director, Venus Thread Company Limited
- Director, Union Micron Clean Company Limited
- Director, Union Garment Company Limited
- Director, Computer Union Company Limited
- Director, Computer Union System Company Limited
- Director, Companies in Saha Union Group

Years of Directorship

14 years



Mrs. Sasithorn Darakananda

Executive Director

Age 40

Education

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

Experiences

• 1992-1996 Production Planning & Control Manager

• 1996-2001 Procurement Manager, Saha - Union Public Company Limited

(Sriracha Operation)

• 2002- Present Administrative Manager, Saha - Union Public Company Limited

(Sriracha Operation)

Current Positions

Saha - Union Group Companies

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

Years of Directorship

3 years



Mr. Nantiya Darakananda

Executive Director

Age 38 **Education**

- Master's Degree, (Business Administration), 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
- 1994 1997 Assistant to the Executive Vice Chairman, Saha Union Public Company Limited

Current Positions

Saha - Union Group Companies

- Executive Director, Saha Union Public Company Limited
- Director, Union Plastic Public Company Limited
- Director, Union Pioneer Public Company Limited
- Director, Union Industries Corporation Limited
- Director, Union Thread Industries Company Limited
- Director, Union Button Corporation Limited
- Director, Union Rubber Plus Company Limited

Other Companies

- Director, Venus Button Company Limited
- President, Venus Technology Company Limited
- President, Venus Gas Technology Company Limited
- Director, Star Edu Company Limited
- Director, Minorwa System Company Limited

Years of Directorship 10 years

Persons	Relationship
Mr. Damri Darakananda and Mrs. Chongraksa Darakananda	Spouse
Mr. Damri Darakananda and Mrs. Chongraksa Darakananda	Family
Mr. Chutindhon Darakananda, Mr. Aksornprasit Darakananda	
Mr. Bovornrat Darakananda, Mr. Vacharaphong Darakananda	
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. Chantorntree 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

Participation Participatio	Name	Awarded Diploma by passing the		Thailand In	stitute of Director	rs : IOD
Mr. Amnuay Viravan - 18/2004 - <th>Name</th> <th></th> <td colspan="2"></td> <td></td> <td></td>	Name					
Mr. Damir Darakananda - 18/2004 -<		Year	Participation	Participation	Participation	Participation
Mr. Panas Simasathien - 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 Prertitumrong - 2/2003 - - - Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 -	Mr. Amnuay Viravan	-	18/2004	-	-	-
Mr. Amorn Chandara-somboon - 2/2003 36/2003 7/2003 - Mr. Chongraksa Darakananda - 18/2004 - - - Mr. Sumeth Darakananda - 35/2005 - - - Mr. Chakchai Panichapat - 5/2003 - - - Mr. Kamol Khoosuwan - 18/2004 - - - Mr. Sompop Amatayakul - - - - - Mr. Sarya Arunanondchai - 32/2005 - - - - Miss Sriwarin Jirapakkana - 18/2004 -	Mr. Damri Darakananda	-	18/2004	-	-	-
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 -<	Mr. Panas Simasathien	-	-	2/2000	-	-
Mr. Sumeth Darakananda - 35/2005 - - - Mr. Chakchai Panichapat - 5/2003 - - - Mr. Kamol Khoosuwan - 18/2004 - - - Mr. Sompop Amatayakul - - - - - Mr. Araya Arunanondchai - 32/2005 - - - Miss Sriwarin Jirapakkana - 18/2004 - - - Mr. Sirinun Sansanakom - 2/2003 - - - Mr. Sirinun Sansanakom - 2/2003 - - - Miss Pakinee Prertititumrong - 2/2003 - - - Mr. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - <t< th=""><th>Mr. Amorn Chandara-somboon</th><th>-</th><th>2/2003</th><th>36/2003</th><th>7/2003</th><th>-</th></t<>	Mr. Amorn Chandara-somboon	-	2/2003	36/2003	7/2003	-
Mr. Chakchai Panichapat - 5/2003 - - - Mr. Kamol Khoosuwan - 18/2004 - - - - Mr. Sompop Amatayakul -	Mrs. Chongraksa Darakananda	-	18/2004	-	-	-
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 Prerttitumrong - 2/2003 - - - Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Mr. Songsak Thampimukvatana - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 9/2004 - - - Mr. Aksornprasit Darakananda - 17/2004 - - - Mr. Bovornrat Darakananda - 18/2004 <t< th=""><th>Mr. Sumeth Darakananda</th><th>-</th><th>35/2005</th><th>-</th><th>-</th><th>-</th></t<>	Mr. Sumeth Darakananda	-	35/2005	-	-	-
Mr. Sompop Amatayakul - - - - Mrs. Araya Arunanondchai - 32/2005 - - - Miss Sriwarin Jirapakkana - 18/2004 - - - Mrs. Sirinun Sansanakom - 2/2003 - - - Miss Pakinee Prerttitumrong - 2/2003 - - - Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 17/2004 - - - - Mrs. Chantorntree Darakananda - 5/2003 - - - - Mrs. Sovornrat Darakananda - <th>Mr. Chakchai Panichapat</th> <th>-</th> <th>5/2003</th> <th>-</th> <th>-</th> <th>-</th>	Mr. Chakchai Panichapat	-	5/2003	-	-	-
Mrs. Araya Arunanondchai - 32/2005 - - - Miss Sriwarin Jirapakkana - 18/2004 - - - Mrs. Sirinun Sansanakom - 2/2003 - - - Miss Pakinee Prerttitumrong - 2/2003 - - - Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 17/2004 - - - Mr. Aksornprasit Darakananda - 5/2003 - - - Mr. Bovornrat Darakananda - 18/2004 - - - Mr. Vacharaphong Darakananda -	Mr. Kamol Khoosuwan	-	18/2004	-	-	-
Miss Sriwarin Jirapakkana - 18/2004 - - - Mrs. Sirinun Sansanakom - 2/2003 - - - Miss Pakinee Prerttitumrong - 2/2003 - - - Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 17/2004 - - - - Mr. Aksornprasit Darakananda 2001 - 5/2001 - - - Mr. Bovornrat Darakananda - 18/2004 - - - - Mr. Vacharaphong Darakananda - 2/2003 69/2006 - - -	Mr. Sompop Amatayakul	-	-	-	-	-
Mrs. Sirinun Sansanakom - 2/2003 - - - Miss Pakinee Prerttitumrong - 2/2003 - - - Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 17/2004 - - - Mr. Aksornprasit Darakananda 2001 - 5/2001 - - Mrs. Chantorntree Darakananda - 18/2004 - - - Mr. Vacharaphong Darakananda - 2/2003 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mrs. Araya Arunanondchai	-	32/2005	-	-	-
Miss Pakinee Prerttitumrong - 2/2003 - - - Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 17/2004 - - - - Mr. Aksornprasit Darakananda 2001 - 5/2001 - - - Mrs. Chantorntree Darakananda - 5/2003 - - - - Mr. Bovornrat Darakananda - 18/2004 - - - - Mrs. Sasithorn Darakananda - 2/2003 69/2006 - - -	Miss Sriwarin Jirapakkana	-	18/2004	-	-	-
Mrs. Supung Tangsujaritpunt - 2/2003 - - - Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 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 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mrs. Sirinun Sansanakom	-	2/2003	-	-	-
Mr. Noparut Punyapas - 12/2004 - - - Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 17/2004 - - - Mr. Aksornprasit Darakananda 2001 - 5/2001 - - Mrs. Chantorntree Darakananda - 18/2004 - - - Mr. Bovornrat Darakananda - 18/2004 - - - Mr. Vacharaphong Darakananda - 2/2003 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Miss Pakinee Prerttitumrong	-	2/2003	-	-	-
Mr. Songsak Thampimukvatana - 2/2003 - - - Mr. Thitivat Suebsaeng - 21/2004 - - - Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 10/2005 Mr. Chutindhon Darakananda - 17/2004 - - - Mr. Aksornprasit Darakananda 2001 - 5/2001 - - Mrs. Chantorntree Darakananda - 5/2003 - - - Mr. Bovornrat Darakananda - 18/2004 - - - Mrs. Vacharaphong Darakananda - 2/2003 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mrs. Supung Tangsujaritpunt	-	2/2003	-	-	-
Mr. Thitivat Suebsaeng - 21/2004 -	Mr. Noparut Punyapas	-	12/2004	-	-	-
Miss Dalad Sapthavichaikul 2001 - 9/2001 1/2003 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 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mr. Songsak Thampimukvatana	-	2/2003	-	-	-
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 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mr. Thitivat Suebsaeng	-	21/2004	-	-	-
Mr. Aksornprasit Darakananda 2001 - 5/2001 - - Mrs. Chantorntree Darakananda - 5/2003 - - - Mr. Bovornrat Darakananda - 18/2004 - - - Mr. Vacharaphong Darakananda - 2/2003 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Miss Dalad Sapthavichaikul	2001	-	9/2001	1/2003	10/2005
Mrs. Chantorntree Darakananda - 5/2003 - - - Mr. Bovornrat Darakananda - 18/2004 - - - Mr. Vacharaphong Darakananda - 2/2003 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mr. Chutindhon Darakananda	-	17/2004	-	-	-
Mr. Bovornrat Darakananda - 18/2004 - - - Mr. Vacharaphong Darakananda - 2/2003 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mr. Aksornprasit Darakananda	2001	-	5/2001	-	-
Mr. Vacharaphong Darakananda - 2/2003 69/2006 - - Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mrs. Chantorntree Darakananda	-	5/2003	-	-	-
Mrs. Sasithorn Darakananda - 2/2003 65/2005 11/2004 -	Mr. Bovornrat Darakananda	-	18/2004	-	-	-
	Mr. Vacharaphong Darakananda	-	2/2003	69/2006	-	-
Mr. Nantiya Darakananda - 2/2003	Mrs. Sasithorn Darakananda	-	2/2003	65/2005	11/2004	-
	Mr. Nantiya Darakananda		-	-		

BOARD OF THE EXECUTIVES

SAHA - UNION PUBLIC COMPANY LIMITED

The Advisory Board

Board of Executive

Committee

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

Mr Pa

Mr. Panas Simasathien

Miss Sriwarin Jirapakkana

Mrs. Sirinun Sansanakom

Mrs. Supung Tangsujaritpunt

Mr. Noparut Punyapas

Mr. Songsak Thampimukvatana

Mr. Thitivat Suebsaeng

Miss Dalad Sapthavichaikul

Mr. Chutindhon Darakananda

Mr. Aksornprasit Darakananda

Mrs. Chantorntree Darakananda Mr. Bovornrat Darakananda

and the second s

Mr. Vacharaphong Darakananda Mrs. Sasithorn Darakananda

Mr. Nantiya Darakananda

Chairman

Vice Chairman

Chairman

President

Board of Audit Committee

Mr. Sompop Amatayakul Mrs. Araya Arunanondchai

Miss Pakinee Prerttitumrong

wiss rakinee Frenchamiong

Chairman, Nomination and Remuneration

Management Committee

Nomination and Remuneration Management Committee

Mr. Sompop Amatayakul
Mr. Damri Darakananda

Mrs. Araya Arunanondchai

Risk Management Committee

Miss Sriwarin Jirapakkana Miss Dalad Sapthavichaikul

Mrs. Chanthorntree Darakananda

Mrs. Srinual Sombatpaiwan

Chairman, Risk Managment Committee

Executive Officers

Mr. Panas Simasathien Executive Chairman

Miss Sriwarin Jirapakkana President and Acting Vice President

Accounting and Finance

Mrs. Sirinun Sansanakom Vice President

Mrs. Supung TangsujaritpuntVice PresidentMr. Songsak ThampimukvatanaVice PresidentMiss Dalad SapthavichaikulVice President

Mr. Chutindhon Darakananda Vice President
Mr. Aksornprasit Darakananda Vice President
Mr. Bovornrat Darakananda Vice President

Mr. Vacharaphong DarakanandaVice PresidentMr. Preecha ShunhavanichGeneral Manager - Sale and Marketing

Mr. Manas Asavametha Sale Manager

Mrs. Srinual Sombatpaiwan Manager, Accounting and Finance

DIRECT INVESTMENT OF SAHA - UNION

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	49.749	
	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)	32,000,000	32,000,000	100.00	30.033	
	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	97.949	
NERGY	Computer officir co., Eta.	00,000,000	00,000,000	100.00	37.343	
	Union Energy Co., Ltd.	1,350,000,000	1,350,000,000	10.00	99.259	
	Unio Energy (China) Co., Ltd.	3,850,000,000	3,850,000,000	100.00	100.000	
RADING, INVESTMENT			2,222,222,222			
& SERVICES	Sports Ace Co., Ltd.	40,000,000	40,000,000	100.00	50.000	
Trading	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	
Scrvices	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	2.373	
	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	
0.013003	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. Union Education Index Ltd.	HK\$ 34,000,000	HK\$ 34,000,000	HK\$ 1	80.000	
	Zhejiang Saha - Union Feilun Thread Industries Co., Ltd.	US\$ 4,000,000	US\$ 4,000,000	US\$ 1	37.000	
	Shanghai Saha - Union Thread Industry Co., Ltd.	RMB 23,500,000	RMB 23,500,000	RMB 1	45.000	
	Shanghai Saha - Union Spinning Mill No.7 Co., Ltd.	126,000,000	RMD 128,000,000	RMD 1	40.000	
	Investment in Companies in the Group					
	Investment in Other Companies					
	Total Investment					

IN THE GROUP COMPANIES

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
		46.64	24.50		10 Aug. 1972	Investment Financial Service and Sales Distributor of Saha - Union Group
10.74	320,705,663.41	11.64	3.20	95,518,400.00	21 Mar. 1977	Fabric
140.70	70,335,622.00	175.71	175.71	87,834,405.60	26 Apr. 1974	Garment
10.41	52,215,572.50	111.55	111.55	559,276,631.97	2 Nov. 1973	Cotton Synthetic Sewing Thread
93.13	46,563,324.78	143.46	143.46	71,731,280.49	4 Jun. 1971	Sewing Thread
116.01	43,502,205.00	649.86	649.86	243,697,523.09	23 May 1961	Zippers
153.33	11,500,000.00	291.85	291.85	21,888,859.45	28 May 1969	Buttons
100.00	10,000,000.00	128.10	128.10	12,810,446.50	15 Feb 1989	Buttons
10.00	1,250,000.00	86.68	86.68	10,834,412.40	24 Jan. 1998	Cleanroom Garment
50.00	749,850.00	87.65	87.65	1,314,430.59	20 Oct. 1988	Garment
14.48	131,378,696.98	8.83	4.18	37,933,918.00	17 Mar. 1982	Manufacture shoes, canvas shoes, and sports shoes
111.67	68,897,580.00	160.69	160.69	99,139,170.55	5 Aug. 1986	Manufacture shoes, canvas shoes, and sports shoes
58.75	9,400,000.00	114.53	114.53	18,324,992.69	29 Sep. 1988	Leasing of buildings and machineries
14.46	53,084,046.25	43.36	28.00	102,810,960.00	8 Oct. 1973	Rubber thread elastic braids & webbing
19.02	235,432,531.30	23.31	18.10	224,080,353.00	3 Jan. 1969	Plastic products,metal and molding
318.92	19,266,000.00	2,693.34	2,693.34	162,704,957.17	21 Jun. 1973	Cellophane, magic, kraft and pp tape
100.92	72,057,235.50	335.57	335.57	239,595,625.55	18 Aug. 1986	Vacuum bottles
133.70	52,410,933.00	229.53	229.53	89,974,915.77	16 Dec. 1988	Manufacture stainless pipes,
133.70	32,410,933.00	229.33	229.33	09,974,913.77	10 Dec. 1986	tubes and household utensils
112.92	13,552,200.00	1,099.88	1,099.88	131,997,912.93	3 Nov. 1988	Fasteners
80.56	16,110,854.50	119.18	119.18	23,835,690.40	24 Mar. 1971	Rubber Products
105.90	17,179,605.10	148.48	148.48	24,086,451.16	9 Jul. 1970	Rubber estates
103.30	17,173,003.10	140.40	140.40	24,000,431.10	3 Jul. 1370	Manufactore Hardisk drive and computer accessories
10.00	99,999,930.00	12.91	12.91	129,080,574.64	22 Jun. 1992	Manufactore Hardisk drive and computer accessories
105.30	61,881,706.30	198.02	198.02	116,372,859.26	18 Nov. 1982	Computer and all kinds peripherals distributor
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		The production of the producti
10.00	1,339,999,950.00	10.47	10.47	1,403,432,109.84	2 Feb. 1994	Electronic power & energy investment
100.00	3,849,999,400.00	92.05	92.05	3,543,956,664.50	9 Aug. 1996	Investment
112.06	22,412,500.00	84.64	84.64	16,928,615.66	2 Apr. 1984	Under the liquidation process
100.00	30,800,000.00	289.83	289.83	89,266,786.16	5 Nov. 1980	Supply raw materials and textile distributor
100.22	3,748,010.00	1,663.27	1,663.27	62,201,344.75	7 Mar. 1968	Grandslam garments
100.00	72,500,000.00	239.99	239.99	173,994,342.55	29 Jun. 1970	Investment
100.00	995,398,600.00	23.03	23.03	229,264,838.25	14 Nov. 1989	Investment
99.80	146,712,439.98	130.41	130.41	191,701,151.60	30 Jun. 1993	Investment
2.50	6,250,025.00	2.53	2.53	6,325,481.89	29 Apr. 1994	Investment
10.00	228,698,014.00	11.98	11.98	273,984,902.27	31 May 1989	Investment
7.50	7,500,000.00	13.06	13.06	13,055,598.25	1 Mar. 1995	Investment
104.00	44,293,600.00	121.33	121.33	51,673,353.64	14 Apr. 1978	Investment
104.95	20,464,690.80	75.95	75.95	14,810,955.46	22 Aug. 1972	Agriculture Business
91.58	694,141.16	486.60	486.60	3,688,428.00	4 Aug. 1981	Broking Services
10.37	29,465,812.50	5.83	5.83	16,563,174.40	10 Jul. 1970	Printing Services
80.42	61,120,000.00	76.20	76.20	57,908,254.37	29 Sep. 1988	Assets and apartments rental
111.25	5,281,100.00	59.01	59.01	2,801,176.00	7 Sep. 1973	The business is ceased
2.50	249,982.50	7.74	7.74	774,264.81	26 Sep. 2004	Training and Personnel Development
22.01 488.32	550,250.00 1,244,449,250.48	37.09	37.09	927,166.65	12 Oct. 1977	Import & Export and cales distributor of Saha - Union Group
19.30	385,917.66	481.06	481.06 78.59	1,225,958,570.84	18 Sep. 1972	Import & Export and sales distributor of Saha - Union Group
25.55	76,652,500.00	78.59 35.16	78.59 35.16	1,571,819.32 105,494,552.55	8 Nov. 1984 29 Jan. 1988	Supply raw materials for The Group Companies Under the liquidation process
35.33	1,183,719,250.00	38.29	38.29	1,282,638,055.19	29 Jan. 1988 25 Feb. 1995	Investment
40.34	177,906,700.00	4.64	4.64	20,454,520.75	13 Oct. 2003	International School Management
5.31	144,539,025.76	6.07	6.07	165,107,652.90	20 Oct. 2003	International School Management
38.58	57,096,200.00	37.21	37.21	55,064,368.69	20 Jun. 2003	Dying
4.72	49,950,403.03	4.88	4.88	51,628,238.79	18 Nov. 2004	Supply raw materials and textile distributor
4.85	248,398,987.71	4.72	4.72	241,462,893.03	16 Jan. 2006	Thread
	11,456,710,307.20			11,807,484,052.34		

 11,456,710,307.20
 11,807,484,052.34

 245,919,462.20
 494,942,340.40

 11,702,629,769.40
 12,302,426,392.74

BUSINESS RESULTS AND FIVE YEARS

	2006	2005
	Equity Method	Equity Method
Revenues		
Sales	15,360.4	15,539.8
Export	7,581.2	7,678.7
Domestic	7,779.2	7,861.1
Dividends Received	241.3	189.5
Other Incomes	666.3	766.3
Total Revenues	16,268.0	16,495.6
Expenses		
Cost of Sales	14,598.6	14,722.3
Selling and Administrative Expenses	1,081.0	944.2
Interest Expenses	106.2	70.2
Total Expenses	15,785.8	15,736.7
Operating Profit (Loss)	482.2	758.9
Gain (Loss) on Exchange Rate	161.6	(67.0)
Profit (Loss) before Corporate Income Tax	643.8	691.9
Corporate Income Tax	(151.7)	(137.2)
Net Profit (Loss) after Corporate Income Tax	492.1	554.7
(Less) Dividends Income	(168.7)	(179.1)
Plus (Less) Participating Gain (Loss)	(100.7)	(173.1)
- Subsidiary	32.2	(45.9)
- Associated	845.4	526.9
Net Profit (Loss)	1,201.0	856.6
Earning per Share (Baht)	4.14	2.95
Dividends per Share (Baht)	1.25	1.25
Dividends per Net Profit (%)	30.18%	42.32%
Dividends per Net Front (70)	30.1070	72.32 /0
Assets		
Loan to Group Companies	574.5	3,229.1
Current Assets	3,050.3	3,322.7
Investment in Group and Other Companies	14,299.8	11,809.6
Long Term Investment	-	-
Property, Plant and Equipment - Net	862.9	694.2
Other Assets	296.2	286.4
Total Asset	19,083.7	19,342.0
Liabilities and Shareholder's Equity		
Deposit from Group and Other Companies	1,686.6	1,396.0
Current Liabilities	2,875.1	2,832.5
Long Term Loan	839.8	1,220.8
Other Liabilities	156.0	327.5
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	7,292.1	6,453.6
Auditing Standard	868.9	1,746.4
Total Shareholder's Equity	13,526.2	13,565.2
Total Liabilities and Shareholder's Equit	19,083.7	19,342.0
Book Value (Baht)	46.64	46.78

FINANCIAL STATISTICS

			(Unit : Million Baht)
2004	2003	3 2002	
Equity Me			nod
_4,	(Revisio		
	(11011010	,	,
15,235.3	3 14,931.2	14,291.6	
7,190.6	7,360.5	7,181.5	
8,044.7	7,570.7	7,110.1	
206.3	3 278.2	407.0	
741.4	4 606.7	536.1	
16,183.0	0 15,816.1	15,234.7	
14,421.9			
914.7			
27.9		61.3	
15,364.5			
818.5			
93.7		(106.0)	
912.2	2 918.4	817.7	
(172.7			
739.5	799.6	700.4	
(195.7	(261.6)	(391.3)	
(459.8			
340.5			
424.5		988.9	
1.46			
1.25			
85.39%	37.09%	36.78%	
3,629.			
3,282.		3,049.2	
10,094.3			
	- 102.7		
782.			
282.			
18,069.7	7 17,878.9	17,253.7	
682.3			
3,161.5			
1,424.3			
302.3	3 139.9	144.1	
2,000	2 000 0	2,000,0	
3,000.0			
2,599.0			
(233.8			
5,959. ² 1,174. ⁷		5,280.6 1,979.1	
12,499.3			
18,069.7			
43.10			
43.10	43.32	43.44	

STRUCTURE

OF INCOME AND INVESMENT

Crown of Business	2006							
Group of Business	Export	%	Local	%	Total	%		
Manufacturing	13,782,395,513.09	72.99	13,623,817,447.35	72.15	27,406,212,960.44	145.15		
Energy	992,950,060.74	5.26	-	-	992,950,060.74	5.26		
Investment and Others	99,127,821.72	0.53	217,926,198.56	1.15	317,054,020.28	1.68		
Total	14,874,473,395.55	78.78	13,841,743,645.91	73.31	28,716,217,041.46	152.09		
Connected Transaction	(5,819,852,502.81)	(30.82)	(5,492,741,806.22)	(29.09)	(11,312,594,309.03)	(59.91)		
Net Sales	9,054,620,892.74	47.96	8,349,001,839.69	44.22	17,403,622,732.43	92.17		
Share of Profits					845,356,468.31	4.48		
Other Incomes					632,471,787.41	3.35		
Total Income					18,881,450,988.15	100.0		

All details are shown in the Financial Statement No. 23, section: Segment Information

	2006			200			
Group	Company	% Investment	G	Group	Company	% Investr	nent
of Business	Name	Equity Method	o	of Business	Name	Equity Me	thod
Manufacturing			т	rading, Invest	ment & Services		
Textiles	Union Textile Industries Public Co	., Ltd. 52.02	Tı	rading	Sports Ace Co., Ltd.		50.00
	Union Garment Co., Ltd.	99.98			Uni - Fibre Co., Ltd.		54.69
	Union Thread Industries Co., Ltd.	36.26			Union Universe Co., Ltd.		49.86
	Union Spinning Mills Co., Ltd.	52.19	In	nvestment	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.	57.96
	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.	44.46			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	Se	ervices	Union Printing Co., Ltd.		94.74
Plastics &	Union Pioneer Public Co., Ltd.	52.67			Union Human Resources Developn	nent Co., Ltd.	99.99
Rubber and	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.		99.33
	Union Zojirushi Co., Ltd.	51.00			Union Sime Darby (Thailand) Co.,	Ltd.	18.95
	Union Stainless Steel Product Co.	, Ltd. 98.00	0	verseas	Saha - Union International (U.S.A.) Ir	nc.	42.64
	Union Nifco Co., Ltd.	39.90			Saha - Union International Ltd. (Hong	g Kong)	99.98
	Union Rubber Products Corp., Ltd	d. 99.99			Saha - Union International (Taipei) Lt	d.	42.55
	Thai Rubber Enterprise Corp., Ltd	50.69			Saha - Union International (GA) Inc.		100.00
Computer &	Saha - Union Public Co., Ltd.				Saha - Union Investment (China) Co.	, Ltd.	100.00
Electronics	Sriracha Project				Union Education Management Ltd.		49.00
Parts	Union Technology Co., Ltd.	99.99			Union Education Index Ltd.		80.00
	Computer Union Co., Ltd.	97.95			Zhejiang Saha - Union Feilun Thread II	ndustries Co., Ltd.	81.99
	Computer Union Systems Co., Ltd	d. 97.95			Shanghai Saha - Union Thread Indus	tries Co., Ltd.	64.07
Energy	Union Energy Co., Ltd.	99.45			Shanghai Saha - Union Spinning Mill	No.7 Co., Ltd.	50.00
37	Union Energy (China) Co., Ltd.	99.99					
	Timon Energy (Crima) Co., Eta.	-55.55					

TEXTILE

BUSINESS

Types of Products or Services

The Company's affiliates have produced 3 groups of products including:

- 1. Sewing equipment such as zippers, thread, and button;
- 2. Thread spinning, weaving, fabric printing, and bleaching;
- 3. Garments;

The said products are manufactured and distributed in domestic and overseas markets under the trademark of "Venus". The Company's textile affiliates have also manufactured made - to - order fabric for direct distributions or customers' use as raw materials for the manufacturing of other finished product.

Provision of Products or Services

The Company has imported the majority of its main raw materials including fabrics, cotton, synthetic fabrics, and sewing equipment; whereas, prices of the imported materials may vary according to situations of the world market and the currency exchange rates; similarly, prices of domestic raw materials are changing due to the demand and supply situations, and the increasing labor and energy cost, which will result in changes in the cost of products.

Performances in 2006

In 2006, the situation of competition among local and foreign business operators in the textile industry has still been severe. The Company's major competitor countries include China, India, Pakistan, and Indonesia; meanwhile, the cost of energy such as fuel, electricity, and natural gas, has increased continually. Moreover, the increasing interest rates, gradual deflation of the Thai currency when compared to competitor countries and labor shortage are also significant factors that affect the cost of production.

In 2006, the Company has generated its incomes from sales of textile products, totally 5,138.59 million Baht, decreased by 165.25 million Baht or 3.12% from its total incomes from sales in the previous year; meanwhile, the gross export sales were totally 2,808.77 million Baht, increased by 4.81%; and the gross domestic sales were totally 2,329.82 million Baht, decreased by 11.21% when compared to those in 2005.

The export sales volume in Thai Baht has considerably decreased due to 14.5% deflation of the Thai currency (according to the report of the Federation of Thai Industries); however, the Company has obtained more export sales volume from the purchase orders of its customers in EU countries due to the reliable quality standard of its products and punctual delivery.

The domestic sales volume has considerably decreased due to force majeure such as massive flooding (covering 62 provinces nationwide) which limited the purchasing power of local customers; changes in the Thai politics, which delayed the decision making in the business sector to increase the production capacity, which affected the Company's textile products and resulting in the decrease of its sales volume; moreover, the domestic garment industry has moved its investment base to neighboring countries including as Vietnam, Laos, and Cambodia.

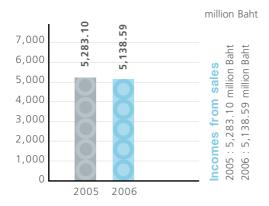
Tendency of the Industry Situation and Competition

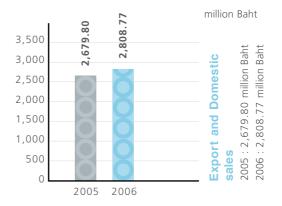
Regarding the overall situation of the textile industry, in early 2005, the textile quota system was terminated in 2005; and the import tax was reduced to 5%; as a result, cheaper textile products from China have overflowed Thailand; and the situation of competition in the local market has become more severe; meanwhile, the Company sale cost has increased due to an increase of energy cost; however, the sale prices of textile products have been determined by buyers; consequently, the Company had to adapt itself considerably to such severe competitions in the textile industry.

The export sales volume in Thai Baht has considerably decreased due to 14.5% deflation of the Thai currency however, the Company has obtained more export sales volume from the purchase orders of its customers in EU countries due to the reliable quality standard of its products and punctual delivery.

Competitiveness

The Company has increased its competitiveness by controlling the cost of raw materials, purchasing the fabric in a suitable timing and quantity, installing labor - saving equipment to solve the problem of labor shortage, controlling the energy cost through increasing operation during the off - peak period in order to reduce the cost of production, and emphasizing the sale of value - added products such as technical fabrics, etc.; moreover, the Company has its policy to invest in establishing textile factories in countries which have lower labor cost and to improve the machinery and equipment and its working procedures in order to reduce the cost of production.







FOOTWEAR

BUSINESS

Nature of Products or Services

The footwear companies have manufactured sports shoes for export to the brand owner "NIKE" and for local market distribution under its own brand name "D - maQ" since 2000.

Provision of Products or Services

Raw materials of the footwear business were partly imported according to the customers' requirements on types and quality of raw materials. Moreover, the Company has partly used local raw materials for shoes finishing with customers' approval.

Operating Result 2006

The market for footwear business in general achieved a high growth rate in 2006; however, the Company's purchase orders of each footwear model continued to decrease; and the worker turnover rate was quite high; as a result, the sales volume of the footwear companies has slightly decreased when compared to those in 2005.

Tendency of the Industry Situation and Competition

It is estimated that, in 2007, the purchase orders from NIKE will decrease due to the economic slowdown in USA, and the deflation of the Thai currency against US dollars, which will cause the uncompetitive prices of Thai products when compared to those of its competitor countries including China, Vietnam, and Indonesia.







In 2007, D-maQ shoes will emphasize its adaptability to the market situation, improvement of efficiency of channels of distribution, and awareness in its marketing of new products.

However, most of NIKE shoes manufactured by the Company are of the outdoor type and will be exported to its main markets in Europe and smaller markets in USA; meanwhile, EU will still enforce the anti - dumping measure against footwear from China and Vietnam until 2008, which will have little impact on the footwear companies. To maintain its competitiveness and to earn the customers' trust, the Company continued to focus on the development of its overall competitiveness, cost management and shorter hand - over period. The Company will duplicate its new prototyped production line under the L - E - A - N manufacturing system to Bangpakong Plant and other factories in the provinces; and will improve the quality of its products and services.

D - maQ Sports Shoes

Running shoes are still major products of the Company, followed by aerobic shoes, badminton shoes, and exercise shoes; running shoes are manufactured with 2D technology to reduce over - pronation symptoms, and have been very popular among customers. In this year, antimicrobial technology will be applied to the insoles to prevent bad smells and microbial reproduction. The Company has also marketed its antibacterial sports socks in late 2006 to improve its image to "wellness brand" and to differentiate itself from competitors.

In 2007, D - maQ shoes will emphasize its adaptability to the market situation, improvement of efficiency of channels of distribution, and awareness in its marketing of new products.



PLASTIC, RUBBER AND METAL

BUSINESS

Nature of Products or Services

The Company's affiliates have produced 4 groups of products including:

- 1. Plastic products such as spare parts in automotive industry and electric appliances including components of sanitary ware ;
- 2. Rubber products starting from rubber plantation, manufacturing of rubber profiles from latex used in the production process of products such as elastic braid, elastic webbing, rubber thread, and rubber tape;
- 3. Stainless steel products including vacuum bottles and household utensils;
- 4. Packaging products including taping products such as transparent tapes, masking tapes, printed tapes, and cartons for all kinds of packages;

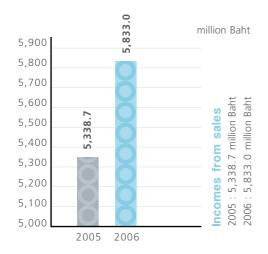
Provision of Products or Services

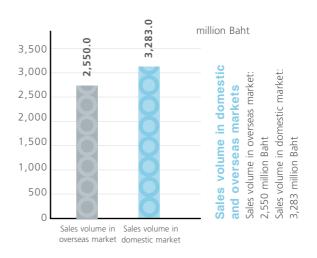
For the business of plastic industry, the Company's affiliates have supplied raw materials from domestic and overseas markets; whereas countries of origins include Japan, Singapore, and Taiwan.

For the rubber business, raw materials are mostly produced from STR rubber of the rubber plantations of the Company's affiliates in Chantaburi and Trad and partially purchased rom other business operators.

Operating Result 2006

According to the Company's operation which is intended to meet the demands of customer - center market in compliance with TQA award, the production and marketing activities are aimed at continuous improvement and development for short - term and long - term customer satisfactions, as a result, the Company's annual operation was worth 5,833 million Baht or increased by 9.36% from 2005; whereas, income from the domestic market was 3,283 million Baht or 56.28% and income from the overseas market was 2,550 million Baht or 43.72%.





Each of the Company's affiliates will be strengthened in order to increase its business potentials. In addition to its investments in machinery and state-of-the-art technology into the production process, the Company has also strengthened the marketing and sales team, and has developed its personnel continually to support the increasing business competitions in the future.

operating result of each group of products was as follows: the sales volume of plastic products were 1,913 million Baht (equal to those of the previous year); the sales volume of stainless steel products were 1,646 million Baht or increased by 15.02%; the sales volume of rubber products were 1,357 million Baht or increased by 23.48%; and the sales volume of packaging products were 917 million Baht or increased by 2.92% when compared to those of the previous year.

Situation of the Industry and Competition

In 2006 - 2007, prices of main raw materials such as plastic pallets, rubber, stainless plates have increased continually and having a direct impact on the cost of production; however, the Company's affiliates are still confident in their high quality and dynamic personnel and management system that they will be able to generate the sales volume and profits, as well as the business security in the short term and the long term.

Each of the Company's affiliates will be strengthened in order to increase its business potentials. In addition to its investments in machinery and state - of - the - art technology into the production process, the Company has also strengthened the marketing and sales team, and has developed its personnel continually to support the increasing business competitions in the future.



COMPUTER

NATURE OF BUSINESS OPERATION

Electronics

Types of Products or Services

Manufactures Hard Disk Drives for export under the name of Union Technology Company Limited

Performances in 2006

In 2006, the Company has operated its businesses with changes including:

- A slight increase of 3% in the manufacturing and exports when compared to that of the previous year;
- Use of key performance indicator (KPI) for systematic measurement of the performance of different units;
- Introduction of L E A N manufacturing system;
- Use of Six Sigma; training of 3 black belt workers and 3 green belt workers;
- 10% Expansion of the manufacturing site to meet an increasing quantity of production in the future;

Competition and marketing condition

The market of Hard Disk Drives for Notebooks, PCs, and Consumer Electronics continued to grow despite severe competitions in terms of pricing, hand - over, quality, and response to technical and service problems.

Operational Plan 2007

- Improve the Evaluation System with Lead/Lag Indicators
- Improve the Personnel Management System, and consider providing incentives
- Renovate some areas of production for platform improvement of clean room
- Improve the production process and solve problems according to guidelines of L E A N Manufacturing and Six Sigma

Computer

Nature of Business Operation

Established on November 18th, 1982, Computer Union Co., Ltd., was one of the pioneer dealers of imported personal computers in Thailand. In 1983, IBM has started the personal computer business; and the Company has been an authorized dealer of IBM computer since then; and has diversified its products and services to meet the customers' demand and to keep up with domestic IT business development.

Main Businesses of Computer Union Co., Ltd.

- Dealer of IBM computers p Series, Storage units, Software, and Printers distributed through over 100 representative offices;
- Distributor of computers and accessories of leading brands such as IBM, Lenovo, HP, Dell, Acer, Fujitsu, Samsung, Hitachi, etc., to customers including banks, public and private organizations and institutions;
- Distributor of products such as ATM machines, passbook printers, cheque depositors, and peripheral equipment, etc.;
- Provider of integrated IT maintenance and installation services, with 23 service centers nationwide;
- Distributor/provider of computer solution service to organizations (such as Business Intelligence, internal storage, E Payment for branches, and Interactive Voting System for meetings;

The IT business in Thailand is still having its growth potential in 2007; meanwhile, other business sectors may be affected by the economic condition; therefore, it is inevitable to use the computer system to improve the work performance and efficiency.

- Provider of data recovery service (file system from Hard Disk, floppy disk, flash ram, DVD, memory card (digital camera) etc.), with the only clean room lab in Thailand;
- Provider of planning, consulting, counseling, and networking system services;

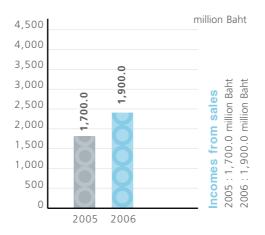
Operating Result 2006

In 2006, the Company has generated its incomes from sales and services, totally 1,900 million Baht, increased by approx. 15% from 1,700 million Baht in the previous year. The Company has adjusted its proportion of sales of products and services to meet the customers' demand, with an emphasis on products that are worth investing and having the added value, personnel development, and cost management to increase the competitiveness and operational efficiency; as a result, the overall operating result of the Company was better than those of the previous year.

Tendency of the Industry Situation and Competition

The IT business in Thailand is still having its growth potential in 2007; meanwhile, other business sectors may be affected by the economic condition; therefore, it is inevitable to use the computer system to improve the work performance and efficiency in order to increase the competitiveness and to reduce the cost of production in the long term.

Despite a plenty of new IT business operators, with its operational capability, reliability, and 25 - year experiences in IT business, Computer Union Co., Ltd., is entrusted by its customers and business partners. With its strong determination to successes of customers as its alliances, the Company has continued to create the added value through personnel development for professionalism, and to expand and diversify its businesses, and to create new and unique products that require special skills or expertise to provide excellent services to its customers.



ENERGY

BUSINESS

Types of Products or Services

Energy business projects of Saha - Union Group include :

- 1. Joint ventures with local organizations in China:
- Four cogeneration power plants in Zhejiang Province and three cogeneration power plants in Jiangsu Province
- Two thermal power plants in Yunnan Province
- 2. Investment in independent electricity generating projects in Thailand

The goal of business operation is to generate and supply enough electricity to residents, business enterprises and industrial plants.

Energy Business Projects in China

Originally, Union Energy (China) Co., Ltd., an affiliate of Saha - Union Group, has joint - ventured with its business partner in China. The total investment was more than 4,000 million Baht in 9 power plant projects in Zhejiang, Jiangsu, and Yunnan Provinces.

Seven of the power plants are cogeneration plants producing electricity and steam; meanwhile, the other two of them produce electricity only.

Operating Result of Power plants in China 2006

In 2006, the economic growth rate of China was over 10%, which was the highest rate in 5 years; and the demand for electricity and steam use also increased; the coal prices during the first half of the year were rather stable and sometimes reduced; and prices of electricity and steam were flexible at a certain level; as a result, the operating result of the energy business during the first half of the year was quite satisfactory; meanwhile, in the second half of the year, the problem of energy shortage in China was dissolved and the electricity generating capacity of China has considerably increased due to rapid investment during the energy shortage period. The Chinese Government has returned to use the quota system for electricity purchase from power plants, which resulted in a smaller sales volume of the Company's affiliates during the second half of the year; moreover, the coal prices have increased when the winter was coming, which resulted in a higher cost of production; however, generally speaking, the power plants of the Company's affiliates in China had a larger production capacity of electricity and steam and had enjoyed more profits than in 2005, which was better than the work plan.

However, the operating result of the cogeneration plants depends on the location and surrounding industrial businesses. Danyang Danhuang - Union Cogeneration Plant and Zhangjiagang Shenzhou - Union Cogeneration Plant were both located in the area where steam customers were much less than expected and resulted in the loss of incomes from the sale of steam; and the cogeneration plants were of smallest size and disadvantageous in terms of economy of scale. Recently, all costs of production have increased; as a result, the two cogeneration plants lost their competitiveness and have been suffering losses for several consecutive years. This year, the Company has shut down Danyang Danhuang - Union Cogeneration Plant and has sold the Zhangjiagang Shenzhou - Union Cogeneration Plant.

The Chinese Government is drafting its measure to reduce the wasteful and inefficient use of coal and will prescribe and enforce the standard for quantity of coal used per unit of the electricity generation. Under this measure, any power plant which uses the quantity of coal above the standard, will be suspended its operation for improvement; whereas, most of the power plants of the Company's affiliates have regular maintenance of machine and efficiency improvement and will not be affected by such measure.

Situation of the Industry and Competition

The Chinese Government has tried to slow down its economic growth to maintain the stability and balance of the national development; the increase of electricity demand will not be as high as those in the previous year. When taking account of the over - supply situation and the Chinese Government's use of the quota system for electricity purchase from power plants, it is expected that in 2007, the growth rate of electricity generation will not be high. Power plants of the Company's affiliates are mostly the cogeneration plants, which shall depend more on the sale of steam; therefore, the Company's affiliates have increased the working capital in Wuxi - Union Cogeneration Plant and Shangyu Hangzhou - Union Cogeneration Plant in order to expand the heat network and the customer base.

Regarding the environmental protection, the Chinese Government is drafting its measure to reduce the wasteful and inefficient use of coal and will prescribe and enforce the standard for quantity of coal used per unit of the electricity generation. Under this measure, any power plant which uses the quantity of coal above the standard, will be suspended its operation for improvement; whereas, most of the power plants of the Company's affiliates have regular maintenance of machine and efficiency improvement and will not be affected by such measure; meanwhile, the power plants, which still fail to comply with the standard, have already planned to modify their machine.



Energy Business in Thailand

Types of Products or Services

The Company has invested 10% through its subsidiary, Ratchaburi Power Co., Ltd. ("RPCL"), of which 99.26% shares were held by the Company, The independent power producer (IPP) project consists of a cogeneration plant using the fuel of natural gas, totally 2 sets, with the net production capacity of 700 Megawatts each, totally 1,400 Megawatts.

The Project is located at Village No.6, Ban Rai Sub - district, Damnern Saduak District, Ratchaburi Province, in the same area as the power plant of Ratchaburi Electricity Generating Holding Public Company Limited.

As of December 31st, 2006, Ratchaburi Power Co., Ltd. ("RPCL") has its registered capital of 2,325 million Baht and unpaid shares worth 75 million Baht. In summary, when its capital is paid up, the Company will have the investment of approximately 800 million Baht for this project.

Performances in 2006

On February 27th, 2004, Ratchaburi Power Co., Ltd. ("RPCL") has entered into Power Purchase Agreement (PPA), Gas Sale Agreement (GSA), and Land Lease Agreement (LLA); whereas, EGAT agreed to purchase the whole electricity generated by Ratchaburi Electricity Generating Holding Public Company Limited within a contractual period of 25 years since the first cogeneration plant has discharged the electricity into the EGAT system in March 2008; and the second cogeneration plant in June 2008; therefore, the project is highly reliable and secure.

In addition to licenses and data obtained by Rachaburi Power Co., Ltd. ("RPCL"), which are disclosed in the Annual Report 2005, in 2006, Ratchaburi Power Co., Ltd. ("RPCL") has obtained licenses and signed agreements necessary for project implementation, as follows:

- Signed the loan agreements, with the loan amount of 483 million US dollars; and 6,500 million Baht;
- Issued a notice to proceed (NTP) to the Contractor to commence the construction work ; at present, the project is under construction ;
- Approved with the environmental impact assessment (EIA) report on the pipeline project (by the Office of Environmental Policy and Planning, Ministry of Natural Resources and Environment);
- Licensed to construct a building for installation of natural gas control facilities from Sam Ruan TAO;
- The Ministry of Energy has announced the petroleum transport pipelines from the Operation Center, Area 5 of PTT (Public) Co., Ltd., to the gas receiving terminal of Rachaburi Power Co., Ltd. ("RPCL");

The project has been implemented according to the plan; at the end of 2006, the Contractor has completed the construction of cogeneration plant and pipelines by 65% and 62% respectively.





INVESMENT IN

INTERNATIONAL SCHOOL

In addition to investment in cogeneration plants in China, Saha - Union Group has diversified its businesses to education. The Company has joint - ventured with academic experts to operate an international school business, and has been licensed as the exclusive franchisee of Dulwich College London, England, to operate an international school business in China under the English National Curriculum and has been given with technical support and counseling service on school management and instruction that shared the same standard of excellence as in Dulwich College London.

The Company's international school in Jin Zhou Export Development Area, Shanghai, namely Dulwich College Shanghai, is the first international school operated by Saha - Union Group. Founded in 2003, Dulwich College Shanghai now offers world - class education to 897 students from kindergarten up to Grade 12; in particular, students of Grade 10 - 12, who are studying under the curriculum of International Baccalaureate (IB) Diploma Program, when finished, will be welcomed for further study in universities worldwide. The Company has completely constructed the second, elegant and fully - equipped school building to the highest satisfactions of students and their parents, and has estimated that in 2007 - 2008, the school will be able to accommodate approx. 1,126 students.

The Company's second international school in Beijing, namely Dulwich College Beijing, now offers education to 824 students from kindergarten up to Grade 9. It is estimated that in 2007 - 2008, the school will be able to accommodate approx. 975 students; and its new building consists of classrooms, gyms, and other facilities. In 2006, the Legend Garden has accommodated students of Grade 10 - 12. The Company is now acquiring a license for International Baccalaureate (IB) Diploma Program.

The Company's international school in Su Zhou is now under preparation and will be open in September 2007 for students up to junior high level; however, the school will initially accommodate students from kindergarten to Grade 6.



SOCIAL CONTRIBUTION

ACTIVITIES

Saha - Union Group is a business enterprise, which has its roles and social responsibilities and has prescribed its good corporate governance policy on the basis of moral integrity, good quality and benefits, and has also given precedence to social and community contribution activities around its worksite and in other communities by taking account of necessities, suitability, and its capabilities.

In 2006, Saha - Union (Public) Co., Ltd., as well as its affiliates, has participated in public activities in terms of educational, religious, social, and environmental contribution, which would be beneficial to the Thai society as a whole.

Educational Contribution

The Company has given a great precedence to education and has determined to take part in the educational development so that Thailand will become the knowledge - based society and will result in sustainable national development. Saha - Union Group has given its support to the national education; for examples :

- Giving the financial support to Mae Fah Luang University, which has been established as a token of commemoration to Somdet Phra Srinagarindra Boromarajajonani Her Royal Highness the Princess Mother, to carry out the University's missions of learning, researches, technical services to the society, art and cultural preservation, personnel development, educational development and to keep on the aspiration of Somdet Phra Srinagarindra Boromarajajonani Her Royal Highness the Princess Mother to the Thai subjects;
- Giving the support of educational facilities through its 60 library establishment project to celebrate H.M. the King's 60th anniversary of ascension to the throne, with an emphasis on the national strategies on educational development and provision of knowledge and good understanding among the youth and nearby communities;

Religious Contribution

The Company is aware of the role of Buddhism maintenance for spiritual reliance, socialization, and peaceful coexistence, and has thus given its support, as follows:

- Donated money and presented robes to the Buddhist monks at Wat Tha Luang, Nai Muang Sub district, Muang District, Phichit Province ;
- Giving the financial support to the Faculty of Humanity, Khon Kaen University to produce 23 VCD Series of the Lord Buddha's Teaching "Saeng Song Jai" with the approval of the Buddhist Supreme Patriarch to celebrate his 93rd birthday anniversary, to be given to schools for the blind in the provinces, Caulfield Library, Foundation for the Blind in Thailand, and homes for the aged nationwide;
- Joined The Big Candle Molding Ceremony to conserve and keep on the valuable traditions in the Thai culture and to unite the Thai society;

Social Contribution

The Company has continually given its support to foundations and non - profit organizations' activities and has also given assistance to people with fewer opportunities and to unite the Thai society; for examples:

- Donated money through Princess Pa Foundation, Thai Red Cross Society in order to provide and install the warning system to prevent flooding in 3 Northern provinces including Uttaradit, Phrae, and Sukhothai;
- Donated money through Sai Jai Thai Foundation under the Royal Patronage to organize the Sai Jai Thai Day to celebrate the 60th Anniversary of H.M. the King's Ascension to the Throne and to celebrate Princess Sirindhorn's birthday anniversary (April 2nd, 2006) on Channel 5;
- Donated money through UNICEF (Thailand) to improve the quality of life of children of fewer opportunities on the basis of sustainable development and in accordance with the UNICEF's action plan so that those children will be grown up as quality and self - dependent adults;
- Donated money to Wat Phra Baht Nam Phu, the Buddhist temple that cares for full blown AIDS patients, for necessary treatment and rehabilitation of AIDS patients;

Environmental Contribution

The Company has given the precedence to the participation in energy and environmental conservation and has therefore given supports and launched campaigns to establish self - awareness to all employees to get involved in the energy conservation in their daily lives.











STRUCTURE OF SHAREHOLDING

10 MAJOR SHAREHOLDERS IN SAHA - UNION PCL.

ON 1 MARCH 2006

1.2 Union Capital Company Limited 1.3 Union Business Management Company Limited 1.4 Union Industries Corporation Limited 1.5 Uni - Fibre Company Limited 1.6 Saha - Union Holding Company Limited 1.7 Union Multi - Capital Company Limited 1.8 Darakananda Group 1.9 Union Equity Company Limited 1.9 Union Equity Company Limited 2. BANGKOK BANK PUBLIC COMPANY LIMITED 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 6. GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY 7. BANGKOK BROADCASTING & TELEVISION 9. BANGKOK BROADCASTING & TELEVISION	NO.	SHAREHOLDERS	ULTIMATE SHAREHOLDERS	BUSINESS	NO. OF SHARES	% OF SHARES
1.2 Union Capital Company Limited 1.3 Union Business Management Company Limited 1.4 Union Industries Corporation Limited 1.5 Uni - Fibre Company Limited 1.6 Saha - Union Holding Company Limited 1.7 Union Multi - Capital Company Limited 1.8 Darakananda Group 1.9 Union Equity Company Limited 1.9 Union Equity Company Limited 2. BANGKOK BANK PUBLIC COMPANY LIMITED 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 6. GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY 7. BANGKOK BROADCASTING & TELEVISION Darakananda Group Investment 19,797,800 Investment 17,880,300 Investment 17,880,300 Investment 11,604,440 Darakananda Group Investment 3,000,000 Investment 3,000,000 12,782,700 12,325,000 3,9152,900 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 4. (650,000) 3. 3,969,500 CLIENT CUSTODY 7. BANGKOK BIFE INSURANCE PUBLIC COMPANY LIMITED 8. GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION	1.	GROUP OF COMPANIES				
1.3 Union Business Management Company Limited 1.4 Union Industries Corporation Limited 1.5 Uni - Fibre Company Limited 1.6 Saha - Union Holding Company Limited 1.7 Union Multi - Capital Company Limited 1.8 Darakananda Group 1.9 Union Equity Company Limited 2. BANGKOK BANK PUBLIC COMPANY LIMITED 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 6. GBS SINGAPORE, BRANCH - PB SECURITIES CUIENT CUSTODY 7. BANGKOK BROADCASTING & TELEVISION 9. BANGKOK BROADCASTING & TELEVISION		1.1 Union Thread Industries Company Limited	Darakananda Group	Investment	28,938,500	9.65
1.4 Union Industries Corporation Limited Darakananda Group Investment 17,880,300 1.5 Uni - Fibre Company Limited Darakananda Group Investment 11,604,440 1.6 Saha - Union Holding Company Limited Darakananda Group Investment 11,604,440 1.7 Union Multi - Capital Company Limited Darakananda Group Investment 1.8 Darakananda Company Limited Darakananda Group Investment 1.9 Union Equity Company Limited Darakananda Group Investment 1.9 Union Equity Company Limited Darakananda Group Investment 1.9 Union Equity Company Limited Darakananda Group Investment 1,9 Union Equity Company Limited Darakananda Group Investment 1,9 Union Equity Company Limited 1,000,000 1,000,000 1,000,000 1,000,000		1.2 Union Capital Company Limited	Darakananda Group	Investment	19,797,800	6.60
1.5 Uni - Fibre Company Limited Darakananda Group Investment 11,604,440 1.6 Saha - Union Holding Company Limited Darakananda Group Investment 6,204,994 1.7 Union Multi - Capital Company Limited Darakananda Group Investment 6,000,000 1.8 Darakananda Company Limited Darakananda Group Investment 3,000,000 1.9 Union Equity Company Limited Darakananda Group Investment 2,782,700 2. BANGKOK BANK PUBLIC COMPANY LIMITED 12,325,000 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 9,152,900 4. Mr. KUMTORN POONSAKUDOMSIN 8,154,644 5. TISCO BANK PUBLIC COMPANY LIMITED 4,650,000 6. GBS SINGAPORE, BRANCH - PB SECURITIES 3,969,500 CLIENT CUSTODY 7. BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED 3,804,500 8. GERLACH & CO - DIMENSIONAL EMERGING 3,025,300 MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION		1.3 Union Business Management Company Limited	Darakananda Group	Investment	19,011,800	6.34
1.6 Saha - Union Holding Company Limited Darakananda Group Investment 6,204,994 1.7 Union Multi - Capital Company Limited Darakananda Group Investment 6,000,000 1.8 Darakananda Company Limited Darakananda Group Investment 3,000,000 1.9 Union Equity Company Limited Darakananda Group Investment 2,782,700 2. BANGKOK BANK PUBLIC COMPANY LIMITED 12,325,000 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 9,152,900 4. Mr. KUMTORN POONSAKUDOMSIN 8,154,644 5. TISCO BANK PUBLIC COMPANY LIMITED 4,650,000 6. GBS SINGAPORE, BRANCH - PB SECURITIES 3,969,500 CLIENT CUSTODY 7. BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED 3,804,500 8. GERLACH & CO - DIMENSIONAL EMERGING 3,025,300 MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION		1.4 Union Industries Corporation Limited	Darakananda Group	Investment	17,880,300	5.96
1.7 Union Multi - Capital Company Limited Darakananda Group Investment 1.8 Darakananda Company Limited Darakananda Group Investment 3,000,000 1.9 Union Equity Company Limited Darakananda Group Investment 2,782,700 2. BANGKOK BANK PUBLIC COMPANY LIMITED 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 4,152,900 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 6. GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY 7. BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED 8. GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION		1.5 Uni - Fibre Company Limited	Darakananda Group	Investment	11,604,440	3.87
1.8 Darakananda Company Limited 1.9 Union Equity Company Limited 2,782,700 2. BANGKOK BANK PUBLIC COMPANY LIMITED 3,000,000 1.9 Union Equity Company Limited Darakananda Group 1nvestment 2,782,700 12,325,000 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 4,152,900 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 6. GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY 7. BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED 8. GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION		1.6 Saha - Union Holding Company Limited	Darakananda Group	Investment	6,204,994	2.07
1.9 Union Equity Company Limited 2,782,700 2. BANGKOK BANK PUBLIC COMPANY LIMITED 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 6. GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY 7. BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED 8. GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION		1.7 Union Multi - Capital Company Limited	Darakananda Group	Investment	6,000,000	2.00
2. BANGKOK BANK PUBLIC COMPANY LIMITED 3. SOUTHEAST LIFE INSURANCE COMPANY LIMITED 4. Mr. KUMTORN POONSAKUDOMSIN 5. TISCO BANK PUBLIC COMPANY LIMITED 4.650,000 6. GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY 7. BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED 3.804,500 8. GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION		1.8 Darakananda Company Limited	Darakananda Group	Investment	3,000,000	1.00
 SOUTHEAST LIFE INSURANCE COMPANY LIMITED Mr. KUMTORN POONSAKUDOMSIN TISCO BANK PUBLIC COMPANY LIMITED GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC BANGKOK BROADCASTING & TELEVISION 		1.9 Union Equity Company Limited	Darakananda Group	Investment	2,782,700	0.93
 Mr. KUMTORN POONSAKUDOMSIN TISCO BANK PUBLIC COMPANY LIMITED GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC BANGKOK BROADCASTING & TELEVISION 	2.	BANGKOK BANK PUBLIC COMPANY LIMITED			12,325,000	4.11
 TISCO BANK PUBLIC COMPANY LIMITED GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC BANGKOK BROADCASTING & TELEVISION 	3.	SOUTHEAST LIFE INSURANCE COMPANY LIMITED			9,152,900	3.05
 GBS SINGAPORE, BRANCH - PB SECURITIES CLIENT CUSTODY BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC BANGKOK BROADCASTING & TELEVISION 	4.	Mr. KUMTORN POONSAKUDOMSIN			8,154,644	2.72
CLIENT CUSTODY 7. BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED 8. GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION	5.	TISCO BANK PUBLIC COMPANY LIMITED			4,650,000	1.55
 BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC BANGKOK BROADCASTING & TELEVISION 	6.	GBS SINGAPORE, BRANCH - PB SECURITIES			3,969,500	1.32
8. GERLACH & CO - DIMENSIONAL EMERGING MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION		CLIENT CUSTODY				
MARKET VALUE FUND, INC 9. BANGKOK BROADCASTING & TELEVISION	7.	BANGKOK LIFE INSURANCE PUBLIC COMPANY LIMITED			3,804,500	1.27
9. BANGKOK BROADCASTING & TELEVISION	8.	GERLACH & CO - DIMENSIONAL EMERGING			3,025,300	1.01
		MARKET VALUE FUND, INC				
COMPANY LIMITED 2,600,000	9.	BANGKOK BROADCASTING & TELEVISION				
		COMPANY LIMITED			2,600,000	0.87
10. Mr. Aksornprasit Darakananda 2,398,500	10.	Mr. Aksornprasit Darakananda			2,398,500	0.80

STRUCTURE OF SHAREHOLDING

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 2006 is as follow:

Mr. Amnuay Viravan 373,960 Mr. Damri Darakananda *	373,960 - - 25,960	-	4,095,000.00 730,000.00	120,000.00
	-	-		120,000.00
Mr. Damri Darakananda * -	- - 25 960	-	730,000.00	
	- 25 960	_		132,000.00
Mr. Panas Simasathien -	25 960		720,000.00	60,000.00
Mr. Amorn Chandara-somboon 25,960	25,500	-	720,000.00	60,000.00
Mrs. Chongraksa Darakananda * 50,000	50,000	-	720,000.00	60,000.00
Mr. Sumeth Darakananda 634,814	634,814	-	720,000.00	-
Mr. Chackchai Panichapat -	-	-	720,000.00	-
Mr. Kamol Khoosuwan 30	5,030	(99.4%)	720,000.00	-
Mr. Sompop Amatayakul 10,000	10,000	-	850,000.00	400,000.00
Mrs. Araya Arunanondchai 2,251,694	2,251,694	-	250,000.00	72,000.00
Miss Sriwarin Jirapakkana 127,284	127,284	-	120,000.00	226,000.00
Mrs. Sirinun Sansanakom 45,724	85,024	(46.22%)	120,000.00	72,000.00
Miss Pakinee Prerttitumrong 1,950,624	1,950,624	-	240,000.00	150,000.00
Mrs. Supung Tangsujaritpunt 144,662	144,962	(0.21%)	120,000.00	-
Mr. Songsak Thampimukvatana -	-	-	120,000.00	144,000.00
Mr. Thitivat Suebsaeng -	-	-	120,000.00	-
Mr. Noparut Punyapas -	-	-	120,000.00	144,000.00
Miss Dalad Sapthavichaikul 13,052	13,052	-	120,000.00	132,000.00
Mr. Chutindhon Darakananda 322,000	322,000	-	120,000.00	132,000.00
Mr. Aksornprasit Darakananda ** 2,398,500	2,398,500	-	120,000.00	204,000.00
Mrs. Chantorntree Darakananda ** 17,500	27,500	(36.36%)	120,000.00	60,000.00
Mr. Bovornrat Darakananda -	-	-	120,000.00	204,000.00
Mr. Vacharaphong Darakananda *** 1,582,600	1,582,600	-	120,000.00	132,000.00
Mrs. Sasithorn Darakananda ***	40,000	(100%)	120,000.00	-
Mr. Nantiya Darakananda -	-	-	120,000.00	72,000.00
Total Remuneration			12,165,000.00	2,576,000.00

 $^{^{\}star}$, ** and *** Related persons as the regulation of SET, number 258

Remuneration for the Management

The remuneration for all five of the Executive Directors and the Executives, including their salary and bonus, totaled Bht. 12,197,835.52 Other Executive Directors, excluded from 5 as mentioned, do not receive these remunerations except the meeting allowance from the company only since they all have positions and reponsibilities, 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 4 Executives with the rate of 3% amounted to Baht 265,122 the fund is managed by Bangkok bank Public Company Limited

STRUCTURE OF MANAGEMENT

The Company's structure of management comprises 6 committees, i.e., Board of Directors which includes 4 independent directors, Board of Executive Directors, Advisory Board, the Audit Committee, Nomination and Remuneration Committee, and Risk Management Committee.

List of the committees and the scope of their duties and responsibilities are as follows :

1. The Board of Directors consists of 25 members, with their respective record of attendances in 12 Board's meetings in 2006, as follows:

NAME	POSITION	MEETING ATTENDED
1. Mr. Amnuay Viravan	Chairman	12
	and Advisory Board's Chairman	
2. Mr. Damri Darakananda	Vice Chairman	9
	and Advisor Board's Vice Chairman	
3. Mr. Panas Simasathien	Executive Chairman and Advisor	12
4. Mr. Amorn Chandara-somboon	Director and Advisor	9
5. Mr. Kamol Khoosuwan	Director and Advisor	12
6. Mr. Sompop Amatayakul	Chairman of The Audit Committee	10
7. Mrs. Araya Arunanondchai	Audit Committee Member	10
	and Independent Director	
8. Mr. Sumeth Darakananda	Director and Advisor	9
9. Mrs. Chongraksa Darakananda	Director and Advisor	9
10. Mr. Chackchai Panichapat	Director, Advisor	10
	and Independent Director	
11. Miss Pakinee Prerttitumrong	Audit Committee Member	12
	and Independent Director	
12. Miss Sriwarin Jirapakkana	Vice President	12
13. Mrs. Sirinun Sansanakom	Vice President	12
14. Mrs. Supung Tangsujaritpunt	Vice President	12
15. Mr. Songsak Thampimukvatana	Vice President	12
16. Miss Dalad Sapthavichaikul	Vice President	11
17. Mr. Chutindhon Darakananda	Vice President	3
18. Mr. Aksornprasit Darakananda	Vice President	12
19. Mr. Bovornrat Darakananda	Vice President	3
20. Mr. Vacharaphong Darakananda	Vice President	12
21. Mr. Thitivat Suebsaeng	Director	11
22. Mr. Noparut Punyapas	Director	12
23. Mrs. Chantorntree Darakananda	Director	12
24. Mrs. Sasithorn Darakananda	Director	12
25. Mr. Nantiya Darakananda	Director	6

The Board of Directors has the scope of duties and responsibilities according to the Company's Regulations, as follows:

- 1. Determine the objectives and policies of the Company's business operation and monitor the Company's performances accordingly;
- 2. Implement in accordance with the law, objectives, regulations, and resolutions decided on the shareholders' meetings;
 - 3. Appoint and remove the Company's employees; or may assign one or several directors to act on its behalf;
- 4. Determine remuneration for the Company' staff members or employees or any other person carrying out a business for the Company, either on a regular or irregular basis;
 - 5. Determine the interim dividends for the shareholders;

To fulfill their duties and responsibilities, the Board of Directors may assign any or several directors or any other person to act on its behalf;

The Board of Directors shall appoint any director as the President, with duties and responsibilities as it may think fit.

The Board of Directors shall consist of at least 5 members; over a half of them shall be residing in the Kingdom; and at least three - fourths of the members shall be Thai citizen.

The Board's members shall be elected at the shareholders' meeting in accordance with the criteria and procedures prescribed in the Regulations on nomination of directors and the management, Page 52 - 53.

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 2006, Board 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 2006, 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 48

2. The Executive Committee

NAME	POSITION
Mr. Panas Simasathien	Chairman
Miss Sriwarin Jirapakkana	President
Mrs. Sirinun Sansanakom	Vice President
Mrs. Supung Tangsujaritpunt	Vice President
Mr. Songsak Thampimukvatana	Vice President
Miss Dalad Sapthavichaikul	Vice President
Mr. Chutindhon Darakananda	Vice President
Mr. Aksornprasit Darakananda	Vice President
Mr. Bovornrat Darakananda	Vice President
Mr. Vacharaphong Darakananda	Vice President
Mr. Nantiya Darakananda	Executive Director
Mrs. Chantorntree Darakananda	Executive Director
Mrs. Sasithorn Darakananda	Executive Director
Mr. Thitivat Suebsaeng	Executive Director
Mr. Noparut Punyapas	Executive Director
Mr. Manas Asavametha	Sale Manager
Mr. Preecha Shunhavanich	General Manager, Sale and Marketing
Mrs. Srinual Sombatpaiwan	Manager, Accounting and Finance

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 28^{th} 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 Prerttitumrong	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	
4. Mr. Amorn Chandara-somboon	
5. Mrs. Chongraksa Darakananda	
6. Mr. Sumeth Darakananda	
7. Mr. Sompop Amatayakul	
8. Mr. Chackchai Panichapat	
9. Mr. Kamol Khoosuwan	

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 Sapthavichaikul	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.

7. Secretary of the Company: Mrs. Sirinun Sansanakom

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 on page 6 - 23, responsibilities and authority of the Members of the Board on page 24.

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.

he 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 guit 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. Policy on Corporate Governance

The Company has its policy of corporate governance based on its motto of business ethics "Integrity, Quality, Service", and has determined its strategic policy for good corporate governance and proper organizational management, and has justly taken account of interests of all related parties; moreover, the Company has provided the internal control system, risk management system, and procedures for quality control, as well as personnel development programs to improve their work skills under the precise database, thus, for its competitiveness and sustainable growth. The Company is determined to generate proper returns for shareholders and all related parties. For this purpose, the Board of Directors and the top management have prescribed the vision, missions, strategies, and action plans and have monitored the outcomes and has periodically adjusted its policies to the changing situations.

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 2006, 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. The detail of "Management Structure" on page 48 - 60.

In 2006, certain members of the Board of Directors attended three 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 2006 is recorded under "Common Interested Persons and Connected Transactions" on page 76 - 78

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 40% 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 in 2006 appear on page 47 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 2006, the board of directors attended 12 meetings. This does not include directors who had important duties to perform or were overseas. 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 48

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.

In 2006, the Board of Directors has evaluated and summarized its performances for further improvement.

12. Committees

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

1. Mr. Sompop Amatayakul Chairman

Mrs. Araya Arunanondchai
 Member and Independent Director
 Miss Pakinee Prerttitumrong
 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 2006 on page 79"

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 effective ness 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 Managment with Dr. Noparut Punyapas 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 as set up a range of operational authorities from the management level, down to the operational level. Responsibility for internal control is divided among staff, inspectors and the evaluation team, enabling each group to inspect each other. The company also has a financial report system so the management can follow all operations. The company's inspection system is designed to benefit to the company. The Board of Directors' opinions on the internal control system are printed under the internal control section on page 58 - 60.

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 80

15. Relations wih 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 Tephasadintra 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 Board of Directors has evaluated the adequacy of the Company's internal control system in 2006, which can be summarized, as follows:

The Organization and its environment

As a basis for effective internal control system, the Board of Directors has supervised and determined the clear and assessable business objectives and investment plans as the operational guidelines for the employees. The Board of Directors has carefully evaluated the real situations and all possibilities before determining the goal of business operation and has also decided the appropriate incentives and remuneration for the employees. The organization structure is

designed to encourage efficient management practices. The Board of Directors has approved the publication of the Executives' Manual and the organization structure. The Board of Directors has clearly set the goal of business operation, which included the sales targets in domestic and foreign markets according to the business types and geographical locations. The targets are preset each year, with monthly performance evaluations and the operational plan review at least once a year, normally in August. At the employee level, regular performance evaluations are planned to ensure that their tasks are completed on schedule. The Company has also prescribed the regulations on business ethics, prohibiting, in writing, any conflicts of interest of its management and employees against its business operation, including punishments for any violation thereof, which are included in the Executives and Employees' Manual in section "Disciplines and Disciplinary Actions", and regulations on confidentiality. The Company is strictly committed to the value of business ethics and its philosophy of "Integrity, Quality, and Service" in all areas of its business activities, including all related parties, financial transactions, purchasing, and general administration. The Company has provided the concise anti - trust policy and procedures, in writing, with an emphasis on fairness to its business partners, customers and all stakeholders, and for the benefits of the Company and its investors in the long - term.

Risk Management

The Risk Management Committee is obliged to evaluate situations that cause risks, including internal and external risk factors, based on the market condition, changing socio - economic, political, and technological condition, and currency exchange fluctuations. The Company has classified risk factors into business risk, operational risk, financial risk, and external risk factors and has analyzed the possibilities and impacts on the Company. The Company has prioritized the risk factors and has determined some measures to minimize the said risks and later followed up and reviewed the evaluation result and update the data periodically covering the entire organization so that the working parties involved would comply with the following procedures. For example, in 2006, the Company has determined its policy for the working parties to reduce the risk from currency exchange fluctuations, to carry out their tasks in accordance with the prescribed procedures, and to give update information to the top management of each business unit for timely decision making, etc. The employees involved are notified through the internal communication system and are requested to comply with the risk management measures and to report the result thereof periodically to ensure that each business unit has complied with the prescribed measures or plans.

Executive Operation Control

The Company has clearly determined 3 separate main areas of responsibility to the management at each level in writing for mutual accountability, including power of approval, recording of particulars and information, and administration of the Company's assets. In case, the Company has made any business transactions with majority shareholders, directors, executives, or any other related persons, all of the connected transactions in its normal course of business shall be treated similar to those of the third parties, by taking account of the Company's interests and shall be approved by the executives who have no personal interests therein. The Company has duly complied with the criteria of the Stock Exchange of Thailand relating to the connected transactions and has disclosed the data through the Stock Exchange of Thailand and/ or in Notes to the Financial Statement. In case of transactions with related parties such as majority shareholders or the management, the Company's measures shall cover the event that the said related parties have exploited the opportunity or interests of the Company for his or her personal benefit. It is prescribed in the Executive's Manual, in case, the Company has approved the transactions with the related parties in the manner which is binding the Company in the long term such as sale or purchase of products or guarantee. The Company has followed up for compliance with the agreed conditions throughout the period binding the Company. In case, the Company has its investments in subsidiaries or affiliates, the Company shall follow up the operating result of the subsidiaries or affiliates regularly and shall determine the directions for compliance of the person who has been appointed by the Company as director or executive of such subsidiaries or affiliates. Moreover, the Company has its measures and policies to follow up its business operation strictly

in accordance with the legal requirements in order to reduce the risk of business operation and to establish good corporate governance of the Company.

Information System and Communication

The Company has given a great precedence to the information system and communication since important decisions shall be made with accurate and sufficient information; therefore, crucial information shall be adequately submitted to the Board of Directors for consideration and decision - making. The directors shall receive notice of a meeting and/or relevant documents for at least 7 days before the date of the meeting. The minutes of the Board of Directors' meeting shall include the detailed records of agendas, proposals, inquiries, opinions or remarks of the board members, including reasons (if any). The Company has completely kept all documents and records filed in appropriate categories. There has been no complaint from the auditors so far. Regarding the accounting policy, the Board of Directors has considered that the management has implemented its accounting policy in accordance with the generally accepted standard of accounting, which is suitable to the nature of the Company's business, to give the real picture of its operating result, with accurate and complete contents; and the said practice shall be in accordance with the Accounting Act 2000.

Follow - up Systems

For effective and efficient business operation, the Company has set the targets and objectives for its operations. The Board of Directors has closely monitored the performance of the management to see if they are able to achieve the targets. In case, they fail to achieve the targets due to resource limitations or work - related obstacles, the Board of Directors will make its recommendations for alternative schemes. The Company also monitors its internal audit operation and reports the result thereof to the Audit Committee directly so that the internal auditor can perform his/her work independently and to present the audit report openly. In case, any material irregularity is found, it shall be promptly reported to the internal auditor for correction within a reasonable time. In case of fraud, suspected acts, or violation of the laws, which may significantly impair the reputation or financial status of the Company, the management is required to immediately notify the Audit Committee and the Board of Directors, with recommended measures to address the problem. The Company has prescribed that, in case, the Audit Committee has any opinions that are different from the Board of Directors' decisions, such opinions shall be recorded in writing in the minutes of the meeting; however, no such issues has occurred. The Company has also disclosed the good corporate governance report of the Audit Committee in the Annual Report, Page 79

MANAGEMENT DISCUSSION AND

ANALYSIS

Business Performances

Business performances are divided into domestic and international operations. Regarding the domestic business, as a subsidiary of the Company, the Union Energy Company Limited (UE) has invested in an independent power plant project under the name of Ratchaburi Power Company Limited (RPCL). The construction of this project was postponed until 2004 and the site of the power plant was relocated and the fuel type was also changed from coals to natural gas. During 2005, RPCL has secured the required permits and licenses for the operation and also signed loan agreements with several creditors. RPCL was able to draw upon the first payment from the loans within the first quarter of 2006. The subsidiary was fully reimbursed the loan on the shareholders' part in the first quarter of 2006. During 2006, the construction project was implemented as planned and will be able to supply electricity, Phase 1, totally 700 megawatt, to EGAT, in March 2008; and Phase 2, totally 700 megawatt in June 2008, as planned. It is expected that the subsidiary will receive the investment returns as from 2009 onwards.

Regarding the international business, the Company's international school business, under the license of Dulwich International School, has been opened in Shanghai in 2006; another international school of the Company has just been opened in Beijing in 2006; however, the number of students was fewer than expected; therefore, all related parties are reviewing the action plan for the school.

Regarding the Company's energy business in China, the operating result in 2006 was better than expected since the expanded power plant reported earlier has beenoperating at its full capacity. The electricity sales price increases were approved by the authorities according to the calculation formula in proportion to the fuel prices which have increased since mid 2005. The operating result of 2006 was better than those of 2005 as the fuel prices have not been adjusted throughout the year 2006.

Performances

Overall Operational Performances

In 2006, Saha - Union Plc., and its subsidiaries had net profits of 1,201.01 million Baht, increased by 40.20% when compared to net profits of 856.62 million Baht in 2005. The main reasons of such dramatic increase of its net profits included the Company's recognition of the profit shares from investments under the equity method from its affiliates has increased by 318.4 million Baht, mostly generated from the energy business in China, of which net profits have increased by 300.73 million Baht since the expanded power plant has been operating at its full capacity; the prices of coals - the main raw materials - have not changed significantly, and the coal utilization capacity has also increased. Moreover, in 2006, the Company has obtained its dividends receivable, increased by 52 million Baht; interest receivable increased by 20.5 million Baht, and profits from exchange rates, totally 172 million Baht due to deflation of the Thai currency, which had an impact on transactions of the loan amount in foreign currencies; meanwhile, in 2005, the Thai currency was devalued, and, therefore, the Company had its unrealized loss of 71.59 million Baht; the difference of profits from exchange rates was 243.69 million Baht; and according to the data disclosed by the Company in 2006 and in the year earlier in terms of unprofitable investments and losses in 2 power plants in China, i.e., Danhuang - Union Cogeneration and Shenzhou - Union Cogeneration that the related management had to shut down the power plants to terminate the damage and complied with the liquidity procedures and sold out the investments, respectively; and such transactions have completely been made in 2006; therefore, the Company has recognized its losses from investment sale in 2006, amounted to 81.7 million Baht; meanwhile, in 2005, the Company has obtained profits from the sale of investments in another local company amounted to 223.77 million Baht; therefore, the difference was totally 305.49 million Baht for this type of transactions; whereas, there was no significant difference in other transactions.

Main factors affecting the Company's operations in 2006:

Policies of Foreign Government Agencies

As the Company's subsidiary has invested in coal power plants in China; when the coal prices have continually increased according to oil prices situation, the electricity sale prices were controlled by the government agencies; as a result, those power plant failed to generate reasonable returns; therefore, there have been negotiations with the public sector to increase the electricity sale prices until it was agreed that the structure of electricity and steam sale prices can be adjusted in proportion to the fuel or coal prices; the calculation formula was subject to each city or province; such successful negotiation and approval had an impact on the Company's performances in 2006, i.e., the Company has recognized its profit shares from investment under the equity method according to the accounting standard, which have increased by 318.4 million Baht from the year 2005.

Interest Rates

In 2006, the interest rates in the financial market have increased when compared to those of 2005; therefore, the Company's subsidiaries in foreign countries have recognized more incomes from deposit interest than those of 2005.

Currency Exchange Rates

In 2006, the value of Thai currency has become stronger against foreign currencies when compared to those in 2005 and much stronger against other currencies in the Region, which definitely affected the export transactions of the Company since the Company has a considerable portion of its export markets. When the Company has received payments and has purchased its raw materials in foreign currencies, the Company's surplus in Thai currency has decreased when compared to those in 2005, particularly the footwear products of Saha - Union Group, which suffered more effects than other products as the majority of incomes from sales depended on its export.

Marketing and Competitions

Apart from investments, the Company also manufactures and distributes products, mostly consumer products. Under the free trade competitions, the market mechanism determines the prices; therefore, the Company's products must compete with similar products from other lower - cost countries. Meanwhile, the cost of raw materials and fuel prices tend to increase, the sale prices have not increased in proportion to the increasing cost of sale due to very strong market competition, resulting in smaller profits per unit. The Company has decided to

expand its investment to China, a larger market place, which is more cost - advantageous than the Thai market. Due to stronger market competitions, the Company has to adjust the administration policy of the group companies to keep up with the rapidly - changing environment by allowing the group companies to manufacture, distribute, and market their products, to diversify the products, to bargain the prices with their business partners and to make timely decisions for flexible management of work and their competitiveness in the long term.

Business Groups' Performances

Revenues from Sales and Services

In 2006, the Company's revenues from sales and services were worth 17,403.62 million Baht, increased by 26.42 million Baht when compared to 17,377.2 million Baht in 2005. The volume of gross sales increased from the computer and electronic business, as well as the Company's textile business in China.

Other Revenues

In 2006, the Company's revenues other than the revenues from sales and services were worth 1,477.83 million Baht, increased by 266.08 million Baht or 1.31% of the total revenues, when compared to 1,211.75 million Baht in 2005, including:

- Revenues from normal business activities other than sales have increased by 253.16 million Baht or 1.3% of the gross sales; as in 2006, the Company has generated its profits from currency exchange rates, resulting from deflation of the Thai currency and transactions of the loan amount in foreign currencies, amounted to 172.1 million Baht; meanwhile, in 2005, the Company had no profits from such transactions. Moreover, the Company's dividend receivable has increased by 52 million Baht from investments; and the interest receivable of the Company's subsidiaries in foreign countries has increased by 20.51 million Baht due to higher interest rates in the financial market than those in 2005.
- Revenues of profit share from investment under the equity method have increased by 318.4 million Baht or 1.6% of the total revenues. The Company has recognized this portion of revenues from the operating result of its affiliates under the equity method and in accordance with the accounting standard, mostly generated from full operations of the electricity generating business in China, amounted to 300.72 million Baht, and also slightly generated from the plastic business.
- Proceeds from sales of investments; In 2005, the Company has generated its profits from the sale of investments, totally 223.7 million Baht other than its normal business activities; however, in 2006, the Company had no profit from the sale of investments and has recognized the actual losses from the sale of investments, totally 81.72 million Baht as the Company's affiliate has shut down Danhuang Union Cogeneration plant and has completely liquidated in 2006, as detailed in Section "Overall Performances", Pages 61 63. When compared between 2005 and 2006, this portion of revenues has decreased by 1.6% of the total revenues.

Sales and Management Costs and Expenses

In 2006, the Company's sales costs have decreased by 170.06 million Baht from 2005, or equal to 1.11% of the gross sales (which have increased by 26.42 million Baht) due to improvement of the cost effectiveness in the textile business and improvement of coal utilization capacity of cogeneration plants in China.

In 2006, sales and management expenses were totally 2,098.90 million Baht or increased by 112.35 million Baht when compared to 1,986.56 million Baht in 2005, or increased by 0.43% of the total revenues, resulting from the increase of electricity fees, fuel expenses, product research and development fees, and amortization of bad debts, reserves for products and equipment depreciation; whereas, the Company has taken necessary actions for controllable expenses. In summary, the sales and management expenses have increased under normal condition of its business operation and in accordance with the changing situations.

Profits

In 2006, the Company has generated its gross profit of 2,201.07 million Baht or 12.64%. When compared to the gross profit of 2,004.59 million Baht or 11.53% in 2005, the gross profit ratio has increased by 1.11% in 2006 due to cost reduction in the textile business and cogeneration plant business in China.

In 2006, the Company's ratio of profit from operations to total revenues was 8.37%, or increased by 2.14% when compared to 6.23% in 2005 as the Company has recognized the profit share from investments under the equity method from its affiliates in China, which has increased at the rate of 1.64% deducted by the loss from sales of investments in China; as a result, the profit from operations has decreased by 0.43%. Moreover, the Company's profit from currency exchange rates has increased by 1.30% when compared to those in 2005, resulting from the deflation of the Thai currency, transactions of the loan amount in foreign currencies; whereas, there was no significant difference in other transactions (see Section "Overall Performances", Pages 61 - 63).

In 2006, the Company's ratio of net profit to total revenues was 6.36%, or increased by 1.75% when compare to 4.61% in 2005 as the above - mentioned profit from operations plus transactions of interest payable have decreased by 0.03%; and transactions of corporate income tax have increased by 0.13% of the total revenues. In summary, the 2006 net profit in the financial statements has increased by 344.38 million Baht or 40.2% when compared to those in 2005.

The rate of returns to shareholders' equity in 2006 was 8.87%, or increased by 2.30% when compared to 6.57% in 2005 as the Company's net profit in 2006 was higher than those in 2005.

According to the 2006 financial statements, the Company had its net profit of 1,201.01 million Baht. When compared to a cash flow from its operations of 1,523.94 million Baht, it indicated that the amount of net profit was regained in terms of cash from actual operations (the amount of net profit was less than cash from operations because in the computation of net profit, the depreciation and amortization was recorded in a non - cash form, totally 706.48 million Baht; and unrealized net profit from the currency exchange rates, in a non - cash form, was totally 172 million Baht; and the net profit recorded with the Company's recognition of the profit shares from investments under the equity method, in a non - cash form, was totally 845 million Baht in 2006; moreover,

in 2006, the net profit was recorded with expenses when cash was not paid; for example, loss from sale of investments, totally 82 million Baht, reserves for compensation, and allowances for resignation and retirement, totally 52 million Baht; reserves for bad debts, obsolete products, and depreciation of equipment, totally 182 million Baht. When taking account of assets from operations, the Company's cash flow from transactions of loans has decreased by 45 million Baht; the inventory has decreased by 101 million Baht, and amount payable has decreased by 45 million Baht. (The Company has the profits from operations, worth 1,579 million Baht, which was close to the cash flow from operation, worth 1,524 million Baht and indicated that the Company has excellent liquidity of operation.

Rate of Returns to Shareholders' Equity

In 2006, the Company has computed its net profit under the equity method and in accordance with the accounting standard for the provision of financial statements, with recognition of share of profits (losses) from subsidiaries and affiliates. In summary, the net profit was totally 1,201 million Baht (with a profit per share of 4.14 Baht) and the rate of returns to shareholders' equity of 8.87% is higher (when compared with the fixed savings interest rate of a financial institution).

In 2006, the Company has generated its net profits under the cost method, totally 486 million Baht, or the net profit per share of 1.62 Baht. Normally, the Company shall consider the payment of dividend for at least one - third of its net profits under the cost method by taking account of the Company's liquidity and necessity of spending; however, the Company has considered regularly paying the dividend to shareholders at the rates suitable to its investments. In this year, the Company has expected to pay dividend to shareholders at the rate of 1.25 Baht/share or equal to 77.16% of the net profits under the cost method.

The Company's records of dividend payment in comparison with earnings per share under the equity method and the cost method were as follows:

Year	Dividends	Earnings per share	
		Equity Method	Cost Method
2005	1.25	2.95	1.85
2004	1.25	1.46	2.14
2003	1.25	3.37	2.01
2002	1.25	3.40	2.33
2001	1.25	3.72	2.01

Financial Status

Changes in the Company's financial status can be summarized, as follows:

Assets

As of December 31st, 2006, the Company's total assets were worth 19,975 million Baht, decreased by 546.26 million Baht or 2.66% when compared to 20,521.29 million Baht in 2005; significant changes can be summarized, as follows:

At the end of 2006, the Company's asset components included current assets of 34.13%; investments of 43.66%; land, buildings, and equipment of 18.95%; and other assets of 3.13%. When compared to the assets at the end of 2005, significant changes included a decrease of current assets of 805.74 million Baht or decreased by 3.02%, resulting from a decrease of cash transactions and bank deposits of 360.43 million Baht; a decrease of short - term loans issued to affiliates of 265 million Baht, most of them were loan repayment transactions from shareholders of RPCL project, which was financed by a financial institution, in 1st Quarter of 2006; and a decrease of inventory transactions of 167 million Baht. At the end of 2006, the ratio of investments to total assets has increased by 652 million Baht, or 4.34% when compared to those of 2005, mainly including additional investment in a yarn spinning factory in China, worth 311.06 million Baht, capital - increase investment in Wuxi - Union Cogeneration Plant, worth 79.04 million Baht, capital - increase investment in Yixing - Union Biochemical Factory, worth 30.67 million Baht; and capital - increase investment in electricity generating project (RPCL) in Thailand, worth 58.50 million Baht; and an increase of fair value in available - for - sale securities in Stock Exchange of Thailand. In summary, the Company's investments have increased by 4.34%.

Other changes in the Company's asset components included non - current assets due to decreased transactions of machinery and equipment of subsidiaries. In 2006, there was no such asset components included in the financial statements resulting from the sale of overseas subsidiaries; and the net value of assets has decreased due to normal amortization and reserves for depreciation of assets, and decreased transactions of withholding taxes (waiting for tax return); and other trivial transactions, including transactions of fixed assets and other non - current assets, have decreased by 1.46% of the total assets.

There was no significant change in other assets.

Quality of Assets

As of December 31st, 2006, the net amount of accounts receivable was 2,546.37 million Baht, slightly decreased by 31.18 million Baht when compared to 2,577.55 million Baht in 2005. However, the majority of accounts receivable are not overdue. The average period for debt collection or payment in 2006, was 54 days, very close to the 55 day period in 2005. Nevertheless, the Company and its subsidiaries have estimated the net amount of accounts receivable, overdue for more than 1 year, worth 46.6 million Baht; and have therefore set aside an amount for bad debts and doubtful debts of 42.2 million Baht, equal to 1.63% of the total debtors. The Company and its subsidiaries believed that this amount should be sufficient to cover the doubtful debt at present.

As of December 31st, 2006, the outstanding balance of short - term loans for affiliates was totally 37.43 million Baht, decreased by 265.10 million Baht when compared to those of 2005 as the Company has received the

repayment of loans in proportion to its shareholding from RPCL, worth 260 million Baht. Moreover, short - term loans provided to international school businesses in China for their current capital and activities related to the operation have decreased by 5.1 million at the end of 2006. The interest rates on the loans were in reference to the loan interest rates of a commercial bank. The Company was certain that debtors would be capable of repaying the full amount of debts.

As of December 31st, 2006, the net amount of inventory was 2,113.11 million Baht or equal to 10.58% of the total assets, which have decreased by 167.34 million Baht when compared to 2,280.45 million Baht at the end of 2005. The Company and its subsidiaries have regularly checked the inventory, with reports of analysis of its age and condition. At the end of 2006, the Company has set up a reserve fund for depreciated and outdated inventory items, worth 159.39 million, equal to 7.01% of the total inventory, which was considered as an appropriate amount.

The Company has both domestic and overseas investments, as detailed in Notes to Financial Statement of 2006, Section 9, Section 10, and Section 11, equal to 43.66% of the total assets; moreover, differences in total investments between 2005 and 2006 were shown in Section: Financial Status (components of assets), Page 66.

Liquidity

Cash flow statements as of December 31st, 2006. The Company has its cash flow from various operational activities, worth 1,523.94 million Baht. The Company has spent 548.68 million Baht on investment activities; and 943.89 million Baht on financing activities, deducted with a decrease from foreign currency conversion as specified in the Financial Statement, worth 391.8 million Baht. From all 2006 operations, the cash flow declined by 360.43 million Baht; and the beginning cash flow brought forwards was 1,862.37 million Baht; therefore, the net cash flow at the end of 2006 was totally 1,501.94 million Baht.

In 2006, as the Company's cash flow from operational activities was totally 1,523.94 million Baht, which was close to its profits from operations, worth 1,579.99 million Baht, it indicated that the Company's normal operations could generate returns, mostly in cash; meanwhile, outstanding debtors and creditors were still within the collection and performance period; the number of inventory has decreased; and the inventory was finally cashed; as a result, the Company has liquidated its current capital effectively.

The Company has spent on investment activities, totally 548.68 million Baht as it has received the loan repayments from its subsidiaries and affiliates, as detailed in Section: Quality of Assets, totally 265.1 million Baht; and has received the payment from the sale of fixed asset in the textile business, totally 89.4 million Baht; the Company's dividends receivable were totally 417.16 million Baht; however, the Company has spent on 3 projects of business expansion in China; and 1 project in Thailand, as detailed on page 66 (Components of Assets) and decreased investments in China. In summary, the Company has spent more investments, worth 400 million Baht; and has invested in land, buildings, and equipment, as may be necessary for its growing business operation, mostly in computer and electronic, plastic, rubber, and steel businesses; and has expanded investment offices in China. In total, the Company has increased its cash flow spending on fixed asset investment, totally 920.46 million Baht.

Regarding its financing activities, the Company and its subsidiaries have not received additional loans in 2006; meanwhile, a loan amount of 508.93 million Baht was repaid; and a deposit amount was repaid to related activities,

totally 26.23 million Baht; dividends were paid to its shareholders, totally 408.72 million Baht; and the Company has spent 943.89 million Baht on its financing activities.

The net cash flow after the three activities above was totally 31.37 million Baht plus differences of foreign currency conversion, with different currency exchange rates between 2005 and 2006; the differences have decreased by 391.80 million Baht; the beginning cash flow brought forwards was 1,862.37 million Baht; therefore, the net cash flow at the end of 2006 was totally 1,501.94 million Baht.

Significant Ratio of Liquidity

At the end of 2006, the Company's ratio of current assets to current liabilities was 1.81:1; and the ratio of instant current assets to current liabilities was 1.25:1. From these ratios, the Company was able to convert its current assets into cash for full performance of its current liabilities and still had a surplus liquidity of 0.25 times, which indicated the high liquidity situation of the Company. The average period for debt collection or payment in 2006, was 54 days, very close to the 55 - day period in 2005, and was within the credit term given to the accounts receivable; meanwhile, the cycle of cash flow, from the moment a payment was made for raw materials until the date when the Company has actually received the cash payment for its sale of products, was 29 days, close to the cycle of 27 days in 2005, or as though the Company had approx. 9 cycles of cash flow in 2006. The Company's ratio of profits from operations to the total revenues was 8.37%, higher than 7.14% in 2005, due to better operational performances as detailed in Section: Performances, Page 61. Regarding the financial policy and structure, the Company's ratio of liabilities to shareholder's equity was 0.38:1; the source of cash from loans was much less than the shareholder's equity, which indicated the high liquidity and flexibility of the financial structure, which can still be used as a source of loans from creditors due to very low ratio of liabilities; moreover, the ratio of interest on debt performance was 16.24:1, indicating sufficient cash flow for interest payments to creditors. The rate of returns to shareholder's equity was 8.87%, which was better than the rate of returns from interest of fixed deposit accounts in any commercial banks.

Due dates of short - term liabilities with effect on the Company's liquidity

The Company had its short - term liabilities of 674 million Baht, and long - term liabilities, with a due date within one year, of 244 million Baht; Accounts payable under the Financial Lease Agreement, with a due date within one year, of 43 million Baht; outstanding expenses of 549 million Baht; and other outstanding current liabilities of 325 million Baht. Total short - term liabilities to be performed within 1 year were 1,835 million Baht. However, the Company indicated its current assets liquidity, cash and cash equivalent on hand for instant spending of 2,120 million Baht, equal to 115% of its short - term liabilities; therefore, the Company had adequate liquidity for its full performance of short - term liabilities within 1 year from the Company's cash flow. In addition to short - term liabilities, the Company had other commercial liabilities including trust receipts and accounts payable, which can be covered by accounts receivable in letters of credit (L/C) and T/T to be performed within the due date, and then the trust - receipt liabilities shall be fully performed. The value and period of source of cash from loans and the spending of short - term current capital was in conformity.

Expenses in Investment

During 2006, the Company had its expenses in investments including domestic and overseas businesses. Regarding the domestic businesses, the Company's subsidiaries have already paid the share capital in RPCL, totally 58.5

million Baht, in accordance with conditions of the related agreements, requiring the said subsidiaries to demand the payment of share capital periodically until the power plant project in Ratchaburi Province is completely constructed and capable of supplying the electricity. At present, the investments the Company's equities are totally 225 million Baht. Moreover, the Company had its expenses in investment from its additional purchases of land, building, and equipment in 2006, totally 898 million Baht to support the new technology and production processes in computer and electronics business, footwear, plastic, rubber, and steel businesses so that the businesses are able to compete in the industry and to expand the businesses.

Regarding the businesses in China, the Company's subsidiary has expanded the office building with the budget of 22 million Baht for its personnel and supervision of more business investments, and for quality and appropriate returns of its assets; moreover, the Company has increased its investments in a yarn spinning factory, worth 311 million Baht, Wuxi - Union Cogeneration Plant, worth 79 million Baht, and Yixing - Union Biochemical Factory, worth 31 million Baht to increase the business volume and to operate the economies of scale in order to generate more investment returns.

Investment Plan

The Company has its investment plan for its car carpet manufacturing in China, with a budget of 200 million Baht, as a channel for business expansion of its domestic industries of plastic, rubber, and steel to new foreign markets and customer targets, as detailed in the Company's report disclosed through the information channels of the Stock Exchange of Thailand during 2006.

Capital Sources

The Company's capital structure, as of December 31st, 2006, according to the financial statements of the Company and its subsidiaries, the Company had its total liabilities of 5,167.93 million Baht; meanwhile, the shareholders' equities were totally 13,526.23 million Baht; the ratio of liabilities to shareholders' equities was 0.38:1. The capital sources from liabilities were much less than the shareholders' equities, unlike other businesses in the industry of which ratio was mostly 1.5:1 or 2:1; that meant the Company's liabilities were still low when compared to its shareholders' equities; and its creditors had a very low risk in approving loans to the Company, as the chance of its default of debt repayment was quite low; and in the future, the Company and its creditor will be comfortable to enter into additional loan agreements for its business expansion due to its healthy and low - risk capital structure.

Liabilities

The Company has the total liabilities of 5,167.93 million Baht, dividing into current liabilities of 3,774.94 million Baht and non - current liabilities of 1,392.99 million Baht.

The Company's current liabilities included debts in relation to businesses, totally 1,938.68 million Baht, which have been paid as scheduled and in accordance with its accounts receivable, which was normal practice in business operations, and short - term liabilities of 961.41 million Baht with due dates within 1 year, and other current liabilities of 874 million Baht. The proportion of short - term liabilities to the total liabilities was 35.52%; and the Company had enough liquidity to settle the whole performances of such short - term liabilities upon the due dates.

At the end of 2006, the Company had long - term loans of US\$ 29.65 million, with referenced interest rates of SIBOR and the due dates of loan repayments from 2005 to 2011. The Company has not given any security on

these liabilities; however, the loan agreements have specified certain procedures and limitations on its maintenance of the ratio of total liabilities to the shareholders' equities, and limitation on disposal or transfer of assets, which are deemed significant to its business operations. In late 2006, the value of the Thai currency tended to increase substantially; therefore, the Company decided to reduce its risk of future exchange rates and executed additional agreements with financial institution creditors to convert the applicable currency of its long - term loans from US dollars into Thai Baht, which will be complete in 2nd Quarter of 2007. The Company has acquired future trade agreements with fixed currency exchange rates between 35.60 - 36.55 Baht/US\$; the amendments to agreements were signed with 2 domestic bank creditors in January 2007 and March 2007, respectively, under the initial term of debt repayment. The loan interest rates were changed to MLR. In 2006, the ratio of interest payment capacity to the amounts of debts, which will become due within 1 year, was 1.80: 1. The Company is therefore confident with its liquidity management for repayments of loans and interest within the due dates.

Shareholders' Equities

According to the financial statements as of December 31st, 2006, the Company and its subsidiaries had its shareholders' equities, totally 13,526.23 million Baht, decreased by 38.95 million Baht, when compared to 13,565.19 million Baht in 2005. The decrease in the equity value was not involved with the operating result of the Company but it was caused by the differences of currency conversion in the financial statement, which have decreased by 953.15 million Baht; as the Company has its subsidiaries in different countries, therefore, it is necessary to convert local currencies of financial statements into Thai Baht. At the end of 2006, the value of Thai currency has substantially increased when compared to those in 2005 (increased by 4 Baht per 1 US\$); as a result, the value of transactions in the financial statement from currency conversion has decreased; and changes of the value in these transactions were truly not involved with the operating result of the Company; moreover, the Company's assets had the components of investments in the available - for - sale securities; therefore, the Company needed to adjust the value of assets at the end of the accounting period to be close to the fair value; as a result, as of December 2006, the financial statement contained the unrealized profits from movement of investments value in available - for - sale securities, which have increased by 75.7 million Baht, with unearned cash flow. Shareholders' equities were affected by the changes in net profits from operations in 2006 (cumulative profits have increased by 838.49 million Baht), which resulted in an increase of the actual cash flow in the business.

Factors affecting the Operations or the Financial Status in the Future

The Company has disclosed the information, for many years, on investments by its subsidiary, the Union Energy Company Limited, in a 1,400 megawatts independent power plant project in Thailand, under the name of Ratchaburi Power Company Limited, of which power plant is under the construction and is expected to be ready for operation, Phase 1st in March 2008; and Phase 2 in June 2008 to supply electricity to EGAT. The Company expects that the project will be implemented on schedule; and as from 2009, the Company will receive the returns in terms of dividends; moreover, the investments of the group companies in China will also receive the returns in terms of dividends on a yearly basis, which will be the main factors affecting the operations and financial status of the Company in the long term.

Remunerations of the Auditor

In 2006, the Company and its subsidiaries have paid the remunerations to the Auditor, as detailed on Page 132.

Other Related Information

As from 2007, the Company will change its policy on distribution of products of its group companies; in the past, Saha - Union (Public) Co., Ltd., was responsible for marketing and distribution of products produced by the group companies; from now on, most of the manufacturing companies must distribute their own products and be responsible for related management of their businesses so that the group companies will be more flexible to make decisions on manufacturing and pricing of their products in order to cope with the competitions and rapidly - changing situations. It is expected that this policy change will have the positive results to the group companies in the long term.

Regarding the information on future investments, i.e., the car carpet business, worth 200 million Baht, which will be a joint venture with local enterprises in China, the Company has disclosed the detailed information through the channels of the Stock Exchange of Thailand in late 2006.

As from 2007, the Company will establish a new business line of securities investment by taking its current capital to generate more returns from its existing businesses, which will result in more incomes than the dividends.

The Company will disclose other significant information which may exist in the future through the channels of the Stock Exchange of Thailand.

FUTURE PROJECTS

Future projects of the Company and its subsidiaries include local and overseas projects; some of them are currently in progress, while others are to be approved by the authorities. Significant information on the future projects is as follows:

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 the Company has disclosed all related information concerning the project since its commencement. This project is independent electricity generating plant project, in which Union Energy Co., Ltd., has secured the agreement to generate and supply electric power to 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 Phase 1 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, and has already signed the loan agreement with the creditors of this project in December 2005 and has prepared for the loan spending in early 2006. If this project is implemented according to the plan, the Company will receive the returns in terms of dividends for the operating result of 2008 onwards. Various factors could affect the progress of this project, such as financial support from creditors may not be received on schedule, or may not be in compliance with the agreed conditions. However, the Company believes that the chance of these possibilities is very rare, since all the relevant operational processes are implemented according to the plan; therefore, the Company is confident in the success of this project and the operation of this project will commence according to the plan.

Overseas Projects

As the Company has disclosed the information relating to future projects, all of the overseas projects of the Company will be operated in China, including textile business, spinning and dyeing factory, and the energy business, of which production capacity can be expanded due to the increasing demand for electricity and steam from Shangyu - Hangzhou Union Cogeneration Co., Ltd., and the international school business in Beijing, as mentioned in the Annual Report 2005, is in progress. All projects are implemented according to the plan disclosed.

The Company's future projects include an investment project in a car carpet manufacturing company, namely, Jiangsu Zhonglian Carpet Co., Ltd., due to the rapid growth of the automotive industry in China and its government's target to manufacture cars for export within 2010, which will result in an increasing demand for products from downstream businesses of the car manufacturing industry, including the car carpet business, which will be used as a channel for downstream business expansion of the group company. The investment information of this project is as follows:

Jiangsu Zhonglian Carpet Co., Ltd., is a major manufacturer of car carpet in China, with its production capacity of 9 million square meters per year. The Company and its subsidiaries will hold 35% shares in the joint venture, including investments from Saha - Union Co., Ltd., (25%) and Saha - Union Investment (China) Co., Ltd. (10%), a subsidiary in which Saha - Union Co., Ltd., held 100% of its shares; the other 65% shares in the joint venture are held by Chinese enterprises, which have no relationship with the Company. The Company will spend total investments of 240 million Baht in the joint venture, which may be supplied from the current capital of the Company or from external sources of long - term loans. The Company will receive the returns in terms of dividends, which are expected to be more than its interest from bank deposit accounts. As the joint venture is a company, which has its existing operation, therefore, there is no risk factor that the project may not be implemented according to the plan. At present, the joint venture is under the capital increase scheme to be approved and licensed by the related authorities. It is expected that the Company is able to spend its investments in this project in March 2007.





RISK FACTORS

1. Risk Factors

The Company has evaluated its risks from internal and external factors, severity, and possibilities, including the business risk, operational risk, financial risk, and risk from external events, which may have significant impacts on the Company, in order to determine measures to reduce the risks to an acceptable level, or to terminate the risks. Risk management measures and policies have been announced to the management and the operational levels for acknowledgement of concrete objectives and harmonious compliance to achieve the goals of the policies. Main risk factors that have significant impacts on the Company include:

Business Risk means risks of poor returns from investment

The main type of business operation of the Company is investment, including local and overseas investment, which may have risks of returns from investments or may receive dividends less than the target, resulting in an increase of profits. The Company has estimated that there are moderate chances and impacts of this case. The Company has issued its management measures by closely follow up the figures of the operating result and returns from investments; for example, in 2006, the Company's management has estimated the returns from investments in Shenzhou - Union Cogeneration Co., Ltd., in China that apart from not receiving the returns from investment, the Company has suffered losses for several consecutive years; and the Company's management must terminate the said risk by ceasing the potential damage and selling out investments in the said company to the third parties, who have no relationship with the Company.

Operational Risk There are significant operational risks including:

• Risk of Damage and failure in the invested business operations

As mentioned earlier that one of the main businesses operation was investment; therefore, in case, the enterprise that the Company invested in had a failure in management and caused damage to the value of the business, the Company evaluated that there would be moderate chances and impacts of this case since the Company distributed its investments in several businesses. The Company has its measures to prevent such damage by assigning the business that the Company invested in provided its own risk evaluation system and internal control system, particularly the physical check system. Moreover, the Company itself must have the audit system and internal control evaluation system covering the invested business.

• Risk from Relying on Major Customer's Orders

Products of the group companies that are currently relying on major customer's orders include footwear and electronics parts, as the footwear business has received the majority of its purchase orders (over 90% of total footwear products) from Nike; and the electronics parts business has received its purchase orders only from Hitachi Global Storage Technology Co., Ltd.,; according to the said situations, in case, the Company lost such customers, it would cause a huge damage to the Company's businesses; therefore, in order to prevent the risks from the said situations, the Company has managed the business, with an emphasis on maintaining the quality of products and product research and development teams, and product quality audit in order to increase the production capacity, thus, to meet the customers' requirements standard, and has improved its management to reduce the cost of production for competitiveness in terms of pricing and has delivered the products on schedule, and has maintained good relationship with its major customers.

Financial Risk There are significant financial risks including:

The Company has analyzed that there are huge risks and impacts of losses from currency exchange rates to the group companies due to fluctuations of currency exchange rates and the value of Thai currency and a large number of export transactions of the Company. The Company has its supportive measures by establishing a working party to follow up the situations and to manage the currency exchange rates and to report and discuss with the top management in order to make timely decisions on the situations. Normally, the Company has prevented the risks from currency exchange rates by using the natural hedge and properly considering the purchases from Forward Contracts; moreover, the Company has invited expert resource persons to provide the required knowledge to the related management in the group companies periodically in order to be aware of its significance and to obtain the required knowledge and information for business management.

Risk from external events There are significant risks from external events that are out of control of the Company, including :

• Increases of oil/energy prices in the world market have caused risks from increasing prices of raw materials; whereas, prices of products in the market could not be adjusted in proportion to the increased prices of raw materials, which resulted in a decrease of gross profits of the Company. The Company has analyzed the huge chances such increases and has its policy to reduce the risks by assigning competent and experienced executives to follow up the situations, and has determined the purchasing strategies in line with the changing situations, proper quantity and period of time; moreover, the increases of oil/energy prices may cause an increase of management cost of the Company; therefore, the Company has launched measures to minimize the utilization of energy and/or modify the related equipment in order to reduce the cost of energy.

Risks from Interest Rates

As the group companies' capital sources include loans, the burden of financial cost depends on the loan interest rates, which is one of the factors that are out of control of the Company. In case, the interest rates increase, the financial cost will definitely increase. The interest rates in the financial market in 2006 have increased when compared to those in 2005; however, it tends to decrease in the following financial year; therefore, there are low risks and impacts to the Company in the current situation; however, the Company has its policy to prevent from such risk by maintaining the proper ratio of structure of debts from loans to the Fund capital so that the returns from investment will be higher than the financial cost of the Company.

Regarding the update information of risk factors in the previous years, there is no longer risk in the IPP investment project in Thailand. After the delay of this investment project, in the past 2 years, the power plant site was relocated to Rachaburi Province and the fuel was changed from coal to natural gas, with the same production capacity of 1,400 megawatts. In 2006, the loans of this project were withdrawn from the financial institution as scheduled and were repaid to the subsidiary that invested in this project; now the project is under the construction and the completion of work is as scheduled; and it is expected that the electricity will be supplied to EGAT in Phase 1 in March 2008 and Phase 2 in June 2008; and the Company will receive the returns from investment in this Project in the near future, which will benefit the shareholders as a whole.

However, the Company will review all risk factors and their impacts and will find measures to improve its operations in accordance with the changing situations in each period of time for its competitiveness in the long term.

COMMON INTERESTED PERSONS

AND CONNECTED TRANSACTIONS

(1) Types of Transactions

The transactions were normal practices of the Company. Most of them were ordinary credit characteristics between creditors and debtors, loans and reasonable prices, with normal interest rates for each business category of a major bank.

Policy of transactions, the transactions between the Company and other persons in the future were not special or different from ordinary business practices in any way. There were normal practices characterized by normal credits 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 the Company did not release any information or proposal to sell any securities or draft of prospectus during the previous year, it is unnecessary to seek opinion of non - board members regarding the compliance with this obligation.

(2) Necessity and Reasonableness of the above Transactions

As the Company has its policy to separate the manufacturing subsidiaries from the parent company that has been responsible for marketing and distribution of products for all manufacturing subsidiaries, therefore, there were connected transactions, mutual relationship of creditors and debtors, and mutual transactions of interest payable and receivable, thus, for the benefits of channel of product distribution of the Company and for effectiveness from financial management of the group companies, it is necessary and reasonable for existence of these connected transactions.

(3) Process of Connected Transaction Approval

The process is in accordance with normal business practice like the third party that has the process of transaction approval according to general trading system in terms of payment monitoring, determination of due date of payment of each transaction, and supervision for compliance with the schedule.

(4) Policy and Trends of Connected Transactions in the Future

In case, there are connected transactions, the Company has its policy to make transactions that shall be fair to all related parties for the highest benefits to the Company; moreover, the Company has its policy to disclose significant information in compliance with the criteria of the Stock Exchange of Thailand.

Trends of connected transactions as from 2007. Connected transactions of the group companies will decrease as, in the past, most of them were transactions in normal business practices such as sales of products, creditor/debtor transactions (as per the details above); However, the Company has its policy to adjust the structure of product distribution channels and related management of the group companies (originally, Saha - Union Pcl.) was marketing and distributing products manufactured by its group companies, under this new policy, the manufacturing companies shall distribute their products by themselves for effective and flexible decision making on selection of products to be manufactured and pricing of products in order to keep up with the rapidly changing situations and for their competitiveness in the industry and for the organizational growth in the long term; as a result, normal transactions tends to decrease, except some products under the future trade agreements; whereas, transactions of money deposits and loans between the group companies are still the same for the most effective financial management within the group companies.

CONNECTED TRANSACTIONS

SAHA - UNION PUBLIC COMPANY LIMITED AND PARTIES POSSIBLY IN CONFLICT IN 2006

			Informa	ation
Company	Types of Relationship	Type of Business	Amount Million Bah	Conditions of Costs
1 Saha - Union Holding Co., Ltd.	10 Major Related	1 Loan	12.18	
1 Sana - Onion Holding Co., Etc.	-			Delegan of account of the and of 2000
	Shareholders	2 A Balance of Interest	0.11	Balance of payment as of the end of 2006
		3 Dividends	7.76	Shareholders' meeting vote
		4 Total Interest	0.35	Referred to types and rates of a major commercial bank
2 Union Thread Industries Co., Ltd.	10 Major Related	1 Trading	1,358.66	Market prices
	Shareholders	2 Dividends	45.19	Shareholders' meeting vote
		3 Creditor - Debitor	388.22	Balance of payment as of the end of 2006
3 Venus Thread Co., Ltd.	Related Persons, with	1 Trading	123.41	Market prices
	holding more than 10%	2 Creditor - Debitor	32.35	Balance of payment as of the end of 2006
4 Union Spinning Mills Co., Ltd.	Related Persons, with	1 Trading	800.54	Market prices
	holding more than 10%	2 Dividends	0.63	Shareholders' meeting vote
		3 Creditor - Debitor	242.60	Balance of payment as of the end of 2006
5 Saha - Union International	Related Persons, with	1 Trading	-	Market prices
(USA) Inc.	holding more than 10%			
6 Union Capital Co., Ltd.	10 Major Related	1 Loan	-	
	Shareholders	2 Dividends	24.75	Shareholders' meeting vote
		3 Total Interest	0.45	Referred to types and rates
				of a major commercial bank
7 Union Business Management	10 Major Related	1 Dividends	23.76	Shareholders' meeting vote
Co., Ltd.	Shareholders	2 Total Interest	1.52	
8 Union Textile Industries Public	Related Persons, with	1 Trading	2,289.80	Market prices
Co., Ltd.	holding more than 10%	2 Dividends	1.25	Shareholders' meeting vote
		3 Loan	376.00	
		4 Total Interest	31.89	Referred to types and rates
				of a major commercial bank
		5 A Balance of Interest	2.43	Balance of payment as of the end of 2006
		6 Creditor - Debitor	440.40	Balance of payment as of the end of 2006
9 Venus Corp., Ltd.	Related Persons, with	1 Loan	0.05	
	holding more than 10%	2 A Balance of Interest	-	Balance of payment as of the end of 2006
		3 Total Interest	-	Referred to types and rates
				of a major commercial bank
10 Union Industries Corp.	10 Major Related	1 Trading	247.44	Market prices
	Shareholders	2 Dividends	29.10	Shareholders' meeting vote
		3 Loan	-	
		4 Total Interest	0.96	Referred to types and rates
				of a major commercial bank
		5 Creditor - Debitor	95.91	Balance of payment as of the end of 2006
11 Venus Button Co., Ltd.	Related Persons, with	1 Dividends	1.29	Shareholders' meeting vote
	holding more than 10%			

CONNECTED TRANSACTIONS (Continued)

SAHA - UNION PUBLIC COMPANY LIMITED AND PARTIES POSSIBLY IN CONFLICT IN 2006

			Informa	tion
Company	Types of	Type of Business	Amount	Conditions of Costs
	Relationship	(N	lillion Baht)
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	1 Loan	33.56	
	Shareholders	2 A Balance of Interest	0.32	Balance of payment as of the end of 2006
		3 Dividends	14.51	Shareholders' meeting vote
		4 Total Interest	0.93	Referred to types and rates
				of a major commercial bank
18 Union Oversea Holding Co., Ltd.	Related Persons, with	1 Loan	29.06	
	holding more than 10%	2 A Balance of Interest	0.28	Balance of payment as of the end of 2006
		3 Total Interest	0.98	Referred to types and rates
				of a major commercial bank
19 Union Multi - Capital Co., Ltd.	10 Major Related	1 Loan	-	
	Shareholders	2 Dividends	7.50	Shareholders' meeting vote
		3 Total Interest	0.27	Referred to types and rates
				of a major commercial bank
20 Thai Rubber Enterprise Co., Ltd.	Related Persons, with	-	-	-
	holding more than 10%			
21 Union Pioneer Pcl.	Directors and Related	1 Trading	1,354.24	Market prices
	Persons, with holding	2 Dividends	9.18	Shareholders' meeting vote
	more than 10%	3 Creditor - Debitor	159.43	Balance of payment as of the end of 2006
22 Union Button. Corp.	Directors and Related	1 Trading	175.47	Market prices
	Persons, with holding	2 Dividends	1.53	Shareholders' meeting vote
	more than 10%	3 Creditor - Debitor	42.51	Balance of payment as of the end of 2006

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

In 2006, the Audit Committee of 3 independent members including Mr. Sompop Amatayakul, the Chairman, Mrs. Araya Arunanondchai and Miss Pakinee Pruthithamrong, directors, has convened 4 meetings with the management, the Internal Auditor, and the Company's auditor; and 1 special meeting with the management and the Internal Auditor; whereas, the audit activities can be summarized, as follows:

- 1. Verified the quarterly financial statements and the annual financial statement of the previous year. The Audit Committee has convened with the management and the auditor and has given its comments on the connected transactions between the Company, subsidiaries, and affiliates, and transactions which may cause any conflict of interest. The Company has disclosed the information in accordance with the certified accounting standards and with the criteria of the Stock Exchange of Thailand;
- 2. Verified the internal control system. The Audit Committee has reviewed and evaluated the adequacy of the internal control system; has reviewed the operation of the Internal Audit Office; has approved the internal audit plan; and has given its suggestion on improvement of the quality of work and the internal audit;
- 3. Convened with related management, internal and external auditors, to give useful suggestion for proper improvement by the management;
- 4. Verified and evaluated self performance in accordance with Regulations of the Audit Committee assigned by the Board of Directors and with the good corporate governance practice of the Stock Exchange of Thailand;
- 5. Participated in selecting the auditor and determined the remuneration for the Board of Directors for consideration and proposition to the shareholders' meeting;

(Mr. Sompop Amatayakul)

O. Amatayorlu

Chairman of the Audit Committee

DIRECTOR'S REPORTING

The Board of Directors claims total responsibility for all financial statements and notes of the Company and its subsidiaries, as well as financial information as appeared in the annual report. The financial statements were made in accordance with the certified accounting standards; meanwhile, the Company has applied appropriate accounting policies, with careful discretion and estimates. The Company has also revealed crucial information in Notes to Financial Statements.

The Board of Directors has maintained a suitable and efficient internal control system, ensuring reasonably that the Company's accounts were complete and kept accurately; and such stringent internal control measures helped protect the Company's interests, and highlighted any recurring weak points; and preventing any fraudulent or unusual activities.

For this purpose, the Board of Directors has established the Audit Committee, comprising independent directors and non - executive directors responsible for scrutinizing the quality of the financial reports and inspecting the internal control system of the Company. Comments made by the Audit Committee on this matter were listed in Report of the Audit Committee and included in this Annual Report.

The Board of Directors concluded, on December 31st, 2006, that the Company's internal control system was satisfactory and reasonably giving credibility to Financial Statements of the Company and its subsidiaries.

On behalf of the Board of Directors

(Mr. Amnuay Viravan)

anney Uiraran

Chairman

(Miss Sriwarin Jirapakkana)

5. Spirl

President

REPORT AND CONSOLIDATED

FINANCIAL STATEMENTS

31 DECEMBER 2006

Report of Independent Auditor

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

I have audited the accompanying consolidated balance sheet of Saha - Union Public Company Limited and its subsidiaries as at 31 December 2006, the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, and the separate financial statements of Saha - Union Public Company Limited for the same period. 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 express an opinion on these financial statements based on my audits. Included in the consolidated financial statements for 2006 are the financial statements of eight overseas subsidiaries which were audited by other auditors whose reports were furnished to me. Such financial statements reflect total assets as of 31 December 2006 of Baht 3,920 million, total revenues and net income for the year then ended of Baht 1,501 million and Baht 55 million, respectively. In addition, the consolidated financial statements and the Company's financial statements of 2006 include share of income of the associated companies of Baht 643 million. The financial statements of these associated companies were audited by other auditors. As at 31 December 2006, the consolidated financial statements include investments in these related companies accounted for under the equity method amounting to Baht 1,454 million. The Company's financial statements include investments in these subsidiaries and associated companies accounted for under the equity method amounting to Baht 4,264 million. My opinion on the consolidated financial statements and the separate financial statements for 2006, insofar as it relates to the amounts included for those subsidiaries and associated companies, is based solely on the reports of the other auditors.

I conducted my audit 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 statements presentation. I believe that my audit and the reports of the other auditors referred to in the first paragraph 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 2006, the results of their operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

The consolidated financial statements of Saha - Union Public Company Limited and its subsidiaries and the separate financial statements of Saha - Union Public Company Limited for the year ended 31 December 2005, as presented herein for comparative purposes, were audited in accordance with generally accepted auditing standard by another auditor of our firm who, under his report dated 21 February 2006, expressed an unqualified opinion on those financial statements, based solely on the reports of other auditors insofar as it related to eleven overseas subsidiaries and one local subsidiary (the financial statements of those subsidiary companies which were audited by the subsidiary's auditors reflected 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).

Supachai Phanyawattano

42.06.

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited Bangkok : 22 February 2007

BALANCE SHEETS

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

		CONSOL	LIDATED	THE COMP	ANY ONLY
	Note	2006	2005	2006	2005
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		1,501,941,125	1,862,376,086	357,761,123	327,006,777
Trade accounts and notes receivable	7				
Related parties	6	263,130,856	202,180,412	758,459,319	933,298,296
Unrelated parties		2,325,446,028	2,415,499,245	1,576,370,794	1,628,397,508
Less: Allowance for doubtful account	ts	(42,201,186)	(40,127,592)	(16,466,464)	(12,715,009)
Trade accounts and notes receivable - ne	t	2,546,375,698	2,577,552,065	2,318,363,649	2,548,980,795
Short - term loans to related parties	6	37,430,012	302,536,333	574,491,600	3,229,070,072
Inventories - net	8	2,113,113,079	2,280,449,949	223,453,968	284,127,055
Other current assets					
Accrued income		234,589,003	126,891,105	49,538,010	72,024,434
Advances		72,506,102	32,050,331	3,176,309	1,013,201
Input tax refundable		91,038,068	81,048,349	83,321,943	78,965,590
Prepaid expenses		79,448,102	68,763,659	3,122,833	4,298,518
Import duty refundable		6,397,987	28,807,057	-	-
Others		133,809,887	261,918,842	11,531,055	6,323,602
TOTAL CURRENT ASSETS		6,816,649,063	7,622,393,776	3,624,760,490	6,551,810,044
NON - CURRENT ASSETS					
Investments accounted for under equity	y method				
Investments in subsidiaries	9	-	-	9,749,660,705	7,669,832,485
Investments in associated companies	10	7,901,736,366	7,469,793,587	3,951,270,925	3,695,131,458
Negative goodwill		(15,990,980)	(23,371,433)	-	-
		7,885,745,386	7,446,422,154	13,700,931,630	11,364,963,943
Other long - term investments	11	743,288,210	621,563,764	507,136,482	444,620,138
Investment pending for liquidation	9	91,822,495	-	91,822,495	-
Property, plant and equipment - net	12	3,785,995,742	4,089,991,764	862,887,767	694,204,348
Other non - current assets					
Land awaiting development		404,380,091	404,407,438	275,785,091	275,812,438
Leasehold rights		162,428,291	209,171,585	-	-
Withholding tax deducted at source		30,988,866	58,233,980	-	-
Others		53,744,779	69,114,733	20,417,146	10,628,357
TOTAL NON - CURRENT ASSETS		13,158,393,860	12,898,905,418	15,458,980,611	12,790,229,224
TOTAL ASSETS		19,975,042,923	20,521,299,194	19,083,741,101	19,342,039,268

BALANCE SHEETS (Continued)

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit: Baht)

		CONSOL	IDATED	THE COMP	ANY ONLY
	Note	2006	2005	2006	2005
LIABILITIES AND SHAREHOLDERS, EQ	UITY				
CURRENT LIABILITIES					
Bank overdrafts and short - term					
loans from financial institutions	13	673,984,621	704,056,747	4,845,974	5,406,699
Trust receipts		175,373,546	303,027,003	86,860,087	216,243,040
Trade accounts and notes payable					
Related parties	6	882,472,077	737,644,163	1,800,321,092	1,727,661,895
Unrelated parties		880,833,551	852,701,936	83,757,401	41,065,256
Current portion of long - term loans	14	244,554,590	275,169,852	242,154,590	275,169,852
Current portion of liabilities under					
financial lease agreements	15	42,869,380	57,309,658	-	-
Other accounts payable - related parties	6	-	-	441,499,361	389,171,201
Deposits from related parties	6	33,608,048	59,842,374	1,686,637,962	1,395,986,124
Other current liabilities					
Accrued expenses		549,299,315	577,224,194	156,792,269	117,802,312
Corporate income tax payable		71,628,491	86,217,920	22,614,693	23,524,449
Others		220,312,574	169,258,966	36,263,409	36,482,724
TOTAL CURRENT LIABILITIES		3,774,936,193	3,822,452,813	4,561,746,838	4,228,513,552
NON - CURRENT LIABILITIES					
Long - term loans - net of current por	tion14	845,038,543	1,228,826,890	839,838,543	1,220,826,890
Liabilities under financial lease					
agreements, net of current portion	15	35,649,210	48,895,229	-	-
Provision for employee compensation					
and pension expenses		512,198,197	460,184,868	45,874,616	45,503,467
Provision for losses of subsidiaries	9	-	-	105,485,291	259,164,545
Provision for losses of associated					
companies	10	-	14,857,856	4,560,596	22,841,269
Other non - current liabilities		106,284	61,940	-	-
TOTAL NON - CURRENT LIABILITIES		1,392,992,234	1,752,826,783	995,759,046	1,548,336,171
TOTAL LIABILITIES		5,167,928,427	5,575,279,596	5,557,505,884	5,776,849,723

BALANCE SHEETS (Continued)

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

		CONSO	LIDATED	THE COM	MPANY ONLY
	Note	2006	2005	2006	2005
SHAREHOLDERS' EQUITY					
Share capital					
Registered, issued and fully paid up					
300,000,000 ordinary shares					
of Baht 10 each		3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Share premium		2,599,000,000	2,599,000,000	2,599,000,000	2,599,000,000
Company's shares held by the subsidiaries	16	(233,763,910)	(233,763,910)	(233,763,910)	(233,763,910)
Translation adjustment		602,249,309	1,555,405,110	602,249,309	1,555,405,110
Unrealised gain on the change in value of					
investments in available - for - sale securities	5	266,694,212	190,988,572	266,694,212	190,988,572
Retained earnings					
Appropriated					
Statutory reserve	17	832,633,638	828,672,509	832,633,638	828,672,509
Other reserve		181,349,655	135,773,622	181,349,655	135,773,622
Unappropriated		6,278,072,313	5,489,113,642	6,278,072,313	5,489,113,642
EQUITY ATTRIBUTABLE TO					
THE COMPANY'S SHAREHOLDERS		13,526,235,217	13,565,189,545	13,526,235,217	13,565,189,545
MINORITY INTEREST - equity attributable					
to minority shareholders of subsidiaries		1,280,879,279	1,380,830,053		
TOTAL SHAREHOLDERS' EQUITY		14,807,114,496	14,946,019,598	13,526,235,217	13,565,189,545
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		19,975,042,923	20,521,299,194	19,083,741,101	19,342,039,268

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

DIRECTORS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

INCOME STATEMENTS

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

				(Unit : Bant)
		OLIDATED		MPANY ONLY
Not	e 2006	2005	2006	2005
REVENUES				
Sales	17,403,622,732	17,377,202,456	15,360,391,840	15,539,820,816
Other income				
Interest income	64,041,841	43,527,907	90,639,390	233,537,937
Rental income	4,066,823	7,401,480	259,449,595	259,420,348
Dividend income	74,169,920	22,084,784	72,575,121	10,398,359
Gains on exchange 18	172,103,329	-	161,586,764	-
Others	399,814,152	388,011,975	316,231,721	273,333,808
	714,196,065	461,026,146	900,482,591	776,690,452
Share of income from investments				
accounted for under equity method	845,356,468	526,955,201	877,629,199	481,020,700
Gains (losses) on disposal				
of investments 9, 11	(81,724,277)	223,773,034	-	
TOTAL REVENUES	18,881,450,988	18,588,956,837	17,138,503,630	16,797,531,968
EXPENSES				
Cost of sales	15,202,549,323	15,372,603,599	14,598,612,399	14,722,278,930
Selling and administrative expenses	2,098,906,258	1,986,559,066	1,081,056,888	944,215,073
Losses on exchange 18		71,591,564	-	66,946,725
TOTAL EXPENSES	17,301,455,581	17,430,754,229	15,679,669,287	15,733,440,728
INCOME BEFORE INTEREST EXPENSES				
AND CORPORATE INCOME TAX	1,579,995,407	1,158,202,608	1,458,834,343	1,064,091,240
INTEREST EXPENSES	(104,364,562)	(109,078,422)	(106,172,045)	(70,224,586)
CORPORATE INCOME TAX	(285,161,354)	(256,297,811)	(151,651,083)	(137,244,146)
INCOME AFTER CORPORATE INCOME TAX	1,190,469,491	792,826,375	1,201,011,215	856,622,508
NET INCOME ATTRIBUTABLE				
TO MINORITY INTEREST	10,541,724	63,796,133	-	-
NET INCOME FOR THE YEAR	1,201,011,215	856,622,508	1,201,011,215	856,622,508
BASIC EARNINGS PER SHARE				
Net income	4.14	2.95	4.14	2.95
Weighted average number of shares	290,012,306 shares	290,012,306 shares	290,012,306 shares	290,012,306 shares

31 DECEMBER 2006 AND 2005

(Unit: Baht)

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED

			Company's					Unrealised gain on the change in	Minority interest - equity attributable	·
	Issued and fully		shares	E	Retained earnings	S		value of investments	to minority	
	paid up	Share	held by the	Statutory	Other	Unappropriated	Translation	in available-for-sale	shareholders	
Note	share capital	premium	subsidiaries	reserve	reserve	retained earnings	adjustment	securities	of subsidiaries	Total
Balance as at 31 December 2004	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
Increase in fair value of investments	1	ı	1	ı	ı	1	ı	21,434,732	1	21,434,732
Translation adjustment	1	ı	1	ı	ı	1	550,329,996	1	ı	550,329,996
Net income for the year	1	ı	1	ı	ı	856,622,508	ı	1	1	856,622,508
Dividend paid 25	1	I	ı	1	1	(375,000,000)	ı	ı	Ī	(375,000,000)
Less : Dividend paid in respect of										
company's shares held by subsidiaries	ı	1	i	1	1	12,484,618	1	1	1	12,484,618
Dividend paid - net	1	ı	1	ı	ı	(362,515,382)	1	1	1	(362,515,382)
Transferred to statutory reserve	1	ı	1	5,210,621	1	(5,210,621)	1	ı	1	1
Transferred to other reserve	1	1	1	1	13,231,002	(13,231,002)	1	1	1	1
Decrease in minority interest - equity										
attributable to minority snarenoiders of cubeidiarias	1	1	1	1		1		1	(61 521 260)	(61 521 260)
	000	000	(010 027 000)	002 673 000	105 077 301	700 440 740	700	100 000 577		14 046 040 509
Balance as at 31 December 2005	3,000,000,000,5	7,599,000,000	(233,763,910)	828,672,509	135,773,622	5,489,113,642	1,555,405,110	7/5/88/061	1,380,058,085,1	14,946,019,598
Increase in fair value of investments	1	1	i	ı	1	1	1	75,705,640	1	75,705,640
Translation adjustment	1	1	1	ı	1	1	(953,155,801)	1	•	(953,155,801)
Net income for the year	1	1	1	1	1	1,201,011,215	1	1	1	1,201,011,215
Dividend paid 25	1	1	1	1	1	(375,000,000)	1	1	1	(375,000,000)
Less: Dividend paid in respect of										
company's shares held by subsidiaries	1	ı	1	i	ı	12,484,618	ı	ı	1	12,484,618
Dividend paid - net	1	ı	1	ı	ı	(362,515,382)	1	1	1	(362,515,382)
Transferred to statutory reserve	1	i	1	3,961,129	ı	(3,961,129)	ı	1	1	ı
Transferred to other reserve	1	ı	1	ı	45,576,033	(45,576,033)	ı	ı	1	ı
Decrease in minority interest - equity attributable to minority shareholders										
of subsidiaries	1	ı	1	1	I	1	I	1	(99,950,774)	(99,950,774)
Balance as at 31 December 2006	3,000,000,000	2,599,000,000	(233,763,910)	832,633,638	181,349,655	6,278,072,313	602,249,309	266,694,212	1,280,879,279	14,807,114,496

31 DECEMBER 2006 AND 2005

(Unit: Baht)

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

					THE COMPANY ONLY	'NY ONLY			
								Unrealised gain	
			Company's					on the change in	
	Issued and fully		shares	Œ	Retained earnings	S		value of investments	ts
	paid up	Share	held by the	Statutory	Other	Unappropriated	Translation	in available-for-sale	9
Note	share capital	premium	subsidiaries	reserve	reserve	retained earnings	adjustment	securities	Total
Balance as at 31 December 2004	3,000,000,000	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	169,553,840 12,499,317,691
Increase in fair value of investments	ı	ı	1	ı	1	ı	ı	21,434,732	21,434,732
Translation adjustment	ı	ı	1	ı	•	ı	550,329,996	1	550,329,996
Net income for the year	1	1	1	1	1	856,622,508	1	1	856,622,508
Dividend paid 25	ı	ı	1	ı	1	(375,000,000)	1	•	(375,000,000)
Less : Dividend paid in respect of									
company's shares held by subsidiaries	ı	ı	1	ı	1	12,484,618	1	1	12,484,618
Dividend paid - net	ı	ı	1	ı	•	(362,515,382)	ı	1	(362,515,382)
Transferred to statutory reserve	1	ı	1	5,210,621	1	(5,210,621)	ı	1	1
Transferred to other reserve	ı	ı	1	ı	13,231,002	(13,231,002)	ı	1	ı
Balance as at 31 December 2005	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	13,565,189,545
Increase in fair value of investments	ı	ı	1	ı	1	ı	1	75,705,640	75,705,640
Translation adjustment	ı	ı	1	ı	1	ı	(953,155,801)	1	(953,155,801)
Net income for the year	ı	1	ı	ı	1	1,201,011,215	1	1	1,201,011,215
Dividend paid 25	I	ı	1	ı	1	(375,000,000)	•	•	(375,000,000)
Less : Dividend paid in respect of									
company's shares held by subsidiaries	ı	ı	1	ı	1	12,484,618	1	1	12,484,618
Dividend paid - net	ı	ı	1	ı	1	(362,515,382)	1	1	(362,515,382)
Transferred to statutory reserve	ı	ı	1	3,961,129	1	(3,961,129)	ı	1	ı
Transferred to other reserve	ı	ı	1	ı	45,576,033	(45,576,033)	ı	1	ı
Balance as at 31 December 2006	3,000,000,000	2,599,000,000	(233,763,910)	832,633,638	181,349,655	6,278,072,313	602,249,309	266,694,212	13,526,235,217

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

CASH FLOW statements

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

	CONSO	LIDATED	THE COMPA	NY ONLY
	2006	2005	2006	2005
Cash flows from operating activities				
Net income	1,201,011,215	856,622,508	1,201,011,215	856,622,508
Adjustments to reconcile net income to net cash				
provided by (paid from) operating activities :-				
Depreciation and amortisation	706,486,212	926,845,425	158,179,862	173,015,518
Allowance for doubtful accounts (reversal)	2,073,594	3,331,651	3,751,455	(2,483,217)
Allowance for stock obsolescences and damage	30,604,952	18,985,759	8,462,039	4,955,453
Gain on sales of property, plant and equipment	(51,072,001)	(2,192,102)	(2,551,697)	(2,192,102)
Allowance for impairment loss	150,000,000	13,340,000	150,000,000	-
Share of income from investments accounted				
for under equity method	(845,356,468)	(526,955,201)	(877,629,199)	(481,020,700)
Dividend receipt from investments in other companie	es (74,169,920)	(19,405,359)	(72,575,121)	(10,398,359)
Negative goodwill recognition	(7,380,452)	(7,380,452)	-	-
Loss (gain) on sales of investment	81,724,277	(223,773,034)	-	-
Provision for employee compensation				
and pension expenses (reversal)	52,013,329	30,135,812	371,148	(3,916,323)
Unrealised (gain) loss on exchange	(171,750,442)	92,268,112	(170,662,509)	94,736,357
Net loss attributable to minority interest	(10,541,724)	(63,796,133)	-	-
Income from operating activities before changes				
in operating assets and liabilities	1,063,642,572	1,098,026,986	398,357,193	629,319,135
Operating assets (increase) decrease				
Trade accounts and notes receivable	(44,666,854)	31,430,952	214,079,926	35,408,288
Inventories	101,373,533	(11,727,849)	52,211,049	(2,815,865)
Other current assets	24,199,194	(30,294,192)	9,480,575	(19,335,116)
Other non - current assets	79,712,952	(8,941,740)	745,489	(4,329,357)
Operating liabilities increase (decrease)				
Trade accounts and notes payable	280,619,256	(335,776,849)	163,336,285	(141,761,167)
Other current liabilities	19,015,534	(50,656,848)	82,312,946	(30,154,192)
Other non - current liabilities	44,343	(9,705,879)	-	-
Net cash from operating activities	1,523,940,530	682,354,581	920,523,463	466,331,726

CASH FLOW STATEMENTS (Continued)

FOR THE YEARS ENDED

31 DECEMBER 2006

AND 2005

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Unit : Baht)

			(Unit : Bant)
	CONSOL	IDATED	THE COMPA	NY ONLY
	2006	2005	2006	2005
Cash flows from investing activities				
Decrease (increase) in short - term loans to related parties	265,106,320	(99,269,787)	2,654,578,472	400,075,178
Increase in investments	(399,917,076)	-	(2,824,134,366)	(799,994,075)
Proceeds from sale of property, plant and equipment	89,416,519	-	5,097,688	-
Cash received from disposal of investment	-	622,042,234	5,851,506	-
Dividend receipt from investments in other companies	74,169,920	19,405,358	72,575,121	10,398,359
Dividend receipt from investments accounted				
for under equity method	343,001,685	76,784,942	168,680,065	179,144,310
Acquisition of property, plant and equipment	(920,459,815)	(413,480,568)	(479,409,273)	(82,909,997)
Net cash from (used in) investing activities	(548,682,447)	205,482,179	(396,760,787)	(293,286,225)
Cash flows from financing activities				
Decrease in bank overdrafts and short - term loans				
from financial institutions	(160,122,940)	(577,260,065)	(133,462,866)	(295,533,694)
Increase (decrease) in deposits from related companies	(26,234,326)	(14,538,306)	290,651,838	713,687,851
Cash receipt from long - term loans	-	8,000,000	-	-
Repayment of long - term loans	(275,597,302)	(263,356,817)	(275,197,302)	(163,356,817)
Payment of liabilities under financial lease agreements	(73,219,862)	(70,295,696)	-	-
Dividend paid	(408,717,791)	(395,779,131)	(375,000,000)	(375,000,000)
Net cash used in financing activities	(943,892,221)	(1,313,230,015)	(493,008,330)	(120,202,660)
Translation adjustments	(391,800,823)	263,739,428	-	-
Net increase (decrease) in cash and cash equivalents	(360,434,961)	(161,653,827)	30,754,346	52,842,841
Cash and cash equivalents at beginning of year	1,862,376,086	2,024,029,913	327,006,777	274,163,936
Cash and cash equivalents at end of year	1,501,941,125	1,862,376,086	357,761,123	327,006,777
Supplemental cash flows information :-	-	-	-	-
Cash paid during the years for				
Interest expenses	119,704,051	110,670,515	102,234,747	62,340,110
Corporate income tax	299,750,783	262,394,123	152,560,837	182,907,827
Non - cash item		202,00 1,120		. 32,307,027
Increase in fixed asset from financial lease agreement	38,225,870	63,270,700	_	_
caseca asset from mandar rease agreement	20,220,0	33,2,0,,00		

SAHA - UNION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

1. GENERAL INFORMATION

Saha - Union Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investment holding and distribution of products manufactured by the group companies, namely, textile, footwear, electronic components, plastic, rubber products and metal and it's registered address is 1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 14 September 2001, issued under the Accounting Act B.E. 2543.

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

3. BASIS OF CONSOLIDATION

3.1 The consolidated financial statements include the financial statements of the Company and the following subsidiary companies:

		Assets as a	percentage	Revenues as	a percentage
		to the co	nsolidated	to the conso	olidated total
	Country of	total ass	ets as at	revenues f	or the year
Company's name	incorporation	31 Dec	cember	ended 31	December
		2006	2005	2006	2005
		Percent	Percent	Percent	Percent
Saha - Union International Ltd. (Hong Kong)	Hong Kong	0.45	0.69	0.55	0.53
Saha - Union International (GA) Inc.	USA	-	0.72	0.19	0.88
Saha - Union Investment (China) Co., Ltd.	China	5.55	6.21	0.04	0.18
Union Education Index Ltd.	Hong Kong	1.54	0.84	0.89	0.15
Union Textile Industries Plc.	Thailand	6.89	7.79	1.52	2.21
Saha - Union Holding Co., Ltd.	Thailand	0.88	0.86	0.05	0.06
Union Garment Co., Ltd.	Thailand	0.91	1.00	0.65	0.72
Fashion Apparel Co., Ltd.	Thailand	0.10	0.07	0.20	0.24
Union Pioneer Plc.	Thailand	2.20	1.81	0.29	0.27
Union Zojirushi Co., Ltd.	Thailand	3.05	2.75	0.17	0.13
Union Stainless Steel Products Co., Ltd.	Thailand	0.65	0.59	0.29	0.23
Thai Rubber Enterprise Co., Ltd.	Thailand	0.23	0.20	0.02	0.02
Union Rubber Products Co., Ltd.	Thailand	0.17	0.14	0.32	0.18
Union Footwear Plc.	Thailand	3.01	3.57	0.15	0.23
Union Shoes Co., Ltd.	Thailand	0.51	0.77	0.11	0.06
Venus Shoes Co., Ltd.	Thailand	0.33	0.32	0.08	0.08
Uni - Sole Co., Ltd.	Thailand	0.20	0.18	0.01	-
Union Printing Co., Ltd.	Thailand	0.13	0.13	0.15	0.12
Computer Union Co., Ltd.	Thailand	3.48	3.44	10.60	9.52
Union Equity Co., Ltd.	Thailand	0.23	0.23	0.02	0.02

Company's name	Country of incorporation	to the co	n percentage nsolidated ets as at	to the conso	a percentage blidated total or the year December
- Company o manie		2006	2005	2006	2005
		Percent	Percent	Percent	Percent
Union Construction Co., Ltd.	Thailand	0.69	0.67	0.01	-
Union Technology Co., Ltd.	Thailand	0.54	0.53	0.05	0.05
Union Energy Co., Ltd.	Thailand	1.16	2.11	0.22	1.24
Union Energy (China) Co., Ltd.	Thailand	15.30	14.25	1.20	0.48
Texport International Corp., Ltd.	Thailand	0.02	0.02	0.01	0.06
Union Overseas Holding Co., Ltd.	Thailand	-	-	-	-
Union Human Resources Development Co., Ltd.	Thailand	-	-	-	-
Computer Union Systems Co., Ltd.	Thailand	0.02	0.01	-	-
(99.99 percent owned by Computer Union Co., Ltd.)					
Jakkarat Union Footwear Co., Ltd.	Thailand	-	-	-	-
(99.99 percent owned by Union Footwear Plc.)					
Burirum Union Shoes Co., Ltd.	Thailand	0.02	0.01	-	-
(99.99 percent owned by Union Shoes Co., Ltd.)					
Phon Union Footwear Co., Ltd.	Thailand	0.23	0.27	-	-
(50.00 percent owned by Union Footwear Plc.					
And 49.99 percent by Union Shoes Co., Ltd.)					
Union Tex - East Co., Ltd.	Thailand	0.24	0.05	0.08	-
(51.00 percent owned by Union Garment Co., Ltd.)					
Shanghai Saha - Union Thread Industries Co., Ltd.	China	0.94	0.82	1.53	1.23
Zhejiang Saha - Union Feilun Thread Industries Co.,	Ltd. China	0.88	0.57	0.15	-
Union Energy (Hong Kong) Co., Ltd.	Hong Kong	3.91	4.24	0.12	0.07
(100.00 percent owned by Saha - Union					
International Ltd. (Hong Kong))					
Jiashan - Union Cogeneration Co., Ltd.	China	2.78	2.83	2.00	1.88
(56.93 percent owned by Union Energy (China) Co., Ltd	.,				
10.00 percent by Saha - Union Investment (China) Co., L	td.				
and 9.03 percent by Union Energy (Hong Kong) Co., Ltd	.)				
Danyang - Union Cogeneration Co., Ltd.	China	3.57	3.92	2.52	2.76
(49.50 percent owned by Union Energy (China) Co., Ltd					
and 5.50 percent by Saha - Union Investment (China) Co	o., Ltd.)				
Danhuang - Union Cogeneration Co., Ltd.	China	-	0.55	-	0.13
Shenzhou - Union Cogeneration Co., Ltd.	China	-	2.49	0.97	1.72

According to note 9 in the consolidated financial statement is presented about the nature of business and percentage of shareholding.

During 2006, these are two subsidiaries, Saha - Union International (GA) Inc. and Danhuang - Union Cogeneration Co., Ltd. ceased its operation and sale investment to Shenzhou - Union Cogeneration Co., Ltd. (According to Note 9 in the consolidated financial statements).

- **3.2** The financial statements of the overseas subsidiary companies are translated to Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rate as to revenues and expenses. The resultant difference has been shown under the caption of "Translation adjustment" in the shareholders' equity.
- **3.3** Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- **3.4** Investments in subsidiary companies as recorded in the Company's books of account are eliminated against the equity of the subsidiary companies. The resultant differences are amortised over a period of five years commencing as from the date of acquisition of the investment.

4. ADOPTION OF NEW ACCOUNTING STANDARDS

In October 2006, the Federation of Accounting Professions issued Notification No. 26/2006 regarding Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (Amendment No. 1), under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method. Entities which are not ready to adopt the cost method in 2006 can continue to use the equity method through the end of 2006 and adopt the cost method as from 1 January 2007.

In this regard, the Company has elected to adopt the change in 2007. Adoption of the change in 2007 will necessitate the restatement of the Company's 2006 separate financial statements to be presented for comparative purposes along with the financial statements for 2007. The restatement will have the effect of decreasing net income in the separate income statement for 2006 by approximately Baht 974 million (Baht 3.36 per share) and decreasing net worth in the balance sheet at 31 December 2006 by approximately Baht 3,236 million.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Revenue recognition

Sales of goods

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

Interest income

Interest income is recognized as interest accrues based on the effective rate method.

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost includes all production costs and attributable factory overheads. Raw materials, spare parts and factory supplies are charged to production costs whenever consumed.

5.5 Investments

basis

- a) Investments in available for sale securities are stated at fair value. Changes in the carrying amounts of securities are recorded as separate items in shareholders' equity until the securities are sold, when the changes are then included in determining income.
- b) Investments in non marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value.
 - c) Investments in subsidiary and associated companies are accounted for under the equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

5.6 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets.

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

Buildings	-	20 years
Land and leasehold improvements	-	5, 20 years
Machinery and equipment	-	3, 5, 10, 20 years
Molds	-	5 years
Facilities	-	5 years
Furniture and fixtures	-	3, 5, 10 years
Motor vehicles	-	5, 10 years
Computers	-	3, 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 2001 is calculated by reference to its net book value on a double - declining basis, over the useful lives of 5 - 20 years.

Depreciation is included in determining income.

No depreciation is provided on land.

5.7 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.8 Long - term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long - term payables, while the interest element is charged to the income statements over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

5.9 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated into Baht at the exchange rates ruling on the balance sheet date, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

5.10 Impairment of assets

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company and its subsidiaries make an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

5.11 Employee benefits

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

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.

5.12 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.13 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

5.14 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

6. RELATED PARTY TRANSACTIONS

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

Consolidated

	For the ye	ears ended	(Unit : Million Baht)
	31 Dec	cember	Transfer pricing policy
	2006	2005	
Transactions with associated comp	anies		
Sales of goods	873	766	Cost plus margin
Lendings			
(weighted average balance	39	40	Interest rate with reference to the
outstanding at month end)			loan interest rate of local commercia
			bank.
Interest income	4	2	See "lending" above
Purchases of goods	3,829	3,899	Resale price reduced by a margin
Borrowings			
(weighted average balance	101	37	Interest rate with reference to the
outstanding at month end)			savings deposit rate of local com-
			mercial bank.
Fransactions with related companie	S		
Sales of goods	7	7	Cost plus margin
Lendings			
(weighted average	55	206	Interest rate with reference to the
balance outstanding at month end)			loan interest rate of local comme
			cial bank.
Interest income	1	6	See "lending" above
Purchases of goods	200	178	Resale price reduced by a margin
Borrowings			
(weighted average	25	24	Interest rate with reference to the
balance outstanding at month end)			savings deposit rate of local comme
-			cial bank.

The Company Only

	For the ye	ears ended	(Unit : Million Baht)
	31 Dec	cember	Transfer pricing policy
	2006	2005	
Transactions with subsidiaries			
Sales of goods	2,051	2,153	Cost plus margin
Rental income	257	256	Contract price
Service income	236	203	Contract price
Lending			
(weighted average balance	880	3,708	Interest rate with reference to the
outstanding at month end)			loan interest rate of local commer-
			cial bank.
Interest income	77	226	See "lending" above
Purchases of goods	7,007	7,060	Resale price reduced by a margin
Borrowings			
(weighted average balance	1,580	694	Interest rate with reference to the
outstanding at month end)			savings deposit rate of local com-
			mercial bank.
Transactions with associated compa	nnies		
Sales of goods	722	630	Cost plus margin
Purchases of goods	3,712	3,790	Resale price reduced by a margin
Borrowings			
(weighted average balance	101	37	Interest rate with reference to the
outstanding at month end)			savings deposit rate of local com- mercial bank
Transactions with related companies			
Purchases of goods	<u>2</u> 175	170	Resale price reduced by a margin
Borrowings	173	170	hesale price reduced by a margin
(weighted average balance	25	24	Interest rate with reference to the
outstanding at month end)	23	24	savings deposit rate of local com-
outstanding at month end)			mercial bank.

The balances of the accounts as at 31 December 2006 and 2005 between the Company and those related companies are as follows:-

				(Unit : Baht)
	Consoli		The Comp	
	2006	2005	2006	2005
Trade accounts and notes receivable				
- related parties				
Subsidiaries				
Union Textile Industries Plc.	-	-	164,582,473	327,342,642
Union Footwear Plc.	-	-	195,092,850	270,356,491
Union Shoes Co., Ltd.	-	-	99,276	12,216,797
Saha - Union International (GA) Inc.	-	-	-	41,357,906
Union Pioneer Plc.	-	-	27,142,430	17,144,789
Saha - Union International Ltd. (Hong Kong)	-	-	17,342,278	12,491,809
Union Zojirushi Co., Ltd.	-	-	78,958,468	40,910,067
Union Stainless Steel Products Co., Ltd.	-	-	32,010,637	23,178,655
Union Garment Co., Ltd.	-	-	3,252,793	2,389,591
Others	-	-	929,280	171,478
	-	-	519,410,485	747,560,225
Associated companies				
Union Thread Industries Co., Ltd.	66,755,160	97,421,480	65,602,760	95,952,327
Union Spinning Mills Co., Ltd.	140,586,651	69,791,405	135,944,000	67,551,767
Venus Thread Co., Ltd.	32,510,286	18,276,078	32,350,830	18,024,217
Saha - Union International (USA) Inc.	-	1,491,758	-	1,491,758
Union Universe Co., Ltd.	8,979,017	6,723,162	-	-
Others	7,894,272	7,598,364	4,770,149	2,664,609
	256,725,386	201,302,247	238,667,739	185,684,678
Related companies	6,405,470	878,165	381,095	53,393
Total	263,130,856	202,180,412	758,459,319	933,298,296
Short – term loans to related parties				
Subsidiaries				
Union Energy (China) Co., Ltd.	_	_	_	2,660,320,000
Union Textile Industries Plc.	_	_	376,000,000	376,000,000
Computer Union Co., Ltd.	_	_	182,491,600	177,750,072
Union Construction Corp., Ltd.	-	_	16,000,000	14,000,000
Union Rubber Products Corp., Ltd.	_	_	-	1,000,000
cor nabber riodaets corp., Eta.	_	_	574,491,600	3,229,070,072

				(Unit : Baht
	Consol	idated	The Comp	pany Only
	2006	2005	2006	2005
Short - term loans to related parties				
Associated companies				
Union Education Management Ltd.	36,154,560	41,258,490	-	-
	36,154,560	41,258,490	-	-
Related companies				
Ratchaburi Power Co., Ltd.	-	259,822,335	-	-
(related by share holding)				
Others	1,275,452	1,455,508	-	-
	1,275,452	261,277,843	-	-
Total	37,430,012	302,536,333	574,491,600	3,229,070,072
Trade accounts and notes				
payable - related parties				
Subsidiaries				
Union Textile Industries Plc.	-	-	275,819,561	292,489,791
Union Footwear Plc.	-	-	186,399,131	249,759,883
Union Technology Co., Ltd.	-	-	110,946,086	121,708,232
Union Shoes Co., Ltd.	-	-	13,871,274	26,467,954
Union Pioneer Plc.	-	-	132,291,301	119,189,835
Union Garment Co., Ltd.	-	-	111,163,514	87,449,257
Union Zojirushi Co., Ltd.	-	-	90,092,518	87,727,468
Union Stainless Steel Products Co., Ltd.	-	-	1,148,019	3,459,143
Union Rubber Products Corp. Ltd.	-	-	19,076,200	14,385,000
	-	-	940,807,604	1,002,636,563
Associated companies				
Union Thread Industries Co., Ltd.	322,616,631	179,452,794	322,616,631	179,395,374
Union Industries Corp., Ltd.	95,844,709	97,158,751	95,844,709	97,158,751
Union Spinning Mills Co., Ltd.	107,663,775	118,048,377	107,663,583	118,048,377
Union Plastic Plc.	180,579,674	179,157,803	180,421,105	178,386,108
Union Thai - Nichiban Co., Ltd.	106,768,543	117,675,634	106,450,194	117,021,925
Uni - Fibre Co., Ltd.	5,829,261	3,645,628	-	-
Saha - Union International (Taipei) Ltd.	9,437,329	3,443,040	-	-
Others	10,964,304	4,036,602	4,012,040	-
	839,704,226	702,618,629	817,008,262	690,010,535

_				(Unit : Bah
	Consoli	idated	The Com	pany Only
	2006	2005	2006	2005
Related companies				
Union Button Corporation Co., Ltd.	42,504,851	35,014,797	42,504,851	35,014,797
(related by share holding)				
Others	263,000	10,737	375	-
	42,767,851	35,025,534	42,505,226	35,014,797
Total	882,472,077	737,644,163	1,800,321,092	1,727,661,895
Other accounts payable - related parties	8			
Subsidiaries				
Saha - Union International Ltd. (Hong Kong)	-	-	103,215,243	117,532,474
Union Energy (Hong Kong) Co., Ltd.	-	-	238,549,026	271,638,727
Saha - Union International (GA) Inc.	-	-	10,506,932	-
Saha - Union Investment (China) Co., Ltd.	-	-	89,228,160	-
Total	-	-	441,499,361	389,171,201
eposits from related parties				
Subsidiaries				
Union Energy Co., Ltd.	-	-	1,188,526,253	969,083,007
Union Technology Co., Ltd.	-	-	260,000,000	200,000,000
Union Equity Co., Ltd.	-	-	92,126,751	86,884,866
Texport International Co., Ltd.	-	-	49,643,495	48,400,000
Union Overseas Holding Co., Ltd.	-	-	29,055,344	28,471,659
Union Energy (China) Co., Ltd.	-	-	21,500,000	-
Saha - Union Holding Co., Ltd.	-	-	12,178,071	3,304,218
	-	-	1,653,029,914	1,336,143,750
Associated companies				
Uni - Fibre Co., Ltd.	33,559,803	12,795,406	33,559,803	12,795,406
Venus Corp., Ltd.	48,245	46,968	48,245	46,968
Union Capital Co., Ltd.	-	14,000,000	-	14,000,000
Union Industries Corp., Ltd.	-	5,000,000	-	5,000,000
	33,608,048	31,842,374	33,608,048	31,842,374
Related companies	-	28,000,000	-	28,000,000
Total	33,608,048	59,842,374	1,686,637,962	1,395,986,124

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 26.3 to the financial statements.

7. TRADE ACCOUNTS AND NOTES RECEIVABLE

As at 31 December 2006 and 2005, most of the trade accounts 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. The outstanding balance of such receivables amounted to approximately Baht 46.6 million (2005: Baht 41.0 million) and Baht 24.7 million for the Company only (2005: Baht 21.0 million). Based on such assessment, an allowance for doubtful accounts of Baht 42.2 million (2005: Baht 40.1 million) and Baht 16.5 million for the Company only (2005: Baht 12.7 million) has been made in the accounts. The Company and its subsidiaries believe that the such allowance is adequate under the current circumstance.

8. INVENTORIES

			(Unit : Baht)
Consoli	idated	The Comp	any Only
2006	2005	2006	2005
1,006,198,832	934,653,811	1,557,526	823,422
291,074,497	363,938,148	-	-
20,365,314	17,066,067	-	-
730,457,811	937,850,848	264,792,041	313,627,462
35,407,772	8,553,848	-	-
146,756,099	128,132,459	308,321	36,195
42,246,527	19,043,588	62,938	4,444,795
2,272,506,852	2,409,238,769	266,720,826	318,931,874
(159,393,773)	(128,788,820)	(43,266,858)	(34,804,819)
2,113,113,079	2,280,449,949	223,453,968	284,127,055
	2006 1,006,198,832 291,074,497 20,365,314 730,457,811 35,407,772 146,756,099 42,246,527 2,272,506,852 (159,393,773)	1,006,198,832 934,653,811 291,074,497 363,938,148 20,365,314 17,066,067 730,457,811 937,850,848 35,407,772 8,553,848 146,756,099 128,132,459 42,246,527 19,043,588 2,272,506,852 2,409,238,769 (159,393,773) (128,788,820)	2006 2005 2006 1,006,198,832 934,653,811 1,557,526 291,074,497 363,938,148 - 20,365,314 17,066,067 - 730,457,811 937,850,848 264,792,041 35,407,772 8,553,848 - 146,756,099 128,132,459 308,321 42,246,527 19,043,588 62,938 2,272,506,852 2,409,238,769 266,720,826 (159,393,773) (128,788,820) (43,266,858)

INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR UNDER EQUITY METHOD/PROVISION FOR LOSSES OF SUBSIDIARIES . ნ

These represent investments in ordinary shares in the following subsidiaries.

				Shareholding	olding		Carı	rying amo	Carrying amounts based	Р	
Company's name	Type of business	Paid - up capital	capital	percentage	ntage	Cost	st	on equity method	method	Dividend	pu
		2006	2002	2006	2002	2006	2002	2006	2002	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand 1	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	urrency)								
Saha - Union International Ltd. (Hong Kong)	Import and distribution	255	255	99.98	86.98	1,244,449	1,244,449 1,244,449	1,248,016	1,273,181	1	1
		(Million HKD)	<u> </u>								
Saha - Union International (GA) Inc.	Investment pending liquidation	m	Μ	100.00	100.00	76,652	76,652	ı	105,354	1	1
		(Million USD)	<u> </u>								
Saha - Union Investment (China) Co., Ltd.	Investment holding	33.5	33.5	100.00	100.00	1,183,719	1,183,719	1,173,617	1,274,730	1	1
		(Million USD)	<u> </u>								
Union Education Index Ltd.	Investment in	34	32	80.00	85.00	144,539	144,539	165,108	139,398	1	,
	international school business	(Million HKD)	6								
Union Textile Industries Plc.	Spinning and weaving	009	009	52.02	51.77	320,706	319,979	353,207	326,867	1	1
Saha - Union Holding Co., Ltd.	Investment holding	1,000	1,000	99.67	29.67	995,399	995,399	277,063	198,789	1	,
Union Garment Co., Ltd.	Manufacture of garments	20	20	99.98	86.66	70,336	70,336	88,124	100,337	1	866'6
Fashion Apparel Co., Ltd.	Manufacture of garments	2.5	2.5	99.97	76.96	750	750	2,632	2,032	75	390
Union Pioneer Plc.	Manufacture of rubber thread,										
	elastic braids & webbing	75	75	52.67	52.67	53,084	53,084	160,220	162,407	9,180	9,180
Union Zojirushi Co., Ltd.	Manufacture of vacuum bottles	140	140	51.00	51.00	72,057	72,057	239,587	244,419	24,990	17,850
Union Stainless Steel Products Co., Ltd.	Manufacture of pipes	40	40	98.00	98.00	52,411	52,411	89,975	69'99	4,508	1
Union Rubber Products Corp. Ltd.	Manufacture of rubber product	20	20	66.66	66.66	16,111	16,111	23,836	17,419	1	1
Union Footwear Plc.	Manufacture of sports shoes	200	200	51.23	51.23	131,379	131,379	61,223	144,856	1	4,538
Union Shoes Co., Ltd.	Manufacture of sports shoes	100	100	97.85	97.85	68,898	868'89	123,399	142,634	1	3,085

				Shareholding	olding		Car	Carrying amounts based	unts base	þ	
Company's name	Type of business	Paid - up capital	o capital	percentage	ntage	Cost	st	on equity method	method	Dividend	end
		2006	2002	2006	2002	2006	2005	2006	2002	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	currency)								
Venus Shoes Co., Ltd.	Dormitory rental and services	100	100	98.96	98.86	61,120	61,120	72,902	200'29	ı	ı
Thai Rubber Enterprise Corp. Ltd.	Rubber estates	32	32	50.69	50.69	17,179	17,179	24,086	21,681	1,622	ı
Uni - Sole Co., Ltd.	Machine and warehouse rental	20	20	70.69	70.69	9,400	9,400	28,552	26,798	096	2,320
Union Printing Co., Ltd.	Printing services	30	30	94.74	94.74	29,466	29,466	16,563	19,554	ı	ı
Computer Union Co., Ltd.	Computer dealer	09	09	97.95	97.86	61,882	61,842	116,373	63,708	1	ı
Union Equity Co., Ltd.	Investment holding	230	230	99.43	99.43	228,698	228,698	331,066	326,566	ı	ı
Union Construction Co., Ltd.	Architectural, construction										
	and interior design services	200	200	99.33	98.90	5,281	4,431	(76,681)	(76,223)	1	ı
Union Technology Co., Ltd.	Manufacture of electronic components	100	100	66.66	66.66	100,000	100,000	129,080	145,374	20,000	25,000
Union Energy Co., Ltd.	Investment in electric power										
	& energy business	1,350	1,350	99.45	99.45	1,340,000	1,340,000	1,403,556	1,368,299	22,780	1
Union Energy (China) Co., Ltd.	Investment holding	3,850	1,300	66.66	66.66	3,849,999	1,299,999	3,543,957	1,052,496	ı	ı
Texport International Co., Ltd.	Investment holding	20	20	85.18	85.18	44,294	44,294	51,673	49,402	1	1
Union Overseas Holding Co., Ltd.	Investment holding	25	25	58.98	58.98	6,250	6,250	6,428	8,335	975	ı
Union Human Resources Development Co., Ltd. Train and develop employees' skill	Train and develop employees' skill	0.25	0.25	66.66	66.66	250	250	774	774	1	ı
Computer Union System Co., Ltd.	Dormant	5.03	5.03	97.95	97.86	1	ı	5,828	2,695	ı	ı
(99.99 percent owned by Computer Union											
Co., Ltd.)											
Jakkarat Union Footwear Co., Ltd.	Manufacture of shoe uppers	20	20	51.23	51.23	1	ı	5,500	4,495	ı	ı
(99.99 percent owned by Union Footwear Plc.)											
Burirum Union Shoes Co., Ltd.	Manufacture of shoe uppers	2	2	97.85	97.85	1	1	3,589	5,722	1	1
(99.99 percent owned by Union Shoes Co., Ltd.)											

^{(99.99} percent owned by Union Shoes Co., Ltd.)

				Shareholding	olding		Car	rying amo	Carrying amounts based	pe	
Company's name	Type of business	Paid - up capital	capital	percentage	ntage	Cost	st	on equity method	method	Dividend	end
		2006	2002	2006	2002	2006	2005	2006	2005	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	urrency)								
Phon Union Footwear Co., Ltd.	Manufacture of sole	70	70	53.53	53.53	ı	ı	(15,247)	(12,996)	ı	1
(50.00 percent owned by Union Footwear Plc.											
and 49.99 percent by Union Shoes Co., Ltd.)											
Union Tex - East Co., Ltd.		2	2	50.99	50.99	ı	1	(277)	(143)	ı	1
(51.00 percent owned by Union Garment Co., Ltd.) Manufacture of garments	Manufacture of garments										
Shanghai Saha - Union Thread Industries Co., Ltd. Manufacture of textile products	Manufacture of textile products	23.5	23.5	64.07	67.25	49,950	25,500	52,418	72,472	6,457	1
		(Million RMB)	<u> </u>								
Zhejiang Saha - Union Feilun Thread Industries Manufacture of thread	Manufacture of thread	4	2.8	81.99	66.66	57,096	39,035	50,505	45,784	ı	1
Co., Ltd.		(Million USD)									
Union Energy (Hong Kong) Co., Ltd.	Investment holding	223.2	223.2	86.66	99.98	ı	1	70,543	157,039	ı	1
(100.00 percent owned by Saha - Union		(Million HKD)	<u> </u>								
International Ltd. (Hong Kong))											
Jiashan - Union Cogeneration Co., Ltd.	Power generation	8.3	8.3	75.96	75.96	ı	1	64,025	109,303	ı	1
(56.93 percent owned by Union Energy (China)		(Million USD)									
Co., Ltd., 10.00 percent by Saha - Union											
Investment (China) Co., Ltd. and 9.03 percent											
by Union Energy (Hong Kong) Co., Ltd.)											
Danyang - Union Cogeneration Co., Ltd.	Power generation	180	180	55.00	55.00	ı	ı	(12,778)	7,524	ı	ı

Investment (China) Co., Ltd.)

(49.50 percent owned by Union Energy (China) Co., Ltd. and 5.50 percent by Saha - Union

(Million RMB)

				Shareholding	olding		Car	rying amo	Carrying amounts based	þ	
Company's name	Type of business	Paid - up capital	capital	percentage	ntage	Cost	st	on equity method	method	Dividend	end
		2006	2002	2006	2002	2006	2005	2006	2005	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand Thousand Thousand Thousand Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	r other								
		specified currency)	ırrency)								
Danhuang - Union Cogeneration Co., Ltd.	Winding - up	ı	6.7	ı	99.99	ı	ı	ı	(169,802)	ı	1
		(Million USD)									
Shenzhou - Union Cogeneration Co., Ltd.	Power generation	1	5.2	ı	83.30	ı	ı	1	77,519	ı	1
		(Million USD)									
Total						10,291,355 7,727,227 9,877,940 7,575,465	7,727,227	9,877,940	7,575,465	91,547	102,361
Provision for losses of subsidiaries	s.					1	1	105,485	259,164		
						10,291,355	7,727,227	10,291,355 7,727,227 9,983,425 7,834,629	7,834,629		

(233,764) (164,797)

Less: Fair value of Company's shares held by subsidiaries

Investments in subsidiaries

10,291,355 7,727,227 9,749,661 7,669,832

In current year, the Company's two subsidiaries, Union Energy (China) Co., Ltd. and Saha - Union Investment (China) Co., Ltd. sold all of their investments in Shenzhou - Union Cogeneration Co., Ltd. to a non - related company in China. That company will pay the two subsidiaries amounting to approximately RMB 27.5 million, of which certain amount is the repayment of loan amounting to RMB 27 million and the remaining is the payment of the investment, which is equally divided into several installments as stated in the contract. The subsidiaries have recorded the losses from sales of the stated investment amounting to approximately Baht 100 million (The amount is presented as losses from disposal on investment in subsidiary in consolidated financial statements and presented in share of income from investment accounted for under equity method in financial statements of the Company).

The valuation of the net assets after adjustment of translation adjustments of Shenzhou - Union Cogeneration Co., Ltd. as at the acquisition date amounting to approximately Baht 102.2 million with cash and cash equitable of Baht 2.9 million and cash receipt from sales of investment of Baht 2.1 million.

During the current year, the Company's subsidiary, Saha - Union International (GA) Inc. ceased its operation and registered its dissolution on 30 December 2006. At present the Company is in the procedure of liquidation. As at 31 December 2006, the investment is thus presented as "Investment pending liquidation" in current assets.

In addition during the current year Danhuang - Union Cogeneration Co., Ltd., an overseas subsidiary (held by two subsidiaries: Union Energy (China)) Co., Ltd. and Saha - Union Investment (China) Co., Ltd.) which ceased its business since 2004, has liquidated and sold its remaining assets. The subsidiary has returned capital to its shareholders. In proportion to its equity, the subsidiaries received return of capital of Baht 23 million and recorded as "Gains (losses) on disposal on investments" in its income statements.

Danyang - Union Cogeneration Co., Ltd. has sustained persistent operating losses, therefore 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 and believed that such allowance is adequate under the current circumstance.

In 2005, Union Energy (China) Co., Ltd. increased its registered capital from Baht 500 million to Baht 3,700 million and called up 25 percent of the value of the additional shares, or Baht 800 million. The Company paid this in 2005. For 2006, Union Energy (China) Co., Ltd. called up the remaining of the share value, or Baht 2,400 million, and the Company paid in its capital remaining during the year. For the current year, Union Energy (China) Co., Ltd. increased its registered capital from Baht 3,700 million to Baht 3,850 million and called up the full value of the additional shares.

INVESTMENTS IN ASSOCIATED COMPANIES ACCOUNTED FOR UNDER EQUITY METHOD/PROVISION FOR LOSSES OF **ASSOCIATED COMPANIES** 9.

These represent investments in ordinary shares in the following associated companies.

Consolidated

				Shareholding	olding		Car	Carrying amounts based	unts base	þ	
Company's name	Type of business P	Paid - up capital	capital	percentage	ntage	Cost	st	on equity method	method	Dividend	pue
		2006	2002	2006	2002	2006	2002	2006	2002	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	other								
	S	specified currency)	rrency)								
Saha - Union International (Taipei) Ltd.	Supplies raw materials	ın	2	42.55	42.55	386	386	5,399	7,021	1	ı
	to group companies	(Million TWD)									
Saha - Union International (USA) Inc.	Import and distribution	0.3	0.3	45.64	42.64	550	550	2,157	2,924	ı	1
	1)	(Million USD)									
Union Education Management Ltd.	Management of international school	6	6	49.00	49.00	177,907	177,907	99,524	108,296	ı	1
and its subsidiaries		(Million USD)									
Union Capital Co., Ltd.	Investment holding	250	250	49.09	49.09	72,500	72,500	120,127	92,912	1	1
Uni - Agro Co., Ltd.	Investment and agriculture	65	9	45.02	45.02	20,465	20,465	12,463	12,338	ı	1
Uni - Fibre Co., Ltd.	Distribution of textiles	120	120	54.69	54.64	55,800	55,800	118,742	107,253	ı	1
Union Thread Industries Co., Ltd.	Manufacture of thread	200	200	36.26	36.26	52,216	52,216	681,166	671,742	9,024	9,024
Union Industries Corp, Ltd.	Manufacture of zippers	150	150	29.60	29.60	43,502	43,502	281,144	275,033	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	40	40	30.00	30.00	10,000	10,000	13,375	13,273	400	400
Union Business Management Co., Ltd.	Investment holding	200	200	57.96	57.92	241,712	241,712	196,120	180,047	ı	1
Union Thai - Nichiban Co., Ltd.	Manufacture of tape	15	15	40.27	40.27	19,266	19,266	162,705	164,838	24,164	24,164
Union Plastic Plc.	Manufacture of plastic products, molds	250	250	49.70	49.70	236,217	236,217	267,986	275,634	12,404	12,403
Union Nifco Co., Ltd.	Manufacture of plastic products	40	40	39.90	39.90	13,552	13,552	171,596	140,974	18,002	18,002
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	7.5	7.5	49.86	49.86	3,748	3,748	63,284	58,064	3,740	3,740
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	40	40	20.00	50.00	22,412	22,412	16,929	19,775	ı	1

				Shareholding	olding		Car	Carrying amounts based	unts base	þ	
Company's name	Type of business	Paid - up	up capital	percentage	ntage	Cost	st	on equity method	method	Dividend	pue
		2006	2002	2006	2002	2006	2002	2006	2002	2006	2002
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	r other								
		specified currency)	ırrency)								
Union Micronclean Co., Ltd.	Manufacture of clothes for	2	2	44.46	44.43	2,550	2,550	19,596	17,559	5,100	3,060
	cleaning room										
Union Rubber Plus Co., Ltd.	Investment holding	30	30	43.00	43.00	14,700	14,700	19,698	19,560	392	392
Union Spinning Mills Co., Ltd.	Manufacture of thread	200	200	52.19	52.19	46,563	46,563	92,366	97,390	625	625
Ban Pai Union Garment Co., Ltd.	Manufacture of ready to wear clothes	2	2	49.99	49.99	1,000	1,000	137	423	1	1
(50.00 percent owned by Union Garment Co., Ltd.)											
Ban Pai Union Footwear Co., Ltd.	Manufacture of shoe upper	10	10	38.42	38.42	7,500	7,500	3,802	94	1	1
(74.99 percent owned by Union Footwear Plc.)											
Shanghai Saha - Union Spinning Mill No.7	Spinning	128	1	20.00	1	311,062	1	301,829	1	1	1
Co., Ltd.		(Million RMB)									
Hangzhou - Union Cogeneration Co., Ltd.	Power generation	260	260	20.00	50.00	535,757	535,757	762,742	829,437	1	1
(45.00 percent owned by Union Energy (China)		(Million RMB)									
Co., Ltd. and 5.00 percent by Saha - Union											
Investment (China) Co., Ltd.)											
Jiyang - Union Cogeneration Co., Ltd.	Power generation	17	17	20.00	50.00	222,641	222,641	376,491	381,974	3,832	1,832
(45.00 percent owned by Union Energy		(Million USD)									
(China) Co., Ltd. and 5.00 percent by											
Saha - Union Investment (China) Co., Ltd.)											
Yunnan Luliang - Union Cogeneration Co., Ltd.	Power generation	24.7	24.7	20.00	50.00	453,156	453,156	501,414	550,505	24,898	26,415
(50.00 percent owned by Union Energy		(Million USD)									
(China) Co., Ltd.)											

				Share	Shareholding		Ca	rrying am	Carrying amounts based	pe	
Company's name	Type of business	Paid - up capital	capital	perce	percentage	S	Cost	on equity	on equity method	Dividend	lend
		2006	2002	2006	2002	2006	2002	2006	2002	2006	2002
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	urrency)								
Yunnan Qujing - Union Power Co., Ltd.	Power generation	28.1	28.1	50.00	50.00	509,690	209,690	555,554	601,118	1	30,231
(45.19 percent owned by Union Energy		(Million USD)	<u> </u>								
(China) Co., Ltd. and 4.81 percent by											
Saha - Union Investment (China) Co., Ltd.)											
Wuxi - Union Cogeneration Co., Ltd.	Power generation	41.0	25.7	45.70	45.00	711,686	632,642	936,266	874,210	34,588	1,801
(25.70 percent owned by Union Energy		(Million USD)	<u> </u>								
(China) Co., Ltd., 10.00 percent by Saha - Union											
Investment (China) Co., Ltd. and 10.00 percent											
by Union Energy (Hong Kong) Co., Ltd.)											
Yixing - Union Cogeneration Co., Ltd.	Power generation	09	09	20.00	50.00	1,113,296	1,113,296	1,680,565	1,597,674	169,412	46,980
(40.00 percent owned by Union Energy		(Million USD)	<u> </u>								
(China) Co., Ltd. and 10.00 percent by											
Saha - Union Investment (China) Co., Ltd.)											
Yixing - Union Biochemical Co., Ltd.	Manufacture of citric acid	8.2	2	50.00	50.00	83,470	52,797	181,098	208,363	30,459	ı
(50.00 percent owned by Yixing - Union		(Million USD)	<u> </u>								
Cogeneration Co., Ltd., 15.00 percent											
by Union Energy (China) Co., Ltd. and											
10.00 percent by Saha - Union Investment											
(China) Co., Ltd.)											
Shangyu Hangzhou - Union Cogeneration Co., Ltd.	Power generation	100	100	49.99	49.99	124,883	124,883	208,617	139,771	ı	1
(50.00 percent owned by Hangzhou - Union		(Million RMB)	B)								
Cogeneration Co., Ltd., 22.50 percent by											
Union Energy (Hong Kong) Co., Ltd. and 2.50											
percent by Saha - Union Investment (China) Co., Ltd.)											

				Shareholding	olding		Car	Carrying amounts based	ounts base	pe	
Company's name	Type of business	Paid - up capital	o capital	percentage	ntage	Cost	st	on equity method	method	Dividend	end
		2006	2002	2006	2002	2006	2002	2006	2005	2006	2005
		Million	Million	Percent	Percent	Thousand Thousand	Thousand	Thousand	Thousand	Thousand Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	currency)								
Venus Product Co., Ltd.	Manufacture of venus thread	2	2	25.03	24.97	1	1	734	(40)	1	ı
(99.86 percent owned by Union											
Industries Corp., Ltd.)											
Union Distributor Co., Ltd.	Dormant	_	_	24.83	24.83	1	1	664	611	1	ı
(99.30 percent owned by Union											
Industries Corp., Ltd.)											
Union Limousine Co., Ltd.	Fuel retailer	4	4	24.96	24.96	1	1	169	141	ı	ı
(99.83 percent owned by Union											
Industries Corp., Ltd.)											
Union Zip Co., Ltd.	Dormant	m	M	23.69	23.69	1	1	119	66	1	ı
(94.75 percent owned by Union											
Industries Corp., Ltd.)											
Union Knitting Yarn Co., Ltd.	Dormant	2	2	24.99	24.99	1	1	635	989	ı	ı
(99.96 owned by Union Industries Corp., Ltd.)											
Venus Thread Co., Ltd.	Dormant	150	150	25.07	25.07	1	1	6,657	6,565	1	ı
(97.92 percent owned by Union Thread											
Industries Co., Ltd. and 2.08 owned by											
Union Spinning Mills Co., Ltd.)											
Venus Corp., Ltd.	Dormant	30	30	29.38	29.38	1	1	13,555	13,539	1	1
(99.93 percent owned by Union											
Business Management Co., Ltd.)											

				Sharel	Shareholding		Carl	rying amo	Carrying amounts based	þ	
Company's name	Type of business	Paid - u	Paid - up capital percentage	perce	ntage	Cost		on equity	on equity method	Dividend	end
		2006	2002	2006	2002	2006	2006 2005	2006	2006 2005	2006 2005	2002
		Million	Million	Percent		Thousand	Percent Thousand Thousand Thousand Thousand Thousand	Thousand	Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except	(Except for other								
		specified currency)	currency)								
Union Kotec Molds Co., Ltd.	Manufacture of molds	15	15	32.30	32.30	1	1	23,311	(14,818)	,	1
(65.00 percent owned by Union Plastic Plc.)											

5,108,187 4,687,408 **7,901,736** 7,454,935 **343,790** 185,819

5,108,187 4,687,408 7,901,736 7,469,793

.

Provision for losses of associated companies

Investments in associated companies

The Company Only

				Shareholding	olding		Car	Carrying amounts based	unts base	þ	
Company's name	Type of business	Paid - up	up capital	percentage	ntage	Cost	st	on equity method	method	Dividend	pue
		2006	2002	2006	2002	2006	2002	2006	2002	2006	2002
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	urrency)								
Saha - Union International (Taipei) Ltd.	Supplies raw materials to group	ī.	2	42.55	42.55	386	386	5,399	7,021	1	1
	companies	(Million TWD)	<u> </u>								
Saha - Union International (USA) Inc.	Import and distribution	0.3	0.3	45.64	42.64	550	550	2,157	2,925	1	1
		(Million USD)									
Union Education Management Ltd.	Management of international school	6	6	49.00	49.00	177,907	177,907	99,524	108,296	1	1
and its subsidiaries		(Million USD)									
Union Capital Co., Ltd.	Investment holding	250	250	49.09	49.09	72,500	72,500	120,127	92,912	1	1
Uni - Agro Co., Ltd.	Investment and agriculture	92	9	45.02	45.02	20,465	20,465	12,463	12,338	1	1
Uni - Fibre Co., Ltd.	Distribution of textiles	120	120	54.69	54.64	30,800	30,800	93,742	82,253	1	1
Union Thread Industries Co., Ltd.	Manufacture of thread	200	200	36.26	36.26	52,216	52,216	681,166	671,742	9,024	9,024
Union Industries Corp., Ltd.	Manufacture of zippers	150	150	29.60	29.60	43,502	43,502	281,144	275,033	6,750	6,750
Venus Button Co., Ltd.	Manufacture of buttons	40	40	30.00	30.00	10,000	10,000	13,375	13,273	400	400
Union Business Management Co., Ltd.	Investment holding	200	200	57.96	57.92	146,712	146,712	101,121	85,048	1	1
Union Thai - Nichiban Co., Ltd.	Manufacture of tape	15	15	40.27	40.27	19,266	19,266	162,705	164,838	24,164	24,164
Union Plastic Plc.	Manufacture of plastic products, molds	250	250	49.70	49.70	235,433	235,433	267,202	274,849	12,380	12,380
Union Nifco Co., Ltd.	Manufacture of plastic products	40	40	39.90	39.90	13,552	13,552	171,596	140,974	18,002	18,002
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	7.5	7.5	49.86	49.86	3,748	3,748	63,284	58,064	3,740	3,740
Sports Ace Co., Ltd.	Distributor of footwear and sportswear	40	40	20.00	50.00	22,412	22,412	16,929	19,775	1	1
Union Micronclean Co., Ltd.	Manufacture of clothes	22	2	44.46	44.43	1,250	1,250	18,296	16,259	2,500	1,500
	for cleaning room										

				Sharel	Shareholding		Car	rying amo	Carrying amounts based	þ	
Company's name	Type of business	Paid - up capital	capital	perce	percentage	Cost	st	on equity method	method	Dividend	puel
		2006	2002	2006	2002	2006	2002	2006	2002	2006	2002
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	currency)								
Union Rubber Plas Co., Ltd.	Investment holding	30	30	43.00	43.00	7,500	7,500	12,498	12,360	200	200
Union Spinning Mills Co., Ltd.	Manufacture of thread	200	200	52.19	52.19	46,563	46,563	92,366	97,390	625	625
Ban Pai Union Garment Co., Ltd.	Manufacture of ready	2	2	49.99	49.99	,	,	(863)	(577)	,	٠
(50.00 percent owned by Union	to wear clothes										
Garment Co., Ltd.)											
Ban Pai Union Footwear Co., Ltd.	Manufacture of shoe upper	10	10	38.42	38.42	1	1	(3,698)	(7,406)	1	1
(74.99 percent owned by Union Footwear Plc.)											
Shanghai Saha - Union Spinning Mill No.7	Spinning	128	1	20.00	1	248,399	1	239,166	1	1	,
Co., Ltd.		(Million RMB)	B)								
Hangzhou - Union Cogeneration Co., Ltd.	Power generation	260	260	20.00	50.00	1	1	226,985	293,681	1	1
(45.00 percent owned by Union Energy		(Million RMB)	B)								
(China) Co., Ltd. and 5.00 percent by											
Saha - Union Investment (China) Co., Ltd.)											
Jiyang - Union Cogeneration Co., Ltd.	Power generation	17	17	20.00	50.00	1	1	153,850	159,333	1	1
(45.00 percent owned by Union Energy		(Million USD)	<u> </u>								
(China) Co., Ltd. and 5.00 percent by											
Saha - Union Investment (China) Co., Ltd.)											
Yunnan Luliang - Union Cogeneration Co., Ltd.	Power generation	24.7	24.7	20.00	50.00	1	1	48,258	97,349	1	1
(50.00 percent owned by Union Energy		(Million USD)	<u> </u>								
(China) Co., Ltd.)											
Yunnan Qujing - Union Power Co., Ltd.	Power generation	28.1	28.1	20.00	50.00	1	ı	45,863	91,427	1	1
(45.19 percent owned by Union Energy		(Million USD)	<u></u>								
(China) Co., Ltd. and 4.81 percent by											
Saha - Union Investment (China) Co., Ltd.)											

				Shareholding	olding		Car	rying amo	Carrying amounts based	pe	
Company's name	Type of business	Paid - up capital	capital	percentage	ntage	Cost	st	on equity method	method	Dividend	end
		2006	2002	2006	2002	2006	2002	2006	2005	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand Thousand Thousand Thousand Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	other								
		specified currency)	rrency)								
Wuxi - Union Cogeneration Co., Ltd.	Power generation	41.0	25.7	45.70	45.00	ı	1	224,580	241,568	ı	,
(25.70 percent owned by Union Energy		(Million USD)									
(China) Co., Ltd., 10.00 percent by Saha - Union											
Investment (China) Co., Ltd. and 10.00 percent											
by Union Energy (Hong Kong) Co., Ltd.)											
Yixing - Union Cogeneration Co., Ltd.	Power generation	09	09	20.00	50.00	ı	1	567,269	484,378	1	1
(40.00 percent owned by Union Energy		(Million USD)									
(China) Co., Ltd., and 10.00 percent by											
Saha - Union Investment (China) Co., Ltd.)											
Yixing - Union Biochemical Co., Ltd.	Manufacture of citric acid	8.2	2	20.00	50.00	ı	1	97,628	155,566	ı	1
(50.00 percent owned by Yixing-Union		(Million USD)									
Cogeneration Co., Ltd., 15.00 percent by											
Union Energy (China) Co., Ltd. and											
10.00 percent by Saha - Union Investment											
(China) Co., Ltd.)											
Shangyu Hangzhou - Union Cogeneration	Power generation	100	100	49.99	49.99	ı	1	83,734	14,888	ı	1
Co., Ltd.		(Million RMB)									

and 2.50 percent by Saha - Union Investment

(China) Co., Ltd.)

(50.00 percent owned by Hangzhou - Union Cogeneration Co., Ltd., 22.50 percent by Union Energy (Hong Kong) Co., Ltd.

				Shareholding	olding		Car	Carrying amounts based	unts base	pe	
Company's name	Type of business	Paid - up capital	capital	percentage	ntage	Cost	st	on equity method	method	Dividend	end
		2006	2002	2006	2002	2006	2002	2006	2002	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand Thousand		Thousand Thousand	Thousand Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	or other								
		specified currency)	urrency)								
Venus Product Co., Ltd.	Manufacture of venus thread	2	2	25.03	24.97	1	1	734	(40)	1	ı
(99.86 percent owned by Union Industries											
Corp., Ltd.)											
Union Distributor Co., Ltd.	Dormant	-	<u></u>	24.83	24.83	1	1	664	611	1	ı
(99.30 percent owned by Union											
Industries Corp., Ltd.)											
Union Limousine Co., Ltd.	Fuel retailer	4	4	24.96	24.96	1	1	169	141	1	ı
(99.83 percent owned by Union											
Industries Corp., Ltd.)											
Union Zip Co., Ltd.	Dormant	m	M	23.69	23.69	1	ı	119	66	1	ı
(94.75 percent owned by Union Industries											
Corp., Ltd.)											
Union Knitting Yarn Co., Ltd.	Dormant	ıc	5	24.99	24.99	1	1	635	989	1	ı
(99.96 percent owned by Union											
Industries Corp., Ltd.)											
Venus Thread Co., Ltd.	Dormant	150	150	25.07	25.07	1	1	6,657	6,565	1	ı
(97.92 percent owned by Union Thread											
Industries Co., Ltd. and 2.08 percent by											
Union Spinning Mills Co., Ltd.)											
Venus Corp., Ltd.	Dormant	30	30	29.38	29.38	1	ı	13,555	13,539	ı	7.
(99.93 percent owned by Union											
\\ \tag{\frac{1}{2}}											

Business Management Co., Ltd.)

				Sharel	Shareholding		Car	rrying amo	Carrying amounts based	pe	
Company's name	Type of business	Paid - up capital	p capital	perce	percentage	Cost	st	on equity	on equity method	Dividend	lend
		2006	2002	2006	2002	2006	2002	2006	2005	2006	2005
		Million	Million	Percent	Percent	Thousand	Thousand	Thousand	Thousand Thousand Thousand Thousand Thousand	Thousand	Thousand
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht
		(Except for other	for other								
		specified currency)	currency)								
Union Kotec Molds Co., Ltd.	Manufacture of molds	15	15	32.30	32.30	ı	1	23,311	23,311 (14,818)	1	1
(65.00 percent owned by Union Plastic Plc.)											
Total						1,153,161	904,762	3,946,710	904,762 3,946,710 3,672,290	77,785	76,785
Provision for losses of associated companies	ompanies					1	1	4,561	22,841		
Investments in associated companies						1,153,161	904,762	904,762 3,951,271 3,695,131	3,695,131		

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.

In 2006, the Company and its subsidiary invested Baht 311 million in ordinary shares of Shanghai Saha - Union Spinning Mill No.7 Co., Ltd., which is a spinning factory in China (the Company only: Baht 248 million). A result of such investment the Company directly holds 40 percent of the equity of this company and the combined equity interest of the Company and its subsidiary is 50 percent.

The share of income from investments in 11 associated companies accounted for under the equity method amounting to approximately Baht 680 million, as included in the income statements for the year ended 31 December 2006 (2005 : 15 companies of Baht 361 million), were determined based on the financial statements which were audited by their auditors.

The shares of income from investments in 25 associated companies accounted for under the equity method amounting to approximately Baht 165 million, as included in the income statements for the years ended 31 December 2006 (2005 : 22 companies of Baht 166 million) 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.

11. INVESTMENTS IN OTHER COMPANIES

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

Charabaldina

Consolidated Investments in ordinary shares

Shareh	olding		
perce	ntage	Co	st
2006	2005	2006	2005
Percent	Percent	Thousand	Thousand
		Baht	Baht
10.71	10.71	11,500	11,500
0.67	0.67	10,000	10,000
10.00	10.00	225,000	166,500
36.86	36.86	32,687	32,687
		(32,687)	(32,687)
		-	-
		7,447	7,744
		253,947	195,744
	2006 Percent 10.71 0.67 10.00	Percent Percent 10.71 10.71 0.67 0.67 10.00 10.00	percentage Co 2006 2005 2006 Percent Percent Thousand Baht 10.71 10.71 11,500 0.67 0.67 10,000 10.00 10.00 225,000 36.86 36.86 32,687 (32,687) - 7,447

Investment in available - for - sale securities

Company's name	Co	ost	(losses) in va	ed gains) change lue of tment	Fair	value
	2006	2005	2006	2005	2006	2005
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
Saha Pathana Inter - Holding Plc.	27,508	27,508	163,664	111,851	191,172	139,359
Bangkok Bank Plc.	204,402	204,402	87,263	76,560	291,665	280,962
New Plus Knitting Plc.	2,010	2,010	(1,905)	(1,905)	105	105
Electricity Generating Plc.	2,324	2,324	4,075	3,070	6,399	5,394
	236,244	236,244	253,097	189,576	489,341	425,820
Total investments in other companies					743,288	621,564

The Company Only Investments in ordinary shares

	Share	holding		
Company's name	perce	entage	Co	ost
	2006	2005	2006	2005
	Percent	Percent	Thousand	Thousand
			Baht	Baht
Union Button Corporation Co., Ltd.	10.71	10.71	11,500	11,500
Imperial Technology Management Service Plc.	0.67	0.67	10,000	10,000
Others			2,694	2,694
			24,194	24,194

Investment in available - for - sale securities

			(losses	ed gains) change lue of		
Company's name	Co	ost	inves	tment	Fair value	
	2006	2005	2006	2005	2006	2005
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
Saha Pathana Inter - Holding Plc.	27,508	27,508	163,664	111,851	191,172	139,359
Bangkok Bank Plc.	204,402	204,402	87,263	76,560	291,665	280,962
New Plus Knitting Plc.	2,010	2,010	(1,905)	(1,905)	105	105
	233,920	233,920	249,022	186,506	482,942	420,426

Total investments in other companies

507,136 444,620

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

Investment in Ratchaburi Power Co., Ltd.

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.

In 2004, Union Energy Co., Ltd. (a subsidiary) sold its shares in Ratchaburi Power Co., Ltd. to a foreign company and received payment amounting to Baht 693.9 million in 2004 and 2005. The Company recognised a gain on the sales of the investment amounting to Baht 224 million and this is presented in the income statement of the year 2005.

During 2006, Ratchaburi Power Co., Ltd. increased its registered share capital by Baht 660 million and called up partial of the share value. Up to 31 December 2006, the Company paid in capital a total of Baht 58.5 million, in proportion to its interest in the equity of that company.

12. PROPERTY, PLANT AND EQUIPMENT

(Unit: Thousand Baht)

	Consolidated						
		Land and	Buildings	Machinery			
		leasehold	and	and	Power		
	Land	improvement	facilities	equipment	plants	Others	Total
Cost							
31 December 2005	178,558	153,611	3,812,332	6,198,505	1,995,379	1,920,072	14,258,457
Assets of sold off subsidiaries	-	-	-	-	(503,847)	-	(503,847)
Additions	152,890	1,903	10,643	114,448	33,732	637,593	951,209
Disposals	-	-	(12,669)	(216,084)	(25,740)	(48,587)	(303,080)
Transfers	-	4,634	57,709	131,678	-	(195,338)	(1,317)
Translation adjustment	-	-	-	-	(162,179)	(34,261)	(196,440)
31 December 2006	331,448	160,148	3,868,015	6,228,547	1,337,345	2,279,479	14,204,982
Accumulated depreciation							
31 December 2005	-	123,870	2,913,891	4,951,881	920,224	1,234,441	10,144,307
Transferred out upon sale of subsidiaries	-	-	-	-	(241,338)	-	(241,338)
Depreciation for the year	-	10,211	150,243	267,304	81,571	178,627	687,956
Depreciation on disposals	-	-	(11,253)	(211,651)	(353)	(40,021)	(263,278)
Translation adjustment	-	-	-	-	(77,312)	(5,507)	(82,819)
31 December 2006	-	134,081	3,052,881	5,007,534	682,792	1,367,540	10,244,828
Allowance for impairment loss							
31 December 2005	-	-	-	10,819	13,339	-	24,158
Additions	-	544	70,717	-	-	78,739	150,000
31 December 2006	-	544	70,717	10,819	13,339	78,739	174,158
Net book value							
31 December 2005	178,558	29,741	898,441	1,235,805	1,061,816	685,631	4,089,992
31 December 2006	331,448	25,523	744,417	1,210,194	641,214	833,200	3,785,996
Depreciation for the year							
2005 (Baht 577 million included in manu	ıfacturing	cost, and the l	palance in s	elling and adm	ninistrative ex	(penses)	899,514
2006 (Baht 409 million included in manufacturing cost, and the balance in selling and administrative expenses)							687,956

(Unit: Thousand Baht)

	The Company Only						
		Land and	Buildings				
		leasehold	and				
	Land	improvement	facilities	Others	Total		
Cost							
31 December 2005	58,955	126,663	2,092,740	809,370	3,087,728		
Additions	152,889	855	2,766	322,899	479,409		
Disposals	-	-	-	(13,427)	(13,427)		
Transfers	-	4,634	29,925	(34,559)	-		
31 December 2006	211,844	132,152	2,125,431	1,084,283	3,553,710		
Accumulated depreciation							
31 December 2005	-	107,417	1,575,938	710,168	2,393,523		
Depreciation for the year	-	8,022	98,846	51,312	158,180		
Depreciation on disposals	-	-	-	(10,881)	(10,881)		
31 December 2006	-	115,439	1,674,784	750,599	2,540,822		
Allowance for impairment loss							
31 December 2005	-	-	-	-	-		
Additions	-	544	70,716	78,740	150,000		
31 December 2006	-	544	70,716	78,740	150,000		
Net book value							
31 December 2005	58,955	19,246	516,802	99,202	694,205		
31 December 2006	211,844	16,169	379,931	254,944	862,888		
Depreciation for the year							
2005 (included in selling and administ	crative expenses)				173,015		
2006 (included in selling and administ	crative expenses)				158,180		

As at 31 December 2006, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost, of those assets amounted to approximately Baht 4,985 million (2005: Baht 4,476 million) (The Company only: Baht 1,728 million, 2005: Baht 1,670 million).

13. BANK OVERDRAFT AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdraft and short - term loans from financial institutions as of 31 December 2006 and 2005 consisted of :-

(Unit : Baht)

(Unit : Baht)

	Interest rate				
(_F	ercent per annum)	Consolidated		The Compa	any Only
		2006	2005	2006	2005
Bank overdrafts	Based on MOR	71,154,342	69,570,909	4,845,974	5,406,699
Short - term loans from financial institutions	5.90 - 6.40	602,830,279	634,485,838	-	-
Total	_	673,984,621	704,056,747	4,845,974	5,406,699

14. LONG - TERM LOANS

	Loan No.	Interest Rate	Conso	lidated	The Company Only		
		(percent per ar	nnum)	2006	2005	2006	2005
1.	Loan from local bank	Based on	Annual installments	609,142,300	857,790,442	609,142,300	857,790,442
	(Principal amounts to USD 25.0 million.)	the SIBOR	from 2005 to 2010				
2.	Loan from local bank	Based on	Annual installments	;91,375,000	123,523,800	91,375,000	123,523,800
	(Principal amounts to USD 3.0 million.)	the SIBOR	from 2006 to 2011				
3.	Loan from local bank	Based on	Annual installments	76,145,833	102,936,500	76,145,833	102,936,500
	(Principal amounts to USD 2.5 million.)	the SIBOR	from 2006 to 2011				
4.	Loan from local bank	Based on	Annual installments	305,330,000	411,746,000	305,330,000	411,746,000
	(Principal amounts to USD 10.0 million.)	the SIBOR	from 2005 to 2011				
5.	Loan from local bank	Based on	Annual installments	7,600,000	8,000,000	-	-
		MLR	from 2006 to 2009				
То	tal			1,089,593,133	1,503,996,742	1,081,993,133	1,495,996,742
Les	ss : current portion of long - term loans			(244,554,590)	(275,169,852)	(242,154,590)	(275,169,852)
Loi	ng - term loans - net of current portion			845,038,543	1,228,826,890	839,838,543	1,220,826,890

The Company is exposed to protect risk with two local banks for exchange rates which will be paid in the future for the USD 24.6 million principal with the exchange rate Baht 35.60 - 36.55/USD.

On 25 January 2007, Company entered into an amendment to loan agreements with a local bank under which the company had borrowed in US dollars (loan no.1,2,3 below). The substance of the amendments is that it was agreed that the lender would be changed, and the currency would be changed from US dollars to Thai Baht, as follows:

Loans No.	The date of changing currency	Amount	Repayment schedule	Interest rate
		(Million Baht)		(percent per annum)
1	17 May 2007	609.1	Annual repayment	Based on MLR
			since 2007 to 2010	
2	29 January 2007	91.4	Annual repayment	Based on MLR
			since 2007 to 2011	
3	29 January 2007	76.1	Annual repayment	Based on MLR
			since 2007 to 2011	
		776.6		

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

15. FINANCIAL LEASE

This represents the obligations payable under the 36 months financial lease agreements. The assets acquired by a subsidiary under these agreements were recorded at fair value at inception of the agreements, and as at 31 December 2006 carried a net book value of Baht 83 million (2005: Baht 105 million).

16. COMPANY'S SHARES HELD BY THE SUBSIDIARIES

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

17. STATUTORY RESERVE

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

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

18. GAINS (LOSSES) ON EXCHANGE

Consolidated

(Unit: Million Baht)

	For the years ended 31 December			
	2006	2005		
Realised gains on exchange	3	28		
Unrealised gains (losses) on exchange	169	(99)		
Total gains (losses) on exchange	172	(71)		

The Company Only

(Unit: Million Baht)

	For the years ended 31 December			
	2006	2005		
Realised gains on exchange	(9)	28		
Unrealised gains (losses) on exchange	171	(95)		
Total gains (losses) on exchange	162	(67)		

19. DIRECTORS AND MANAGEMENT'S REMUNERATION

In 2006 the Company and its subsidiaries paid salaries, meeting allowances and gratuities to their directors and management totaling Baht 27.2 million (The Company Only: Baht 24.6 million) (2005: Baht 27.5 million, the Company only: Baht 24.2 million)

20. NUMBER OF EMPLOYEES AND RELATED COSTS

	Consolidated		The Company Only	
	2006 2005		2006	2005
Number of employees at end of year (persons)	17,485	18,715	544	561
Employee costs for the year (Thousand Baht)	2,449,127	2,554,596	150,133	154,194

21. 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 2007		
Burirum Union Shoes Co., Ltd.	Exemption from corporate income tax on profits50% reduction of corporate income tax on profits	8 years from the date revenue was first earned 5 years from expiration of tax exemption		
Union Footwear Plc.	- Reduction of import duty on imported molds	31 December 2009		
Phon Union Footwear Co., Ltd.	 Exemption from corporate income tax on profits totalling not exceeds 100% of investment excluding land and working capital Exemption from corporate income tax on dividend income of the promoted investment company. 	30 October 2010 30 October 2010		
Jakkarat Union Footwear Co., Ltd.	 Exemption from corporate income tax on profits 50% reduction of corporate income tax on profits Exemption from corporate income tax on dividend income of the promoted investment company. Double reduction of shipping expense, electricity expense and water expense for corporate income tax. 	31 July 2011 (8 years from the date revenue was first earned) 31 July 2016 (5 years from expiration of tax exemption) 31 July 2011 (8 years from the date revenue was first earned) 31 July 2013 (10 years from the date revenue was first)		

The Company and its subsidiaries' operating revenues for the years are below shown divided according to promoted and non-promoted operations :-

					(Unit : T	housand Baht)
	Consolidated					
		2006			2005	
		Non-			Non-	
	Promoted	promoted		Promoted	promoted	
	operations	operations	Total	operations	operations	Total
REVENUES						
Sales						
- Local	-	9,673,815	9,673,815	-	9,615,124	9,615,124
- Export	-	14,874,473	14,874,473	-	15,138,506	15,138,506
Services income	153,036	4,014,893	4,167,929	161,638	4,106,255	4,267,893
Total	153,036	28,563,181	28,716,217	161,638	28,859,885	29,021,523
Interest income	16	192,865	192,881	12	276,463	276,475
Gains on exchange	-	172,103	172,103	-	-	-
Other income	1,295	1,986,526	1,987,821	728	1,751,674	1,752,402
TOTAL REVENUES	154,347	30,914,675	31,069,022	162,378	30,888,022	31,050,400
Less: Eliminated transactions			(12,187,571)			(12,461,443)
			18,881,451			18,588,957

		The Com	nany Only	(Unit : Th	ousand Baht)
	2006	The Com	pany Only	2005	
	Non-			Non-	
	Promoted promoted		Promoted	promoted	
	operations operations	Total		operations	Total
REVENUES					
Sales					
- Local	- 5,786,347	5,786,347	-	5,723,030	5,723,030
- Export	- 7,581,168	7,581,168	-	7,678,721	7,678,721
Services income	- 1,992,877	1,992,877	-	2,138,070	2,138,070
Total	- 15,360,392	15,360,392	-	15,539,821	15,539,821
Interest income	- 90,639	90,639	-	233,538	233,538
Gains (losses) on exchange	- 161,587	161,587	-	(66,947)	(66,947)
Other income	- 1,525,886	1,525,886	-	1,091,120	1,091,120
TOTAL REVENUES	- 17,138,504	17,138,504	-	16,797,532	16,797,532

22. EARNINGS PER SHARE

Basis earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares held by outside shareholders in issue during the year.

23. 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 2006 and 2005 of the Company and its subsidiaries.

										(Uni	t : Millio	n Baht)	
ו	Cextile, f comput electr compo segn	ter and onics onents	r, Plas rubbe me segn	r and tal	Pov gener segr		and o	Investment Elimination of and others inter – segment segment consc		inter - segmen		olidation	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	
Sale revenue													
Local sales	10,353	10,906	3,271	2,919	-	-	218	58	(5,493)	(5,735)	8,349	8,148	
Export sales	9,328	9,816	4,455	4,100	993	1,126	99	96	(5,820)	(5,909)	9,055	9,229	
Total	19,681	20,722	7,726	7,019	993	1,126	317	154	(11,313)	(11,644)	17,404	17,377	
Operating income	192	363	242	281	64	(78)	1,234	834	(152)	(242)	1,580	1,158	
Interest expenses											(104)	(109)	
Corporate income tax											(285)	(256)	
Minority interest											10	64	
Net income											1,201	857	
Property, plant and equipment - net	2,046	1,896	678	703	654	1,075	421	429	(13)	(13)	3,786	4,090	

Transfer prices between business segments are as set out in Note 6 to the financial statements.

24. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly establish a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3 percent of the basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2006, the Company contributed Baht 31.0 million (2005: Baht 31.1 million) to the fund.

25. DIVIDENDS

(Unit : Baht)

Dividends	Approved by	Total dividends	Dividend per share	
Final dividends for 2004	Annual General Meeting of	375,000,000	1.25	
	the shareholders on 26 April 2005			
Total for 2005	-	375,000,000	1.25	
Final dividends for 2005	Annual General Meeting of	375,000,000	1.25	
	the shareholders on 21 March 2006			
Total for 2006	-	375,000,000	1.25	

26. COMMITMENTS AND CONTINGENT LIABILITES

26.1 Capital commitments

As at 31 December 2006, the Company and its subsidiaries had capital commitments of approxi mately Baht 242.0 million (the Company only : Baht 221.4 million), relating to the construction of factory buildings and acquisition of machinery.

26.2 Operating lease commitments

The Company and its subsidiaries has entered into several lease agreement in respect of the lease of land, office building space, motor vehicles, machinery and equipment.

Future minimum rentals payable under these leases as at 31 December 2006 are as follows:

(Unit: Million Baht)

	Consolidated	The Company Only
Payable within:		
1 year	54	15
2 to 5 years	74	58
Thereafter	46	26
	174	99

26.3 Guarantees

Outstanding bank guarantees of Baht 296 million issued by the banks on behalf of the Company and its subsidiaries (the Company only: Baht 61 million) in respect of certain performance bonds as required in the ordinary course of business of the Company and its subsidiaries.

- 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 2006 are Baht 270 million (2005 : Baht 173.5 million).
- 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.
- 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 5.25 million provided to Shangyu Hangzhou Union Cogeneration Co., Ltd.

27. FINANCIAL INSTRUMENTS

27.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short - term and long - term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk, primarily with respect to trade accounts, loans, other receivable 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.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, loans to related parties, bank overdrafts, trust receipt, deposits from related parties, liabilities under financial lease agreements and long-term borrowings. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2006 classified by type of interest rates are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Fixed int	erest rates			
	Within		Floating No	on - interes	t
	1 year	1-5 years	interest rate	bearing	Total
Consolidated			(Million Baht)		
Financial Assets					
Cash and cash equivalent	-	-	829	-	829
Current investments	673	-	-	-	673
Trade accounts receivable	-	-	-	2,546	2,546
Short - term loans to related parties	-	-	37	-	37
	673	-	866	2,546	4,085
Financial liabilities					
Bank overdrafts and short - term loans	-	-	674	-	674
from financial institutions					
Trade accounts payable	-	-	-	1,763	1,763
Deposits from related parties	-	-	34	-	34
Liabilities under financial lease agreements	43	36	-	-	79
Long - term loans	-	-	1,090	-	1,090
	43	36	1,798	1,763	3,640

	Floating No	on - interes	t
	interest rate	bearing	Total
The Company Only		(Million Baht)	
Financial Assets			
Cash and cash equivalent	358	-	358
Trade accounts receivable	-	2,318	2,318
Short - term loans to related parties	574	-	574
	932	2,318	3,250
Financial liabilities			
Bank overdrafts and short - term loans from financial institutions	5	-	5
Trade accounts payable	-	1,884	1,884
Deposits from related parties	1,687	-	1,687
ong - term loans	1,082	-	1,082
	2,774	1,884	4,658

Foreign currency risk

Company's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2006 are summarised below.

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2006
	(Million)	(Million)	(Baht per 1 foreign currency unit)
US dollar	20	36	36.09
Euro	3	-	47.46
Japanese yen	125	16	0.30
HK dollar	4	74	4.64
RMB	5	19	4.62

Foreign exchange contracts outstanding at 31 December 2006 are summarized below.

			Contractual exchange rate		
Foreign currency	Bought amount	Bought amount Sold amount		Sold	
	(Million)	(Million)	(Baht per 1 for	eign currency unit)	
US dollar	32	80	35.14 - 37.57	35.00 - 38.41	
Euro	-	6	-	46.55 - 48.41	
Japanese yen	-	309	-	0.30 - 0.32	
HK dollar	-	3	-	4.52 - 4.88	

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 2006, the Company has outstanding balances of other accounts payable-related parties of HKD 73.1 million and RMB 19.2 million.

27.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short - term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

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

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been authorised by the Company's authorised directors on 22 February 2007.

REMUNERATIONS OF THE AUDITOR

Audit Fee

In 2006, the Company's auditor was Mr. Suphachai Panyawattano of Earnst & Young Office Limited. For the calendar year of 2006, the Company and its subsidiaries paid the audit fees directly to the Earnst & Young Auditing Office, amounted to 5,495,000 Baht. The Company and its affiliates have never made direct payment of the fees to the auditor or to any individuals or businesses related to the auditor, or to the office where the auditor works for.

Non - Audit Fee

For the calendar year of 2006, the Company and its subsidiaries have not paid any non - audit fee; and there was no uncompleted service with any payment due in the following year to the auditor or to the Earnst & Young Auditing Office or to any individuals or businesses related to the auditor, or to the office where the auditor works for.

THE PRINCIPLES OF CORPORATE

GOVERNANCE

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GENERAL INFORMATION

SAHA - UNION PUBLIC COMPANY LIMITED

Saha-Union Public Co., Ltd.

www.sahaunion.co.th

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260 Tel. (66-2) 311-5111-9, 332-5600 Fax. (66-2) 332-5616 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%

(For the quantity and type of issued shares, please see Section : Direct Investment Information of the Company, Pages 26-27)

Manufacturing

Textiles

• Union Textile Industries Public Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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

Union Garment Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

Tel. (66-2) 311-5111 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 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

OTHER REFERENCES

Securities Registrar Thailand Securities Depository Co., Ltd.

62 The Securities Exchange of Thailand Building Rachadapiserk Road, Klongtoey, Bangkok 10110 Tel. (66-2) 359-1200-1 Fax. (66-2) 359-1259

NAME OF AUDITORS

Miss Siraporn Ouaanunkun, Miss Thipawan Nananuwat, Mr. Supachai Phanyawattano and Mr. Sophon Permsirivallop Ernst & Young Office Limited 33rd Floor, Lake Rajada Building 193/136-137 New Rajadaapisek Road, Bangkok 10110 Tel. (66-2) 264-0777 Fax : (66-2) 264-0789, 661-9192

Footwear

Union Footwear Public Co., Ltd.

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

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

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

Union Shoes Co., Ltd.

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

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 Interprise Co., Ltd.

11/1 Moo 14 Serithai Road, Minburi, Bangkok 10510

Tel. (66-2) 517-0291 Fax. (66-2) 517-0290

• 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

11/1 Moo 14 Serithai Road, Minburi, Bangkok 10510

Tel. (66-2) 517-0291 Fax. (66-2) 517-0290

Union Stainless Steel Products Co., Ltd.

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

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

Union Nifco Co., Ltd.

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

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

Computer and Electronics Parts

Computer Union Co., Ltd.

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

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

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

Union Technology Co., Ltd.

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

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

Energy

Union Energy Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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

Union Energy (China) Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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

• Trading, Investment and Services

Trading

• Uni - Fibre Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, 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

• Saha - Union Holding Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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

Union Equity Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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

Texport International Co., Ltd.

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

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

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

Union Business Management Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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

Union Oversea Holding Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

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

• 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

Processing Center Co., Ltd.

Thai Farmer Bank Building, 4th Floor142 Silom Road, Bangkok 10500

Tel. (66-2) 237-6330-4 Fax. (66-2) 237-6340

• Uni - Agro Co., Ltd.

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

Tel. (66-2) 932-7868 Fax. (66-2) 514-2140

Services

Union Sime Darby (Thailand) Co., Ltd.

Vanissa Building 20th Floor, Soi Chidlom, Sukhumvit Road, Phyathai, Bangkok 10330

Tel. (66-2) 251-5288 Fax. (66-2) 254-6383

• Union Printing Co., Ltd.

99 Moo 5 Bangna - Trad Road, Bangpakong, Chachoengsao 24130

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

Venus Shoes 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 24130

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

• Union Human Resources Development Co., Ltd.

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260

Tel. (66-2) 311-5111,332-5600 Fax. (66-2) 311-6127

Overseas

Saha - Union International Ltd. (Hong Kong)

1A. Yuk Yat Street, 6/F, Fook Shing Building, Tokwawan, Kowloon, Hong Kong

Tel. (852) 2365-0211-2 Fax. (852) 2363-2641

• Saha - Union International (Taipei) Ltd.

15th Floor, Bangkok Bank Building, 121 Sung Chiang Road, Taipei 10429, Taiwan

Tel. (88-62) 2506-7264-5 Fax. (88-62) 2506-9712

• Saha - Union Investment (China) Co., Ltd.

Cao Xi Road (N) # 18, 31 FL. (A,B,C,), Shanghai 200030, China

Tel. (86-21) 5459-0378, (86-21) 5459-0678, (86-21) 5459-0526 Fax. (86-21) 6427-9117

Union Education Index Ltd.

1A. Yuk Yat Street, 6/F, Fook Shing Building, Tokwawan, Kowloon, Hong Kong

Tel. (852) 2365-0211-2 Fax. (852) 2363-2641

Union Education Management Ltd.

21/F, Sunshine Building, 353 Lockhart Road, Wanchai, Hong Kong

Tel. (852) 2374-1211 Fax. (852) 2782-1147

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OFFICE LOCATIONS

Domestic

Head Office

1828 Sukhumvit Road, Bangchak, Phrakanong, Bangkok 10260 Tel. (66-2) 311-5111, 332-5600 Fax. (66-2) 332-5616, 332-3123

Latphrao Operations

142 Soi Chantima (Latphrao 80) Latphrao Road, Kwang Wangthonglang, Khet Wangthonglang Bangkok 10310 Tel. (66-2) 530-0511-30 Fax. (66-2) 538-4247, 539-6153

Bangpakong Operations

99 Moo 5, Bangna - Trad Road (Km. 38) Bangpakong Chacheongsao 24180 Tel. (66-38) 538-499, 538-640-4 Fax. (66-38) 538-639, 538-470

Sriracha Operations

336 Moo 10, Sukhumvit Road, Bangpra, Sriracha, Chonburi 20210

Tel. (66-38) 341-370-8 Fax. (66-38) 341-380-3

Bangpoo Operations

205 Moo 4, Sukhumvit Road (Km. 39.5) Bangpoo Mai, Muang District, Samutprakarn 10280 Tel. (66-2) 323-1085-91 Fax. (66-2) 323-9216

Bangchan Operations

NG 11, Bangchan Industrial Estate, Serethai Road, Minburi, Bangkok 10510 Tel. (66-2) 517-4489, 517-8159-61, 517-8217-21 Fax. (66-2) 517-1016

International

Hong Kong

Saha - Union International Ltd. (Hong Kong)

1A Yuk Yat Street, 6/F, Fook Shing Building, Tokwawan, Kowloon, Hong Kong

Tel. (852) 2365-0211-2 Fax. (852) 2363-2641

Taiwan

Saha - Union International (Taipei) Ltd.

15th Floor, Bangkok Bank Building, 121 Sung Chiang Road,

Taipei 10429, Taiwan

Tel. (88-62) 2506-7264-5 Fax. (88-62) 2506-9712

Shanghai

Saha - Union Investment (China) Co., Ltd.

Cao Xi Road (N) # 18, 31 FL. (A,B,C,), Shanghai 200030, China

Tel. (86-21) 5459-0378, 5459-0678, 5459-0526 Fax. (86-21) 6427-9117



