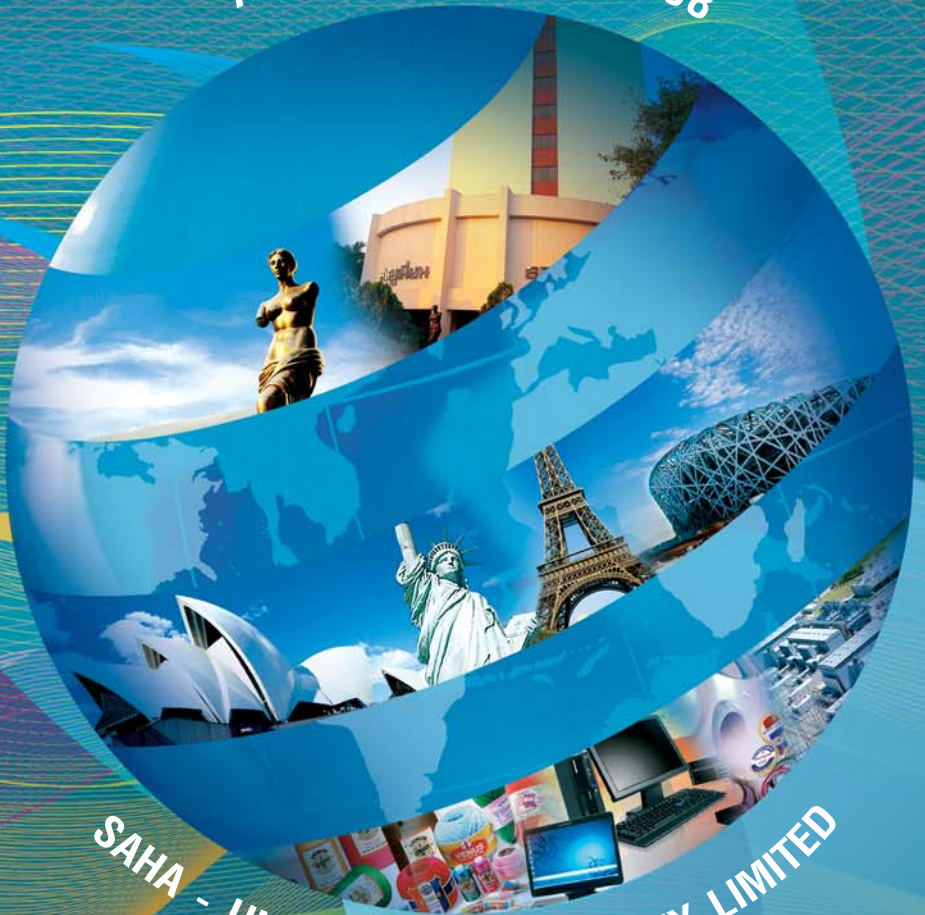


ANNUAL REPORT 2008



SAHA - UNION PUBLIC COMPANY LIMITED



INTEGRITY QUALITY SERVICE

Since the customers' demand is the focus and basis for our business growth, Saha - Union (Public) Company Limited is fully committed to dynamic development in all areas and integrated investments such as our investment projects in the People's Republic of China, in order to move the Company, its shareholders and stakeholders, as well as all related parties, forwards to become the hub of investment businesses and for the benefits of our collective growth.





INTEGRITY

QUALITY

SERVICE

Business ethics and integrity are essential for progressive business operations and investments. The Company has given the importance to corporate governance and adherence to the merit principle for its sustainable business growth and creation of confidence to all of its employees, the management, customers, shareholders and stakeholders.

According to the current economic condition and severe competitions in the industry, the Company is committed to ongoing development of its quality products and creation of international standard of products in order to receive global recognitions and to meet the demand of consumers worldwide.



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Major Financial Ratio and Information

(Unit : Million Baht)

Saha - Union Public Company Limited (Consolidated)

	2008	2007	2006
Total Revenues	13,140.9	15,647.0	18,881.5
Total Sales	12,208.6	14,861.2	17,403.6
Gross Profit	1,472.8	1,846.2	2,201.1
Net Profit (Loss)	281.5	551.7	1,201.0
Total Assets	19,560.3	20,041.2	19,975.0
Total Liabilities	5,014.6	4,880.4	5,167.9
Total Shareholder's Equity	14,545.7	15,160.8	14,807.1
Earning Ratio (%)	2.14%	3.53%	6.36%
Earning per Share (Baht)	0.97	1.90	4.14
Book Value (Baht)	45.70	46.91	46.64
Net Assets Value (Baht)	45.70	46.91	46.64
Return on Assets (%)	1.42%	2.76%	5.93%
Return on Equity (%)	2.10%	4.07%	8.87%
Debt to Equity Ratio (Times)	0.38	0.36	0.38

Saha - Union Public Company Limited

	2008	2007	2006
			(New Revision)
Total Revenues	5,142.3	7,187.7	16,423.8
Total Sales	4,438.0	6,038.8	15,360.4
Export	1,176.2	1,941.4	7,581.2
Local	3,261.8	4,097.4	7,779.2
Gross Profit	275.7	372.9	761.8
Net Profit (Loss)	279.9	277.3	486.3
Earning per share (Baht)	0.93	0.92	1.62
Dividend per share (Baht)	1.00	1.25	1.25
Book Value (Baht)	32.13	33.05	33.39

Board of Directors Report

In the year 2008, there has been severe financial crisis in the world economy, resulting from the problem of sub-prime affecting the financial institutions in the United States and spreading to Europe and other continents. Finally, the world financial crisis had continuous impact on the real sector; as a result, in the fourth quarter of the year 2007, the world economy as a whole has shrunk, including the United States, Europe, Asia; meanwhile, the economy of China, India and Vietnam has much slowly expanded; and the product prices, exchange rates and the investment value in stock markets have fluctuated; the spending, investment and international trade has decreased; and the unemployment rates started to increase and had a severe impact on Thailand's export and tourism industry. Governments of different countries have launched their economic stimulation measures such as interest rate deduction, money injection into the financial institution system to create the liquidity, including other economic recovery measures, which would take some time to get the required results; meanwhile, it may not be evaluated whether the degree of such damage would increase or not.

Thailand's economy in the whole year of 2008 has expanded by 2.6% only, which has slowed down when compared to its expansion at 4.9% in the year 2007. Particularly in the fourth quarter of the year 2008, Thailand's economy has shrunk by 4.3%; the majority of the country's economic indexes such as export, consumption and investment in the private sector during the first 9 months were positive but slowed down steeply in the fourth quarter, resulting from the world economic recession and Thailand's political chaos. The prolonged protests and demonstrations had negative impact on the investment and economic expansion. The most affected sectors included electronics, electric appliances, automobiles and tourism; meanwhile, the balance of trade and the current account balance was nearly at the equilibrium state, which indicated that, in the year 2008, Thailand still had its good financial stability.

Other factors affecting the Thai economy included crude oil prices and inflation rates, which have fluctuated in the same directions. During the first half of the year 2008, the average crude oil prices have increased by 75%; and in the second quarter, the average crude oil prices jumped up to US\$120 per barrel; but in the second half of the year, the crude oil prices have decreased rapidly, i.e., in the fourth quarter of the year, the average crude oil prices in the world market was at US\$55.3 per barrel. In the year 2009, it is estimated that the crude oil prices will be more stable than those in the year 2008. The average inflation rate in the whole year of 2008 was at 5.5%; particularly in the fourth quarter, the rate has decreased to 2.1%; moreover, the bank interest rates have also decreased; as of December 2008, the policy interest rate was at 2.75% and it would continue to decrease if the Thai economy tended to slow down. The average value of Thai Baht has slightly appreciated when compared to those in the year 2007; but it tended to depreciate slightly; meanwhile, there were worries that the unemployment rates would increase; and it was estimated that a million of Thai workforces would lose their jobs, which was a major obstacle to the economic stimulation measures.

During the first half of the year 2008, businesses in Saha - Union Group have been in good operation; but at the yearend of 2008, the businesses could not avoid from the problems which occurred in the economic fluctuations due to massive impacts in all sectors of the Thai economy and in almost all over the world.

The Company's businesses of stainless steel vacuum bottles, metal and rubber products have been slightly affected by the external factors and still had their good operating result. Though, the rubber business has been affected by the highly increasing prices during the first half of the year 2008, particularly in the second quarter, however the prices rapidly decreased at the end of the year. The business of apparels and garment accessories had moderate operating result; whereas, businesses which had poorer operating result during the yearend of 2008 included export-oriented businesses such as packages, auto parts, electronics parts and assembly, and textiles. There were severe competitions in the textile business in terms of labour cost, cost of production, and exchange rates. Therefore, in the year 2008, the Company's factories were downsized; and the Company selected to manufacture fabrics which had particular markets; as a result, the gross sales in the year 2008 have decreased when compared to those in the year 2007.

Regarding the operating result of Saha - Union (Public) Company Limited in the year 2008, as the separate financial statements, the Company had its total revenues of Baht 5,142 million, decreased by Baht 2,046 million when compared to those in the previous year because the Company had its policy that the manufacturing companies within its group must manage their own markets for flexibility; therefore, when those companies operated their sales activities, the sales volume through the Company have decreased; and the purchase of textile raw materials have decreased resulting from the decreasing of the production capacity; meanwhile, the gross sales of some products exported through the Company have also decreased according to the economic



condition. In the year 2008, the Company had its net profits of Baht 279.89 million, which was similar to those in the previous year. According to the consolidated financial statements, the Company had its total revenues of Baht 13,141 million, decreased by Baht 2,506 million when compared to those in the previous year. The Company had its net profits, according to the equity method, of Baht 281.4 million, decreased by Baht 270 million when compared to those in the previous year because the Company had to record the unrealized losses on long-term investments of its subsidiaries; meanwhile, the recognition of profit distribution from investments of associated companies in China has decreased because in the first half of the year 2008, power plants in the People's Republic of China still had unsatisfactory operating results; the cost of coal has increased according to the crude oil prices; and the quantity of coal has decreased because small coal mines which were unsafe and below the required standard, were gradually shut down; as a result, parts of the electricity generating industry in the People's Republic of China have suffered losses. Though, the China's Government has adjusted the electricity prices in midyear of 2008, it could not compensate the rapidly increasing and higher prices of coal. However, at the end of the year 2008, the coal prices have decreased rapidly, which improved the situation. In some associated companies, the yearend operating results had some profits; but, as a whole, in the year 2008, the returns from power plant business in the People's Republic of China have considerably decreased when compared to those in the year 2007; and in this year, the Company decided to sell the power plant of Danyang - Union Cogeneration Co., Ltd., and the power plant of Hangzhou - Union Cogeneration Co., Ltd., to the Chinese Partner because both power plants have suffered great losses and it was difficult to recover in the future due to the changing business environments.

For the investments in electricity generating project in Thailand, which has been started since 1996 - 1997 but delayed by the protests and demonstrations against the use of coal fuel. Finally, the power plant was relocated from Prachuab Kiri Khan Province to Ratchaburi Province; and the natural gas fuel was used instead. The power plant had its power generating capacity of 1,400 Megawatts. Saha - Union Group had its 10% investment shares in this business, totally Baht 732.5 million. This power plant has started its commercial operations in the year 2008; and it was expected to generate investment returns in the near future.

In the year 2009, the situation of the industry is highly unpredictable. Surrounded by risk factors, companies in Saha - Union Group have tried to adjust themselves to handle the situation and trends of each business; for example, in the textile business, a joint venture was established between its subsidiaries and a large European textile company to manufacture work wares in order to create a value added products. The business was getting highly affected must do the internal restructuring in order to reduce cost and to increase the work performances and to maintain the Company's liquidity so that when the situation has improved, these companies will have growth in the stronger position.

The Board of Directors would like to thank all employees and the management in Saha - Union Group for collective devotions and determinations to overcome problems and obstacles so that the Company will be able to keep on its business operations and growth. We would like to thank all shareholders, business partners and all parties involved for their continuous support of the Company's businesses. The Board of Directors is determined to have the best practice on corporate governance, business development, secure investments, good return on investment and the optimal benefits to the shareholders.

Mr. Amnuay Viravan
Honorary Chairman

Mr. Damri Darakananda
Chairman

Mr. Panas Simasathien
Vice Chairman (Administration)

Board of Directors of Saha - Union Public Company Limited



1. Mr. Amnuay Viravan
Honorary Chairman



2. Mr. Damri Darakananda
Chairman

1. Mr. Amnuay Viravan

Honorary Chairman

Age 76

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

Experiences • 1962 - 1971 Economics and Financial Advisor to the Prime Minister • 1963 - 1972 Director, 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 Deputy Prime Minister • May - November 1996 Minister of Foreign Affairs • 1996 - 1997 Minister of Finance

Current Positions

Saha - Union Group Companies • September 2002 - December 2008 Honorary Chairman, Saha - Union Public Company Limited • September 2002 - December 2008 Honorary Chairman, Union Textile Industries Public Company Limited • January 2007 - December 2008 Honorary Chairman, Union Plastic Public Company Limited • January 2007 - December 2008 Honorary Chairman, Union Pioneer Public Company Limited • January 2007 - December 2008 Honorary Chairman, Union Technology (2008) Public Company Limited

Other Companies • April 1999 - Present Chairman of the Board, Asia Sermkij Leasing Company Limited • September 1999 - Present Chairman, Asia Cement 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 12 years

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

2. Mr. Damri Darakananda

Chairman

Age 76

Education • Complete Middle School

Experiences • 1972 - 1990 President, Saha - Union Corporation Limited • 1991 - 1998 Executive Chairman, Saha - Union Public Company Limited • 1992 - 2000 Director, Bangkok Bank Public Company Limited

Current Positions

Saha - Union Group Companies • 1977 - Present Chairman, Saha - Union International (U.S.A.) Limited • 1984 - Present Chairman, Saha - Union International (Taipei) Limited • 1993 - Present Chairman, Union Thread Industries Company Limited • 1993 - Present Chairman, Union Industries Corporation Limited • March 1994 - Present Chairman, Saha - Union Public Company Limited • 1995 - Present Chairman, Saha - Union Investment (China) Company Limited • 1996 - Present Chairman, Union Energy (China) Company Limited • October 2007 - Present Director, Union Plastic Public Company Limited • Director, Companies in Saha - Union Group

Years of directorship 36 years



3. Mr. Panas Simasathien
Vice Chairman (Administration)

4. Mr. Sompop Amatayakul
Vice Chairman (Audit and Evaluation of Domestic Business)
and Chairman of Audit Committee/Independent Director

3. Mr. Panas Simasathien

Vice Chairman (Administration)

Age 76

Education • Ph.D. in Accounting, University of Illinois, U.S.A. • M.S. in Accounting, University of Illinois, U.S.A. • B.A. (Cum Laude) in Business Administration, 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 • May 2001 - Present Chairman, Union Technology Company Limited • May 2001 - Present Chairman, Computer Union Company Limited • January 2007 - Present Vice Chairman (Administration), Saha - Union Public Company Limited • January 2007 - Present Chairman, Union Energy Company Limited • April 2007 - Present Vice Chairman, Union Textile Industries Public Company Limited • December 2008 - Present Chairman, Union Technology (2008) Public Company Limited

Other Companies • Director, 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, Council of State Group 12, the Council of State

Years of directorship 15 years

4. Mr. Sompop Amatayakul

Vice Chairman (Audit and Evaluation of Domestic Business) and Chairman of Audit Committee/Independent Director

Age 68

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

Experiences • 1994 - 1996 President, Saha - Union Public Company Limited • 1996 - 1997 Deputy Minister, Ministry of Industry • Chairman, Bangkok Metropolitan Bank Public Company Limited • Chairman, State Railway of Thailand • General Manager, IBM (Thailand) Company Limited

Current Positions

Saha - Union Group Companies • 1999 - Present Chairman, Audit Committee/Independent Director, Union Plastic Public Company Limited • 1999 - Present Director and Audit Committee, Union Textile Industries Public Company Limited • 2000 - Present Chairman, Audit Committee/Independent Director, Union Pioneer Public Company Limited • 2000 - Present Chairman, Audit Committee/Independent Director, Union Technology (2008) Public Company Limited • December 2007 - Present Vice Chairman (Audit and Evaluation of Domestic Business), Chairman of Audit Committee/Independent Director, Saha - Union Public Company Limited

Other Companies • Chairman, Audit Committee, Esso (Thailand) Public Company Limited • Executive Chairman, B.B Business Management Company Limited

Years of directorship 10 years



5. Miss Sriwarin Jirapakkana
Vice Chairman
(Finance and Investments)



6. Mr. Chutindhon Darakananda
Vice Chairman
(Investments in China)

5. Miss Sriwarin Jirapakkana

Vice Chairman (Finance and Investments)

Age 61

Education • Master's Degree in Management, SASIN Graduate Institute of Business Administration of Chulalongkorn University
• Bachelor's Degree in Accounting, Chulalongkorn University

Experiences • 1999 - 2004 Chairman, Union Thai - Nichiban Company Limited • 1999 - 2004 Chairman, Union Zojirushi Company Limited • 1999 - 2006 Chairman, Union Plastic Public Company Limited • 1999 - 2007 President, Saha - Union Public Company Limited • 2002 - 2006 Managing Director, Union Textile Industries Public Company Limited

Current Positions

Saha - Union Group Companies • 1999 - Present Chairman, Union Pioneer Public Company Limited • 1999 - Present Chairman, Union Nifco Company Limited • 2007 - Present Chairman, Union Textile Industries Public Company Limited • 2007 - Present Vice Chairman, Finance and Investments, Saha - Union Public Company Limited • 2007 - Present Vice Chairman, Union Plastic Public Company Limited • 2007 - Present Chairman, Union Technology (2008) Public Company Limited • Director, Companies in Saha - Union Group

Years of directorship 15 years

6. Mr. Chutindhon Darakananda

Vice Chairman (Investments in China)

Age 49

Education • Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University • Bachelor's Degree in Industrial Engineering, Stanford University, U.S.A

Experiences • 1993 - 2007 Director, Union Textile Industries Public Company Limited • 1993 - 2007 Director, Union Pioneer Public Company Limited

Current Positions

Saha - Union Group Companies • 1992 - Present Vice Chairman, Union Spinning Mills Company Limited • 1992 - Present Vice Chairman, Venus Thread Company Limited • 1997 - Present Director, Saha Union Holding Company Limited • 1997 - Present Director, Union Business Management Company Limited • 2001 - Present Director, Union Energy (China) Company Limited • 2002 - Present Vice Chairman, Union Thread Industries Company Limited • 2002 - Present Vice Chairman, Union Industries Corporation Limited • 2007 - Present Vice Chairman (Investments in China), Saha - Union Public Company Limited • Managing Director, Union Distributor Company Limited • Director, Union Rubber Products Corporation Limited • Director, Thai Rubber Enterprise Company Limited • Director, Companies in Saha - Union Group

Years of directorship 18 years



7. Mr. Sumeth Darakananda
Advisor



8. Mrs. Chongraksa Darakananda
Advisor



9. Mrs. Araya Arunanondchai
Audit Committee/
Independent Director

7. Mr. Sumeth Darakananda

Advisor

Age 73

Education • Bachelor's Degree in 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 • 1987 - Present Chairman, Union Button Corporation Limited • March 1994 - Present Advisor, Saha - Union Public Company Limited

Years of directorship 36 years

8. Mrs. Chongraksa Darakananda

Advisor

Age 75

Education • High School Diploma (Science)

Experiences • 1959 - 1961 Chief Accountant/Director, World Trading Company Limited • 1961 - 1972 Finance Department Manager, Union Industries Corporation Limited • 1972 Advisor, Human Resource Department, Union Industries Corporation Limited • 1985 - 1990 Vice President, Saha - Union Corporation Limited

Current Positions

Saha - Union Group Companies • 1993 - Present Vice Chairman, Union Thread Industries Company Limited • 1994 - Present Advisor, Saha - Union Public Company Limited • 1996 - Present Director, Union Energy (China) Company Limited • 1999 - Present Vice Chairman, Union Industries Corporation Limited • 2001 - Present Vice Chairman, Union Spinning Mills Company Limited • Chairman, Union Distributor Company Limited • Vice Chairman, Venus Thread Company Limited • Director, Companies in Saha - Union Group

Years of directorship 36 years

9. Mrs. Araya Arunanondchai

Audit Committee/Independent Director

Age 65

Education • Certificate, The Joint State - Private Sector Regular Course, National Defence College (Class 377) • Bachelor's Degree in 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 • 1999 - Present Audit Committee/Independent Director, Saha - Union Public Company Limited
Other Companies • 1984 - Present Director, Chiangmai Night Bazaar Company Limited • 1986 - Present Executive Chairman, Rajburi Sugar Company Limited • Executive Chairman, Tipamas Company Limited • Executive Chairman, Rajburi Etanol Company Limited

Years of directorship 15 years



10. Miss Pakinee Prettitumrong
Audit Committee/
Independent Director



11. Mr. Chakchai Panichapat
Advisor/Independent Director



12. Mr. Prajuab Roenchaidee
Independent Director

10. Miss Pakinee Prettitumrong

Audit Committee/Independent Director

Age 59

Education • Bachelor's Degree in Economics, Thammasat University

Current Positions

Saha - Union Group Companies • 1983 - April 2008 Director, Union Industries Corporation Limited • 1994 - April 2008 Director, Union Thread Industries Company Limited • 1994 - Present Director, Venus Button Company Limited • 1996 - Present Director, Union Button Corporation Limited • 1998 - Present Audit Committee/Independent Director, Saha - Union Public Company Limited • 1999 - Present Audit Committee/Independent Director, Union Technology (2008) Public Company Limited

Years of directorship 10 years

11. Mr. Chakchai Panichapat

Advisor/Independent Director

Age 70

Education • Master's Degree in Electrical Engineering, University of Texas, Austin, Texas, U.S.A. • Bachelor's Degree in Electrical Engineering (2nd Honors), Chulalongkorn University

Experiences • Deputy Secretary General, The Board of Investment

Current Positions

Saha - Union Group Companies • October 2000 - Present Advisor, Saha - Union Public Company Limited • 2000 - Present Director, Union Energy Company Limited

Other Companies in SET • Chairman, Nomination and Remuneration Committee, Independent Director and Audit Committee, Central Pattana Public Company Limited • Directors and Executive Director, Amata Corporation Public Company Limited • Chairman, Remuneration and Nomination Committee, Independent Director and Audit Committee, Kang Yong Electric Public Company Limited • Chairman, Audit Committee, Independent Director and Remuneration and Nomination Committee Director, City Sports and Recreation Public Company Limited

Other Companies • Chairman, Magnecomp Precision Technology Public Company Limited • Chairman, Precipart Company Limited • Chairman, Amata Water Company Limited • Chairman, Amata Vietnam Company Limited (Registered in Vietnam) • Director, Amata Hong Kong Company Limited (Registered in Hong Kong) • Director, San Miguel Beer (Thailand) Limited • Director, San Miguel Marketing (Thailand) Limited

Years of directorship 8 years

12. Mr. Prajuab Roenchaidee

Independent Director

Age 66

Education • Bachelor's Degree in Political Science, Thammasat University

Experiences • 1967 - 1973 Department of Labour Protection and Labour Union, Remuneration Fund Office, Ministry of Labour • 1973 - 1983 Director and Human Resource Department Manager, Saha - Union Corporation Limited • 1983 - 1989 General Manager, Middle East Region, Slot International Company Limited • 1990 - 2007 Director and Marketing & Business Development Manager, Slot-Nankai Company Limited

Current Positions

Saha - Union Group Companies • August 2008 - Present Independent Director, Saha - Union Public Company Limited

Other Companies • 2007 - Present Director, Slot-Nankai Company Limited • Advisor, Qgold Company Limited

Years of directorship 4 months



13. Mr. Thitivat Suebsaeng
President



14. Mrs. Supung Tangsujaritpant
Vice President



15. Miss Dalad Saphavichaikul
Director

13. Mr. Thitivat Suebsaeng

President

Age 55

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

Experiences • 2003 - 2004 Director, Union Education Management Company Limited (China) • 2003 - 2007 Managing Director, Saha - Union Investment (China) Company Limited

Current Positions

Saha - Union Group Companies • 2002 - Present Director, Union Energy (China) Company Limited • 2004 - Present Director, 5 Power Plants in China • 2007 - Present Chairman, Union Zojirushi Company Limited • 2007 - Present Chairman, Union Stainless Steel Products Company Limited • 2007 - Present Chairman, Union Thai - Nichiban Company Limited • July 2007 - Present Director, Union Nifco Company Limited • 2008 - Present Chairman, Union Plastic Public Company Limited • 2008 - Present President, Saha - Union Public Company Limited • March 2008 - Present Chairman, Union Garment Company Limited • March 2008 - Present Director, Union Textile Industries Public Company Limited • April 2008 - Present Director, Union Pioneer Public Company Limited • August 2008 - Present Director, Union Technology (2008) Public Company Limited

Years of directorship 5 years

14. Mrs. Supung Tangsujaritpant

Vice President

Age 59

Education • Certificate of Vocational Education (Accounting)

Experiences • 1975 - 1985 Finance and Accounting Department Manager, Union Thread Industries Company Limited • 1984 - 1988 Finance and Accounting Department Manager, Saha - Union Public Corporation Limited (Ladphrao) • 1989 - 1999 Managing Director, Union Spinning Mills Company Limited

Current Positions

Saha - Union Group Companies • 1994 - December 2008 Director, Saha - Union Public Company Limited • 1995 - April 2008 Director, Union Thread Industries Company Limited • 1995 - April 2008 Director, Union Industries Corporation Limited • 1995 - April 2008 Director, Union Spinning Mills Company Limited • 2001 - Present Director, Union Energy (China) Company Limited • 2005 - Present Director, Union Textile Industries Public Company Limited • Director, Venus Thread Company Limited

Years of directorship 15 years

15. Miss Dalad Saphavichaikul

Director

Age 52

Education • Master's Degree in Computer Science, University of Illinois at Urbana - Champaign, U.S.A. • Bachelor's Degree (First Class Honor) in Economics, Chulalongkorn University • Awarded Diploma by passing the Examination of Australian IOD 2001 • Director Certification Program (DCP) 9/2001 • Finance for Non - Finance Director (FN) 1/2003 • Audit Committee Program (AC) 10/2005

Experiences • 1994 - 2002 Managing Director, Union Exim Consult and Services Company Limited • 1994 - 2006 Director and Secretary, Union Energy Company Limited • 1994 - 2006 Director and Secretary, Union Energy (China) Company Limited • 1999 - 2006 Director, Union Pioneer Public Company Limited • 1999 - 2007 Executive Director and Assistant Managing Director, Saha - Union Public Company Limited • 2004 - 2007 Director, Union Education Management Limited

Current Positions

Saha - Union Group Companies • 1993 - Present Managing Director, Uni - Fibre Company Limited • 1995 - Present Director, Union Textile Industries Public Company Limited • 1996 - Present Director, Thai Rubber Enterprise Company Limited • 1998 - Present Director, Union Equity Company Limited (Thanin - Union Industries Company Limited) • 1998 - Present Director, Union Asset Development Company Limited (Thanin - Union Sales and Services Company Limited) • 1999 - Present Director, Saha - Union Public Company Limited • 2004 - Present Managing Director, Computer Union Company Limited • 2004 - Present Director, Yunnan Energy Qujing - Union Power Company Limited • 2004 - Present Director, Yunnan Energy Luliang - Union Power Company Limited • 2007 - Present Managing Director, Saha Union Holding Company Limited • 2008 - Present Director, Union Thread Industries Company Limited • 2008 - Present Director, Union Industries Corporation Limited • Director, Companies in Saha - Union Group

Other Companies • 1989 - Present Director, Processing Center Company Limited

Years of directorship 9 years



16. Mr. Aksornprasit Darakananda
Vice President



17. Mr. Bovornrat Darakananda
Vice President



18. Mr. Vacharaphong Darakananda
Vice President

16. Mr. Aksornprasit Darakananda

Vice President

Age 47

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

Current Positions

Saha - Union Group Companies • 1991 - Present Director and Executive Director, Union Energy (China) Company • 1993 - Present Managing Director, Union Industries Corporation Limited • 1994 - Present Director, Saha - Union Public Company Limited • 1994 - Present Director, Union Energy Company Limited • 1999 - Present Director, Union Textile Industries Public Company Limited • 1999 - Present Director, Union Plastic Public Company Limited • 1999 - Present Director, Union Spinning Mills Company Limited • 1999 - Present Director, Saha Union Holding Company Limited • 2002 - Present Managing Director, Union Thread Industries Company Limited • Managing Director, Venus Thread 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

Other Companies • 2001 - Present Director, Chiangmai Night Bazaar Company Limited

Others • Executive Director and Director, The Federation of Thai Industries

Years of directorship 20 years

17. Mr. Bovornrat Darakananda

Vice President

Age 45

Education • Master's Degree in Electrical and Management Engineering, Massachusetts Institute of Technology, U.S.A. • Bachelor's Degree in Electrical and Management Engineering, Massachusetts Institute of Technology, U.S.A.

Experiences • 1993 - December 2006 Director, Union Textile Industries Public Company Limited • 1993 - December 2006 Director, Union Pioneer Public Company Limited • 1994 - December 2006 Director and Executive Director, Union Energy Company Limited • Vice President, Saha - Union International (Georgia) Inc. • General Manager, Saha - Union Investment (China) Company Limited

Current Positions

Saha - Union Group Companies • 1994 - Present Director, Saha - Union Public Company Limited • 1996 - Present Director and Manager, Union Energy (China) Company Limited • 1997 - Present Director, Union Thread Industries Company Limited • 1997 - Present Director, Union Industries Corporation Limited • 2001 - Present Managing Director, Union Spinning Mills Company Limited • 2001 - Present Director, Venus Thread Company Limited • Director, Companies in Saha - Union Group

Years of directorship 17 years

18. Mr. Vacharaphong Darakananda

Vice President

Age 43

Education • Bachelor's Degree in Physics, Harvey Mudd College, California, U.S.A.

Experiences • Assistant Manager, Venus Thread Company Limited • 1999 - 2000 General Manager, Saha - Union Public Company Limited (Sriracha Operation) • 2001 - December 2006 Director, Union Textile Industries Public Company Limited

Current Positions

Saha - Union Group Companies • 1988 - Present Director, Union Industries Corporation Limited • 1990 - Present Director, Union Thread Industries Company Limited • 1990 - Present Director, Computer Union Company Limited • 1992 - Present Managing Director, Union Technology Company Limited • 1994 - Present Director, Saha - Union Public Company Limited • 1994 - Present Director, Union Spinning Mills Company Limited • 1994 - Present Director, Venus Thread Company Limited • 2007 - Present Director, Union Plastic Public Company Limited • 2007 - Present Director, Union Pioneer Public Company Limited • 2007 - Present Managing Director, Union Technology (2008) Public Company Limited • Director, Union Micronclean Company Limited • Director, Union Garment Company Limited • Director, Computer Union System Company Limited • Director, Companies in Saha - Union Group

Years of directorship 16 years



19. Mrs. Chantorntree Darakananda
Director



20. Mrs. Sasithorn Darakananda
Director



21. Mr. Nantiya Darakananda
Director

19. Mrs. Chantorntree Darakananda

Director

Age 45

Education • Bachelor's Degree in Medical, Chulalongkorn University

Current Positions

Saha - Union Group Companies • 1994 - Present Assistant Managing Director, Union Industries Corporation Limited • 1997 - Present Director, Union Spinning Mills Company Limited • 2002 - Present Director, Saha - Union Public Company Limited • 2002 - Present Director, Union Textile Industries Public Company Limited • 2002 - Present Assistant Managing Director, Union Thread Industries Company Limited • 2002 - Present Director, Union Capital Company Limited • Director, Venus Thread Company Limited • Director, Companies in Saha - Union Group

Other Companies • Director, Ladphrao Hospital Public Company Limited

Years of directorship 6 years

20. Mrs. Sasithorn Darakananda

Director

Age 42

Education • Master's Degree in Chemical Engineering, University of Southern California, U.S.A. • Bachelor's Degree in Chemical Technology, Chulalongkorn University

Experiences • 1992 - 1996 Production Planning & Control Manager, Saha - Union Public Company Limited (Sriracha Operation) • 1996 - 2001 Procurement Manager, Saha - Union Public Company Limited (Sriracha Operation)

Current Positions

Saha - Union Group Companies • 2000 - Present Director, Union Technology Company Limited • 2002 - Present Administrative Manager, Saha - Union Public Company Limited (Sriracha Operation) • 2003 - Present Director, Saha - Union Public Company Limited • 2007 - Present Director, Union Technology (2008) Public Company Limited

Years of directorship 5 years

21. Mr. Nantiya Darakananda

Director

Age 40

Education • Master's Degree in Business Administration, SASIN Graduate Institute of Business Administration of Chulalongkorn University • Bachelor's Degree in Applied Physics, University of California, Davis, U.S.A.

Current Positions

Saha - Union Group Companies • 1993 - Present Director, Union Pioneer Public Company Limited • 1993 - Present Director, Union Industries Corporation Limited • 1993 - Present Director, Union Thread Industries Company Limited • 1996 - Present Director, Saha - Union Public Company Limited • 1996 - Present Director, Union Button Corporation Limited • 1998 - Present Director, Union Plastic Public Company Limited

Other Companies • 1994 - Present President, Venus Technology Company Limited • 1997 - Present Director, Star Edu Company Limited • 2005 - Present President, Venus Gas Technology Company Limited

Years of directorship 12 years



22. Capt. Noparut Punyapas

Director

22. Capt. Noparut Punyapas

Director

Age 59

Education • Ph.D. in Mechanical 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 • 2004 - March 2007 Director, Union Thai - Nichiban Company Limited

Current Positions

Saha - Union Group Companies • 2000 - April 2008 Director, Union Stainless Steel Products Company Limited • 2001 - Present Managing Director, Union Plastic Public Company Limited • 2001 - Present Director, Union Nifco Company Limited • 2002 - March 2008 Director, Union Zojirushi Company Limited • 2004 - Present Director, Union Pioneer Public Company Limited • 2004 - Present Chairman, Union Kotec Molds Company Limited • April 2005 - December 2008 Director, Saha - Union Public Company Limited

Years of directorship 4 years

Related Persons	Relationship
Mr. Damri Darakananda and Mrs. Chongraksa Darakananda	Spouse
Mr. Damri Darakananda and Mrs. Chongraksa Darakananda	}
Mr. Chutindhon Darakananda, Mr. Aksornprasit Darakananda	
Mr. Bovornrat Darakananda, Mr. Vacharaphong Darakananda	
Mr. Damri Darakananda and Mr. Sumeth Darakananda	Brothers
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

Board of Directors and Information of IOD's Accreditation and Certification Training Program About the Responsibility and Skills of being the Director

Name	Awarded Diploma by passing the Examination of Australian IOD	Thai Institute of Directors Certification Programs (Thailand Institute of Directors) : IOD			
		Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FN)	Audit Committee Program (ACP)
	Year	No./Year	No./Year	No./Year	No./Year
Mr. Amnuay Viravan	-	18/2004	-	-	-
Mr. Damri Darakananda	-	18/2004	-	-	-
Mr. Panas Simasathien	-	-	2/2000	-	-
Mr. Sompop Amatayakul	-	75/2008	-	-	-
Miss Sriwarin Jirapakkana	-	18/2004	-	-	-
Mr. Chutindhon Darakananda	-	17/2004	-	-	-
Mrs. Araya Arunanondchai	-	32/2005	-	-	-
Miss Pakinee Prettitumrong	-	2/2003	-	-	-
Mr. Chakchai Panichapat	-	5/2003	-	-	-
Mr. Prajuab Roenchaiddee	-	-	-	-	-
Mrs. Chongraksa Darakananda	-	18/2004	-	-	-
Mr. Sumeth Darakananda	-	35/2005	-	-	-
Mrs. Supung Tangsujaritpunt	-	2/2003	-	-	-
Capt. Noparut Punyapas	-	12/2004	-	-	-
Mr. Thitivat Suebsaeng	-	21/2004	-	-	-
Miss Dalad Saphavichaikul	2001	-	9/2001	1/2003	10/2005
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. Nantiya Darakananda	-	2/2003	-	-	-

Board Structure and the Executives of Saha - Union Public Company Limited

Board of Directors

Mr. Amnuay	Viravan	Honorary Chairman
Mr. Damri	Darakananda	Chairman
Mr. Panas	Simasathien	Vice Chairman (Administration)
Mr. Sompop	Amatayakul	Vice Chairman (Audit and Evaluation of Domestic Business) and Chairman of Audit Committee/Independent Director
Miss Sriwarin	Jirapakkana	Vice Chairman (Finance and Investments)
Mr. Chutindhon	Darakananda	Vice Chairman (Investments in China)
Mrs. Araya	Arunanondchai	Audit Committee/Independent Director
Miss Pakinee	Prettitumrong	Audit Committee/Independent Director
Mr. Chakchai	Panichapat	Independent Director
Mr. Prajuab	Reonchaidee	Independent Director
Mr. Amorn	Chandara-somboon	Director (Resigned from the director position on August 1 st , 2008)
Mrs. Chongraksa	Darakananda	Director
Mr. Sumeth	Darakananda	Director
Mr. Kamol	Khoosuan	Director (Resigned from the director position on August 1 st , 2008)
Mrs. Sirinun	Sansanakom	Director and Company Secretary (Resigned from the director position on April 24 th , 2008)
Mrs. Supung	Tangsujaipunt	Director
Capt. Noparut	Punyapas	Director
Mr. Thitivat	Suebsaeng	Director and President
Miss Dalad	Sapthavichaikul	Director
Mr. Aksornprasit	Darakananda	Director
Mrs. Chantorntree	Darakananda	Director
Mr. Bovornrat	Darakananda	Director
Mr. Vacharaphong	Darakananda	Director
Mrs. Sasithorn	Darakananda	Director
Mr. Nantiya	Darakananda	Director

Audit Committee/ Independent Director

Mr. Sompop	Amatayakul	Chairman/Independent Director
Mrs. Araya	Arunanondchai	Committee/Independent Director
Miss Pakinee	Prettitumrong	Committee/Independent Director

Remuneration and Nomination Committee

Mr. Sompop	Amatayakul	Chairman
Mr. Damri	Darakananda	Committee
Mrs. Araya	Arunanondchai	Committee

Advisory Board

Mrs. Chongraksa	Darakananda	Advisor
Mr. Sumeth	Darakananda	Advisor
Mr. Chakchai	Panichapat	Advisor

Company Advisor

Mr. Amorn	Chandara-somboon	Advisor to the Board
Mr. Kamol	Khoosuan	Advisor to the Board
Mr. Kisao	Suzuki	Advisor to the Board

Risk Management Committee

Mr. Thitivat	Suebsaeng	Chairman
Miss Dalad	Sapthavichaikul	Committee
Mrs. Chantorntree	Darakananda	Committee
Mrs. Srinual	Sombatpraivan	Committee and Secretary

Executives

Mr. Panas	Simasathien	Vice Chairman (Administration)
Miss Sriwarin	Jirapakkana	Vice Chairman (Finance and Investments)
Mr. Chutindhon	Darakananda	Vice Chairman (Investments in China)
Mr. Thitivat	Suebsaeng	President
Mrs. Sirinun	Sansanakom	Vice President
Mrs. Supung	Tangsujaipunt	Vice President
Mr. Aksornprasit	Darakananda	Vice President
Mr. Bovornrat	Darakananda	Vice President
Mr. Vacharaphong	Darakananda	Vice President
Miss Dalad	Sapthavichaikul	Director
Mr. Preecha	Shunhavanich	General Manager
Mrs. Srinual	Sombatpraivan	Account and Finance Department Manager

Remarks:

1. Mrs. Sirinun	Sansanakom	Resigned from the director position on April 24 th , 2008
2. Mr. Kamol	Khoosuan	Resigned from the director position on August 1 st , 2008
3. Mr. Amorn	Chandara-somboon	Resigned from the director position on August 1 st , 2008
4. Mr. Prajuab	Reonchaidee	Appointed for the director position on August 21 st , 2008

Direct Investment of Saha - Union in Group Companies

Group of Business	Company's Name	Registered Capital (Baht)	Issued Capital (Baht)	Paid-up per share (Baht)	Investment %
	Saha - Union Public Company Limited	3,000,000,000	3,000,000,000	10.00	
Manufacturing					
Textiles	Union Textile Industries Public Co., Ltd.	600,000,000	600,000,000	10.00	49.882
	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.	85,000,000	85,000,000	100.00	10.714
	Venus Button Co., Ltd.	40,000,000	40,000,000	100.00	25.000
	Union Micronclean 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 Shoes Co., Ltd.	50,000,000	50,000,000	50.00	61.697
	Uni - Sole Co., Ltd.	12,500,000	12,500,000	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 Products Co., Ltd.	40,000,000	40,000,000	100.00	97.999
	Union Nifco Co., Ltd.	100,000,000	100,000,000	100.00	30.001
	Union Rubber Products Corp.. Ltd.	20,000,000	20,000,000	100.00	99.997
	Thai Rubber Enterprise Co., Ltd.	32,000,000	32,000,000	100.00	50.693
Computer & Electronics Parts	Saha - Union Public Co., Ltd. (Sriracha Operation)				
	Union Technology (2008) Public Co., Ltd.	600,000,000	600,000,000	10.00	82.185
	Computer Union Co., Ltd.	100,000,000	100,000,000	100.00	97.052
Energy	Union Energy Co., Ltd.	800,000,000	800,000,000	10.00	99.259
	Union Energy (China) Co., Ltd.	3,850,000,000	3,850,000,000	100.00	100.000
	Jiashan - Union Cogeneration Co., Ltd.	US\$ 10,640,000	US\$ 8,357,424	US\$ 1	56.928
	Jiyang - Union Cogeneration Co., Ltd.	US\$ 17,000,000	US\$ 17,000,000	US\$ 1	45.000
	Wuxi - Union Cogeneration Co., Ltd.	US\$ 44,200,000	US\$ 44,200,000	US\$ 1	25.701
	Yixing - Union Cogeneration Co., Ltd.	US\$ 60,000,000	US\$ 60,000,000	US\$ 1	40.000
	Shangyu Hangzhou - Union Cogeneration Co., Ltd.	RMB 100,000,000	RMB 100,000,000	US\$ 1	25.000
	Huanan - Union Spring Cogeneration Co., Ltd.	RMB 80,000,000	RMB 64,950,000	US\$ 1	25.000
Trading & Investment and Services					
Trading	Sports Ace Co., Ltd.	40,000,000	40,000,000	100.00	50.000
	Uni - Fibre Co., Ltd.	120,000,000	120,000,000	100.00	25.667
	Union Universe Co., Ltd.	7,500,000	7,500,000	100.00	49.863
Investment	Saha - Union Holding Co., Ltd.	1,200,000,000	1,200,000,000	100.00	99.540
	Union Equity Co., Ltd.	230,000,000	230,000,000	10.00	99.774
	Union Rubber Plas 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
	Union Technology Co., Ltd.	100,000,000	100,000,000	10.00	100.000
	Uni - Agro Co., Ltd.	65,000,000	65,000,000	100.00	30.000
Services	Union Sime Darby (Thailand) Co., Ltd.	4,000,000	4,000,000	100.00	18.950
	Union Printing Co., Ltd.	30,000,000	30,000,000	10.00	94.735
	Venus Shoes Co., Ltd.	100,000,000	100,000,000	100.00	76.000
	Union Construction Co., 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 Ltd. (Hong Kong)	HK\$ 330,000,000	HK\$ 330,000,000	HK\$ 100	99.985
	Saha - Union International (Taipei) Ltd.	NT\$ 5,000,000	NT\$ 5,000,000	NT\$ 25	10.000
	Saha - Union Investment (China) Co., Ltd.	US\$ 40,000,000	US\$ 40,000,000	US\$ 1	100.000
	Zhejiang Saha - Union Feilun Thread Industry 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.	RMB 128,000,000	RMB 128,000,000	RMB 1	40.000
	Jiangsu Zhonglian - Union Carpet Co., Ltd.	RMB 56,915,779	RMB 56,915,779	RMB 1	25.000
	Taixing Union Zond Chemicals Co., Ltd.	US\$ 16,200,000	US\$ 16,200,000	US\$ 1	30.000
	Yixing - Union Biochemical Co., Ltd.	US\$ 8,200,000	US\$ 8,200,000	US\$ 1	15.000

As at 31 December 2008

	Investment per share (Baht)	SU Investment at cost (Baht)	Book Value per share (Baht)	Market Value per share (Baht)	Investment Market Value (Baht)	Registration Date	Nature of Business
			33.24	14.20		10 Aug. 1972	Investment, Financial Services and Distributor of SU Group's Products
	10.73	321,180,863.41	11.46	1.50	44,893,800.00	21 Mar. 1977	Spinning, Weaving and Dyeing
	140.70	70,335,622.00	186.57	186.57	93,262,599.79	26 Apr. 1974	Manufacture of Garments
	10.41	52,215,572.50	94.64	94.64	474,478,506.24	2 Nov. 1973	Manufacture of Threads & Investment
	93.13	46,563,324.78	149.10	149.10	74,550,034.03	4 Jun. 1971	Manufacture of Threads
	116.01	43,502,205.00	698.66	698.66	261,998,117.84	23 May 1961	Manufacture of Zippers & Investment
	143.92	13,107,200.00	248.36	248.36	22,618,271.76	28 May 1969	Manufacture of Buttons
	100.00	10,000,000.00	132.86	132.86	13,286,137.16	15 Feb. 1989	Manufacture of Buttons
	10.00	1,250,000.00	69.95	69.95	8,743,348.88	24 Jan. 1996	Manufacture of Clothes for Cleanroom
	50.00	749,850.00	64.22	64.22	963,163.52	20 Oct. 1988	In the process of liquidation
	61.67	38,049,030.00	54.83	54.83	33,829,891.99	5 Aug. 1986	Dormant
	58.75	2,350,000.00	85.24	85.24	3,409,586.87	29 Sep. 1988	Dormant
	14.46	53,084,046.25	43.37	14.60	53,608,572.00	8 Oct. 1973	Manufacture of Rubber Threads, Elastic Braids & Webbing
	19.02	235,432,531.30	22.45	16.60	205,510,158.00	3 Jan. 1969	Manufacture of Plastic Products & Molds
	318.92	19,266,000.00	2,749.37	2,749.37	166,089,454.89	21 Jun. 1973	Manufacture of Tapes
	100.92	72,057,235.50	390.31	390.31	278,682,205.44	18 Aug. 1986	Manufacture of Vacuum Bottles, Lunch Boxes/Lunch Jars
	133.70	52,410,933.00	195.68	195.68	76,704,837.01	16 Dec. 1988	Manufacture of Pipes
	105.17	31,552,200.00	419.13	419.13	125,743,397.57	3 Nov. 1988	Manufacture of Plastic Products
	80.56	16,110,854.50	112.84	112.84	22,566,791.08	24 Mar. 1971	Manufacture of Rubber Products
	105.90	17,179,605.10	150.71	150.71	24,447,212.40	9 Jul. 1970	Rubber Estates
							Manufacture of Hard Disk Drive & Computer Accessories
	10.34	509,656,120.98	6.16	2.70	133,140,364.20	17 Mar. 1982	Manufacture of Electronic Components
	103.53	100,479,945.39	133.34	133.34	129,405,097.96	18 Nov. 1982	Computer Dealer
	10.00	794,074,030.00	10.11	10.11	802,412,456.67	2 Feb. 1994	Investment in Electric Power & Energy Business
	100.00	3,849,999,400.00	106.75	106.75	4,109,892,854.24	9 Aug. 1996	Investment
	42.60	212,611,356.10	46.54	46.54	232,281,656.72	15 Aug. 1994	Power Generation
	43.00	328,945,316.07	39.76	39.76	304,149,672.05	21 Mar. 1994	Power Generation
	41.86	475,479,418.30	41.42	41.42	470,479,343.66	4 Jun. 1994	Power Generation
	45.57	1,093,794,541.30	65.47	65.47	1,571,324,745.09	25 Dec. 1994	Power Generation
	5.02	125,445,139.38	7.23	7.23	180,742,028.80	19 Nov. 2002	Power Generation
	4.83	96,601,733.55	5.13	5.13	102,688,469.63	29 Oct. 2007	Power Generation
	112.06	22,412,500.00	36.96	36.96	7,391,861.05	2 Apr. 1984	In the process of liquidation
	100.00	30,800,000.00	197.92	197.92	60,959,794.01	5 Nov. 1980	Distribution of Textiles
	100.22	3,748,010.00	1,681.36	1,681.36	62,877,944.76	7 Mar. 1968	Distributor of Grand Slam Shirts
	100.00	1,194,478,600.00	22.09	22.09	263,807,660.01	14 Nov. 1989	Investment
	10.00	229,581,214.00	10.83	10.83	248,425,906.19	31 May 1989	Investment
	7.50	7,500,000.00	8.10	8.10	8,095,787.70	1 Mar. 1995	Investment
	104.00	44,293,600.00	140.60	140.60	59,883,437.94	14 Apr. 1978	Investment
	10.00	99,999,930.00	21.54	21.54	215,391,075.76	22 Jun. 1992	Investment (start the business in Y2008)
	104.95	20,464,690.80	79.73	79.73	15,546,684.06	22 Aug. 1972	Investment and Agriculture
	91.58	694,141.16	447.69	447.69	3,393,507.77	4 Aug. 1981	Insurance Broker
	10.37	29,465,812.50	3.58	3.58	10,171,292.43	10 Jul. 1970	Rental Services
	80.42	61,120,000.00	77.72	77.72	59,063,520.97	29 Sep. 1988	Dormitory and Asset Rental Services
	111.25	5,281,100.00	58.13	58.13	2,759,450.33	7 Sep. 1973	Dormant
	2.50	249,982.50	8.48	8.48	848,351.16	26 Sep. 2004	Train & Develop Employees' Skills
	476.22	1,571,303,051.88	498.65	498.65	1,645,310,765.92	18 Aug. 1972	Investment and Distribution Group Companies's Products
	19.30	385,917.66	34.07	34.07	681,499.88	8 Nov. 1984	Investment, Import and Distributor of Group Companies's Products
	35.06	1,402,367,203.46	39.56	39.56	1,582,513,593.88	25 Feb. 1995	Investment
	38.58	57,096,200.00	37.42	37.42	55,379,269.80	20 Jun. 2003	Thread Dyeing
	4.72	49,950,403.03	5.78	5.78	61,101,080.60	18 Nov. 2004	Manufacture of Textile products
	4.85	248,254,963.09	5.30	5.30	271,274,715.46	16 Jan. 2006	Spinning
	4.55	165,230,122.44	13.51	13.51	192,164,730.34	21 May 2007	Manufacture of Automobile Carpets
	33.38	162,214,020.00	35.98	35.98	174,839,712.87	29 Aug 2007	Manufacture of Phthalic Anhydride & Fumaric Acid and associated
	45.94	56,506,775.08	79.96	79.96	98,350,983.78	12 Dec. 2000	Manufacture of Citric Acid
Total	14,146,882,312.01		Total	15,122,135,402.14			
In Groups	14,146,882,312.01		In Groups	15,122,135,402.14			
Outsides	714,466,202.51		Outsides	773,831,566.31			
Grand Total	14,861,348,514.52		Grand Total	15,895,966,968.45			

Business Results and Five Years Financial Status

	2008	2007
	Cost Method	Cost Method
Revenues		
Sales	4,438.0	6,038.8
Export	1,176.2	1,941.4
Local	3,261.8	4,097.4
Dividends Received	304.2	342.7
Other Incomes	387.2	792.5
Total Revenues	5,129.4	7,174.0
Expenses		
Cost of Sales	4,162.3	5,665.9
Selling and Administrative Expenses	585.1	1,023.6
Interest Expenses	97.8	82.8
Total Expenses	4,845.2	6,772.3
Operating Profit (Loss)	284.2	401.7
Gain (Loss) on Exchange Rate	12.9	13.7
Profit (Loss) before Corporate Income Tax	297.1	415.4
Corporate Income Tax	(17.2)	(138.1)
Net Profit (Loss) after Corporate Income Tax	279.9	277.3
Less : Dividends Income	-	-
Plus (Less) : Participating Gain (Loss)		
- Subsidiary	-	-
- Associated	-	-
Net Profit (Loss)	279.9	277.3
Net Profit (Loss) per Share (Baht)	0.93	0.92
Dividends per Share (Baht)	1.00	1.25
Dividends per Net Profit (%)	107.53%	135.87%
Assets		
Loan to Group Companies	343.2	602.6
Current Assets	639.1	1,082.8
Investment in Group and Other Companies	13,424.2	10,821.3
Unit Trusts	-	-
Property, Plant and Equipment - Net	346.3	889.7
Other Assets	492.6	541.0
Total Assets	15,245.4	13,937.4
Liabilities and Shareholder's Equity		
Deposit from Group and Other Companies	1,049.9	1,500.5
Current Liabilities	3,753.0	1,879.1
Long Term Loan	760.7	595.0
Other Liabilities	42.5	47.8
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	-	-
Appropriated and Unappropriated Retain Earnings	3,975.6	4,070.7
Auditing Standard Revision	64.7	245.3
Total Shareholder's Equity	9,639.3	9,915.0
Total Liabilities and Shareholder's Equity	15,245.4	13,937.4
Book Value (Baht)	32.13	33.05

(Unit : Million Baht)

2006	2005	2004
Cost Method	Cost Method	Equity Method
15,360.4	15,539.8	15,235.3
7,581.2	7,678.7	7,190.6
7,779.2	7,861.1	8,044.7
241.3	189.5	206.3
660.5	766.3	741.4
16,262.2	16,495.6	16,183.0
14,598.6	14,722.3	14,421.9
1,081.0	944.2	914.7
106.2	70.2	27.9
15,785.8	15,736.7	15,364.5
476.4	758.9	818.5
161.6	(66.9)	93.7
638.0	692.0	912.2
(151.7)	(137.2)	(172.7)
486.3	554.8	739.5
-	-	(195.7)
-	-	(459.8)
-	-	340.5
486.3	554.8	424.5
1.62	1.85	1.46
1.25	1.25	1.25
77.16%	67.57%	85.62%
574.5	3,229.1	3,629.1
3,050.3	3,322.7	3,282.1
10,680.0	7,804.6	10,094.3
-	-	-
862.9	694.2	782.1
296.2	286.4	282.1
15,463.9	15,337.0	18,069.7
1,686.6	1,396.0	682.3
2,875.2	2,832.5	3,161.5
839.8	1,220.8	1,424.3
45.9	45.5	302.3
3,000.0	3,000.0	3,000.0
2,599.0	2,599.0	2,599.0
-	-	(233.8)
4,168.4	4,056.7	5,959.4
249.0	186.5	1,174.7
10,016.4	9,842.2	12,499.3
15,463.9	15,337.0	18,069.7
33.39	32.81	43.10

Structure of Income and Investment of the Company and Its Subsidiaries

(Unit : Baht)

Group of Business	Total					
	Export	%	Local	%	Total	%
Manufacturing	4,945,483,214.32	37.63	8,879,765,421.84	67.57	13,825,248,636.16	105.21
Energy	623,647,288.39	4.75	-	-	623,647,288.39	4.75
Investment and Others	97,496,680.83	0.74	11,633,906.29	0.09	109,130,587.12	0.83
Total	5,666,627,183.54	43.12	8,891,399,328.13	67.66	14,558,026,511.67	110.78
Related Transaction	(99,395,367.45)	(0.76)	(2,250,009,439.18)	(17.12)	(2,349,404,806.63)	(17.88)
Net Sales	5,567,231,816.09	42.37	6,641,389,888.95	50.54	12,208,621,705.04	92.91
Interest Income					46,502,215.42	0.35
Other Income					885,761,856.18	6.74
Total Income					13,140,885,776.64	100.00

All details are shown in th Financial Statement No. 25, Section : Segment Information

Group of Business	Company Name	% Investment Equity Method	Group of Business	Company Name	% Investment Equity Method
Manufacturing			Energy		
Textiles	Union Textile Industries Public Co., Ltd.	51.43		Union Energy Co., Ltd.	99.4
	Union Garment Co., Ltd.	99.98		Union Energy (China) Co., Ltd.	99.99
	Union Thread Industries Co., Ltd.	36.20		Jiashan - Union Cogeneration Co., Ltd.	75.96
	Union Spinning Mills Co., Ltd.	52.14		Jiyang - Union Cogeneration Co., Ltd.	50
	Union Industries Corp., Ltd.	29.60		Wuxi - Union Cogeneration Co., Ltd.	45.70
	Union Button Corp., Ltd.	10.71		Yixing - Union Cogeneration Co., Ltd.	50
	Venus Button Co., Ltd.	30		Shangyu Hangzhou - Union Cogeneration Co., Ltd.	50
	Fashion Apparel Co., Ltd.	99.97		Huanan - Union Spring Cogeneration Co., Ltd.	50
	Union Micronclean Co., Ltd.	44.48	Trading, Investment & Services		
	Shanghai Saha - Union Thread Industries Co., Ltd.	64.05	Trading	Sports Ace Co., Ltd.	50
	Zhejiang Saha - Union Feilun Thread Industries Co., Ltd.	82		Uni - Fibre Co., Ltd.	53.08
	Shanghai Saha - Union Spinning Mill No. 7 Co., Ltd.	50		Union Universe Co., Ltd.	49.86
	Jiangsu Zhonglian - Union Carpet Co., Ltd.	35	Investment	Saha - Union Holding Co., Ltd.	99.54
Footware	Union Shoes Co., Ltd.	97.85		Union Equity Co., Ltd.	99.77
	Uni - Sole Co., Ltd.	78.05		Union Rubber Plas Co., Ltd.	43
Plastics & Rubber and	Union Pioneer Public Co., Ltd.	52.67		Texport International Co., Ltd.	85.18
	Union Plastic Public Co., Ltd.	49.69		Uni - Agro Co., Ltd.	45.02
Metal	Union Thai - Nichiban Co., Ltd.	40.27	Services	Union Printing Co., Ltd.	94.74
	Union Zojirushi Co., Ltd.	51		Union Human Resources Development Co., Ltd.	99.99
	Union Stainless Steel Product Co., Ltd.	98		Venus Shoes Co., Ltd.	96.86
	Union Nifco Co., Ltd.	39.9		Union Construction Corp., Ltd.	99.66
	Union Rubber Products Corp. Ltd.	99.99		Union Sime Darby (Thailand) Co., Ltd.	18.95
	Thai Rubber Enterprise Co., Ltd.	50.69	Overseas	Saha - Union International Ltd. (Hong Kong)	99.98
Company & Electronics Parts	Saha - Union Public Co., Ltd. (Sriracha Operation)			Saha - Union International (Taipei) Ltd.	42.49
	Union Technology (2008) Public Co., Ltd.	88.83		Saha - Union Investment (China) Co., Ltd.	100
	(formerly known as Union Footwear Public Co., Ltd.)			Taixing Union Zond Chemicals Co., Ltd.	40
	Union Technology Co., Ltd.	99.99		Yixing - Union Biochemical Co., Ltd.	50
	Computer Union Co., Ltd.	97.05			

Textile Business

Textile Business

Types of Products and Services

Companies in the textile group are engaged in the production of 3 categories of products:

1. Garment accessories such as zippers, threads, and buttons.
2. Yarn spinning, fabric weaving, knitting wool and dyeing.
3. Garments

These products are for both domestic consumption and export under the trademark of VENUS. Certain products are manufactured according to the customers' requirements, while some of the products are purchased as raw materials for other types of ready-to-wear products; and some are purchased for retail distribution directly.

Supplies of Products and Services

Most of the raw materials for textile operations, including fabric, cotton and synthetic fibre, are imported and their prices are uncertain and depending on the world market and exchange rates, including the weather condition, cotton growing season, diseases and insects. Prices of domestic raw materials are also fluctuated from the appreciation of Thai Baht and the exchange rates and resulting in changes of the cost of products.

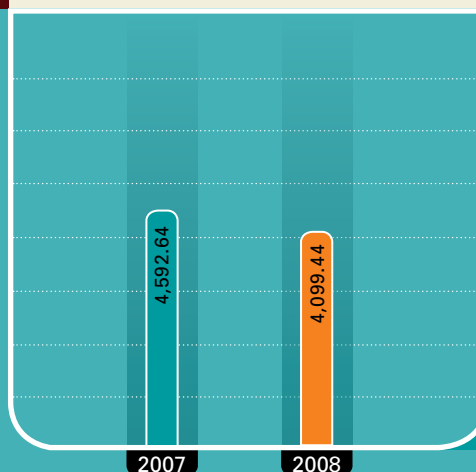
Performances in the year 2008

In the year 2008, competitions in the textile industry remained severe, in terms of selling prices, domestic and overseas marketing. Main factors included the labour cost, which was higher than its competitors, increasing prices of crude oil during 2008, sub-prime crisis in the United States, etc., and seizure of market shares among significant rival countries such as China, Vietnam, India, Pakistan, Bangladesh, etc. Though these factors severely affected the business operations of the Company, the Company is trusted by its customers for its product quality, services and delivery.

Moreover, the group companies have downsized their production capacity to cope with the situations and have established a joint venture between its subsidiaries and a large European textile company to manufacture work wares in order to create an added value to the products.

Sales Revenues

7,000
6,000
5,000
4,000
3,000
2,000
1,000
0



(Unit : Million Baht)

2007 : 4,592.64 Million Baht
2008 : 4,099.44 Million Baht



“In the year 2008, competitions in the textile industry remained severe, in terms of selling prices, domestic and overseas marketing. Main factors included the labour cost, which was higher than its competitors, increasing prices of crude oil during 2008, sub-prime crisis in the United States, etc., and seizure of market shares among significant rival countries”

In the year 2008, the Company had its sales income from textile business amounted to Baht 4,099.44 million, decreased by Baht 493.20 million or 10.74% when compared to those of the year 2007. The export sale was amounted to Baht 2,356.60 million, decreased by 7.66%; and the local sale was amounted to Baht 1,742.84 million, decreased by 3.07% when compared to those of the year 2007.

Trends of the Industry and Competition in the future

The textile industry tends to have severe competitions and the growth has been decreasing due to the world economic crisis and the customers' postponement of their purchase orders; as a result, the market condition is in favour of the customers and it will become the customers' market; meanwhile, the large sellers such as the People's Republic of China have expanded their markets to the European Union Countries in order to maintain their production capacities equal to the quantity of their products formerly sold to the United States; and the fluctuation of Thai Baht and exchange rates has caused uncertainty in the proposal of selling prices, particularly those for overseas markets; moreover, stricter manufacturing standard control and more attentions on social responsibility of the European markets also affects the competition in the industry.

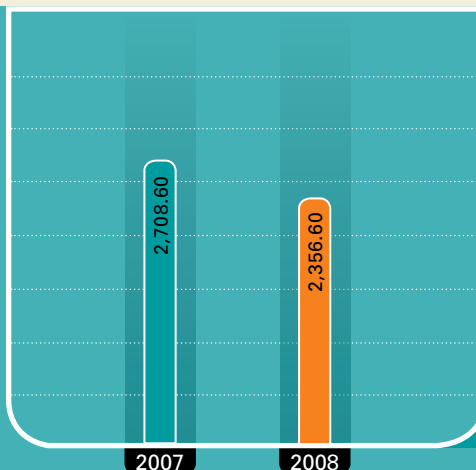
However, the group companies have emphasized the manufacturing of textile products to meet the capacity of the production process, cost management by seeking sources of lower cost of raw materials; the cooperation with suppliers, in terms of supply chain and long-term plan to obtain lower cost of raw materials; development and improvement of management system in all related areas to create the competitiveness and to meet the changing of world market's conditions.

Competitiveness

The Company has developed its strategies and has improved its work process continuously by taking account of significant factors such as prices, product quality and delivery, customer's loyalty, effective communication, reputation, etc., and has also training their personnel in all areas, including manufacturing, sales, purchasing, computer, and related skills; and has adjusted the line of command to become as short as possible in order to obtain the correct and update information; moreover, the Company has developed the work system for rapid and continuous operations in order to keep up with changes and to improve its competitiveness with rivals in present and in the future.

Export Sales

3,500
3,000
2,500
2,000
1,500
1,000
500
0



(Unit : Million Baht)

2007 : 2,708.60 Million Baht
2008 : 2,356.60 Million Baht

Plastics, Rubber and Metal Business



Types of Products and Services

The companies in this business have manufactured and distributed the products categorized into 4 groups:

1. Plastics products, manufactured by means of injection molding such as auto parts and accessories, electrical appliances and electronic parts, and household accessories.
2. Rubber products, it's an integrated industry, by acquiring from rubber plantations, i.e., preparing rubber sheets and latex. Final products included elastic braids and webbing, elastic bands and rubber products used in downstream industry such as underwear, rubber straps and diapers.
3. Stainless steel products included stainless pipes, vacuum bottles and kitchen utensils.
4. Packaging products included all types of adhesive tapes, cellulose tapes, masking tapes and printing tapes.

Supply of Products and Services

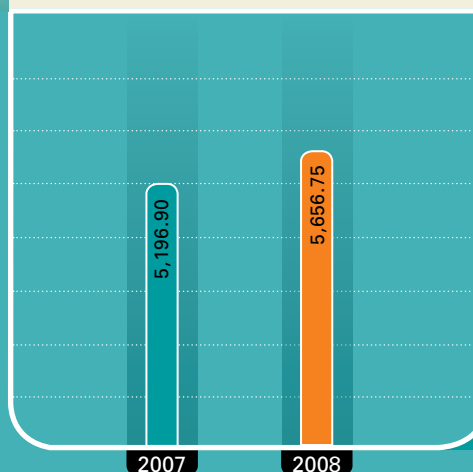
Plastics business: The sources of materials have supplied from both domestic and overseas.

Rubber business: raw materials are produced from rubber plantations and rubber factories operated by the affiliated company; in case of insufficiency, the raw materials will be ordered from other business operators.

Stainless steel: raw materials for manufacturing of vacuum bottles and pipes are acquired from both local and overseas sources; whereas, the majority of raw materials are imported from Japan; and the majority of these product groups are sold in domestic markets; and Japan is also the main market for export of these product groups.

Total Sales

7,000
6,000
5,000
4,000
3,000
2,000
1,000
0



(Unit : Million Baht)

2007 : 5,196.90 Million Baht
2008 : 5,656.75 Million Baht



“These business groups have emphasized the organizational restructuring, with an aim to reduce the cost of production and to increase the production capacity for competitiveness with its competitors in term of pricing”

Performance in the year 2008

Plastics, rubber and metal products were affected by the economic slowdown in the year 2008. The Company had its good incomes from sale in the beginning of the year, but in the fourth quarter, the sales volumes of the company have decreased rapidly. Especially in the automobiles business and electronics, which were major customers of plastics business got severe impacts. In early the year of 2008, the cost of raw materials and energy has been increased due to the oil price increases, but such increases have been slowed down at the end of the year; as a result, the demand for packages has decreased. However, stainless steel vacuum bottles, mostly exported to Japan, have not been affected by the economic slowdown because the consumers have changed their consumption behaviors, as part of the global warming campaign, by turned to use stainless steel vacuum bottles instead of plastic bottles more increasingly; and Japanese people tended to prepare foods from home to the office during the economic recession period; as a result, the sales volume of these product groups have increased in Japan; so the operating result of the affiliated company has slightly decreased when compared to those of the year 2007.

Trends of the Industry and Competition

In the year 2009, it is expected that the world economy will not yet be recovered; especially in the first half of the year, it is expected that the economy will continue to slow down. Therefore, the demand of products will be less than those of the year 2008. These business groups have emphasized the organizational restructuring, with an aim to reduce the cost of production and to increase the production capacity for competitiveness with its competitors in term of pricing; and to maintain its secure financial liquidity; at the same time, the affiliated company must also develop new products and seek its new markets.



Computer and Electronic Parts Business



Computer

Types of the Businesses

Computer Union Co., Ltd. had been operating IT and computer businesses since 1982, presently is one of the leading computer business operators in Thailand. The Company is providing and continuously developing computer products and services, including a variety of IT products, to meet the customers' demand. The Company is now the authorized dealer and distributor of variety products and services, including:

- IBM Authorized Dealer (hardware and software):
 - Hardware such as X*series, P*series, storage, magnetic stripes, passbook printers,
 - ATM (CD) and CDM (Cash Deposit Machine), etc.
 - Software such as Tivoli, Web sphere, Lotus Note and DB2, etc.
- Hitachi Dealer (Auto Update Passbook Printer)
- Ronsyco Dealer (Magnetic Stripes, Pin Pads)
- Lenovo Dealer (PC, Think Pads, Servers)
- De La Rue Dealer (Cash Deposit Machine* TCR)
- Acronis Dealer (Software Backup from USA)
- HP Dealer (PC, Notebook, Laser Printer, Laser Jet - all models)
- Epson Dealer (Dot Matrix Printers)
- Dell & Acer Dealer (PC, Notebook)
- Service provider of hardware and software computer, network system and peripheral equipment installation, repairs and maintenance, including system design and development
- CCTV Dealer, installation and service provider
- I-CU Data Recovery service provider

Performances in the year 2008

In the year 2008, the Company had its income from sale and service increased by 12% when compared to those in the previous year in the situation of severe competition and the changing economic condition because the oil prices have changed from the highest record to the lowest record in the years; and the Thai politics was unstable; but IT business still had its potentials to meet the demand for improvement and development in order to improve the work efficiency and to reduce expenses in the long term.

"The Company has continuously improved its work procedures and provided the personnel development so that the personnel shall obtain the required skills, knowledge and expertise; and has emphasized its excellent services for competitiveness in all areas; moreover, the Company has determined the effective spending policy in accordance with the situations"





Trends of the Industry and Competition

It is expected that, in the year 2009, the Company will encounter the situation of severe competition due to the global economic slowdown as well as the political and social conflicts in Thailand; and it is expected that, the Thai economic growth will decrease considerably this year; and the Company's customers may decelerate their decisions to purchase and may be strict on pricing and product quality; therefore, in the year 2009, business operators will compete for customers and the competitions will be more intense than those in the previous years.

In the year 2009, the Company has determined its effective spending policy and has continuously improved the personnel structure and its work procedures so that the personnel shall obtain the required skills, knowledge and expertise; and has emphasized its excellent services for competitiveness in all areas. The Company has 23 service centers nationwide for its rapid and effective service provision and has operated its IT and computer business for 27 years; therefore, its customers can be assured of the Company's stability, reliability and expertise, which are one of the important factor for their decision making to purchase the Company's products and services.

In the future, the Company has its strategy to expand its customer bases covering all business groups and to diversify its products and services to meet all customers' demand and to emphasize the development of efficiency in all areas to reach the goal "To be Number 1" in the IT and computer businesses.

Electronics

Types of Products and Services

The Company is an original equipment manufacturer (OEM) of hard disk drives for export under the name of Union Technology (2008) Public Company Limited.

Performances in the year 2008

- The Company's manufacturing and export has increased by approximately 5%
- According to its prevention-oriented measures, the Company has improved the product quality to "First Class", as evaluated by its customers
- The manufacturing efficiency has increased by approximately 10%, resulting from the lean manufacturing, which is part of the "Process Excellence".
- The Company was awarded "Workplace of Best Practice on Labour Relations and Welfare" for the third consecutive year

Market and Competition

In the year 2008, Hard Disk Drive business had a pleasant growth in the first three quarters of the year, but in the fourth quarter, the world economic conditions has been rapidly changed, affected the Hard Disk Drive business more shrinkage and expected to get following impacts in the year 2009.

Operating Plan for the year 2009

Since it is expected that, in the year 2009, the global economic crisis will be severe, the Company must emphasize the cost reduction and cost control for maximum efficiency and must still operate its business under the program "Process Excellence" and must minimize its overhead costs.

Energy Business



The energy business of Saha - Union Group divided into the energy business in the People's Republic of China and the energy business in Thailand.

Types of Products and Services

The Company has its investment in the energy business in terms of electricity generation, divided into 2 parts:

1. Energy project in the People's Republic of China. Initially, the Company has invested 100% through Union Energy (China) Co., Ltd.; and has joint ventured with the public organizations of the People's Republic of China to invest in cogeneration power plants, which produce both the electricity and steam. At present, the Company has invested in 6 cogeneration power plants located in Zhejiang, Jiangsu and Heilongjiang provinces; and in 2 power plants generating the electricity only located in Yunnan province.

2. Energy project in Thailand. The Company has invested in the power plant under the Independent Power Producer (IPP) project and the electricity generation and distribution contract with the Electricity Generating Authority of Thailand (EGAT).

Energy Business in the People's Republic of China

Supplies of Products and Services

Coals are used as the main raw materials for electricity generation. In the previous year, the Government has increased the coal prices according to the crude oil prices and has shut down small coal mines which failed to meet the Government's standard; as a result, the quantity of coals in the market has decreased; and it was more difficult to purchase the coal. However, the power plant has temporarily increased the quantity of coal reserves during the period of price fluctuation to reduce the risk of raw material shortage during the electricity generation.

Operating Result of Power Plants in China in the year 2008

In early of the year 2008, the power plants in China countered the problem of increasing cost of production since the coal prices have rapidly increased according to the crude oil prices in the world market; moreover, the interest rates in China have increased because the Chinese Government has been strict on the financial sector management, causing an increasing burden in this portion of expense. In addition, the Chinese Government refused to adjust the electricity prices due to significant domestic incident, i.e., the earthquake in Sichuan province, causing massive loss of lives and affecting the living and economic condition within the area; meanwhile, the consumer price index (CPI) in China was very high during such period of time; therefore, the adjustment of energy prices such as electricity, will cause the increasing cost of production and product prices; meanwhile, the steam prices have not increased; unlike, the coal prices which have increased rapidly; as a result, the power plants in China faced losses.



“During the situation of economic slowdown, the coal price is a factor to put more pressure on the power plants. Though the cost of raw materials will not increase in the near future, the cost reduction is still necessary. Power Plants have improved their machinery to control the coal consumption index and to reduce the pollution emission and have also issued other measures to control expenses to get prepared for the economic recession and to increase competitiveness for survival in the future”

At the end of the year 2008, the world economic situation has still been affected by the financial crisis; and China also suffered the impact of the situation. The Central Bank of the People’s Republic of China has issued the financial deregulation measures by reducing the interest rates to reduce the cost burdens; and the coal prices have also decreased according to the oil prices; and the public sector has agreed to adjust the electricity prices in July and August. With these positive factors, the yearend operating result of the power plants has improved; and some power plants were able to generate profits.

During the year, the Company has sold its shares in Danyang - Union Cogeneration Co., Ltd. and Hangzhou - Union Cogeneration Co., Ltd. to its Chinese partners due to the changing business and environmental condition; and the urban development had its impact on the business of the two plants; as a result, the power plants suffered losses and it’s difficult to turned to generate the profits.

Moreover, the Company has acquired the investments in 5 power plants from its subsidiaries as a direct shareholder.

Trends of the Industry and Competition in the future

Coals are still the main important because of its raw materials of power plants; but according to the conflicts of electricity prices and the cost of coal, over 80% of the power plants have suffered losses. Moreover, the Chinese Government has tried to increase the proportion of electricity generation from other alternative energies such as water and atomic power plants and has also sought the development of electricity generation through the wind and solar power, but it still needed some time for development.

During the situation of economic slowdown, the demand for electricity consumption has decelerated, but the coal prices have still increased and have put more pressures on the power plants. Though the cost of raw materials will not increase in the near future, it is still necessary to reduce the cost. Power plants have improved their machinery to control the coal consumption index and to reduce the pollution emission and have also issued other measures to control expenses to get prepared for the economic recession and to increase their competitiveness for survival in the future.

Energy Business in Thailand

Types of Products and Services

The Company has invested in Ratchaburi Power Co., Ltd. (RPCL), through its subsidiary which the Company held 99.26% of shares in the Company. The Company’s subsidiary holds 10% of shares in RPCL, which is an Independent Power Producer (IPP), generating and distributing the electricity to EGAT. The power plant is a natural gas fired combined-cycle power plant of 1,400 Megawatts.

Performances in the year 2008

The project is located in Ban Rai Sub-district, Damnernsaduak District, Ratchaburi Province, has its issued and paid-up capital of Baht 7,325 million. In the year 2008, the project has started its commercial operations of power plant unit 1 and unit 2 on March 1st, 2008 and June 1st, 2008, respectively, and has generated the total electricity of 5.65 million units.

Trends of the Industry and Competition in the future

According to the world economic crisis, which has an impact on the consumption and production, the electricity consumption has considerably decreased; and it is expected that EGAT may order fewer electricity generation from RPCL power plant. These trends started in the fourth quarter of the year 2008; and it is expected that the situation will not affect with the Company’s incomes.

Social Contribution Activities

Saha - Union Group has given the importance to social and environmental responsibilities and has always striven to maintain its sound ethical management of businesses in line with the Thai social values, based on the philosophy “Integrity, Quality and Service”, and has given its continuous supports to many activities of the public and private sectors, as well as related agencies.

In the year 2008, Saha - Union Public Company Limited and group companies have supported the social contribution activities in order to create the developments and the advantages for public interests, as follows:

Environmental Activities

- Participated in the “Natural Resources Conservation” Project by freeing the cultured marine animals into the sea, cleaning up the beach, and growing trees on the beach front, to celebrate Her Majesty the Queen’s Birthday at Captain Yuth Memorial Park in Chonburi Province
- Participated in the “Forestation against Drought and Rain Shortage in Celebration of His Majesty the King’s Birthday” Project at Meung Sub District Administration Organization, Chonburi Province
- Participated in the “Plant for the Planet, Plant for the Future” Campaign at the Sirindhorn International Environment Park in Petchaburi Province

Educational Activities

- Donated books, stationeries, learning equipments, consumer products to Wat Hup Moei School in Nakhon Nayok Province; Wat Bumphen Nua School in Minburi District, Bangkok; and Klongsaothong School in Samut Prakarn Province
- Donated money to UNICEF Thailand to organize activities to improve the quality of life of underprivileged children so that those children will be grown up as valuable person to the country



1. Donated learning equipments, consumer products to different schools for both in Bangkok and different provinces.
2. Participated in the “Natural Resources Conservation” Project by freeing the cultured marine animals in to the sea, and growing trees, to celebrate H.M. the Queen’s Birthday.
3. Participated in the “Plant for the Planet, Plant for the Future” at the Sirindhorn International Environment Park in Petchaburi Province.

1.	2.	3.
1.	2.	3.

Religious Activities

- The Company and employees in Saha - Union Group participated in the Candle Casting and Flower Offering Ceremony at Bumphen Nua Temple in Minburi District, Bangkok; and offered candles, together with Eight Necessities of a Buddhist monk and other necessary articles such as light bulbs and brooms at Phrammanee Temple in Nakhon Nayok Province; Srichantharam Temple and Tamru Temple in Samut Prakarn Province
- The Company and employees in Saha - Union Group participated in Royal Kathin Ceremony at Sawettachat Woraviharn Temple; made merit in the Robes Offering Ceremony and offered money to Poanthong Temple in Phra Nakhon Si Ayudhaya Province; Sri Suwan Vararam Temple in Samut Songkram Province, etc.; and participated in the Leaves Offering Ceremony at Bumphen Nua Temple in Minburi District, Bangkok

Social Activities

- Donated articles and clothes to flood victims and the poor in the Northern Region who still lacked basic necessities, through the Thai Red Cross Society
- Donated money to the earthquake victims in Sichuan Province, the People's Republic of China, through the Chinese Embassy in Bangkok; and donated money to the Cyclone Nargis victims in Myanmar, through the Thai Red Cross Society
- Donated money, rice, canned foods, consumer goods, apparels to help flood victims in different provinces of Thailand, through the Social Security Office, Area 1, Samut Prakarn Province; and Bangchan Industrial Estate Office, Minburi District



4. Participated in the Candle Casting and Flower Offering Ceremony, in Buddhist Lent Day.
5. Participated and offered money in Royal Kathin Ceremony and made merit in the Robes Offering Ceremony.
6. Donated money to help the earthquake victims in Sichuan Province, the People's Republic of China.
7. Donated money and articles to survive flood victims in different provinces of Thailand.

4.	5.	6.
4.	5.	7.

Structure of Shareholding

Corporate Stocks

- The Company had its registered and paid up capital of Baht 3,000 million, divided into 300 million common shares of Baht 10 each
- The Company had no other types of shares with different rights and conditions than its common shares
- The Company had no plans to issue and offer shares or convertible stocks to the mutual funds for foreign investors or non-voting depository receipts (NVDR), which have corporate shares as reference stocks
- The Company had no other stocks, which are not common shares
- The group of majority shareholders had no agreements on any matters, which may have impacts on the issuance and offer of stocks or management of the Company;

Shareholders

10 Major shareholders in Saha - Union Public Company Limited

As of April 4th, 2008:

No.	List of Shareholders	Ultimate Shareholders	Main Business	No. of Shares	% of Shares
1.	Group of Companies				
	1.1 Union Thread Industries Co., Ltd.	Darakananda Group	Investment	28,938,500	9.65
	1.2 Union Business Management Co., Ltd.	Darakananda Group	Investment	21,303,000	7.10
	1.3 Union Capital Co., Ltd.	Darakananda Group	Investment	19,797,800	6.60
	1.4 Union Industries Corp., Ltd.	Darakananda Group	Investment	17,880,300	5.96
	1.5 Uni - Fibre Co., Ltd.	Darakananda Group	Investment	11,604,440	3.87
	1.6 Saha Union Holding Co., Ltd.	Saha - Union Public Co., Ltd.	Investment	6,239,994	2.08
	1.7 Union Multi - Capital Co., Ltd.	Darakananda Group	Investment	6,082,000	2.03
	1.8 Darakananda Co., Ltd.	Darakananda Group	Investment	3,000,000	1.00
	1.9 Union Equity Co., Ltd.	Darakananda Group	Investment	2,782,700	0.93
2.	Bangkok Bank Public Co., Ltd.			12,325,000	4.11
3.	Mr. Kumtorn Poonsakudomsin			8,154,644	2.72
4.	Sinn Bualuang Leasing Co., Ltd.			7,265,000	2.42
5.	The Southeast Life Insurance Co., Ltd.			5,858,900	1.95
6.	TISCO Bank Public Co., Ltd.			4,650,000	1.55
7.	USB AG Singapore, Branch - PB Securities Client Custody			4,169,500	1.39
8.	Thai NVDR Co., Ltd.			3,985,280	1.32
9.	Bangkok Life Insurance Public Co., Ltd.			3,759,000	1.25
10.	Sinn Bualuang Capital Co., Ltd.			3,500,000	1.17

Dividend Payment Policy

The Company has its policy of dividend payment that shareholders will receive proper investment returns, thus, subject to the operating result, at the rate of at least one-third of the annual earnings, calculated according to the cost method.

Meanwhile, the subsidiary's policy of dividend payment to the Company shall be subject to the operating result of such subsidiary.

Number of Directors' Shareholding and Remuneration

Remunerations for directors consist of the fixed amount of meeting fee and allowance only, which have ever been approved by the shareholders' meeting and remained unchanged.

The amount of remunerations for each shareholder in the year 2008 is as follows:

No.	Name	Shareholding			Remuneration	
		No. of Shares 2008	No. of Shares 2007	% of Change	Remuneration received from the Company (Baht)	Total remunerations received from Subsidiaries (Baht)
1	Mr. Amnuay Viravan	373,960	373,960	-	4,095,000.00	288,000.00
2	Mr. Damri Darakananda *	-	-	-	2,590,000.00	90,000.00
3	Mr. Panas Simasathien	-	-	-	2,820,000.00	-
4	Miss Sriwarin Jirapakkana	187,284	127,284	47.14	2,971,000.00	198,000.00
5	Mr. Amorn Chandara-somboon	25,960	25,960	-	420,000.00	-
6	Mr. Sumeth Darakananda	644,474	644,474	-	720,000.00	-
7	Mr. Kamol Khoosuwan	30	30	-	420,000.00	-
8	Mrs. Chongraksa Darakananda *	50,000	50,000	-	720,000.00	-
9	Mr. Sompop Amatayakul	10,000	10,000	-	2,886,027.50	600,000.00
10	Mrs. Araya Arunanondchai	2,251,694	2,251,694	-	260,000.00	-
11	Mr. Chakchai Panichapat	-	-	-	720,000.00	-
12	Mr. Prajuab Roenchaidae	-	-	-	40,000.00	-
13	Mrs. Supung Tangsujaritpant	144,662	144,662	-	120,000.00	-
14	Mrs. Sirinun Sansanakom	65,724	45,724	43.74	40,000.00	-
15	Mr. Thitivat Suebsaeng	-	-	-	120,000.00	180,000.00
16	Miss Pakinee Prettitumrong	1,950,624	1,950,624	-	240,000.00	72,000.00
17	Capt. Noparut Punyapas	-	-	-	120,000.00	144,000.00
18	Miss Dalad Saphthavichaikul	13,052	13,052	-	120,000.00	-
19	Mr. Chutindhon Darakananda	1,837,300	322,000	470.59	1,720,000.00	-
20	Mr. Aksornprasit Darakananda **	1,851,900	2,398,500	(22.79)	120,000.00	72,000.00
21	Mrs. Chantornree Darakananda **	17,500	17,500	-	120,000.00	-
22	Mr. Bovornrat Darakananda	-	-	-	120,000.00	-
23	Mr. Vacharaphong Darakananda ***	1,582,600	1,582,600	-	120,000.00	144,000.00
24	Mrs. Sasithorn Darakananda ***	88,700	-	N.A.	120,000.00	-
25	Mr. Nantiya Darakananda	-	-	-	120,000.00	144,000.00
Total Remunerations					21,862,027.50	1,932,000.00

Note : *, ** and *** are related shareholders under Clause 258

Total Remunerations for the Management

In the year 2008, the total remunerations for four directors who are also the management of the Company, including salaries and bonuses are amounted to Baht 8,307,520.89. Other executive directors, excluding the four directors as mentioned above, do not receive these remunerations (except the meeting allowance from the Company) because they all have positions and responsibilities and receive remunerations in terms of salaries and bonuses from those group companies.

In the year 2008, there were totally 65 executive directors in main businesses of subsidiaries, having received remunerations in terms of salaries and bonuses, totally Baht 77.28 million.

Other Remunerations

In addition to salaries and bonuses above, the Company has also paid other remunerations to 4 executive directors in terms of provident fund at the rate of 3% of the salary, amounted to Baht 208,110 in the year 2008; whereas, the fund was managed by the Bangkok Bank (Public) Co., Ltd.

Structure of Management

Structure of corporate management comprises 5 committees and subcommittees including the Board of Directors consisting of 5 independent directors, the Advisory Board, the Audit Committee, the Remuneration and Nominating Committee, and the Risk Management Committee.

Lists of committees and scope of authorities and responsibilities of each committee are as follows:

1. The Board of Directors consists of 22 members, as follows:

Name	Position
1. Mr. Amnuay Viravan	Honorary Chairman
2. Mr. Damri Darakananda	Chairman
3. Mr. Panas Simasathien	Vice Chairman (Administration)
4. Mr. Sompop Amatayakul	Vice Chairman (Audit and Evaluation of Domestic Business) and Chairman of Audit Committee/Independent Director
5. Miss Sriwarin Jirapakkana	Vice Chairman (Finance and Investments)
6. Mr. Chutindhon Darakananda	Vice Chairman (Investments in China)
7. Mrs. Araya Arunanondchai	Audit Committee/Independent Director
8. Miss Pakinee Prettitumrong	Audit Committee/Independent Director
9. Mr. Chakchai Panichapat	Independent Director
10. Mr. Prajuab Roenchaidee	Independent Director
11. Mrs. Chongraksa Darakananda	Director
12. Mr. Sumeth Darakananda	Director
13. Mrs. Supung Tangsujaritpunt	Director
14. Capt. Noparut Punyapas	Director
15. Mr. Thitivat Suebsaeng	Director and President
16. Miss Dalad Saphavichaikul	Director
17. Mr. Aksornprasit Darakananda	Director
18. Mrs. Chantornree Darakananda	Director
19. Mr. Bovornrat Darakananda	Director
20. Mr. Vacharaphong Darakananda	Director
21. Mrs. Sasithorn Darakananda	Director
22. Mr. Nantiya Darakananda	Director

Note: There was 1 new director; and there were 3 directors have resigned during the year:

1. Mr. Prajuab Roenchaidee, have assumed the director position since August 21st, 2008
2. Mr. Amorn Chandara-somboon, have resigned from the director position on August 1st, 2008
3. Mr. Kamol Khoosuwan, have resigned from the director position on August 1st, 2008
4. Mrs. Sirinun Sansanakom, have resigned from the director position on April 24th, 2008

The Board of Directors has its authorities and responsibilities according to the policy and structure of management, as follows:

1. Determine the directions, goals, and policy of business operation of the Company
2. Supervise the Company's business administration for suitable management of risks to be profitable and payment of dividends to shareholders as investment returns
3. Supervise the Company to provide accurate accounting system and to disclose complete and accurate information in the financial reports
4. Keep reputation and good image of the Company
5. Appoint and remove the Managing Director of the Company and group companies which the Company is the major shareholder
6. Determine the scope of authorities and responsibilities of the Managing Director of the Company
7. Consider the work plans and annual budgets proposed by the Managing Director of the Company
8. Evaluate the work performance of the Managing Director of the Company and consider the annual remunerations for the Managing Director of group companies

Regarding the performance of works under its authorities and responsibilities, the Board of Directors may appoint any one or several director(s) or other person to act on its behalf

The Board of Directors shall appoint any director as the President, with authorities and responsibilities as the Board of Director may consideration.

The Board of Directors shall consist of at least 5 directors; whereas, at least one half of the directors shall be domiciled in the Kingdom of Thailand; and at least three-fourth of the directors shall be Thai nationals.

Directors of the Company shall be elected by the shareholders' meeting, thus, in accordance with the criteria, procedures, and the provisions contained on Page 40 "Nomination of Directors and the Management"

The Board of Directors consists of 5 independent directors, including:

1. Mr. Sompop Amatayakul
2. Mr. Chakchai Panichapat
3. Mrs. Araya Arunanondchai
4. Miss Pakinee Prerttiumrong
5. Mr. Prajuab Roenchaidee (have assumed the director position since August 21st, 2008)

Criteria for Selection of Independent Directors

The Company has its criteria for selection of independent directors by nominating persons who have the recognized abilities, experiences, visions, and good understanding of the nature of the company's business and shall not be the regular management of the Company. 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 adequate time to the business of the company, and must be qualified according to the related announcements, rules, and regulations of the authorities and be invited to assume the positions of independent directors of the Company; and the Company has considered that the said independent directors are able to use their knowledge and abilities and to give suitable and useful comments on the business operations of the Company and of the group companies.

Board of Directors' Meeting

Normally, the Board of Directors shall meet once a month to follow up the progress on business operations to ensure its conformity with the corporate plans and objectives. At the meeting, members of the Board of Directors shall discuss and find solutions to the problems and shall assign a person to follow up and implement the remedies. In the year 2008, there were 12 meetings of the Board of Directors; and directors who had neither businesses abroad nor any accidents will attend every meeting. Since the Company has a lot of investments in abroad, therefore, some directors were assigned to supervise the Company's businesses in abroad and were unable to attend monthly meetings of the Board of Directors. In the year 2008, directors who were at the Shanghai office of subsidiaries or in Hong Kong attended the Board of Directors' meeting via Video Conference; however, the secretary to the Board of Directors has regularly forwarded the minutes of meetings to all directors (either absent or present in the meetings) for acknowledgement and receiving suggestions (if any).

Record of Meeting Attendances of Each Director in the year 2008

Name	No. of Meeting Attendances
1. Mr. Amnuay Viravan	6/12
2. Mr. Damri Darakananda	11/12 (included Video Conference 5 times)
3. Mr. Panas Simasathien	11/12
4. Mr. Kamol Khoosuan	7/7 (included Video Conference 2 times)
5. Miss Sriwarin Jirapakkana	12/12 (included Video Conference 3 times)
6. Mr. Amorn Chandara-somboon	5/7
7. Mrs. Chongraksa Darakananda	10/12 (included Video Conference 5 times)
8. Mr. Sumeth Darakananda	8/12
9. Mr. Chakchai Panichapat	12/12
10. Mr. Sompop Amatayakul	12/12
11. Mrs. Araya Arunanondchai	8/12
12. Mrs. Sirinun Sansanakom	4/4
13. Mrs. Supung Tangsujaritpunt	11/12
14. Miss Pakinee Prettitumrong	11/12
15. Capt. Noparut Punyapas	11/12
16. Mr. Thitivat Suebsaeng	12/12
17. Mr. Prajuab Roenchaidee	3/4
18. Miss Dalad Saphavichaikul	12/12
19. Mr. Chutindhon Darakananda	10/12 (included Video Conference 4 times)
20. Mr. Aksornprasit Darakananda	10/12 (included Video Conference 2 times)
21. Mrs. Chantorntree Darakananda	10/12 (included Video Conference 4 times)
22. Mr. Bovornrat Darakananda	6/12 (included Video Conference 6 times)
23. Mr. Vacharaphong Darakananda	11/12
24. Mrs. Sasithorn Darakananda	12/12
25. Mr. Nantiya Darakananda	6/12

2. The Audit Committee

The Audit Committee has all the necessary qualifications according to the criteria of the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission; and the Board of Directors' meeting has passed its resolution on November 22nd, 2007, to appoint the existing Audit Committee to assume the position of the Audit Committee for another term of 2 years.

The Audit Committee consists of the following members:

Name	Position
1. Mr. Sompop Amatayakul	Chairman
2. Mrs. Araya Arunanondchai	Committee
3. Miss Pakinee Prettitumrong	Committee

The Audit Committee has the scope of authorities and responsibilities are as follows:

1. Review the Company's internal control system to ensure that the system is 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. Review the Company's compliance with applicable laws and regulations and prevent any conflicts of interests
4. Prepare Audit Committee's report to be signed by the Chairman of the Audit Committee, published in the Company's annual report, and sent to the related parties
5. Make sure that the management has corrected the errors found and follow up the correction of the said errors
6. Follow up and evaluate the performances of work as the Audit Committee may deem significant
7. Evaluate the performances of work according to the Charter of the Audit Committee
8. Carry out other missions as assigned by the Board of Directors

3. The Advisory Board

In the year 2008, the Company has 3 members of the Advisory Board, whose main duty is to give general advice to the Board of Directors or the management, in addition to regular attendances in meetings of the Board of Directors according to situations and appropriateness in each period of time or in cases of emergencies.

The Advisory Board consists of members of vast knowledge, experience and expertise, as follows:

Name	Position
1. Mrs. Chongraksa Darakananda	Avisory Board
2. Mr. Sumeth Darakananda	Avisory Board
3. Mr. Chakchai Panichapat	Avisory Board

Whereas, Mr. Amorn Chandara-somboon, Mr. Kamol Khoosuwan and Mr. Kisao Suzuki are the Company's advisors.

4. The Remuneration and Nominating Committee

The Company has appointed directors with relevant experience and qualifications as members of the Remuneration and Nominating Committee, as follows:

Name	Position
1. Mr. Sompop Amatayakul	Chairman
2. Mr. Damri Darakananda	Committee
3. Mrs. Araya Arunanondchai	Committee

Scope of authorities and responsibilities:

1. Select and nominate the qualified individuals to be approved by the Board of Directors
2. Establish the procedures for nomination of directors
3. Consider the procedures of determination of remuneration for directors
4. Determine the amount of remunerations for directors to be proposed to the meeting of the Board of Directors for approval

5. The Risk Management Committee

Name	Position
1. Mr. Thitivat Suebsaeng	Chairman
2. Miss Dalad Saphavichaikul	Committee
3. Mrs. Chantornree Darakananda	Committee
4. Mrs. Srinual Sombatpraivan	Committee and Secretary

The Committee has the scope of authorities and responsibility to determine the strategies for risk management and damages control and 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, as suitable.

Whereas, Mrs. Sirinun Sansanakom was the company secretary

The Company has reported the information concerning educational background and work experience, as shown in the annual report pages 6-14, as well as skills and past performances of members of the Board of Directors and executives, as shown in the annual report page 16, together with information of the management, as shown in the annual report page 17.

Nomination of Directors and the Management

Regarding the election of directors of the Company, the Nominating Committee shall consider personnel with proper qualifications, knowledge, abilities and experience in business administration, devotion of time to perform their duties for the Company; and such qualifications shall not be contrary to regulations of related authorities; then the Nominating Committee shall nominate those personnel to the Board of Directors to be proposed to the AGM in order to elect directors in accordance with Regulations of the Company, as follows:

1. One shareholder shall have one vote per one share

2. In the election of directors, one or several directors may be elected at one time, according to the number of directors to be elected in that occasion, as the shareholders' meeting may deem expedient; provided that the method of director election shall be in accordance with the public law

3. Directors shall be elected by the majority votes; in case of equal votes, the chairman of the meeting shall have a casting vote; however minor shareholders shall have the rights according to the Company's Regulations, which are not specified in special cases. In each AGM, one-third of directors must be resigned from the directorship. In case, the number of directors cannot be divided into three portions, the most approximate number to one-third of the directors shall be resigned.

Directors who will be resigned in the first year and in the second year after the Company's registration shall be selected by drawing lots; meanwhile, in the following years, directors who have longest been in office will be resigned from the directorship.

Retiring directors may be reelected.

Apart from the retirement by rotation, a director may be resigned from the directorship in cases of:

a. Death

b. Resignation

c. Disqualification

d. The shareholders' meeting has passed its resolution with at least three-fourth of the total shareholders attending the meeting and having the voting rights, and holding at least one half of the total shares held by shareholders attending the meeting and having the voting rights

e. The Court has given an order to resignation of such director

Corporate Governance

Over the past 30 years, the Board of Directors has given the priority to its good corporate governance and has adhered to the principles of integrity and ethics for sustainable growth of the business under the principle of correctness and transparency, and fairness to all stakeholders; provided that the principle of corporate governance of the Company has been in conformity with the principles and good practices for directors of the listed companies in the Stock Exchange of Thailand, as follows:

1. Rights of Shareholders

Apart from fundamental rights such as rights to vote for directors and auditors and rights to consider the directors' remunerations and the auditor's remunerations, etc., the Company's shareholders shall also have rights to receive investments returns in terms of dividend according to the proportions of shareholding equally, rights to trade and transfer shares and to receive information of the company.

1.1 In each AGM, the Company provides opportunities for its shareholders to propose meeting agendas or to send questions relating to the Company in advance before the date of AGM through 2 channels, i.e., Electronic Company Information Disclosure System (ELCID) of the Stock Exchange of Thailand, and through the Company's website "www.sahaunion.co.th" in advance before the sending of documentation to shareholders;

1.2 Shareholders may study the information in advance before making their decisions to cast their votes relating to the AGM agendas in the letters of invitation to AGM, the annual reports and financial statements of the Company, including the details of each agenda, objectives, reasons and opinions of the Board of Directors;

- Information relating to the operating result as shown in the financial statements included in the annual report;
- Information and personal records of each of the nominated directors;
- Information relating to the auditors' names, office addresses, audit experience, remunerations, and independency;
- Information relating to the proposal for dividend payment approval, including information on the dividend payment policy, dividend rates and reasons;

• Letter of invitation to AGM and related documents and information; the Company shall send them to shareholders in advance for at least 14 days before the date of AGM;

1.3 In each AGM:

The Company allows its shareholders to exercise their rights such as rights to attend and cast their votes in the meeting by proxies; the Company has enclosed the Form of Proxy with the letter of invitation to AGM; whereas, a shareholder may select any independent director or audit committee as his/her proxy.

- The Company shall neither limit nor violate the shareholders' rights;
- Moreover, the Company shall facilitate its shareholders by providing staff for registration of meeting attendance for 1 hour before the meeting and after the meeting starts;

• The Company shall organize meetings at its head office near the main road which is convenient for communication routes and for its shareholders to attend the meetings in time; the Company shall prepare refreshments and beverages, as well as souvenirs for shareholders attending the meeting in each year;

• In each AGM, the Chairman shall announce the quorum to shareholders and address the meeting and introduce the Board of Directors and the management to shareholders. In the year 2008, there were 19 of 25 members of the Board of Directors attending the meeting, including the Chairman, Vice Chairman, President, the Chairman of the Audit Committee, Independent Directors, Directors, the Company's Secretary, the Account and Finance Department Manager, and the Company's Auditor;

- The Chairman has announced the voting method to the shareholders before proceeding with the meeting;
- During the meeting according to the agenda, the Chairman has given opportunities for shareholders to ask questions, which shall be answered to the satisfaction of shareholders; and has also received comments and recommendations from shareholders for consideration;

• The Company has used the computerized system for registration and counting of votes in each of the meeting agendas; when the shareholders have already cast their votes in each of the meeting sessions and after the data processing, the Chairman has announced the resolution and the number of votes in each category, including "Approval", "Disapproval" or "Abstaining" in each of the meeting sessions to all shareholders and has recorded the result thereof in the minutes of the meeting;

- The Agenda of the Directors' Remunerations:

Shareholders shall have their voting rights relating to determination of the directors' remunerations as proposed by the Company; whereas, the remuneration determination policy has been proposed to and approved by the Remuneration and Nomination Subcommittee; provided that the Company has notified the shareholders of the criteria for determination of remuneration according to the scope of work, responsibilities and job titles; and the remuneration of individual director has been considered and approved.

- The Agenda of Election of Directors:

The nominated directors screened by the Nomination Committee have been proposed to the meeting, including the information and personal record of directors; provided that all shareholders have been notified thereof in advance in the letter of invitation to AGM. In the year 2008, several shareholders attending the meeting have proposed to elect the whole directors; therefore, the Company has used the voting method to elect the whole directors and has recorded the resolution and the number of votes thereof.

- The Agenda of Dividend Payment Consideration:

The Chairman has announced the dividend payment policy of the Company, including the criteria and reason of the amount of dividend proposed for approval this year; it was evident that the amount of dividend has been a lot more than those prescribed in the policy; and the Board of Directors has considered that the amount thereof was appropriate; and shareholders have received the investment returns at the higher rates when compared to the returns from interest rates of fixed deposits of financial institutions; and all shareholders had the equal rights to cast their votes for consideration of such matter.

- The Agenda of Appointment of the Auditor:

The Chairman has proposed the nomination of at least 2 auditors working for the same audit office with the qualifications as prescribed by the Office of the Securities and Exchange Commission; and such auditors shall have their independency and have no relationship with the Company or the Board of Directors, or the Executives; and the Chairman has also submitted the Company's audit report and the same rate of the audit fee to all shareholders for consideration and voting in the said agenda.

- The Company had no other meeting agenda to be proposed for shareholders' consideration than those given in the letter of invitation to AGM. At the end of the meeting, shareholders have expressed their opinions and asked some questions; and the related committees have answered all the questions; then, the Chairman has addressed to conclude the meeting.

- The Company's secretary has recorded the full content of the meeting in the minutes of the meeting and has submitted the minutes of the meeting to the Stock Exchange of Thailand within 14 days after the date of the meeting; and has provided the effective storage system for inspection and reference purposes; provided that shareholders are entitled to access the said data through the Company's website "www.sahaunion.co.th".

1.4 The Company has over 25% free-float shares; as a result, shareholders shall be entitled to trade their shares flexibly; and the Company's stocks have the liquidity in the secondary market.

2 Equal Treatment to Shareholders

2.1 The Company has the majority shareholders, the minority shareholders and foreign shareholders; and all shareholders have equal rights, i.e., 1 vote per 1 share. The Company shall not violate the rights of the minority shareholders or foreign shareholders; as it is evident that the minority shareholders and the foreign shareholders shall have voting rights equal to those of the majority shareholders; moreover, the related committees have answered all the questions of the minority shareholders and the foreign shareholders in AGM meeting; and before the date of the meeting, the Company has provided all the shareholders with the communication channel through the Company's website so that the shareholders shall be able to propose the meeting sessions to be included as agendas in the letters of invitation to AGM;

- The Company has facilitated the shareholders who are unable to attend the meeting by sending the form of proxy together with the letter of invitation to AGM;

- In the letter of invitation to AGM, the procedures for attending the meeting by proxies are recommended; and all necessary documents and evidences for the proxy have been specified. The procedures of proxy are general and uncomplicated;

- The Company has sent the letter of invitation to AGM to all shareholders for at least 14 days in advance so that all shareholders shall have enough time to study the information and the meeting agendas and to make their decisions whether to attend the AGM;

- The Company has disclosed the information and has announced the meeting date and time and the agendas of the AGM on the Company's website "www.sahaunion.co.th" for 21 days before the date of the AGM;

- According to the Company's Regulations, the voting method is prescribed that one shareholder shall have one vote per one share for consideration of all meeting sessions;

2.2 Use of Internal Data

The Company has determined its policy on the use of internal data and has issued the rules and regulations covering the matter, i.e., it is forbidden to exercise one's powers and duties or to make use of power and duties of other person for one's own benefits or to help other person in an illegal manner; and all personnel of the Company must perform their work with honesty. Moreover, the Company has determined the degrees of punishments according to the Internal Regulations of the Company, in case, the above-mentioned disciplines are violated; and, therefore, all employees, the management and directors have acknowledged and complied with the Company's Regulations.

The Company has prevented the use of internal data for stock trading and has prescribed that the Company's directors or the executives shall avoid trading the Company's stocks within 14 days before the date of a periodic or quarterly disclosure of financial reports and within 24 hours after the disclosure of such data. The Company's secretary shall give the time table to all directors and the executives for acknowledgment in principle.

2.3 Related Transactions

According to the Company's structure of shareholding in investment businesses, the Company, as a parent company, has held shares in its subsidiaries and associated companies since the beginning, thus, for the benefits of the group, business reputations, as well as commercial bargaining power; therefore, it is necessary to have the related transactions. Over the time past, the majority of the related transactions of the Company have always been normal commercial transactions with general commercial conditions.

In case, there are other types of related transactions such as the acquisition or disposal of assets, property leasing, or giving of financial assistance, the Company has considered doing the transactions for the optimal benefits of the Company. Related personnel shall not have any personal interests in such transactions and shall not exercise their voting rights for consideration of such matter in the Board of Directors' meeting or in AGM; provided that the Company has strictly complied with the Regulations of the Stock Exchange of Thailand or of the Office of Securities and Exchange Commission.

The Company has disclosed the information on the related transactions to its shareholders and investors before doing the transactions through the Electronic Company Information Disclosure System (ELCID) of the Stock Exchange of Thailand, providing details/types of transactions/names and relationship with the related personnel, reasons and necessities for doing the transactions, pricing policy, value of the transactions, comments of the Audit Committee as well as comments of the Board of Directors.

Details of the related transactions in the year 2008 are shown in the annual report, pages 63-64.

Related transactions in terms of giving of financial assistance: the Company needed to have such transactions for the optimal benefits of the organization since the Company had the financial management of the Company and its group companies to create the liquidity and maximum economic returns; and sometimes, the Company needed to lend money to subsidiaries, which it was the majority shareholders, as part of the working capital; or sometimes, the group companies had surplus money and deposited the money to the Company, as the parent company; and such companies shall receive the investment returns at the rates of not less than those received from the external financial institutions (on an Arm's length basis); or in case, the Company guaranteed the loans according to the proportion of shareholding in accordance with those joint venture agreements.

3. Consideration of the Stakeholders' Roles

The Company has given the importance on rights of the Company's stakeholders since they are the main components, which help to promote the business operations of the Company in accordance with the prescribed objectives, as well as the sustainable growth of the Company; provided that the Board of Directors, the executives and all employees have adhered to the fair treatment to the stakeholders under the principle of "Integrity, Quality and Service", on the following matters:

3.1 For the matter of personnel, the Company has its clear and concrete policy on the maintenance of the occupational health, safety, welfare and benefits of employees; and has prepared the employee's manual and has prescribed the work regulations in writing; and all employees have acknowledged the said matter;

- The Company has established the Provident Fund for Employees in Saha - Union Group; and has formed the Provident Fund Committee to supervise, follow up and coordinate with the Provident Fund Manager; and the Company's contribution to the provident fund was at the rate of 3% of the employee's salary;

- Apart from the provident fund, the Company has also established the Savings Cooperative for Employees in Saha - Union Group, so that the employees would be able to save some money on the pay day and to receive the annual dividend; moreover, in case, an employee has any financial emergency, the employee may borrow the money from the Savings Cooperative according to loan types which have rules and regulations. The Company's employees shall receive the cumulative savings upon their resignation or retirement. This savings program guarantees the employees' security and maintenance after their retirement.

- Personnel Development Policy: the Company has emphasized the competency system and has organized the personnel training program for improvement of skills and work-related knowledge of employees because competent personnel will have opportunities for job promotion and higher responsibilities. The Company required its employees to receive training and to comply with the guidelines of job improvement under performance excellence system of the Thailand Productivity Institute; and the employees have acknowledged and understood accordingly;

3.2 Regarding the customers, the Company has its policy of fair treatment, maintenance of good relationship, responsibility and strict compliance with its commitments to customers;

3.3 Treatment to the business partners of the Company. The group companies have fair treatment, never take advantage of the business partners and always comply with the agreements; for example, when the sale prices have been agreed, though, the cost of production of the Company is currently higher than the cost when having reached the agreement due to subsequent increases of raw materials, the Company shall still hand over the products under the agreed prices and quality;

3.4 Policy on treatment to creditors: the Company has emphasized the responsibility and compliance with the agreements; for example, the group companies shall strictly settle the debt payments of products or loan repayments according to the due dates;

3.5 The Company has its policy and guidelines of equal treatment to shareholders and shall be responsible for the shareholders' investments by providing the shareholders with proper investment returns in terms of dividend according to the disclosed policy on dividend payment; moreover, the Company has given opportunities for shareholders to contact and ask questions through the channel of investor relations;

3.6 The Company has its policy on environmental protection by strictly complying with the legal requirements; for example, the group companies have provided the wastewater treatment ponds and controlled the emission of pollutions, and have complied with the environmental management standard; moreover, the group companies have been accredited with ISO 14000 and ISO 14001 and have audited the said performance of work;

3.7 The Company has its policy and guidelines on responsibilities to communities and the society by not causing nearby communities any troubles and generating public interests such as employment opportunities and welfare. The Company has its policy on noise and pollution control and has organized social contribution activities such as donating the teaching and learning equipment to schools in Bangkok and in the provinces or organizing other activities as disclosed in the Section: Social Contribution Activities and Environment Protection;

3.8 The Company has its channels of communication with stakeholders such as shareholders through the channel of investor relations. Stakeholders may contact or giving complaints to Mrs. Chanida Devahastin; Tel. No.(02) 311-5111; Ext. 7674; or Fax No.(02) 311-6867; who shall coordinate for operations under the related processes;

4. Disclosure of Information and Transparency

The Company has its policy on complete, transparent and prompt disclosure of essential information so that shareholders and investors may understand and use the said information for decision making, including the information contingently disclosed during the year and the annual disclosure of information relating to the Company, as well as the quarterly and annual financial reports; provided that in the Form of Annual Data Disclosure (Form 56-1) and the Annual Reports (Form 56-2), the Company has disclosed the following information in brief:

4.1 The structure of shareholding, with the list of 10 major shareholders, list of the majority shareholder group, list of actual shareholders, including the proportion of shareholding;

4.2 Data of the Board of Directors, with names and job titles, including independent directors, audit committee, the number of shares held by directors and the executives of the Company;

4.3 Personal record of directors, including directors training and work experience;

4.4 Remunerations and amounts paid to directors individually;

- 4.5 Directors' performance of duties, with the number of meeting attendances;
- 4.6 Financial reports showing the status and performances, including balance sheets, income statements, cash flow statements, statements of changes in shareholders' equities, and notes to the financial statements;
- 4.7 Explanation and analysis of the management on the financial status and the operating result;
- 4.8 The Auditor's report showing unconditional opinions provided that the Company's auditor shall have independence and have no relationship with the Company or the executives and employees; and the Company's auditor shall be approved by the Office of the Securities and Exchange Commission;
- 4.9 Disclosure of information relating to business operation and trends of the industry and competition in each of the main businesses;
- 4.10 Risk factors;
- 4.11 Related transactions;
- 4.12 Relationship with investors;

As the Board of Directors has its policy on accurate and transparent disclosure of the essential information in accordance with the related rules and regulations so that the stakeholders shall have accesses to the Company's information, the Company has displayed the information on the Company's website "www.sahaunion.co.th" and the information affecting the stock prices and the decision-making of investors; and has disclosed the data through the Electronic Company Information Disclosure System (ELCID) of the Stock Exchange of Thailand. The Company has a specific unit responsible for investor relations; whereas, institutional and non-institutional investors, analysts, and related parties have contacted and attended the meeting with representatives of the Company to get the information and news on the Company's activities. Contact person: Mrs. Chanida Devahastin; Tel. No. (02) 311-5111, Ext.7674; Fax No. (02) 311-6867. The Company is pleased to receive comments and recommendations and to give the related information to the analysts, institutional investors and minor shareholders.

Details of the above topics are shown in the annual report, pages 6-16, 24-31, 34-35, 38, 51-58, 60-61 and 62-64.

5. Responsibilities of the Board of Directors

The Board of Directors has its responsibilities to the Company and shareholders and all stakeholders, with the duties of business supervision, as follows:

5.1 The Company has its policy and the corporate governance manual approved and signed by the Board of Directors and has communicated with all related parties in the business group to sign for acknowledgment and compliance;

5.2 Regarding the business ethics, the companies group has its policy of business operations in the same directions, equal treatment to all stakeholders, and adherence to the business ethics of "Integrity, Quality and Service", which have been acknowledged and complied by all related parties. This policy of business ethics has been openly and clearly announced and practically passed on to employees at all levels; provided that the Company has regularly followed up the implementation of the above policy of business ethics and related matters;

5.3 Leadership and visions of the Board of Directors:

- The Board of Directors has determined the objectives, visions, missions, strategies, goals and the policy of business operations of the Company and the group companies so that all related parties including the management and all employees shall be acknowledged and shall comply with them accordingly;

- In the past, the Board of Directors and the Audit Committee supervised the business operations of the Company for proper compliance with the rules and regulations and made sure that there was no action against the government rules and regulations; provided that the Board of Directors has carefully performed its duties with due care and skills; and over 90% of the directors have already received the training on the roles, duties and skills of directors from IOD, meanwhile the remaining of them were new directors having been in position for less than one year and will receive the said training course subsequently;

5.4 The Board of Directors' Meetings:

- In the previous year, there have been 12 meetings of the Board of Directors; and the performance of duties of each director has appeared according to the data of the Board of Directors' meeting in the Section "Structure of Management". Normally, all members of the Board shall convene on a regular basis, except those who were assigned to supervise the Company's businesses in abroad may attend the meeting via Video Conference (if available) for their active participation in compliance with the good governance policy;

- Normally, non-executive directors such as the audit committee who are also the independent directors would have opportunities to convene among themselves in the absence of the management in order to evaluate any interesting matters or to convene with the Company's auditor;

- The Company has clearly separated the roles, duties and responsibilities between the Board of Directors and the management. In case, the management deems expedient to propose any matter for the Board of Directors' consideration according to the scope of authorities, the management will regularly manage to do so;

- The Board of Directors will regularly evaluate its performance of work on a yearly basis; and the Company's secretary will gather and report the result of thereof to the whole Board of Directors for acknowledgment and consideration of potential improvements;

5.5 Regarding the performance of work of the President, the Remuneration and Nomination Committee will consider the same for the purpose of determination of the remunerations;

5.6 According to the Company's policy, visions and missions relating to employees and the executives, the Company has its succession plan of the top management and the executives and has provided the personnel development and training programs and has assigned the qualified personnel for continuous operation of work in order to getting an achievement of the prescribed objectives;

5.7 The Company has already appointed the Company's secretary capable of giving advice on applicable laws, rules and regulations to the Board of Director; moreover, the Company's secretary shall handle activities of the Board of Directors, gather the result of self-evaluation of the Board of Directors, and coordinate with all related parties for successful compliance with the resolutions of the Board of Directors;

5.8 Aggregation and Segregation of Positions:

The Chairman shall not be the same person as the President and shall have no relationship; provided that there must be clear separation of duties according to the scope of authorities of each of them individually, which must be specified in the manual of administration policy; moreover, the Chairman shall have the independence relating to the presentation of ideas, which must not be dominated by the management; and the Chairman shall not be one of the permanent executives of the Company.

5.9 The Audit Committee:

The Board of Directors has passed its resolution to appoint the Audit Committees, who are fully qualified according to the criteria of the Stock Exchange of Thailand as from October 22nd, 1999, thus, correctly in accordance with the Announcement of the Securities and Exchange Commission (SEC) in the year 2008 as well. The Audit Committee shall have the term of 2 years and shall totally consist of independent directors and non-executive directors. In the year 2008, the Audit Committee consisted of:

Name	Position	No. of Meeting Attendances
1. Mr. Sompop Amatayakul	Chairman of Audit Committee/Independent Director	6/7
2. Mrs. Araya Arunanondchai	Audit Committee/Independent Director	7/7
3. Miss Pakinee Prettitumrong	Audit Committee/Independent Director	6/7

All of the 3 members of the Audit Committee have performed their duties with independence continuously. In the year 2008, there were 7 meetings of the Audit Committee; and the results of their work performances have been reported to the Board of Directors on a quarterly basis.

The Audit Committee has prescribed its Charter in writing, approved by the Board of Directors, with the clear scope of duties and responsibilities, as follows:

1. Review the Company's internal control system to ensure that the system is appropriate and effective;
2. Participate with the management in the selection, review and nomination of the external auditors, co-ordinate with the external auditors on preparation of related financial reports and review the Company's financial reports to ensure their accuracy and credibility;
3. Review the Company's compliance with applicable laws and regulations and prevent any conflicts of interests;
4. Prepare Audit Committee's report to be signed by the Chairman of the Audit Committee, published in the Company's annual report, and sent to the related parties;
5. Make sure that the management has corrected the errors found and follow up the correction of the said errors;
6. Follow up and evaluate the performances of work as the Audit Committee may deem significant;
7. Carry out other missions as assigned by the Board of Directors

Personal records of the Audit Committee are shown in the annual report, page 7 and pages 9-10.

The performances of work of the Audit Committee for the year 2008 are shown in the annual report, page 65.

5.10 Internal Audit and Control System:

The Company has its policy to give importance to the effective internal control system, both at the management and the operational levels; and has therefore prescribed the criteria and proper and concise operational procedures thereof, including the operational powers authorized at each level as from the management to the operational staff. There is the separation of duties between the operational staff, the controllers, and the evaluators to create the balance of powers and accountability; moreover, the financial reports were proposed to the management to follow up the effectiveness of the operation and to maintain the property for the benefits of the Company. Details of the Board of Directors' opinions on the internal control system are disclosed in the annual report, pages 49-50.

The Company has established the Office of the Internal Audit to audit the work system and main operations and financial activities of the Company whether they are effectively carried out in compliance with the prescribed guidelines. This office has been commissioned by the Audit Committee, according to the annual audit plan, and also has special assignments, as may be necessary; the office must report the audit result to the Audit Committee. Moreover, in case of urgency, the office must also report to the management directly in order to consider and correct the situation in time. For this purpose, the Office of the Internal Audit of the Company shall also have its independence in reporting the audit result to the Audit Committee.

5.11 Risk Management:

The Company has established the Risk Management Committee, presided by Miss Sriwarin Jirapakkana. The top management team has determined the risk management policy and has assigned the Risk Management Committee to provide the effective risk management system and procedures covering the whole organization and the follow-up system for proper implementation with the changing situations. Details of risk factors and the risk management are disclosed under the heading "Internal Control".

5.12 The Remuneration and Nomination Committee:

The Board of Directors has established the Remuneration and Nomination Committee, mainly consisting of independent directors or 66%, including the Chairman, with relevant experiences and qualifications, as follows:

Name	Position
1. Mr. Sompop Amatayakul	Chairman/Independent Director
2. Mr. Damri Darakananda	Committee
3. Mrs. Araya Arunanondchai	Committee/Independent Director

Scope of duties and responsibilities:

1. Determine the procedures for nomination of directors;
2. Select and nominate the qualified individuals as new directors;
3. Consider the procedures of determination of remuneration for directors;
4. Determine the amount of remunerations for directors to be proposed to the meeting of the Board of Directors for approval;

In the year 2008, there were 2 meetings of the Remuneration and Nomination Committee to select and nominate the qualified individuals as new directors and to consider and determine the amount of remunerations for the top management of the Company.

5.13 Independent Directors:

At the end of the year 2008, the Company had 5 independent directors from the total of 22 directors of the Company; and as of January 1st, 2008, the Company has 15 directors in total; provided that the independent directors shall be knowledgeable of the Company's businesses and shall also have the qualifications in accordance with the requirements of the Securities and Exchange Commission. In the year 2008, the Company had a new independent director, i.e., Mr. Prajuab Roenchaidee.

5.14 The responsibility report to the financial statements of the board of directors are shown in the details, page 66;

5.15 The Company had no plan to entitle the management to trade the Company's stocks;

5.16 In the previous year, the Board of Directors has followed up and supervised the operating results and business activities in accordance with the Company's objectives and policies, which have been determined with transparency and correctly in conformity with the rules and regulations of the Company; therefore, there has been no actions or offences against the related rules and regulations.

Control on the Use of Internal Data:

The Company has its policy on ethical practices, which must be complied by the executives and the Company's personnel; and the Company's business ethics of "Integrity, Quality and Service" must be adhered to. Moreover, the Company has its regulations relating to this matter, as follows:

- It is forbidden to exercise one's authorities or to make use of authorities of other person for one's own benefits or to help other person in an illegal manner
- All personnel of the Company must devote their time and efforts to their work and for the benefits of the Company;
- All personnel of the Company must perform their duties with full knowledge and abilities;
- All personnel of the Company must carry out their work with honesty;

Regarding the disciplinary actions, in case, the above-mentioned disciplines are violated, the Company has determined the degrees of punishments according to the Internal Regulations of the Company.

Moreover, the Company has prevented the use of its internal data for trading of the Company's stocks, thus, for fair treatment to the outsiders. The Board of Directors has passed its resolutions in the Board of Directors' meeting, prescribing that the Board of Directors and the executives of the Company shall avoid trading the Company's stocks within 14 days before the date of a periodic or quarterly disclosure of financial reports and within 24 hours after the disclosure of such data. The Company's secretary shall give the time table to all directors and the executives for acknowledgment in principle, thus, to refrain from trading the Company's stocks.

Personnel:

As of December 31st, 2008, the Company had 186 employees in total, divided into 3 operations, including Sriracha Operation (58 persons), Ladphrao Operation (52 persons) and Phra Khanong Operation (76 persons). Meanwhile, there were 11,446 employees in the group companies nationwide; and there has been no significant labour dispute during the past 3 years. Since the year 2007, the Company has restructured its management and has determined the policy that the subsidiaries or associated companies shall sell their products or services to customers directly; and some employees have been transferred to new companies in the group to render services to the customers continuously; therefore, the number of employees has changed significantly in the past few years.

The total benefits of the Company's employees in the year 2008, including salaries, bonuses, contributions to the Provident Fund and contributions to the Social Security Fund were amounted to Baht 100.6 million.

Moreover, the Company has its policy on human resources development so that the Company's employees shall be able to evaluate themselves, to have job creativity and improvement of work efficiency and to have the knowledge, abilities and skills required for the nature of work done, and to obtain higher levels of development. Therefore, the Company has periodically and occasionally provided the related knowledge to employees in terms of internal training and external training and seminars. The Company has organized training sessions in the Management's Knowledge Development Program of Chulalongkorn University for the middle executives according to its Succession Plan.

Internal Control

The Company has emphasized its internal control system as the key element of the operational system, financial report system, and practice system duly in compliance with rules and regulations of related government agencies, with its aims of providing the executives and personnel with accurate work procedures, transparency, and fair treatment to all stakeholders to reduce potential risks to the Company so that the Company will be able to operate its businesses under the changing situations in the long term. In the year 2008, the Board of Directors and the Audit Committee have evaluated the adequacy of the Company's internal control system, which can be summarized, as follows:

1. The Organization and its Environment

As an important basis for effective internal control system, the Board of Directors has supervised and prescribed the appropriate goals of business operation and has determined the clear and assessable investment plans as the operational guidelines for the employees. The Board of Directors has carefully evaluated all the 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 and has given the authorities to the management so that the management will be able to communicate, coordinate, and supervise the operations of the Company in accordance with the organizational goals, and to follow up the domestic and overseas investment projects of the Company according to the nature of business and geographical locations. The targets are preset in each year, with monthly performance evaluations, so the Audit Committee have the meeting for regularly and the operational plan review for at least once a year. 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 interests 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.

2. 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, the 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, the evaluation of risks relating to the future returns, which may not be achieved, and has provided the corrective measures. The employees involved are notified through the internal communication system and are requested to comply with the risk management measures in order to reduce the risks; and the managing director of each business unit shall report the result thereof periodically to ensure that each business unit has complied with the prescribed measures or plans.

3. Executive Operation Control

The Company has clearly determined the scope of authorities and credit approval authorities of the executives by divided into 3 separate main areas of responsibility to the management at each level in writing for mutual accountability, including authorities 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 related transactions in its normal course of business and general commercial conditions 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 and the Securities and Exchange Commission relating to the related 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 Executives' Manual that, 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 the compliance with the agreed conditions throughout the period binding the Company. In case, the Company has its investments in subsidiaries or associated companies, the Company shall follow up the operating result of the subsidiaries or associated companies 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 associated companies. 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.

4. 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 thereof 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 directors, 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 of the year 2000.

5. 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 limitations of resources, or work-related obstacles, the Board of Directors will make its recommendations for alternative schemes. The Company also monitors its internal audit operation 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' decision, 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 65.

The Explanation and The Analysis of The Management

1. Compliance with the Business Plan

Due to its continuous investment over the years in electricity generation project in Thailand, namely Ratchaburi Power Company Limited (RPCL), with the power generation capacity of 1,400 Megawatts, the Company has planned to put its total investments of Baht 732.5 million in this progressive project, or equal to 10% of its registered capital. In the year 2008, the Company has paid another Baht 195.5 million of investments therein; as a result, the total registered investments in the project have been fully paid. The commercial operations of power plant unit 1 and unit 2 of the project were started on March 1st, 2008 and on June 1st, 2008, respectively, by supplying the electricity to EGAT according to the plan. The Company expected to receive the investment returns as from the year 2010 onwards.

The Company also had its overseas business investment plan in a chemical project, namely Taixing Union Zond Chemicals Co., Ltd., manufacturing Phthalic Anhydride and Fumaric Acid and byproducts. In the year 2008, the Company has fully paid its investments therein, amounted to US\$4.8 million or Baht 163 million; whereas, the Company and its subsidiaries had the proportion of investment of 40% in the project. The construction of the plant nearly finish and the Company expected to start the operations and to generate the incomes in the year 2009.

2. Operating Result

Overview of the Operating Results

Regarding the operating result of separate financial statements of the Company calculated according to the cost method, in the year 2008, the Company had its net profits of Baht 279.88 million, increased by Baht 2.6 million or equal to 0.94% when compared to its net profits of Baht 277.28 million in the year 2007; however, the Company's net profits under the separate financial statements were not equal to its net profits under the consolidated financial statements because of changes in the accounting standard since the year 2007 requiring that in the separate financial statements, the net profits must be calculated under the cost method; but in the consolidated financial statements, the net profits must be calculated under the equity method. Regarding the operating result of the Company and its subsidiaries as per the consolidated financial statements in the year 2008, the Company and its subsidiaries had the net profits, according to the proportion of shareholding of the Company, amounted to Baht 281.47 million, decreased by Baht 270.24 million or 48.98% when compared to its net profit of Baht 551.72 million in the year 2007, mainly because of changes in the operating result as per the consolidated financial statements and significant factors, including:

2.1 Policy of Foreign Government Agencies

As the Company has invested in power plant projects in the People's Republic of China, i.e., Hangzhou - Union Cogeneration Co., Ltd., which were located in the former suburban area; then, the city areas were expanded to the areas of industrial plants, which were major customers of the power plant. The Chinese Government had its policy to relocate those factories to new suburban areas due to the reason of environmental protection; as a result, the number of customers of the power plant has significantly decreased; and the operating result of the power plant was affected. After taking account of trends of the business and the limited chances of receiving the investment returns thereof, the Company decided to sell the whole investments therein. Though, the Company has received the whole investments, but affected to the company for no more dividends from this project, so the investments must be transferred to the new projects.

2.2 Global Economic Recession Due to Financial Crisis in the United States

As the group companies had both investment projects and export of products and the majority of their customers were in the United States and Europe, the world economic crisis has caused shrinkage of public consumption and seeking of economical strategies. Customers have decelerated their purchase orders to release the products on hands; as a result, the sales volumes of products of the group companies have decreased and the gross profits from business operation have also decreased. Moreover, the Company's investments were put in companies with strong foundation against the market prices; and the stock value worldwide has decreased as a result, the Company had to record the unrealized loss from market price valuation in the income statements in the year 2007.

2.3 Currency Exchange Rates

In the year 2007, the Thai currency has become stronger against foreign currencies, particularly against the US dollars, which were used as the main currency for trading of export products; as a result, the amounts of Thai Baht received from the export product payments have become less than those in the previous years; and resulting in a decrease of incomes from sales.

2.4 Marketing and Competition

Under the free trade system nowadays, the market mechanism determines the market prices; and according to the economic situations in the previous year, there have been an over-supply of products and prices of most products could not be increased; but in some products of which prices could be increased, the proportions of selling price increases shall be less than those of the cost of sales increases; moreover, under the capitalism and free trade system, investors shall transfer their investment capital to places where the labour cost and the overhead cost are cheaper; therefore, products from those places shall be cheaper than in Thailand; as a result, Thai products are unavoidably under the pressure of price competitions; and products of the group companies are bargained by their business partners for price reduction to be competitive with the competitors. Therefore, the group companies must develop the production efficiency to lower the cost of sales and to maintain the competitiveness in the industry.

3. Previous Operating Results of the Business Group

3.1 Incomes from Sales or Services:

In the year 2008, the Company had its incomes from sales or services amounted to Baht 12,208.62 million, decreased by Baht 2,652.59 million when compared to Baht 14,861.21 million in the year 2007 mainly owing to the fact that, in the year 2008, the Company had no sales volume from the footwear business after the Company had disclosed its policy to cease the footwear business operation since the year 2008; as a result, the Company's incomes from sales in the footwear business and the related businesses have decreased by Baht 2,028.34 million; moreover, the Company has not received the appropriate investment returns in terms of cash and has decided to sell its investments in 2 subsidiaries. The Company has not recognized the incomes from sales in the year 2008 or has recognized the incomes from sales decreasingly when compared to those in the year 2007, it's the investments in power plants of Danyang - Union Cogeneration Co., Ltd., and Union Education Index Co., Ltd., of which incomes have decreased by Baht 209.59 million and Baht 126.33 million, respectively.

3.2 Other Incomes:

In addition to the above-mentioned incomes from sales or services, the Company had other incomes from investment businesses. In the year 2008, the Company had other incomes amounted to Baht 932.26 million, increased by Baht 146.52 million when compared to those in the year 2007 (Baht 785.74 million); such increase of incomes was equal to 1.11% of the total incomes due to the main reasons, as follows:

3.2.1 The dividend income of the Company has increased by Baht 33.59 million because the Company has put more investments in stocks, which generated an extra dividend of approximately Baht 25 million; and the Company also obtained extra dividend income of Baht 8.6 million from the associated companies;

3.2.2 The interest income of the Company has increased by Baht 4.81 million because the Company has put its investments in foreign stocks and sometimes in bank deposits and has therefore obtained the said interest income;

3.2.3 The Company has obtained more rental income of Baht 7.23 million because the Company has let partial areas of the textile factory to its new joint venture company for business operation in the year 2008; meanwhile, there was no extra rental income in the year 2007;

3.2.4 The Company's profit from its sale of investments amounted to Baht 177.37 million because in early the year of 2008, the Company has sold its investment in the international school in the People's Republic of China and generated an income of approximately Baht 200 million. The Company has considered and agreed that the profit margin from the cost of investments received in cash was quite appropriate;

3.2.5 The Company's profits from exchange rates have decreased by Baht 125.57 million from the previous year because the majority of its income from exchange rates in the year 2007 was obtained from the footwear business. After ceasing the footwear business operation in the year 2008, the Company had no profits from the exchange rates;

3.2.6 The Company's profits from its sale of fixed assets have increased by Baht 29 million from the previous year because the assets were no longer used in its textile business;

3.3 Cost and Selling and Administrative Expense:

In the year 2008, the Company and its subsidiaries had the cost of sales amounted to Baht 10,735.77 million, decreased by Baht 2,279.18 million when compared to those in the year 2007 (Baht 13,014.95 million), thus, in conformity with its gross sales which have decreased in the same proportion.

In the year 2008, the Company and its subsidiaries had the selling and administrative expense amounted to Baht 1,342.08 million, decreased by Baht 394.75 million when compared to those in the year 2007 (Baht 1,736.83 million) because the selling and administrative expense in the footwear business, amounted to Baht 102 million no longer existed after the Company has

ceased the footwear business operation; and the energy expense (electricity and water supply) has significantly decreased by approximately Baht 140 million; moreover, the Company had its policy to change the product distribution channel so that the manufacturing companies shall distribute the products by themselves; as a result, the export expense and other expenses in connection with the selling of products have decreased by approximately Baht 107 million. Moreover, some portions of the Company's selling and administrative expense have decreased because the transactions of sales have also decreased.

3.4 Profits:

In the year 2008, the Company and its subsidiaries had the gross profits of Baht 1,472.85 million, decreased by Baht 373.41 million when compared to those in the year 2007 (Baht 1,846.26 million). The gross profit margin in the year 2008 was equal to 12.06%, which was similar to those in the year 2007 (12.42%). The gross profits have decreased because the gross sales have decreased due to the impact from the economic crisis; however, the incomes from sales of the group companies represented the considerable proportions from the sale of export products; meanwhile, the number of purchase orders of products from foreign customers has decreased.

Regarding the operating profits, the Company and its subsidiaries had the operating profit margin to the total revenue calculated under the equity method, equal to 4.76%, or decreased by 1.38% when compared to 6.14% in the year 2007 due to the main reason that the realized profit shares from investments in the associated companies have decreased because most power plants in the People's Republic of China suffered losses from the continuing increases of coal price, which was the main raw materials, throughout the first 3 quarters of 2008; but in the fourth quarter of the year 2008, the coal prices started to decrease. Though, each of the group companies started to generate profits in the fourth quarter of the year 2008, when summing up the operating result of the whole year of 2008, most of them still suffered losses, unlike in the year 2007 when most of them were able to generate profits. This was the main reason for such differences.

Another factor affecting the Company's operating profits was the unrealized loss recognition from adjustment of the value of investments for trading. Most of foreign investments had strong foundation but the financial crisis has caused a sudden decline in the stock prices. According to the accounting standard, the Company is required to adjust the value of investments to be equal to the last bid price as of the end of the accounting period and to recognize such difference in the income statements; therefore, the recognition thereof was a cause of decrease in the operating profits.

In the year 2008, the proportion of net profits to the total incomes was equal to 2.84%, decreased by 0.95% when compared to those in the year 2007 (3.79%), resulting from such decrease in the operating profits; and the proportion of profits from exchange rates to the total incomes has decreased by 0.78%; and the proportion of profits from selling of investments to the total incomes has increased by 1.47%; and other transactions had insignificant differences. The above-mentioned causes have already been specified in the heading "Other Incomes". When calculating the net profit shares, there were the minor shareholders' equities in the subsidiaries and the proportion of net profits to the total incomes was equal to 0.70%; therefore, in the year 2007, the proportion of the Company's net profits to the total incomes was equal to 2.14%.

In the year 2008, the shareholders' rate of returns was equal to 2.10%, decreased by 1.97% when compared to those in the year 2007 (4.07%), mainly due to the decrease in the operating profits, resulting from the continuing increases of coal prices. The recognition of profits from the associated companies in the People's Republic of China has considerably decreased; and the impact from sudden decline in the stock prices worldwide has forced the Company to record the recognition of unrealized losses from valuation of stock prices at the end of the accounting period; and has affected the net profits of the Company as above-mentioned.

In the consolidated financial statements of the Company, in the year 2008, the Company had its net profits of Baht 281.47 million when compared to the net cash from operation amounted to Baht 1,169.86 million; the net cash flow from operation was Baht 888.39 million more than the net profits of the Company, indicating the financial liquidity from profitable operations and the actual recognition of incoming cash flow. The net profits of the Company were less than the cash from operation because some expenses which were not paid in cash have caused the decrease in the net profits such as the depreciation and amortization of Baht 726 million, etc. When taking account of the operating assets, the net cash flow from accounts receivable of the Company has decreased by Baht 325 million; and the inventory has decreased by Baht 190.59 million; and other current assets have decreased by Baht 16.63 million; meanwhile, the account payables have decreased by Baht 123.42 million; other current liabilities have decreased by Baht 56.82 million; and other non-current assets/liabilities have increased by Baht 30.63 million; and the net cash flow from the operating assets has increased by Baht 321.38 million, or equivalent to 1.14 time of the net profits, indicating that the Company was still having its operational liquidity.

3.5 Rates of Returns to Shareholders:

As per the consolidated financial statement of the year 2008, under which the accounting standard requires the calculation according to the equity method, the Company shall record the recognition of profit shares (losses) from its subsidiaries and associated companies. The Company had its net profits of Baht 281.47 million and the profits per share of Baht 0.97 (calculated by using the number of weighted average common shares deducted by the number of the Company's shares held by its subsidiaries); and the average rates of returns to the shareholders' equities were equal to 2.10%, which were not lower than the rates of returns when compared to the interest rates for the fixed accounts of financial institutions.

In the year 2008, the Company had its net profits, under the cost method, amounted to Baht 279.89 million or the net profits per share of Baht 0.93, which were similar to those in the year 2007 (net profits amounted to Baht 277.28 million or the net profits per share of Baht 0.92; in other words, there was insignificant difference); moreover, the Company had its policy of dividend payment at the rate of at least one-third of the net profits under the cost method when taking account of the liquidity and the spending needs of the Company. However, the proper rates of dividend payment to shareholders were regularly considered. In March 2008, the Board of Directors has proposed to the AGM that the dividends would be paid to shareholders at the rate of one Baht per share or equivalent to 107.5% of the net profits under the cost method.

Records of dividend payments of the Company compared to the net profits per share, under the equity method and under the cost method, are as follows:

Year	Rates of Dividend Payment Per Share	Net Profits Per Share	
		Equity Method	Cost Method
2007	1.25	1.90	0.92
2006	1.25	4.14	1.62
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

4. Financial Status

Changes in the financial status of the Company and its subsidiaries as per the consolidated financial statements are summarized, as follows:

4.1 Assets:

As of December 31st, 2008, the Company and its subsidiaries had the total assets of Baht 19,560.33 million, decreased by Baht 480.85 million or equal to 2.40% when compared to those at the end of the year 2007 (Baht 20,041.19 million). Significant changes can be summarized, as follows:

4.1.1 Components of Assets:

As of December 31st, 2008, when making significant comparison in proportion with the total assets of each year, the current assets were equal to 31.11%; investments were equal to 46.13%; property, plants and equipments (net) were equal to 18.23%; and other assets were equal to 4.53%. When making comparison in proportion with components of assets in the year 2007, the significant changes were as follows: the current assets have increased by Baht 274.09 million or increased by 2.11% due to the increase of cash-equivalent amounted to Baht 239.59 million; the net temporary investments have increased by Baht 698.40 million due to the increase of investments in foreign stocks of companies with strong business foundation; the accounts receivable have decreased by Baht 511.56 million because the Company did not act as a distributor of the associated companies. Moreover, the number of accounts receivable has decreased partly because of the decrease in the transactions of sales. For this reason, the transactions of inventory have also decreased by Baht 166.59 million.

Moreover, the non-current assets have decreased by Baht 754.95 million, or decreased by 2.11% because the number of accounts receivable from the selling of investments to the related businesses has decreased as the Company has received the payments in the year 2008 amounted to Baht 47.62 million; the investments in the associated companies have decreased by

Baht 419.6 million, or decreased by 1.19% because the Company has sold its investments in the power plant of Hangzhou - Union Cogeneration Co., Ltd., as mentioned in the Heading “Operating Result”; Sub-Heading “Policy of Foreign Government Agencies”. Meanwhile, the investments in other companies have increased by Baht 330.44 million, or increased by 1.84% because during the first half of the year 2008 when the crude oil prices in the world market were above US\$100 per barrel, the Company has invested in an oil excavation company in Canada, with the minimum amount of one investment unit of Canadian dollars 10 million, or equal to 0.18% of the registered capital of such project. The Company has invested in this project for long-term investment returns. Moreover, the transactions of property, plants and equipments (net) and the transactions of leasehold have decreased by Baht 641.12 million and Baht 63.16 million, respectively, which were the net value decrease, as per the normal depreciation and amortization occurred in the year 2008. Another change in the non-current assets was that the Company and its subsidiaries had the total withholding tax return from the Revenue Department amounted to Baht 148.76 million, increased by approximately Baht 80 million when compared to those in the year 2007.

There were insignificant changes of assets other than those mentioned above.

4.1.2 Quality of Assets:

As of December 31st, 2008, the balance of accounts receivable and notes receivable (net) was amounted to Baht 1,703.49 million, decreased by Baht 511.56 million when compared to those in the previous year (Baht 2,215.05 million) because the Company seldom had the transactions of sales as a distributor of the associated companies in the year 2008; and the subsidiaries’ gross sales have decreased according to the economic situations; as a result, the Company’s gross sales and the number of accounts receivable have decreased; however, most of outstanding accounts receivable were not yet overdue; and the average period of debt collection in the year 2008 was 64 days, equivalent to the period of loan provision of the Company. However, the Company has evaluated the net value expected to receive from the accounts receivable still unpaid for over 1 year, amounted to approximately Baht 49 million. The Company has also recorded the allowance for doubtful accounts for the said accounts expected to be uncollectible, amounted to approximately Baht 49.2 million, or equal to 2.81% of the total accounts receivable. The Company and its subsidiaries believed that such allowance for doubtful accounts was sufficient according to the current situations.

As of December 31st, 2008, the Company had its net inventory amounted to Baht 1,294.04 million, or equal to 6.62% of the total assets, decreased by Baht 166.59 million when compared to those at the end of the year 2007 (Baht 1,460.63 million) because the transactions of sales have decreased as mentioned in the preceding paragraph. The Company and its subsidiaries had the policy to establish the internal control system relating to the regular counting of inventories; and to provide the analytical report on the inventory days and related operations. As of December 31st, 2008, the Company has recorded the allowance for the value decrease of the defective or obsolete inventories, amounted to Baht 74.75 million, or equal to 5.46% of the total inventories. The Company and its subsidiaries have evaluated that the allowance for devaluation of the said inventories was moderately suitable.

As of December 31st, 2008, the Company and its subsidiaries had the net investments of Baht 9,024.96 million, or equal to 46.13% of the total assets, slightly decreased by Baht 89.16 million when compared to those in the previous year because there were transactions of interim investments trading as mentioned in the Heading “Components of Assets”, which were divided into domestic and overseas investments. These investments were fully detailed in the Notes to Financial Statements, Clauses 10, 11 and 12 where the transactions of changes in investments have occurred in the year 2008. The Company has regularly evaluated the quality of investments and has recorded the allowance for devaluation of its investments, where there were signals of uncertainty of the quality of investments. The Company believed that the amounts appeared in the financial statements were of moderately suitable quality.

4.2 Liquidity:

4.2.1 Cash Flow Statements:

As of December 31st, 2008, the Company and its subsidiaries had the cash flow from operation activities, amounted to Baht 1,169.87 million; and have spent Baht 653.84 million in the investment activities, and Baht 11.72 million in financing activities, deducted by the decrease from conversion of foreign currencies in financial statements, amounted to Baht 264.71 million; therefore, in the year 2008, the Company’s cash and cash equivalent has increased by Baht 239.59 million; when summing up with the beginning cash and cash equivalent brought forwards, amounted to Baht 1,700.83 million, the year-end balance of cash and cash equivalent of the Company and its subsidiaries, in the year 2008, was equal to Baht 1,940.43 million.

In the year 2008, the Company and its subsidiaries had the cash flow from operation activities, amounted to Baht 1,169.87 million, which was Baht 544.58 million more than the operating profits (Baht 625.29 million) mainly due to the sudden decrease in the transactions of accounts receivable and inventories; however, the Company has regained the investments in terms of cash flow, mostly from the textile business and garment accessories; and there no longer have been transactions in the footwear business; meanwhile, the accounts receivable in the year 2007 remained unpaid. When adjusting the balance as of December 31st, 2008 and December 31st, 2007, the difference has considerably decreased; moreover, other liabilities have been performed according to the schedule. In summary, the Company's net cash from operation activities has increased more than the operating profits, indicating that the Company had sufficient current cash flow for its business operations.

The Company has spent the net amount of Baht 653.84 million in its investment activities. In the year 2008, apart from normal transactions of receiving dividends and payments from the sale of investments, the Company has also received the payments from the sale of investments deducted with the expense relating to the purchase of investments; the Company had the credit balance of over Baht 223.09 million. In addition, the Company's subsidiaries in foreign countries have increased the investment transactions in stocks with strong business foundation and market demands. As of December 31st, 2008, the balance of investments was amounted to Baht 1,025.66 million; and the net amount of spending in the investment activities was Baht 653.84 million.

Regarding the financing activities, the Company and its subsidiaries have borrowed some more loans and have repaid the long-term loans which became due. In total, the amount of loans received by the Company was Baht 408.24 million more than the amount of loans repaid by the Company; moreover, the Company has repaid its creditors of trust receipts, amounted to Baht 27.35 million; has repaid the debts under the Financial Lease Agreement, amounted to Baht 48.15 million; has bought shares back from the minor shareholders of its subsidiaries, amounted to Baht 4.09 million; has paid dividends to shareholders; and has received additional deposits from affiliated companies, amounted to Baht 100.72 million. In summary, the Company has spent the net cash flow of Baht 11.72 million in its financing activities.

After the summation of the above 3 activities, the Company had the balance of net cash flow of Baht 504.31 million (resulting from different rates of foreign currencies conversion in financial statements of the year 2008 and 2007); and when summing up with the beginning cash and cash equivalent brought forwards, amounted to Baht 1,700.83 million, the year-end balance of cash and cash equivalent of the Company and its subsidiaries, in the year 2008, was equal to Baht 1,940.43 million.

4.2.2 Significant Liquidity Ratios:

As of December 31st, 2008, the Company had the ratio of the current assets to the current liabilities of 1.74:1; and the ratio of quick liquidity to the current liabilities of 1.37:1, indicating that the Company was able to convert the liquid assets to cash money in order to fully repay the current liabilities; and still had the surplus liquidity of 0.37 time, indicating that the Company and its subsidiaries still had sufficient and healthy financial liquidity.

Regarding the management of its accounts receivable and accounts payable, in the year 2008, the Company had the average period of debt collection of 64 days, equivalent to the credit term that the Company has given to its accounts receivable; and had the cash cycle of 30 days as from the date of payment of raw materials, including the date of selling the products, until the date of receiving the product payments, which was close to those in the year 2007 (33 days), as though the Company and its subsidiaries had approximately 12 cash cycles in 1 year.

In the year 2008, the Company and its subsidiaries had the rate of operating profits to the total incomes equal to 4.66%, which was lower than those in the year 2007 (5.80%) because the operating profits in the year 2008 were less than those in the year 2007, mainly due to the sudden decrease of recognition of profit shares from the joint venture company in the People's Republic of China. Details thereof have already been included in the Heading "Profits".

Regarding the financial policy, the Company had the debt-to-equity ratio of 0.38:1, which was close to those in the year 2007 (0.36:1), indicating that the financial structure with the sources of money from the creditor's equity was very limited when compared to the sources of money from the shareholder's equity; therefore, the Company still had good opportunities to spend the sources of capital from the creditors because the ratio of liabilities was still low.

Moreover, the Company had the interest coverage ratio of 13.24 times, indicating that the Company had sufficient current cash flow to fully repay the interest to its creditors.

The Company had the rates of returns to the shareholder's equity, equal to 2.10%, which were not lower than the rates of returns when compared to the interest rates for the fixed accounts of financial institutions if considering the dividends expected to be paid to shareholders. Though, the rate of profits per share in the year 2008 was equal to Baht 0.93, under the cost method, the Company expected to pay dividends at the rate of 1 Baht per share, which was equal to 107.5% of the net profits under the cost method, thus, to provide appropriate returns of investments to shareholders.

4.2.3 Short-Term Liabilities Repayment Period which affects the Company's Liquidity:

The Company and its subsidiaries had the short-term loans amounted to Baht 1,205.67 million and some portions of long-term loans, which shall be payable within 1 year, amounted to Baht 299.22 million; and the creditor's equity under the Financial Lease Agreement, which shall be payable within 1 year, amounted to Baht 37.41 million; the accrued expense, amounted to Baht 408.78 million; and other current liabilities, amounted to Baht 343.23 million, totally Baht 2,294.31 million, which may be payable within 1 year; however, when comparing the liquid assets, cash and cash equivalent, and the instant temporary investments, amounted to Baht 2,638.83 million, or equal to 115% of the said short-term liabilities, it indicated that the Company had its sufficient liquidity to fully repay the short-term liabilities, which shall be payable within 1 year and still had its surplus liquidity of 15%; therefore, the Company had an appropriate proportion of short-term liabilities.

Moreover, regarding commercial creditors such as trust receipt creditors and accounts payable, totally Baht 1,204.93 million, the Company had its L/C and T/T debtors, totally Baht 1,703.49 million, which shall enable the Company to fully repay the liabilities as scheduled to the trust receipt creditors and the commercial creditors.

Therefore, when considering the value and period of acquisition sources and spending of short-term investments, they have been appropriate and in conformity.

4.3 Capital Expenditure:

In the year 2008, the Company and its subsidiaries had the capital expenditure, dividing into domestic and overseas businesses, as follows:

For domestic businesses, the Company's subsidiaries have settled the payment of rights issue in Ratchaburi Power Co., Ltd., according to the proportion of investment of 10% and according to contracts and agreements of shareholders for the last installment of the year 2008, amounted to Baht 195.5 million. This power plant has been constructed completely in early of the year 2008 and has started its commercial operations in power plant unit 1 and unit 2 as from March 1st, 2008; and June 1st, 2008, respectively. At present, the Company holds shares in the said company, equal to 10% of its registered capital, amounted to Baht 732.5 million; moreover, the subsidiaries have settled the payment of rights issue in the joint venture company, namely "Union Nifco Co., Ltd.", amounted to Baht 30 million; and have invested in the joint venture company, namely "TenCate - Union Protective Fabrics Asia Co., Ltd.", a manufacturer of protective fabrics, amounted to Baht 190 million; Union Technology (2008) Public Company Limited has settled the additional payment in the year 2008 for approximately Baht 540 million for the fixed assets of property, plants and equipments, which were initially unavailable, and shall be used as the main assets for business operations.

For overseas businesses, the Company has settled the payment of investments in the year 2008, as follows:

- (1) Chemical plant, namely Taixing Union Zond Chemical Co., Ltd.; budget approximately Baht 152 million;
- (2) Power plant, namely Shangyu - Union Cogeneration Co., Ltd., manufacturing cogeneration electricity, with the budget of approximately Baht 125 million;

For property, Plant and equipment, the subsidiaries in the People's Republic of China and in Hong Kong have settled the payment of additional investments in office buildings to expand its branch offices for business transactions, amounted to approximately Baht 80 million.

4.4 Sources of Capital:

4.4.1 Capital Structure of the Company:

As of December 31st, 2008, according to the consolidated financial statements, the Company and its subsidiaries had the total liabilities of Baht 5,014.64 million; the shareholder's equity only those of the Company: Baht 13,252.65 million; debt-to-equity ratio: 0.38:1. Very few portions of the source of capital were obtained from liabilities when compared to those of the capital. If comparing with other businesses in the industry, the debt-to-equity ratio was mostly between 1.5 or 2:1, indicating that the Company still had its low level of liabilities; therefore, the Company's creditors shall have low risks relating to the Company's repayments of debts. In the future, if the Company wishes to restructure its capital for additional loans for business expansion, the debt-to-equity ratio may still be extended within the appropriate and low-risk capital structure.

4.4.2 Liabilities:

The liabilities of the Company and its subsidiaries are divided into the current liabilities, amounted to Baht 3,499.25 million; and the non-current liabilities, amounted to Baht 1,515.38 million; and the total liabilities are amounted to Baht 5,014.64 million.

Current liabilities are divided into accounts payable, amounted to Baht 1,204.93 million, which have been paid according to the scheduled time, thus, in conformity with the acceptance of payment from accounts receivable, which are in normal business operations; moreover, the Company had the short-term liabilities which are long-term loans and shall be payable within 1 year,

amounted to Baht 299.22 million; and short-term liabilities which shall be payable within 1 year, amounted to Baht 1,243.08 million; and other current creditors, amounted to Baht 752.01 million. Though, the ratio of short-term liabilities to the total liabilities was equal to 69.78%, the Company had the ratio of quick liquidity to the current liabilities of 1.37:1, indicating that the Company and its subsidiaries had sufficient liquidity to fully repay the liabilities as scheduled.

As of December 31st, 2008, the Company had the portions of long-term loans, which shall be payable within 1 year, amounted to Baht 983.63 million, with the reference interest rate of MLR; and the period of loan repayment was between the year of 2007-2012. The Company had no guarantee of the said burden of debts; but in the Loan Agreement, it specified certain requirements and restrictions on the maintenance of the total debt-to-equity ratio and the restrictions on disposal and transfer of assets which are significant to the business operations of the Company.

Regarding the interest coverage ratio for liabilities in the year 2008, which shall be payable within 1 year, was equal to 3.22 times, the Company was thus confident in its liquidity management for repayment of loans and interest within each period of time when such liabilities shall be payable.

4.4.3 Shareholder's Equity:

According to the consolidated financial statements as of December 31st, 2008, the Company had the shareholder's equity amounted to Baht 13,252.65 million, decreased by Baht 346.93 million when compared to those at the end of the year 2007 (Baht 13,599.58 million). The main causes of changes included:

- Regarding the operating result, the Company had the net profit increase of Baht 281.48 million; and during the year, as per the resolution of AGM, the profits were allocated as accrued dividends, amounted to Baht 375 million, which caused the shareholder's equity increase of Baht 281.48 million; and a decrease of Baht 375 million;
- Regarding the non-actual operating result, i.e., the recognition of unrealized losses from valuation of stock prices at the end of the accounting period; the shareholder's equity decrease of Baht 278.1 million; and differences from conversion of foreign currencies in financial statements, which caused the shareholder's equity increase of Baht 12.81 million;

Moreover, there were transactions of improvement of accrued dividends, which shall be payable to the subsidiaries, which held the Company's shares, amounted to Baht 12.53 million, deducted with the value of shares of the Company, which were held by the subsidiaries during the year of 2008, amounted to Baht 0.64 million.

It was evident that the portions of the shareholder's equity decrease, which were not involved with the actual increase or decrease of the cash flow, have decreased by Baht 253.40 million; in addition, the cash payment of dividends has caused the shareholder's equity decrease of another Baht 375 million. Though, in the year 2008, the Company had its net profits, which caused an increase in the shareholder's equity, amounted to Baht 281.48 million, in total, the shareholder's equity, as of December 31st, 2008, has decreased by Baht 346.93 million.

4.5 Main factors and influences which may affect the operations or financial status in the future:

As the main business of the Company was investment, therefore, its main incomes were incomes from dividends from the enterprises, in which the Company has put its investments.

a. Megaproject in Thailand, i.e., the independent power producer project of Ratchaburi Power Co., Ltd., which the Company had its proportion of investment of 10%, or equal to Baht 732.50 million, at present, the Project can be operated according to the plan; and the Company expected that it may allocate dividends to its shareholders as from the year 2010 onwards; therefore, parts of the main incomes of the Company have been generated from this Project;

b. Projects in the People's Republic of China: the Company has put most of its investments in the energy business. During the past few years, it was obvious that the coal prices have been the main influential factor, which may cause profits or losses to such enterprises. Coal prices have been fluctuated according to the crude oil prices. If the coal prices tend to decrease or remain unchanged according to the situations of decreasing prices of crude oil, the operating result of each power plant may be profitable enough to allocate dividends to shareholders; however, the factor of energy prices shall be the risk factor of external events, which may not be controlled by the Company; moreover, according to the global economic recession, there will be an oversupply of products, which shall be an indirect factor affecting the operating result or financial status in the future.

Measures to be taken: the Company will seek new channels of investment in new places and environments, which will generate more investment returns.

5. The Auditor's Remunerations:

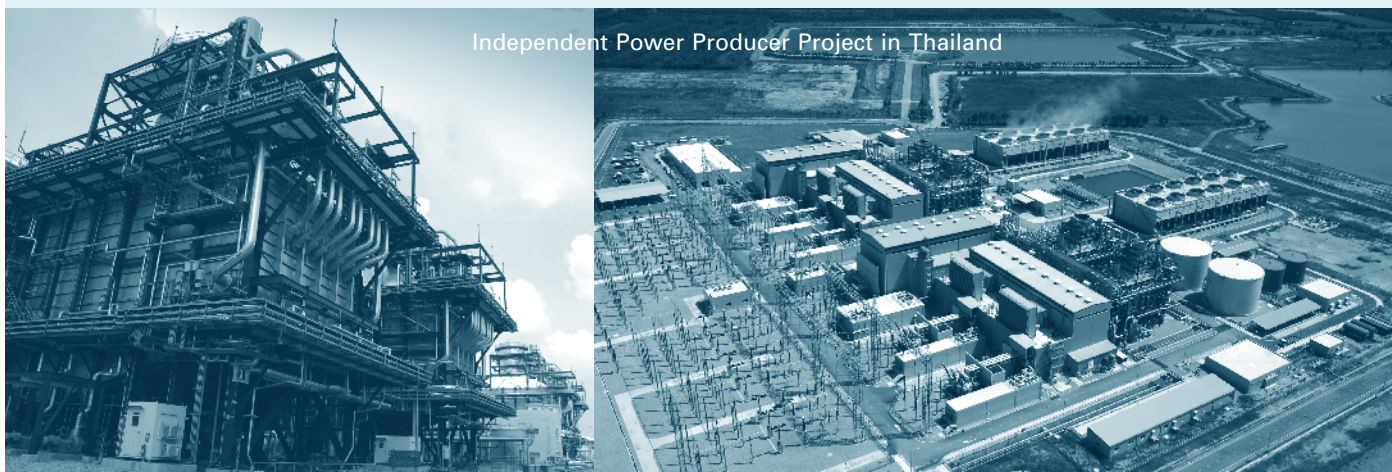
In the year 2008, the Company and its subsidiaries have paid remunerations to the Auditor. Details thereof are appeared in the annual report, page 125.

Future Projects

The Company's future projects of business operations is divided into domestic and overseas projects, some of which basic information has already been disclosed are currently in progress; meanwhile, others are scheduled to commence in the near future.

Independent Power Producer Project in Thailand

As the Company has been disclosing the information on its investment projects during the past few years that Ratchaburi Power Co., Ltd. (RPCL), is a joint venture through its subsidiary, i.e., Union Energy Co., Ltd. (UE), which the Company holds 99.26% of its shares. UE has its investment proportion of 10% in RPCL, with another 2 Thai shareholders and 3 foreign shareholders. RPCL is an Independent Power Producer (IPP) generating and supplying electricity to the Electricity Generating Authority of Thailand (EGAT), with the total production capacity of 1,400 megawatts using natural gas fuel, with approximate investments of US\$890 million. The Company has raised its capital from loans and shareholders to carry out the construction according to the schedule until its investment capital has been paid-up in the year 2008 when the project construction is completed. The Project has started its commercial operation on March 1st, 2008 and on June 1st, 2008, according to the plant operation plan for Phase 1 and Phase 2 respectively. This Project can be implemented according to the plan. The Company expects to receive its investment returns in terms of dividend as from the year 2010 onwards.



Overseas Projects

The project being constructed in the People's Republic of China is Taixing-Union Zond Chemicals Co., Ltd., located in Taixing Economic Development Zone, Jiangsu Province. The project is manufacturing and distributing chemicals including Phthalic Anhydride and Fumaric Acid, with the production capacity of 100,000 tons/year and 3,000 tons/year, respectively. This project has the registered capital of US\$12 million. The Company has transferred the investments completely in the year 2008; and it is expected that the construction of this project will be completed within the year of 2009. At present, there is no risk factors preventing the project from meeting the scheduled plan because the plant is located in an industrial estate zone; and there are customer's demands for this type of chemicals; moreover, the Company has been licensed by the authority. If successfully implemented according to the plan, the Company will receive its investment returns in terms of dividend as from the third year of its operations.

Moreover, in the year 2008, the Company has invested in other stocks without participating in the management of 2 projects including the Oil Sand Project (refining oil from sand), located in Canada; and it is expected that the main customer groups will be in the United States. The Company has its minimum investments of Canadian Dollars 10 million or Baht 328 million in this project, equal to 0.18% of the registered capital in the Value Creation Incorporation; however, this project is in the initial phase of development; meanwhile, the other project is Banyan Tree Indochina Hospitality Fund, L.P., which is an investment fund in property development in Vietnam. In the year 2008, the Company has already paid its partial investments, amounted to Baht 33 million and there will be called for the installments for investments in the next 3 years in order to establish the 5-star beachfront hotel and resorts located in Hue City of Vietnam.

Risk Factors

The Board of Directors and the executives have considered the corporate strategies and action plans to achieve its goals, to generate proper rates of investment returns, and to pay dividends or to create the added value to shareholders. In the said process, there are various risk factors involved; therefore, 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 eliminate the risks; however, risk management measures and policies have been announced to the executives and the operational staff for acknowledgement of concrete objectives and harmonious compliance to achieve the goals according to the corporate policies.

Main risk factors that have significant impacts on the Company included:

Business Risk means risk of returns from investment could not meet the target

The main type of business operation of the Company is investment, including domestic and overseas investment, which may have risks of returns from investments or may receive fewer dividends than those targeted, resulting in a decrease of profits. The Company has estimated that there are moderate chances and impacts of this case; however, the Company has launched its management measures by closely following up the figures of the operating result and returns from investments; for example, in the year 2008, the Company's management has considered the returns from investment in the power plant of Hangzhou-Union Cogeneration Co., Ltd., because the city areas have been recently expanded to areas nearby the power plant; as a result, the Chinese Government had its policy to relocate the industrial plants, which were major customers of the said power plant to a more remote suburban area; as a result, the number of customers of the said power plant has significantly decreased; and the sales volume of the power plant has considerably decreased. After taking account of such impact, which may cause significant losses to the power plant and the limited chances of receiving the investment returns thereof, the Company decided to sell the whole investments in Hangzhou-Union Cogeneration Co., Ltd. After adjusting the amount of its recognized profits (losses) according to the equity method, the Company had its profits from sales of the investments, amounted to Baht 50.3 million.

Operational Risk: There are significant operational risks including:

- Risk of damages and failures in the invested business operations:

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

- Risk from relying on major customers' orders:

Products of the group companies currently relying on major customers' orders included electronic parts of which purchase orders which have been received only from Hitachi Global Storage Technology Co., Ltd. According to the said situations, in case, the Company lost such customers, it would cause a severe damages to the Company's businesses; therefore, in order to prevent risks from the said situations, the Company has managed its business, with an emphasis on maintaining the product quality, establishing the product research and development teams, auditing the product quality in order to increase the productivity, thus, to meet the customers' requirements standard; moreover, the Company has improved its management to cut down its production cost for competitiveness in terms of pricing; has delivered the products on schedule; and has maintained good and long-lasting relationship with its major customers.

Financial Risk: Significant financial risks included risks relating to losses from currency exchange rates among the group companies:

The Company has analyzed that there are huge risks and potential losses from currency exchange rates among the group companies due to fluctuations of currency exchange rates and the continuous appreciation of Thai Baht, and a considerably 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 executives 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 considering proper purchases according to situations from Forward Contracts; moreover, the Company has periodically invited expert resource persons to provide the required knowledge to the related executives in the group companies in order to be aware of its significance and to obtain the required knowledge and information for effective management.

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

- Increases of oil and energy prices in the world market have caused risks from an increasing raw materials prices; whereas, the selling prices of products in the market could not be adjusted accordingly, which resulted in a decrease of gross profits of the Company. The Company has analyzed the huge chances of such increases and has its policy to reduce the risks by assigning its competent and experienced executives to follow up the situations, and has determined and adjusted its purchasing strategies in line with the changing situations, quantities of goods, and proper period of time; moreover, the increases of oil and energy prices may cause an increase in its administrative expenses; therefore, the Company has launched measures on energy saving and modification of related equipment in order to cut down its energy cost.

During the first 3 quarters of the year 2008, raw materials prices of group companies invested by the Company such as rubber, coal, etc., have continuously increased and affected the gross profits; as a result, the rubber business had its decreasing profits; and the power production business of some companies has suffered losses. The executives team has sought strategies and corrective measures to improve the situations during the yearend of 2008 and the beginning of the year 2009; whereas, each of the corrective measures was proper to the business condition.

- Risk from interest rates

As parts of the group companies' financial resources are obtained from loans, the burden of financial cost depends largely on the loan interest rates, which is one of the factors that are out of control of the Company. Increases of interest rates will definitely result in increases of financial cost. In the year 2008, the interest rates have decreased due to impacts from the subprime loan crisis in the United States and excessive global liquidity; 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 loan debts to fund capital so that the returns from investment will be larger than the financial cost of the Company.

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

People with Common Interests and Related Transactions

(1) Characteristics of Related Transactions

Related transactions have occurred in the normal course of business of the Company, which has general commercial conditions, without any unusual transactions or unreasonable pricing. Most of the transactions are trading of goods, related creditors and debtors, loans and borrowings among companies in the capacity of financial management and for the optimal benefits of the group companies at the referenced interest rates of a large domestic commercial bank according to categories of businesses.

Regarding the policy on related transactions between people who may have conflicts in the future, the Company has determined its policy based on the necessity and reasonableness of such transactions, which are in the normal course of business and in connection with the normal course of business operation, including related trading of goods or borrowings among companies, mutual pricing and benefits according to the market prices; for example, in case of calculation of interest, the interest rates shall be equal to the interest rates in the financial market at a specific period of time when such transactions have occurred; whereas, the rates of returns shall be equal to the market rates.

The Company had no related transactions in special cases which were not in its normal course of business; therefore, it was not necessary to provide opinions of the third party directors or independent experts on the related transaction.

In the previous year, the Company had no written form of stock offer or draft of prospectus; therefore, there were no opinions of the third party directors relating to the compliance with these obligations. However, in the year 2008, the Company has disclosed the information relating to its transactions basically made for the Company's benefits through a channel of electronic information disclosure of the Stock Exchange of Thailand.

(2) Necessity and Reasonableness of the Above Transactions

As the Company has its policy to separate manufacturing companies from the parent company which formerly, the parent company was marketing and distributing products for all of its manufacturing companies, therefore, there have been transactions of trading of goods, related creditors and debtors, related interest earned and interest expense. Since the year 2007, related transactions of goods have considerably decreased due to changing situation of competitions in the market; therefore, the Company has to adjust itself for more flexibilities; meanwhile, the transactions of interest earned and expenses have still existed because the Company will receive highest benefits and effectiveness from the financial management of its group companies; therefore, the existence of these related transactions was necessary and reasonable.

(3) Approval Procedures of the Related Transactions

The approval procedures of the related transactions were in accordance with the normal course of business as if the third party who has the approval procedures of transactions in accordance with its normal course of business. Regarding the follow-up of payments, the due date of each transaction was specified and controlled; however, the approval of each type of transaction was in compliance with rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

(4) Policy and Trends of the Related Transactions

In case of related transactions, the Company has its policy on fair treatment of transactions to all related parties, thus, for the maximum benefits of the organization; moreover, the Company has its policy on the compliance with the regulations of the Stock Exchange of Thailand (SET) and the adequate disclosure of material information.

Regarding the trends of business transactions, as from the year 2007 onwards, transactions between the group companies will decrease because most of the previous transactions were transactions in the normal course of business; for examples, trading of goods, transactions to be accounted for under the cost or equity method, as detailed above; however, the Company has its policy to restructure the channel of distribution of goods and related management of the group companies for flexibility and adjustable decision making regarding the priorities of manufacturing or pricing to keep up with the rapidly changing situation and to generate its competitiveness in the industry as well as its long-term growth which formerly, Saha-Union Public Company Limited was marketing and distributing goods of the whole group companies. Therefore, normal transactions tend to decrease except some items of goods under futures contracts; meanwhile, transactions of deposit and borrowing between the group companies remain unchanged because the financial management of the group companies is effective-oriented.

Related transactions in the year 2008 are given in the annual report on pages 63-64.

Related Transactions

Saha - Union Public Company Limited and Parties Possibly in Conflict

Company	Types of Relationship	Related Information		
		Type of Transaction	Amount (Million Baht)	Price Conditions
1 Saha - Union Holding Co., Ltd.	10 Major Related Shareholders	1 Deposit - Deposit from group and other companies 2 Interest Receivables - Payables 3 Dividend Income - Expenses 4 Interest Income - Expenses	46.18 0.18 7.80 0.58	Balance of payment as of the end of 2008 From the Shareholders' meeting's resolution Referred to types and rates of a major commercial bank
2 Union Thread Industries Co., Ltd.	10 Major Related Shareholders	1 Goods Purchase - Sale 2 Dividend Income - Expenses 3 Service Income 4 Creditor - Debitor	486.12 45.19 1.60 30.43	Compare with Market Price From the Shareholders' meeting's resolution Contract Price Balance of payment as of the end of 2008
3 Venus Thread Co., Ltd.	Related Persons, with holding more than 10%	1 Goods Purchase - Sale 2 Service Income 3 Rental Income 4 Creditor - Debitor	385.31 3.56 0.05 112.46	Compare with Market Price Contract Price Contract Price Balance of payment as of the end of 2008
4 Union Spinning Mills Co., Ltd.	Related Persons, with holding more than 10%	1 Goods Purchase - Sale 2 Dividend Income - Expenses 3 Service Income 4 Rental Income 5 Creditor - Debitor	770.83 0.75 0.04 0.17 164.21	Compare with Market Price From the Shareholders' meeting's resolution Contract Price Contract Price Balance of payment as of the end of 2008
5 Union Capital Co., Ltd.	10 Major Related Shareholders	1 Interest Receivables - Payables 2 Dividend Income - Expenses 3 Interest Income - Expenses 4 Creditor - Debitor	8.91 24.75 8.12 135.50	Balance of payment as of the end of 2008 From the Shareholders' meeting's resolution Referred to types and rates of a major commercial bank Balance of payment as of the end of 2008
6 Union Business Management Co., Ltd.	10 Major Related Shareholders	1 Dividend Income - Expenses 2 Interest Income - Expenses 3 Interest Receivables - Payables 4 Creditor - Debitor	26.29 4.29 3.08 65.10	From the Shareholders' meeting's resolution Referred to types and rates of a major commercial bank Balance of payment as of the end of 2008 Balance of payment as of the end of 2008
7 Union Textile Industries Public Co., Ltd.	Related Persons, with holding more than 10%	1 Goods Purchase - Sale 2 Dividend Income - Expenses 3 Deposit - Deposit from group and other companies 4 Interest Income - Expenses 5 Service Income 6 Rental Income 7 Interest Receivables - Payables 8 Creditor - Debitor	325.14 1.25 160.00 13.24 1.25 0.20 0.91 92.50	Compare with Market Price From the Shareholders' meeting's resolution Referred to types and rates of a major commercial bank Contract Price Contract Price Balance of payment as of the end of 2008 Balance of payment as of the end of 2008
8 Venus Corp., Ltd.	Related Persons, with holding more than 10%	1 Deposit - Deposit from group and other companies 2 Interest Receivables - Payables 3 Interest Income - Expenses	0.05 - -	Balance of payment as of the end of 2008 Referred to types and rates of a major commercial bank
9 Union Industries Corp., Ltd.	10 Major Related Shareholders	1 Goods Purchase - Sale 2 Dividend Income - Expenses 3 Service Income 4 Interest Income - Expenses	103.78 29.10 0.54 0.80	Compare with Market Price From the Shareholders' meeting's resolution Contract Price Balance of payment as of the end of 2008

Related Transactions (Continued)

Saha - Union Public Company Limited and Parties Possibly in Conflict

Company	Types of Relationship	Related Information		
		Type of Transaction	Amount (Million Baht)	Price Conditions
10 Venus Button Co., Ltd.	Related Persons, with holding more than 10%	1 Dividend Income - Expenses	1.44	From the Shareholders' meeting's resolution
11 Venus Product Co., Ltd.	Related Persons, with holding more than 10%	1 Service Income	0.56	Contract Price
12 Union Zip Co., Ltd.	Related Persons, with holding more than 10%	1 Goods Purchase - Sale 2 Dividend Income - Expenses 3 Service Income 4 Creditor - Debitor	70.16 0.11 1.00 37.77	Compare with Market Price From the Shareholders' meeting's resolution Contract Price Balance of payment as of the end of 2008
13 Union Limousine Co., Ltd.	Related Persons, with holding more than 10%	1 Service Income	0.10	Contract Price
14 Uni - Fibre Co., Ltd.	10 Major Related Shareholders	1 Deposit - Deposit from group and other companies 2 Interest Receivables - Payables 3 Dividend Income - Expenses 4 Service Income 5 Interest Income - Expenses	6.15 0.02 14.51 0.03 0.08	Balance of payment as of the end of 2008 From the Shareholders' meeting's resolution Contract Price Referred to types and rates of a major commercial bank
15 Union Multi - Capital Co., Ltd.	10 Major Related Shareholders	1 Dividend Income - Expenses	7.60	From the Shareholders' meeting's resolution
16 Thai Rubber Enterprise Co., Ltd.	Related Persons, with holding more than 10%	1 Dividend Income - Expenses 2 Rental Income 3 Service Income	4.14 0.04 0.20	From the Shareholders' meeting's resolution Contract Price Contract Price
17 Union Pioneer Public Co., Ltd.	Directors and Related Persons, with holding more than 10%	1 Goods Purchase - Sale 2 Dividend Income - Expenses 3 Rental Income 4 Creditor - Debitor	23.72 8.26 3.31 1.23	Compare with Market Price From the Shareholders' meeting's resolution Contract Price Balance of payment as of the end of 2008
18 Union Button Corp., Ltd.	Directors and Related Persons, with holding more than 10%	1 Service Income 2 Dividend Income - Expenses 3 Creditor - Debitor	2.21 3.11 0.69	Contract Price From the Shareholders' meeting's resolution Balance of payment as of the end of 2008
19 Union Shoes Co., Ltd.	Co - Directors	1 Deposit - Deposit from group and other companies 2 Goods Purchase - Sale 3 Interest Receivables - Payables 4 Dividend Income - Expenses 5 Interest Income - Expenses 6 Creditor - Debitor	26.00 - 0.11 - 1.33 -	Compare with Market Price Balance of payment as of the end of 2008 From the Shareholders' meeting's resolution Referred to types and rates of a major commercial bank Balance of payment as of the end of 2008
20 Venus Shoes Co., Ltd.	Co - Directors	1 Deposit - Deposit from group and other companies 2 Interest Income - Expenses 3 Service Income 4 Interest Receivables - Payables	26.00 0.55 0.42 0.14	Compare with Market Price Contract Price Balance of payment as of the end of 2008
21 Union Technology (2008) Public Co., Ltd. (formerly known as Union Footwear Public Co., Ltd.)	Parties Possibly in Conflict, with holding more than 5%	1 Goods Purchase - Sale 2 Service Income 3 Rental Income 4 Interest Income - Expenses 5 Sale of Facilities 6 Creditor - Debitor	1,263.81 85.37 172.51 4.04 322.00 32.68	Compare with Market Price Contract Price Contract Price Referred to types and rates of a major commercial bank Evaluated Price from Independent Assessors Balance of payment as of the end of 2008

Report of the Audit Committee

To Shareholders:

In the year 2008, the Audit Committee comprised of three independent directors namely Mr. Sompop Amatayakul attended 6 meetings, Mrs. Araya Arunanondchai attended 7 meetings and Ms. Pakinee Prettitumrong attended 6 meetings. The Audit Committee convened meetings with the Company's management and external auditors to review, follow-up, recommend for rectification and reviewed the related transactions. The Audit Committee reported the findings and recommendations to the Board of Directors on a quarterly basis. The summary of the review are as follows:-

1. Reviewed the audited quarterly and annual financial statements with the company management and external auditors. The Audit Committee is of the opinion that the financial statements were prepared in accordance with generally accepted accounting principles, adequately disclosed the related transactions as appropriate.

2. The Audit Committee reviewed the Company's investments and disposals.

3. The Audit Committee reviewed and concurred the sufficiency of the Company's internal control systems, the annual plan of internal audit, the audit results and findings with recommendation for rectifications. The Audit Committee gave suggestions to the management to enhance the effectiveness of the internal control and risk management systems to comply with the standard practices.

4. The Audit Committee conducted a self-assessment on the audit performance to comply with the principle of good corporate governance.

5. The Audit Committee reviewed proposal of the Company's management related to the qualifications and remunerations of the external auditors for the year 2009 and concurred to suggest to the Board of Director to propose the external auditors and their remunerations to the Annual Shareholders' General Meeting for approval.



Sompop Amatayakul

Chairman of Audit Committee

Board of Directors Report

The Board of Directors shall assume its full responsibilities for the consolidated financial statements and notes of the company and its subsidiaries and financial information appeared in the annual report. The financial report was prepared in accordance with certified accounting standards, while the company applied appropriate accounting policies, with careful consideration and estimates. The company also revealed additional important information in Notes to Financial Statements. Since the financial statements of the year 2007 onwards, the Board of Directors has adjusted in accordance with the accounting standard, which has been changed and enforced as from January 1st, 2007, in connection with the separate financial statements of the Company. Investment accounts have been recorded by the cost method as though this method had been used in the financial statements since the beginning. For the consolidated financial statements, the earnings were still recognized by the equity method. Impacts from changes have been disclosed on a quarterly basis; and the financial statements of the year 2007, in comparison with the financial statements of the year 2008, were under the same accounting principles and policies; provided that, the Company's financial statements have been unconditionally certified by the auditor.

The Board of Directors has maintained the suitable and efficient internal control system to reasonably ensure that the company's accounts are completed and are accurately recorded, while containing sufficient information. Such stringent internal control measures help protect the company's interests, and highlight any recurring weak points; and to ensure that the company will never get involved in any fraudulent or suspicious activities.

For this purpose, the Board of Directors appointed the Audit Committee comprising independent directors and non-executive directors responsible for the quality of financial reports and inspecting the company's internal control system. Comments made by the Audit Committee on this subject are listed in Report of the Audit Committee as the annual report on page 65.

As of December 31st, 2008, the Board of Directors concluded that the company's internal control system was satisfactory and capable of creating reasonable confidence on the credibility of the financial statements of the Company and its subsidiaries.

On behalf of the Board of Directors



(Mr. Damri Darakananda)

Chairman



(Mr. Thitivat Suebsaeng)

President

Auditor Report and Consolidated Financial Statements

Report of Independent Auditor

To the Shareholders of Saha - Union Public Company Limited

I have audited the accompanying consolidated balance sheets of Saha-Union Public Company Limited and its subsidiaries as at 31 December 2008 and 2007, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Saha-Union Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements as of 31 December 2008 of overseas subsidiary companies of which statements reflect total assets of Baht 4,958 million and total revenues and net loss for the year then ended of approximately Baht 1,194 million and Baht 132 million respectively (2007: total assets of Baht 4,618 million, total revenues and net income of Baht 1,640 million and Baht 31 million respectively). The financial statements of these overseas subsidiaries as at 31 December 2008 and for the year then ended were audited by other auditors, whose reports have been furnished to me and my opinion on the consolidated financial statements, insofar as it relate to the data included for these subsidiaries, is based solely on the reports of the other auditors. In addition, the consolidated financial statements of 2008 include the investments in associated companies accounted for under the equity method amounting to Baht 5,513 million (2007: Baht 6,089 million) on of which share of loss of these associates of Baht 83 Million (2007: Share of gain Baht 462 million). The financial statements were audited by other auditors. My opinion on the consolidated financial statements, insofar as it relates to the amounts included for these associated companies, is based solely on the reports of the other auditors.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits 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 2008 and 2007, and the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

Ernst & Young Office Limited
Bangkok: 19 February 2009

Balance sheets

Saha - Union Public Company Limited and its subsidiaries

As at 31 December 2008 and 2007

(Unit : Baht)

	Consolidated financial statements			Separate financial statements	
	Note	2008	2007	2008	2007
Assets					
Current assets					
Cash and cash equivalents		1,940,429,834	1,700,834,726	91,951,440	160,828,570
Current investments - net	6	698,399,632	-	-	-
Trade accounts and notes receivable	8				
Related parties	7	135,986,002	105,784,391	160,081,692	384,651,253
Unrelated parties		1,616,718,774	2,159,922,214	321,595,945	502,053,023
Less: Allowance for doubtful accounts		(49,214,447)	(50,660,130)	(20,790,617)	(187,574,405)
Trade accounts and notes receivable - net		1,703,490,329	2,215,046,475	460,887,020	699,129,871
Inventories - net	9	1,294,040,938	1,460,630,860	2,932,127	124,333,509
Short-term loans to related parties	7	-	34,897,640	343,160,000	602,600,000
Investment awaiting for sale	10	121,653,550	-	-	-
Other current assets					
Accrued income		64,575,806	70,971,211	17,022,379	41,451,658
Advances		40,589,513	69,821,365	92,460	278,273
Input tax refundable		44,431,238	68,658,716	6,036,424	24,817,241
Prepaid corporate income tax		43,230,514	44,729,275	41,093,982	-
Prepaid expenses		18,064,109	25,847,270	1,306,690	2,209,594
Import duty refundable		45,706,188	7,724,955	-	-
Others		71,078,133	112,430,690	17,811,087	29,779,967
Total current assets		6,085,689,784	5,811,593,183	982,293,609	1,685,428,683

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

Balance sheets (continued)

Saha - Union Public Company Limited and its subsidiaries

As at 31 December 2008 and 2007

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
Non-current assets					
Receivables from sales of investments - related parties	7	200,600,000	248,217,000	200,600,000	248,217,000
Investment in subsidiary awaiting registration	10	-	-	9,226,540	83,879,750
Investments in subsidiaries - net	10	-	-	9,802,541,156	9,423,616,751
Investments in associates - net	11	7,392,701,690	7,820,914,777	2,824,837,614	715,684,039
Negative goodwill		-	(8,610,528)	-	-
		7,392,701,690	7,812,304,249	12,627,378,770	10,139,300,790
Investments in other companies - net	12	1,632,268,105	1,301,826,535	787,632,907	598,156,748
Property, plant and equipment - net	13	3,561,793,920	4,202,913,487	346,342,625	889,700,826
Intangible assets - Computer Software, net	14	3,836,510	3,005,855	-	-
Other non-current assets					
Land awaiting development		404,380,091	404,380,091	275,785,091	275,785,091
Leasehold rights		76,124,323	139,288,332	-	-
Withholding tax deducted at source		148,759,696	68,987,248	-	-
Others		54,177,277	48,673,439	16,158,426	16,959,279
Total non-current assets		13,474,641,612	14,229,596,236	14,263,124,359	12,251,999,484
Total assets		19,560,331,396	20,041,189,419	15,245,417,968	13,937,428,167

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

Balance sheets (continued)

Saha - Union Public Company Limited and its subsidiaries

As at 31 December 2008 and 2007

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2008	2007	2008	2007
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	1,205,675,565	1,205,535,810	791,281,623	723,378,437
Trust receipts		57,978,734	84,743,177	-	29,396,513
Trade accounts and notes payable					
Related parties	7	341,391,159	651,266,494	338,667,016	611,278,564
Unrelated parties		805,558,426	734,313,091	4,556,933	43,310,689
Total trade accounts and notes payable		1,146,949,585	1,385,579,585	343,223,949	654,589,253
Current portion of long-term loans	16	299,225,017	257,229,017	294,248,017	244,248,017
Current portion of liabilities under financial					
lease agreement	17	37,409,558	21,329,742	-	-
Payable from purchase of investments -					
related party	7, 10, 11	-	-	2,254,712,600	-
Other accounts payable - related parties	7	-	-	-	461,747
Deposits from related parties	7	103,193,267	2,469,631	1,049,867,120	1,500,547,016
Other current liabilities					
Accrued expenses		408,777,833	488,615,684	59,339,820	140,051,485
Corporate income tax payable		59,587,919	80,948,949	-	45,895,308
Others		180,455,297	188,041,372	10,282,207	41,043,502
Total current liabilities		3,499,252,775	3,714,492,967	4,802,955,336	3,379,611,278
Non-current liabilities					
Long-term loans, net of current portion	16	983,632,733	617,408,100	760,729,083	594,977,100
Liabilities under financial lease agreements - net					
of current portion	17	33,863,051	40,840,576	-	-
Provision for employee compensation and pension expenses		430,994,954	507,626,999	40,909,028	47,856,085
Other non-current liabilities		66,893,825	16,988	1,565,604	-
Total non-current liabilities		1,515,384,563	1,165,892,663	803,203,715	642,833,185
Total liabilities		5,014,637,338	4,880,385,630	5,606,159,051	4,022,444,463

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

Balance sheets (continued)

Saha - Union Public Company Limited and its subsidiaries

As at 31 December 2008 and 2007

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Shareholders' equity					
Share capital					
Registered					
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
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
The Company's shares held by subsidiaries	18	(234,404,410)	(233,763,910)	-	-
Unrealised gain (loss)					
Revaluation surplus (deficit) on change					
in value of investments		(17,616,711)	260,487,763	64,655,364	245,268,444
Translation adjustment		505,401,576	492,593,360	-	-
Retained earnings					
Appropriated					
Statutory reserve	19	883,118,697	852,418,898	659,123,540	631,394,754
Other reserve		207,063,083	269,838,029	-	-
Unappropriated		6,310,086,797	6,359,006,518	3,316,480,013	3,439,320,506
Equity attributable to the Company's shareholders		13,252,649,032	13,599,580,658	9,639,258,917	9,914,983,704
Minority interest - equity attributable					
to minority shareholders of subsidiaries		1,293,045,026	1,561,223,131	-	-
Total shareholders' equity		14,545,694,058	15,160,803,789	9,639,258,917	9,914,983,704
Total liabilities and shareholders' equity		19,560,331,396	20,041,189,419	15,245,417,968	13,937,428,167

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

Directors

Income statements

Saha - Union Public Company Limited and its subsidiaries

For the years ended 31 December 2008 and 2007

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Revenues					
Sales		12,208,621,705	14,861,213,980	4,437,992,908	6,038,797,569
Other income					
Interest income		46,502,215	41,699,212	51,910,862	61,070,932
Rental income		13,970,793	6,738,755	180,404,804	259,900,259
Dividend income		78,188,320	44,591,084	304,208,031	342,657,538
Gain on exchange	20	17,566,132	143,137,488	12,930,388	13,706,246
Gain on disposal of investments	10, 11	281,633,414	104,263,361	-	182,616,747
Gain on sale of property, plant and equipment		132,493,073	103,497,724	9,537,342	4,852,658
Others		361,910,125	341,817,739	145,299,206	284,138,380
Total other income		932,264,072	785,745,363	704,290,633	1,148,942,760
Total revenues		13,140,885,777	15,646,959,343	5,142,283,541	7,187,740,329
Expenses					
Cost of sales		10,735,772,993	13,014,954,251	4,162,295,742	5,665,932,642
Selling expenses		361,524,381	415,223,949	69,197,714	85,532,017
Administrative expenses		980,559,889	1,321,613,813	386,860,636	565,318,358
Loss on impairment of property, plant and equipment		133,703,955	353,536,031	104,737,000	150,000,000
Unrealised loss from revaluation of securities - trading		327,262,859	-	-	-
Loss on impairment of investments		5,328,080	53,168	188,717,050	41,455,740
Doubtful accounts (reversal)		4,081,464	15,116,057	(167,753,129)	176,058,531
Provision for employee compensation under labor laws		-	167,418,734	-	-
Total expenses		12,548,233,621	15,287,916,003	4,744,055,013	6,684,297,288
Income before finance cost and corporate income tax		592,652,156	359,043,340	398,228,528	503,443,041
Finance cost		(118,056,078)	(107,313,604)	(101,180,359)	(87,991,625)
Share of income from investments in associates	11	32,639,666	601,069,852	-	-
Income before corporate income tax		507,235,744	852,799,588	297,048,169	415,451,416
Corporate income tax		(134,200,668)	(259,384,448)	(17,159,876)	(138,163,553)
Net income for the year		373,035,076	593,415,140	279,888,293	277,287,863
Net income attributable to:					
Equity holders of the parent		281,476,765	551,723,221	279,888,293	277,287,863
Minority interests of the subsidiaries		91,558,311	41,691,919		
		373,035,076	593,415,140		
Basic earnings per share	23				
Net income attributable to equity holders of the parent		0.97	1.90	0.93	0.92
Weighted average number of shares (shares)		289,982,087	290,012,306	300,000,000	300,000,000

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

Statements of changes in shareholders' equity

Saha - Union Public Company Limited and its subsidiaries

For the years ended 31 December 2008 and 2007

(Unit : Baht)

	Consolidated financial statements									
	Equity attributable to the parent's shareholders									
	Revaluation									
	Issued and fully paid-up share capital	Share premium	The Company's shares held by subsidiaries	on changes in value of investments	Translation adjustment	Statutory reserve	Retained earnings - Other reserve	Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders	Total
Balance as at 31 December 2006	3,000,000,000	2,599,000,000	(233,763,910)	266,694,212	602,249,309	832,633,638	181,349,655	6,278,072,313	1,280,879,279	14,807,114,496
Income and expenses recognised directly in equity:										
Investments in available-for-sale securities	-	-	-	(6,206,449)	-	-	-	(6,206,449)	-	(6,206,449)
Loss recognised in shareholders' equity	-	-	-	-	(109,655,949)	-	-	(109,655,949)	-	(109,655,949)
Translation adjustment	-	-	-	(6,206,449)	(109,655,949)	-	-	(115,862,398)	-	(115,862,398)
Net expenses recognised directly in equity	-	-	-	-	-	-	-	551,723,221	-	551,723,221
Net income for the year	-	-	-	-	-	-	-	551,723,221	-	551,723,221
Total income and expenses for the year	-	-	-	(6,206,449)	(109,655,949)	-	-	435,860,823	-	435,860,823
Dividend paid (Note 27)	-	-	-	-	-	-	-	(375,000,000)	-	(375,000,000)
Less: Dividend paid in respect of the Company's shares held by subsidiaries (Note 18)	-	-	-	-	-	-	-	12,484,618	-	12,484,618
Dividend paid - net	-	-	-	-	-	-	-	(362,515,382)	-	(362,515,382)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	19,785,260	-	-	-	-	-
Unappropriated retained earnings transferred to other reserve	-	-	-	-	-	-	88,488,374	(88,488,374)	-	-
Increase in minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	280,343,852	280,343,852
Balance as at 31 December 2007	3,000,000,000	2,599,000,000	(233,763,910)	260,487,763	492,593,360	852,418,898	269,838,029	6,359,006,518	1,561,223,131	15,160,803,789

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

Statements of changes in shareholders' equity (Continued)

Saha - Union Public Company Limited and its subsidiaries

For the years ended 31 December 2008 and 2007

(Unit : Baht)

	Consolidated financial statements									
	Equity attributable to the parent's shareholders									
	Revaluation									
	Issued and fully paid-up share capital	Share premium	The Company's shares held by subsidiaries	surplus on changes in value of investments	Translation adjustment	Statutory reserve	Retained earnings - Other reserve	Unappropriated shareholders of subsidiaries	Total equity attributable to the parent's shareholders	Minority interest - equity attributable to minority shareholders
Balance as at 31 December 2007	3,000,000,000	2,599,000,000	(233,763,910)	260,487,763	492,593,360	852,418,898	269,838,029	6,359,006,518	13,599,580,658	1,561,223,131
Income and expenses recognised directly in equity:										
Investments in available-for-sale securities	-	-	-	(279,656,379)	-	-	-	-	(279,656,379)	-
Loss recognised in shareholders' equity	-	-	-	1,551,905	-	-	-	-	1,551,905	-
Transferred to income statements on disposals	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	12,808,216	-	-	-	12,808,216	-
Net income and expenses recognised directly in equity	-	-	-	(278,104,474)	12,808,216	-	-	-	(265,296,258)	-
Increase in the Company's shares held by subsidiaries (Note 18)	-	-	(640,500)	-	-	-	-	-	(640,500)	-
Net income for the year	-	-	-	-	-	-	-	-	-	-
Total income and expenses for the year	-	-	(640,500)	(278,104,474)	12,808,216	-	-	-	(265,296,258)	-
Dividend paid (Note 27)	-	-	-	-	-	-	-	-	-	-
Less: Dividend paid in respect of the Company's shares held by subsidiaries (Note 18)	-	-	-	-	-	-	-	-	-	-
Dividend paid - net	-	-	-	-	-	-	-	-	-	-
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	-	30,699,799	-	(30,699,799)	-	-
Unappropriated retained earnings transferred to other reserve	-	-	-	-	-	-	(62,774,946)	62,774,946	-	-
Decrease in minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2008	3,000,000,000	2,599,000,000	(234,404,410)	(17,616,711)	505,401,576	883,118,697	207,063,083	6,310,086,797	13,252,649,032	(268,178,105)
									1,293,045,026	14,545,694,058

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

Statements of changes in shareholders' equity (Continued)

Saha - Union Public Company Limited and its subsidiaries

For the years ended 31 December 2008 and 2007

(Unit : Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Revaluation surplus (deficit) on changes in value of investments	Retained earnings Statutory reserve Unappropriated	Total
Balance as at 31 December 2006	3,000,000,000	2,599,000,000	249,022,878	631,394,754	10,016,450,275
Income and expenses recognised directly in equity:					
Investments in available-for-sale securities					
Loss recognised in shareholders' equity	-	-	(3,754,434)	-	(3,754,434)
Net expenses recognised directly in equity	-	-	(3,754,434)	-	(3,754,434)
Net income for the year	-	-	-	277,287,863	277,287,863
Total income and expenses for the year	-	-	(3,754,434)	-	273,533,429
Dividend paid (Note 27)	-	-	-	(375,000,000)	(375,000,000)
Balance as at 31 December 2007	3,000,000,000	2,599,000,000	245,268,444	631,394,754	9,914,983,704
Balance as at 31 December 2007	3,000,000,000	2,599,000,000	245,268,444	631,394,754	9,914,983,704
Income and expenses recognised directly in equity:					
Investments in available-for-sale securities					
Loss recognised in shareholders' equity	-	-	(180,613,080)	-	(180,613,080)
Net expenses recognised directly in equity	-	-	(180,613,080)	-	(180,613,080)
Net income for the year	-	-	-	279,888,293	279,888,293
Total income and expenses for the year	-	-	(180,613,080)	-	99,275,213
Dividend paid (Note 27)	-	-	-	(375,000,000)	(375,000,000)
Unappropriated retained earnings transferred to statutory reserve	-	-	-	(27,728,786)	-
Balance as at 31 December 2008	3,000,000,000	2,599,000,000	64,655,364	659,123,540	9,639,258,917

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

Cash flow statements

Saha - Union Public Company Limited and its subsidiaries

For the years ended 31 December 2008 and 2007

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from operating activities				
Net income before tax	507,235,744	852,799,588	297,048,169	415,451,416
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	726,195,521	684,971,701	193,566,960	178,476,004
Allowance for doubtful accounts (reversal)	4,081,464	15,116,057	(167,753,129)	176,058,531
Reversal loss on diminution in value of inventory	(47,415,310)	(24,797,284)	(33,316,512)	(9,602,905)
Gain on sales of property, plant and equipment	(132,493,073)	(103,497,724)	(9,537,342)	(4,852,658)
Loss on impairment of property, plant and equipment	133,703,955	353,536,031	104,737,000	150,000,000
Loss on impairment of investments	5,328,080	53,168	188,717,050	41,455,740
Unrealised loss from revaluation of securities - trading	327,262,859	-	-	-
Share of income from investments in associates	(32,639,666)	(601,069,852)	-	-
Negative goodwill recognition	(8,610,528)	(7,380,452)	-	-
Gain on sales of investments and capital return	(281,633,414)	(104,263,361)	-	(187,566,747)
Dividends receipt from investments in other companies	(56,720,163)	(24,967,672)	(29,343,762)	(19,505,929)
Provision for employee compensation and pension expenses (reversal)	(76,632,045)	(171,989,932)	(6,947,057)	1,981,469
Provision for employee compensation under labor laws	-	167,418,734	-	-
Unrealised (gain) loss on exchange	(14,933,655)	5,256,218	(1,602,064)	5,327,273
Interest income	(46,502,215)	(41,699,212)	(51,910,862)	(61,070,932)
Interest expenses	106,118,383	89,461,974	97,758,026	82,815,397
Income from operating activities before changes in operating assets and liabilities	1,112,345,937	1,088,947,982	581,416,477	768,966,659
Operating assets (increase) decrease				
Trade accounts and notes receivable	325,032,003	514,144,882	403,585,081	1,444,951,976
Inventories	190,594,603	756,692,512	154,717,895	108,723,364
Other current assets	16,628,426	228,157,379	19,535,524	(30,073,658)
Other non-current assets	(97,507,873)	9,222,019	(2,473,592)	3,457,868
Operating liabilities increase (decrease)				
Trade accounts and notes payable	(123,421,052)	(510,932,211)	(311,931,084)	(1,228,869,665)
Other current liabilities	(56,821,289)	(112,451,751)	(108,330,859)	(451,607,443)
Other non-current liabilities	66,876,837	(89,296)	1,565,604	-
Cash flows from operating activities	1,433,727,592	1,973,691,516	738,085,046	615,549,101
Cash paid for interest expenses	(108,297,264)	(94,266,064)	(101,413,665)	(74,032,725)
Cash paid for corporate income tax	(155,561,698)	(249,924,272)	(63,055,184)	(114,882,939)
Net cash flows from operating activities	1,169,868,630	1,629,501,180	573,616,197	426,633,437

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

Cash flow statements (continued)

Saha - Union Public Company Limited and its subsidiaries

For the years ended 31 December 2008 and 2007

(Unit : Baht)

Note	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Cash flows from investing activities				
Decrease (increase) in short-term loans to related parties	34,897,640	2,532,372	259,440,000	(28,108,400)
Increase in current investments	(1,025,662,491)	-	-	-
Cash paid for acquisition of investments	(933,325,298)	(1,018,542,634)	(748,367,011)	(1,496,578,880)
Proceeds from sales of property, plant and equipment	283,125,171	247,507,860	317,344,279	12,198,204
Net cash receipt from control over subsidiaries	-	98,783,425	-	-
Net cash receipt from disposal of investments	1,156,423,684	290,279,780	-	681,640,594
Net cash receipt from the cessation of subsidiary's business	-	83,900,570	-	83,605,745
Cash receipt from share capital reduction of subsidiaries	-	-	30,848,550	557,925,920
Cash receipt from sale of investment - related parties	47,617,000	-	47,617,000	-
Dividend receipt from investments in associates	219,375,875	509,247,135	-	-
Dividend receipt from investments in other companies	56,720,163	24,967,672	29,343,762	19,505,929
Interest income	40,243,837	35,742,899	53,135,902	54,499,667
Acquisition of property, plant and equipment	(533,259,057)	(1,048,207,933)	(59,478,252)	(362,634,608)
Net cash flows used in investing activities	(653,843,476)	(773,788,854)	(70,115,770)	(477,945,829)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	139,755	524,959,872	67,903,186	718,532,463
Increase (decrease) in deposits from related companies	100,723,636	(31,138,417)	(450,679,896)	(186,090,946)
Cash payment of capital refund to minority shareholders	(4,091,096)	(6,574,780)	-	-
Decrease in trust receipts	(27,351,451)	(92,107,207)	(30,352,830)	(60,293,661)
Cash receipt from long-term loans	674,820,650	12,885,000	460,000,000	-
Repayment of long-term loans	(266,580,085)	(286,360,017)	(244,248,017)	(242,768,017)
Cash paid for liabilities under financial lease agreements	(48,157,460)	(16,348,272)	-	-
Dividend paid	(441,227,216)	(436,871,828)	(375,000,000)	(375,000,000)
Net cash flows used in financing activities	(11,723,267)	(331,555,649)	(572,377,557)	(145,620,161)
Decrease in translation adjustments	(264,706,779)	(325,263,076)	-	-
Net increase (decrease) in cash and cash equivalents	239,595,108	198,893,601	(68,877,130)	(196,932,553)
Cash and cash equivalents at beginning of year	1,700,834,726	1,501,941,125	160,828,570	357,761,123
Cash and cash equivalents at end of year	1,940,429,834	1,700,834,726	91,951,440	160,828,570
Supplemental cash flows information:				
Non-cash item:				
Increase in equipments from financial lease agreement	57,259,751	31,834,855	-	-

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

Notes to Consolidated Financial Statements

Saha - Union Public Company Limited and its subsidiaries

For the years ended 31 December 2008 and 2007

1. General information

1.1 Corporate 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, textile, electronic components, plastic, rubber products and metals and its registered address is 1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok.

1.2 Corporate information and fundamental accounting assumptions of a subsidiary company - Union Technology (2008) Public Company Limited

Union Technology (2008) Public Company Limited (formerly known as “Union Footwear Public Company Limited”) (“Union Technology (2008)”) is a public company incorporated and domiciled in Thailand. In the past, Union Technology (2008) had two branches, located in Chachoengsao and Chonburi provinces, which were principally engaged in manufacture and distribution of shoes. At present, Union Technology (2008) is principally engaged in the contract manufacture of electronic parts for computers. Its major operational branch located in Chonburi province and registered address is 1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok.

In the year 2007, Union Technology (2008) was principally engaged in the footwear industry, which is a market with a high degree of competition from overseas and few buyers. The industry is also labour intensive, and Union Technology (2008) had encountered problems with employee stability, including a shortage of labour for its manufacturing operations. Moreover, additional energy costs and the rapid strengthening of the Baht were major factors contributing to Union Technology (2008) suffering losses over an extended period of time. Union Technology (2008) therefore weighed the return on investment, commercial competition, risk and the necessity for further investment in various areas in order to enable Union Technology (2008) to respond to its customers’ requirements, and concluded that because of the risk associated with Union Technology (2008)’s business further investment would not be worthwhile.

On 31 July 2007, Meeting No. 7/2007 of the Board of Directors of Union Technology (2008) passed a resolution to cease its footwear business within 2007, and proceed with the voluntary delisting of Union Technology (2008)’s shares from the SET. Union Technology (2008) was to propose these resolutions for consideration and approval by an extraordinary meeting of the shareholders held on 4 September 2007.

On 4 September 2007, Extraordinary General Meeting of Shareholders No. 1/2007 of Union Technology (2008) passed a resolution to cease its footwear business within 2007, but not to delist Union Technology (2008)’s shares from the SET and not to cease operation. In particular, Union Technology (2008) is required to produce goods to fill all customer orders of 2007, and is obliged to compensate its employees in accordance with the law.

On 11 December 2007, Extraordinary General Meeting of Shareholders No. 2/2007 of Union Technology (2008) passed a resolution to increase Union Technology (2008)’s registered capital from Baht 200 million to Baht 600 million, by issuing 40 million additional shares with a par value of Baht 10 each in order to fund the purchase of assets for a new venture, relating to the contract manufacture of electronic parts for computers, and to enable settlement of outstanding liabilities. Union Technology (2008) registered the share capital increment with the Department of Business Development of the Ministry of Commerce on 28 December 2007.

On 17 December 2007, Union Technology (2008) completed registration of the change of its name to “Union Technology (2008) Public Company Limited”.

Given the events described above, the application of the going concern assumption for the footwear business in the preparation of the financial statements was no longer appropriate. In preparing the financial statements of 2007, Union Technology (2008) therefore presented assets at their net realisable values and liabilities at the amounts that were expected to be paid. Actual asset and liability values realised and paid may differ from those presented in these financial statements. In addition, Union Technology (2008) presented assets and liabilities of the footwear business as current items in the balance sheets because Union Technology (2008) expected to sell or transfer out these items in the near future.

However, Union Technology (2008) started operation of a new business on 1 January 2008 and the financial statements for the year 2008 are therefore presented on a going concern basis. Accounts related to the footwear business that are outstanding as at 31 December 2008 have been reclassified as non-current assets and non-current liabilities because management are still uncertain when Union Technology (2008) will be able to sell such assets. Moreover, Union Technology (2008) reversed revaluation surplus of assets in order to present the assets at the lower of cost or net realisable value.

On 19 February 2009, Meeting No. 2/2009 of the Board of Directors of the Union Technology (2008) passed a resolution to proceed with the voluntary delisting of Union Technology (2008)'s shares from the SET. A date of 20 April 2009 was set for a public meeting to discuss suggestions and opinions with respect to the delisting and price of the shares. Union technology (2008) will propose these resolutions for consideration and approval by the Annual General Meeting of the Shareholders to be held on 27 April 2009. For the purposes of the right to participate in the shareholders' meeting, the share register will be closed from 7 April 2009 until the meeting of shareholders has been held.

1.3 Economic crisis

The financial crisis experienced by the United States of America over the past year has had a far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide, a tight squeeze on credit including interbank lending, failures of large financial institutions and reduced consumer confidence. The crisis has substantially affected the business and financial plans of Thailand enterprises and asset value. Despite efforts made by governments of many countries to contain the crisis, it remains uncertain as to when the global economy will return to normalcy. These financial statements have been prepared on the bases of facts currently known to the Company, and on estimates and assumptions currently considered appropriate. However, they could be adversely affected by an array of future events.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company ("the Company") and the following subsidiary companies ("the Subsidiaries") (Nature of business and percentage of shareholding in subsidiary companies presented in Note 10 to the financial statements):

Company	Country of incorporation	Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
		2008	2007	2008	2007
		Percent	Percent	Percent	Percent
Saha - Union International Ltd.	Hong Kong	3.11	1.23	2.81	0.66
Saha - Union Investment (China) Co., Ltd.	China	10.93	6.31	0.14	0.53
Shanghai Saha - Union Thread Industry Co., Ltd.	China	0.83	0.72	1.88	1.42
Zhejiang Saha - Union Feilun Thread Industries Co., Ltd.	China	2.56	1.26	0.72	0.73
Union Textile Industries Plc.	Thailand	5.95	6.75	7.09	9.74
Saha - Union Holding Co., Ltd.	Thailand	1.36	1.60	0.15	0.05
Union Garment Co., Ltd.	Thailand	1.36	1.25	4.77	3.75
Fashion Apparel Co., Ltd.	Thailand	0.02	0.09	0.15	0.24
Union Pioneer Plc.	Thailand	2.68	2.27	7.17	5.02
Union Zojirushi Co., Ltd.	Thailand	3.64	3.43	11.30	4.92
Union Stainless Steel Products Co., Ltd.	Thailand	0.47	0.46	0.53	0.40
Union Rubber Products Corp., Ltd.	Thailand	0.21	0.17	0.62	0.56
Union Technology (2008) Plc. (formerly known as "Union Footwear Plc.")	Thailand	3.08	0.83	0.38	11.30
Union Shoes Co., Ltd.	Thailand	0.08	0.42	0.03	0.48
Venus Shoes Co., Ltd.	Thailand	0.27	0.41	0.09	0.11
Thai Rubber Enterprise Co., Ltd.	Thailand	0.26	0.25	0.06	0.20

Company	Country of incorporation	Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the years ended 31 December	
		2008	2007	2008	2007
		Percent	Percent	Percent	Percent
Uni-Sole Co., Ltd.	Thailand	0.01	0.05	0.01	0.03
Union Printing Corp., Ltd.	Thailand	0.06	0.06	0.01	0.13
Union Plastic Plc.	Thailand	4.08	4.22	8.10	6.13
Computer Union Co., Ltd.	Thailand	4.56	3.59	14.64	10.53
Union Equity Co., Ltd.	Thailand	0.24	0.23	0.03	0.02
Union Construction Corp., Ltd.	Thailand	0.68	0.69	-	0.01
Union Technology Co., Ltd.	Thailand	0.39	0.85	0.67	0.06
Union Energy Co., Ltd.	Thailand	3.77	2.72	-	-
Union Energy (China) Co., Ltd.	Thailand	4.82	15.04	3.29	1.88
Texport International Corp., Ltd.	Thailand	0.02	0.02	0.03	0.02
Union Human Resources Development Co., Ltd.	Thailand	-	-	-	-
Jiashan - Union Cogeneration Co., Ltd.	China	2.82	2.52	3.03	2.19
Union Education Index Co., Ltd. (2008: status changed to other)	Hong Kong	-	1.92	-	0.83
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha - Union International Ltd.)	Hong Kong	4.95	5.10	0.28	0.54
Danyang - Union Cogeneration Co., Ltd. (2008: status changed to other)	China	-	3.83	1.82	3.18
Saha Trading (Shanghai) Co., Ltd. (90.91 percent owned by Saha - Union Investment (China) Co., Ltd.)	China	0.01	-	0.01	-
Union Yagi Lao Co., Ltd. (50.00 percent owned by Union Garment Co., Ltd.)	Lao	0.15	0.14	0.20	0.01
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Thailand	0.02	0.02	-	-
Jakkarat Union Footwear Co., Ltd. (99.99 percent owned by Union Technology (2008) Plc.)	Thailand	-	-	-	-
Banphi Union Footwear Co., Ltd. (74.99 percent owned by Union Technology (2008) Plc.)	Thailand	-	-	-	-
Burirum Union Shoes Co., Ltd. (99.99 percent owned by Union Shoes Co., Ltd.)	Thailand	-	0.01	0.02	0.01
Phon Union Footwear Co., Ltd. (50.00 percent owned by Union Technology (2008) Plc. and 49.99 percent by Union Shoes Co., Ltd.)	Thailand	-	0.04	0.16	0.02
Union Tex - East Co., Ltd. (50.99 percent owned by Union Garment Co., Ltd.)	Thailand	0.52	0.57	1.99	1.22
Union Kotec Molds Co., Ltd. (64.99 percent owned by Union Plastic Plc.)	Thailand	-	-	-	-

b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

c) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.

d) The financial statements of overseas subsidiary companies are translated into Thai Baht at the closing exchange rate as to assets and liabilities, and at monthly average exchange rates as to revenues and expenses. The resultant differences are shown under the caption of "Translation adjustment" in the shareholders' equity.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Minority interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

2.3 The separate financial statements, which present investments in subsidiaries and associates presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

3.1 Accounting standards which are effective for the current year

The Federation of Accounting Professions has issued Notifications No. 9/2550, 38/2550 and 62/2550 mandating the use of new accounting standards as follows:

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combinations
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The management has assessed the effect of these standards and believes that TAS 33 and TAS 49 are not relevant to the business of the Company, while TAS 25, TAS 29, TAS 31, TAS 35, TAS 39, TAS 41 and TAS 51 do not have any significant impact on the financial statements for the current year, except for TAS 43 (revised 2007) Business Combinations.

TAS 43 (revised 2007) requires the elimination of negative goodwill arising from business combinations agreed before 1 January 2008, by writing off the beginning balance to the income statements. The Company has determined that negative goodwill reflects the actual value of the business combination and therefore wrote off the full amount of such negative goodwill to the income statement. The change has the effect of increasing net income for the current year by Baht 8.6 million.

3.2 Accounting standards which are not effective for the current year

The Federation of Accounting Professions has also issued Notifications No. 86/2551 mandating the use of the following new accounting standards.

TAS 36 (revised 2007)	Impairment of Assets
TAS 54 (revised 2007)	Non - current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Interest income

Interest income is recognised on an accrual basis on the effective interest rate.

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.5 Investments

a) Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of securities are included in determining income.

b) 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.

c) 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.

d) Investments in associates are accounted for in the consolidated financial statements using the equity method.

e) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method and net of allowance for loss on diminution in value.

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

4.6 Property, plant and equipment/Depreciation

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

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis 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

Depreciate of plant and equipment of a company's branch acquired in 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 and assets under installation.

4.7 Intangible assets

Intangible assets acquired are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization (if any) and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the useful economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged in the income statement.

The intangible asset is computer software with finite useful lives of 5 years.

4.8 Related party transactions

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

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

4.9 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.

4.10 Foreign currencies

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

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At each reporting date, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment, other investments and include intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carries out annual impairment reviews in respect of intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.12 Employee benefits

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

4.13 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.

4.14 Income tax

Income tax of the Company and its subsidiaries are provided in the accounts based on taxable profits determined in accordance with tax legislation.

Overseas subsidiary companies calculate corporate income tax in accordance with tax rates mandated under the tax law of those countries.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follow:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The Company and its subsidiaries treats available-for-sale investments and other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company’s plant and equipment and to reviews estimated useful lives and salvage values if there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and to record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgment regarding forecast of future revenues and expenses relating to the assets subject to the review and discounting them to their present value using a pre - tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

Pension and post - retirement benefits

Employee compensation and pension expenses are provided in the accounts by reference to the provisions of labour laws and the Company and its subsidiaries personnel regulations, and are determined based upon the probability that employees in each age group will work until reaching their retirement age. Actual employee compensation and pension expenses may ultimately differ.

6. Current investments

(Unit : Baht)

	31 December			
	2008		2007	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Trading securities				
Oversea marketable equity securities	906,368,937	571,425,670	-	-
Less: Allowance for change in value	(334,943,267)		-	
Total trading securities - net	571,425,670		-	
Debt securities held to maturity - current portion				
Debt securities of private sector	126,973,962		-	
Total debt securities held to maturity - current portion	126,973,962		-	
Current investments - net	698,399,632		-	

The financial crisis experienced by the United States of America over the past year has had far reaching adverse effect on the global economy as evidenced by sharp falls in share prices worldwide. The crisis has affected substantially the value of the subsidiary’s investments in overseas securities. As at 13 February 2009, the fair value of such investments was approximately Baht 592.4 million.

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Consolidated financial statements

(Unit : Million Baht)

	For the years ended 31 Decemb		Transfer Pricing Policy
	2008	2007	
Transactions with associated companies			
Sales of merchandise	623	530	Cost plus margin
Service income	12	10	Contract price
Rental income	12	4	Contract price
Receivable from sale of investments (average balance outstanding during the period)	214	249	Interest rate with reference to the loan interest rate of local commercial bank
Lendings (weighted average balance outstanding at month end)	1	35	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	13	8	See "lendings" above
Purchases of merchandise	1,958	2,189	Resale price reduced by a margin.
Borrowings (weighted average balance outstanding at month end)	76	15	Interest rate with reference to the deposit rate of local commercial bank
Interest expenses	2	-	See "borrowings" above
Transactions with related companies			
Sales of merchandise	23	5	Cost plus margin
Lendings (weighted average balance outstanding at month end)	-	1	Interest rate with reference to the loan interest rate of local commercial bank
Purchases of merchandise	5	10	Resale price reduced by a margin

In 2007, the Company sold its investments to associated companies as detailed in Note 11 to the financial statements.

Separate financial statements

(Unit : Million Baht)

	For the years ended 31 December		Transfer Pricing Policy
	2008	2007	
Transactions with subsidiaries			
Sales of merchandise	468	961	Cost plus margin
Service income	93	228	Contract price
Rental income	177	257	Contract price
Lendings (weighted average balance outstanding at month end)	491	603	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	38	51	See "lendings" above
Purchases of merchandise	1,272	647	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	1,031	1,143	Interest rate with reference to the deposit rate of local commercial bank
Sale of facilities	322	-	Appraisal value from independent valuer
Interest expenses	21	36	See "borrowings" above
Transactions with associated companies			
Sales of merchandise	399	394	Cost plus margin
Service income	8	6	Contract price
Rental income	2	2	Contract price
Receivable from sale of investments (average balance outstanding during the period)	214	249	Interest rate with reference to the loan interest rate of local commercial bank
Lendings (weighed average balance outstanding at month end)	1	36	Interest rate with reference to the loan interest rate of local commercial bank
Interest income	13	5	See "lendings" above
Purchases of merchandises	1,860	2,099	Resale price reduced by a margin
Borrowings (weighted average balance outstanding at month end)	76	15	Interest rate with reference to the deposit rate of local commercial bank
Interest expenses	2	-	See "borrowings" above
Transactions with related companies			
Sales of merchandise	22	-	Cost plus margin
Service income	6	6	Contract price
Rental income	1	1	Contract price
Purchases of merchandise	-	4	Resale price reduced by a margin

The balances of the accounts as at 31 December 2008 and 2007 between the Company and those related companies are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
<u>Trade accounts and notes receivable - related parties</u>				
<i>Subsidiaries</i>				
Union Textile Industries Plc.	-	-	92,450,573	72,892,287
Union Technology (2008) Plc. (formerly known as "Union Footwear Plc.")	-	-	-	164,478,990
Union Pioneer Plc.	-	-	787,438	4,578,862
Union Zojirushi Co., Ltd.	-	-	-	53,393,077
Union Stainless Steel Products Co., Ltd.	-	-	1,099,815	2,211,011
Union Garment Co., Ltd.	-	-	817,193	2,136,267
Union Tex-East Co., Ltd.	-	-	688,133	1,436,788
Others	-	-	-	4,940
	-	-	95,843,152	301,132,222
<i>Associated companies</i>				
Ten Cate-Union Protective Fabric Asia.Co., Ltd.	62,248,124	-	-	-
Union Thread Industries Co., Ltd.	-	9,057,178	-	9,004,251
Union Spinning Mills Co., Ltd.	51,995,554	61,975,334	49,538,952	57,752,790
Venus Thread Co., Ltd.	14,958,787	15,672,760	14,376,695	15,042,270
Union Universe Co., Ltd.	-	8,722,132	-	-
Union Nifco Co., Ltd.	3,848,697	5,804,488	-	-
Others	1,884,744	2,846,317	314,629	1,703,267
	134,935,906	104,078,209	64,230,276	83,502,578
<i>Related companies</i>	1,050,096	1,706,182	8,264	16,453
Total	135,986,002	105,784,391	160,081,692	384,651,253
<u>Short-term loans to related parties</u>				
<i>Subsidiaries</i>				
Union Textile Industries Plc.	-	-	160,000,000	300,000,000
Computer Union Co., Ltd.	-	-	170,160,000	286,600,000
Union Construction Corp., Ltd.	-	-	13,000,000	16,000,000
	-	-	343,160,000	602,600,000
<i>Associated company</i>				
Union Education Management Ltd. (2008: status changed to other)	-	33,708,480	-	-
	-	33,708,480	-	-
<i>Related company</i>				
Zhuo Zhou Union Textile Machinery Part Co., Ltd.	-	1,189,160	-	-
	-	1,189,160	-	-
Total	-	34,897,640	343,160,000	602,600,000
<u>Receivables from sales of investments related parties</u>				
<i>Associated companies</i>				
Union Business Management Co., Ltd.	65,100,000	82,600,000	65,100,000	82,600,000
Union Capital Co., Ltd.	135,500,000	165,617,000	135,500,000	165,617,000
Total	200,600,000	248,217,000	200,600,000	248,217,000
<u>Trade accounts and notes payable - related parties</u>				
<i>Subsidiaries</i>				
Union Technology (2008) Plc. (formerly known as "Union Footwear Plc.")	-	-	32,677,839	-
Union Technology Co., Ltd.	-	-	-	91,083,316
Union Pioneer Plc.	-	-	436,749	1,661,078
	-	-	33,114,588	92,744,394

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Associated companies				
Ten Cate-Union Protective Fabric Asia Co., Ltd.	23,975,974	-	-	-
Union Education Management Ltd. (2008: status changed to other)	-	120,116,214	-	-
Union Thread Industries Co., Ltd.	30,433,739	268,987,906	30,433,739	268,987,906
Union Industries Corp., Ltd.	-	79,323,561	-	79,323,561
Union Spinning Mills Co., Ltd.	114,677,214	138,935,387	114,672,964	138,935,387
Union Thai-Nichiban Co., Ltd.	24,613,840	30,610,202	23,905,823	29,492,269
Uni-Fibre Co., Ltd.	2,737,138	4,362,519	-	-
Union Nifco Co., Ltd.	4,759,911	6,417,276	-	-
Union Zip Co., Ltd.	38,537,081	-	37,765,945	-
Venus Thread Co., Ltd.	99,732,979	75,993	98,084,997	-
Others	32,509	54,585	-	-
	339,500,385	648,883,643	304,863,468	516,739,123
Related companies				
Union Button Corp., Ltd. (related by share holding)	1,574,371	2,382,851	688,960	1,795,047
Others	316,403	-	-	-
	1,890,774	2,382,851	688,960	1,795,047
Total	341,391,159	651,266,494	338,667,016	611,278,564
<u>Payable from purchase of investments - related party</u>				
Subsidiary				
Union Energy (China) Co., Ltd.	-	-	2,254,712,600	-
Total	-	-	2,254,712,600	-
<u>Other accounts payable - related party</u>				
Subsidiary				
Saha - Union International Ltd.	-	-	-	461,747
Total	-	-	-	461,747
<u>Deposits from related parties</u>				
Subsidiaries				
Union Energy Co., Ltd.	-	-	70,894,129	276,345,114
Union Technology Co., Ltd.	-	-	140,000,000	270,000,000
Union Equity Co., Ltd.	-	-	95,754,718	91,301,561
Texport International Corp., Ltd.	-	-	66,320,883	61,215,742
Union Energy (China) Co., Ltd.	-	-	409,022,580	351,844,241
Saha-Union Holding Co., Ltd.	-	-	46,181,543	47,370,727
Union Technology (2008) Plc. (formerly known as "Union Footwear Plc.")	-	-	-	400,000,000
Uni-Sole Co., Ltd.	-	-	9,000,000	-
Venus Shoes Co., Ltd.	-	-	26,000,000	-
Union Shoes Co., Ltd.	-	-	26,000,000	-
Union Zojirushi Co., Ltd.	-	-	30,000,000	-
Phon Union Footwear Co., Ltd.	-	-	20,500,000	-
Jakkarat Union Footwear Co., Ltd.	-	-	7,000,000	-
	-	-	946,673,853	1,498,077,385
Associated companies				
Uni-Fibre Co., Ltd.	6,147,555	2,420,000	6,147,555	2,420,000
Venus Corp., Ltd.	45,712	49,631	45,712	49,631
Union Thai-Nichiban Co., Ltd.	97,000,000	-	97,000,000	-
	103,193,267	2,469,631	103,193,267	2,469,631
Total	103,193,267	2,469,631	1,049,867,120	1,500,547,016

In 2007, by resolution of an Extraordinary General Meeting of the Shareholders of Union Technology (2008) Public Company Limited (formerly known as “Union Footwear Plc.”) (“Union Technology (2008)”), such company was authorised to cease its footwear business, as mentioned in Note 1.2 to the financial statements. As a result, the Company had set aside full allowance for doubtful accounts of Union Technology (2008) in the Company’s separate financial statements, amounting to Baht 163.3 million. This is presented as “Doubtful accounts” in the separate income statements for the year ended 31 December 2007.

In current year, the Company had reverse all allowance for doubtful accounts of Union Technology (2008) due to whole repayment during the year.

During 2008, movements of loans to related parties an were as follow:

(Unit : Baht)

	Balance as at 1 January 2008	During the year		Balance as at 31 December 2008
		Increase	Decrease	
<u>Loans to related parties</u>				
<i>Subsidiaries</i>				
Union Textile Industries Plc.	300,000,000	-	(140,000,000)	160,000,000
Computer Union Co., Ltd.	286,600,000	2,628,570,000	(2,745,010,000)	170,160,000
Union Construction Corp., Ltd.	16,000,000	500,000	(3,500,000)	13,000,000
Total	602,600,000	2,629,070,000	(2,888,510,000)	343,160,000
<i>Associate company</i>				
Union Education Management Ltd. (2008: status changed to other)	33,708,480	-	(33,708,480)	-
Total	33,708,480	-	(33,708,480)	-

Directors and management’s remuneration

In 2008, the Company and its subsidiaries paid salaries, bonus, meeting allowances and gratuities to their directors and management totaling Baht 94.3 million and the Company only totaling Baht 30.4 million (2007: Baht 77.9 million and Baht 29.0 million, respectively).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 28.3 to the financial statements.

8. Trade accounts and notes receivable

As at 31 December 2008 and 2007, 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 46.7 million (2007: Baht 49.0 million) and Baht 21.7 million for the separate financial statement (2007: Baht 22.2 million). Based on such assessment, allowance for doubtful accounts of Baht 49.2 million (2007: Baht 50.7 million) and Baht 20.8 million for the separate financial statement (2007: Baht 24.3 million). The Company and its subsidiaries believe that such allowance is adequate under the current circumstance.

9. Inventories

(Unit : Baht)

Consolidated financial statements								
Allowance of diminution in value of inventory								
Cost		Reduction cost to net		Stock obsolescence		Inventory - net		
2008	2007	2008	2007	2008	2007	2008	2007	
Finished goods	435,157,898	(6,765,215)	(7,372,621)	(31,423,133)	(69,775,729)	396,969,550	536,885,135	
Semi products	19,215,946	-	-	(1,060,705)	(1,137,196)	18,155,241	16,950,723	
Work in process	138,349,316	-	-	(43,229)	(11,566)	138,306,087	170,844,142	
Raw materials	611,491,548	-	(20,529,886)	(6,203,423)	(11,069,867)	605,288,125	617,006,778	
Packing materials	20,507,629	-	-	(82,929)	(169,935)	20,424,700	11,876,865	
Spare parts and factory supplies	95,791,755	-	-	(29,174,348)	(12,521,193)	66,617,407	90,792,616	
Good in transit	48,279,828	-	-	-	-	48,279,828	16,274,601	
Total	1,368,793,920	(6,765,215)	(27,902,507)	(67,987,767)	(94,685,486)	1,294,040,938	1,460,630,860	

(Unit : Baht)

Separate financial statements								
Allowance of diminution in value of inventory								
Cost		Reduction cost to net		Stock obsolescence		Inventory - net		
2008	2007	2008	2007	2008	2007	2008	2007	
Finished goods	2,659,195	-	-	(342,036)	(33,663,953)	2,317,159	123,534,511	
Raw materials	282,204	-	-	-	-	282,204	483,916	
Spare parts and factory supplies	332,764	-	-	-	-	332,764	315,082	
Total	3,274,163	-	-	(342,036)	(33,663,953)	2,932,127	124,333,509	

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Nature of business	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
		2008	2007	2008	2007	2008	2007	2008	2007
		Million Baht	Million Baht	Percent	Percent				
		(Except for other specified currency)							
Saha - Union International Ltd.	Investment and other	330 (Million HKD)	330	99.98	99.98	1,571,303	1,571,303	-	-
Saha - Union Investment (China) Co., Ltd.	Investment	40 (Million USD)	34.3	100.00	100.00	1,402,367	1,210,631	-	-
Shanghai Saha - Union Thread Industry Co., Ltd.	Manufacture of textile products	23.5 (Million RMB)	23.5	64.05	64.05	49,950	49,950	-	1,364
Zhejiang Saha - Union Feilun Thread Industries Co., Ltd.	Manufacture of threads	4 (Million USD)	4	82.00	82.00	57,096	57,096	-	-
Union Textile Industries Plc.	Spinning and weaving	600	600	51.43	51.43	321,181	321,181	-	-
Saha - Union Holding Co., Ltd.	Investment	1,200	1,200	99.54	99.54	1,194,479	1,194,479	-	-
Union Garment Co., Ltd.	Manufacture of garments	50	50	99.98	99.98	70,336	70,336	8,998	-
Fashion Apparel Co., Ltd.	In the process of liquidation	2.5	2.5	99.97	99.97	750	750	270	300
Union Pioneer Plc.	Manufacture of rubber thread, elastic braids & webbing	75	75	52.67	52.67	53,084	53,084	8,262	6,976
Union Zojirushi Co., Ltd.	Manufacture of vacuum bottles	140	140	51.00	51.00	72,057	72,057	31,359	18,921
Union Stainless Steel Products Co., Ltd.	Manufacture of pipes	40	40	98.00	98.00	52,411	52,411	12,250	27,440
Union Rubber Products Corp., Ltd.	Manufacture of rubber products	20	20	99.99	99.99	16,111	16,111	-	3,600
Union Technology (2008) Plc. (formerly known as "Union Footwear Plc.")	Manufacture of electronic components	600	600	88.83	88.78	509,656	509,656	-	-
Union Shoes Co., Ltd.	Dormant	50	100	97.85	97.85	38,049	68,898	-	-
Venus Shoes Co., Ltd.	Dormitory rental and services	100	100	96.86	96.86	61,120	61,120	-	-
Thai Rubber Enterprise Co., Ltd.	Rubber estates	32	32	50.69	50.69	17,179	17,179	4,136	3,569
Uni - Sole Co., Ltd.	Dormant	12.5	12.5	78.05	78.05	2,350	2,350	-	1,760

(Unit : Thousand Baht)

Company's name	Nature of business	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
		2008	2007	2008	2007	2008	2007	2008	2007
		Million Baht (Except for other specified currency)							
Union Printing Corp., Ltd.	Rental services	30	30	94.74	94.74	29,466	29,466	-	-
Union Plastic Plc.	Manufacture of plastic products, molds	250	250	49.69	49.69	235,433	235,433	30,950	30,950
Computer Union Co., Ltd.	Computer dealer	100	100	97.05	92.79	100,480	95,905	32,477	52,187
Union Equity Co., Ltd.	Investment	230	230	99.77	99.55	229,581	229,016	-	5,717
Union Construction Corp., Ltd.	Dormant	200	200	99.66	99.44	5,281	5,281	-	-
Union Technology Co., Ltd.	Manufacture of electronic components (Dormant)	100	100	99.99	99.99	100,000	100,000	24,800	3,700
Union Energy Co., Ltd.	Investment in electric power & energy business	800	800	99.40	99.40	794,074	794,074	8,735	57,995
Union Energy (China) Co., Ltd.	Investment	3,850	3,850	99.99	99.99	3,849,999	3,849,999	-	-
Texport International Corp., Ltd.	Investment	50	50	85.18	85.18	44,294	44,294	-	-
Union Human Resources Development Co., Ltd.	Train and develop employees' skills	0.25	0.25	99.99	99.99	250	250	-	-
Jiashan - Union Cogeneration Co., Ltd.	Power generation	8.4 (Million USD)	8.3	75.96	75.96	203,385	-	-	-
Union Education Index Co., Ltd. (2008: status changed to other)	Investment in international school business	- (Million HKD)	34	-	79.99	-	-	-	-
Union Energy (Hong Kong) Co., Ltd. (100.00 percent owned by Saha-Union International Ltd.)	Investment	223.2 (Million HKD)	223.2	99.98	99.98	-	-	-	-
Danyang - Union Cogeneration Co., Ltd. (2008: status changed to other)	Power generation	- (Million RMB)	180	-	55.00	-	-	-	-
Saha Trading (Shanghai) Co., Ltd. (90.91 percent owned by Saha-Union Investment (China) Co., Ltd.)	Manufacture of textile products	0.22 (Million RMB)	0.22	90.91	90.91	-	-	-	-
Union Yagi Lao Co., Ltd. (50.00 percent owned by Union Garment Co., Ltd.)	Manufacture of garments	0.75 (Million USD)	0.75	49.99	49.99	-	-	-	-

Company's name	Nature of business	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
		2008	2007	2008	2007	2008	2007	2008	2007
		Million Baht	Million Baht	Percent	Percent				
		(Except for other specified currency)							
Computer Union Systems Co., Ltd. (99.99 percent owned by Computer Union Co., Ltd.)	Dormant	5.03	5.03	97.05	92.79	-	-	-	-
Jakkarat Union Footwear Co., Ltd. (99.99 percent owned by Union Technology (2008) Plc.)	Dormant	20	20	88.83	88.78	-	-	-	-
Banphi Union Footwear Co., Ltd. (74.99 percent owned by Union Technology (2008) Plc.)	Dormant	10	10	66.62	66.58	-	-	-	-
Burirum Union Shoes Co., Ltd. (99.99 percent owned by Union Shoes Co., Ltd.)	Dormant	5	5	97.85	97.85	-	-	-	-
Phon Union Footwear Co., Ltd. (50.00 percent owned by Union Technology (2008) Plc. and 49.99 percent by Union Shoes Co., Ltd.)	Dormant	70	70	71.94	71.94	-	-	-	-
Union Tex-East Co., Ltd. (50.99 percent owned by Union Garment Co., Ltd.)	Manufacture of garments	5	5	50.99	50.99	-	-	-	-
Union Kotec Molds Co., Ltd. (64.99 percent owned by Union Plastic Plc.)	Manufacture of molds	60	60	32.30	32.30	-	-	-	-
Total						11,081,722	10,712,310	162,237	214,479
Less: Allowance for diminution in value of investments						(1,279,181)	(1,288,693)		
Total investments in subsidiaries - net						9,802,541	9,423,617		

(Unit : Thousand Baht)

During the year 2008, there are significant changes in investment in subsidiary companies as follows;

1) Saha-Union International Ltd. (a subsidiary) sold its investment in Union Education Index Co., Ltd. (a subsidiary), which is principally engaged in investment in an international school, to a non-related party. As a result, the compared information for the status of Union Education Index Co., Ltd. changed from a subsidiary to other. The Company received net proceeds from the sale of such investment amounting to approximately HKD 84.7 million and recorded a gain on the sale of approximately HKD 42.7 million or Baht 178.1 million.

2) Union Energy (China) Co., Ltd. (a subsidiary) and Saha-Union Investments (China) Co., Ltd. (a subsidiary) sold its investment in Danyang-Union Cogeneration Co., Ltd. (a subsidiary), which is principally engaged in power generation in People's Republic of China, to a non-related party. The payment and the transfer of ownership are divided into 3 installments.

The first installment is approximately RMB 10.0 million.

The second installment is approximately RMB 10.0 million.

The third installment is approximately RMB 15.0 million.

The two subsidiaries have to transfer the shares proportionate to the amount of the payment received in each installment. At the balance sheet date, Union Energy (China) Co., Ltd. received the first installment of approximately RMB 10.0 million, and completed the legal transfer process. The two subsidiaries have gain on equity method on sales of investments from the first installment amounting to approximately Baht 11.8 million, presented as gain on disposal of investments. The Company presented the investment pending the legal transfer process as "Investments awaiting for sale" in the consolidated financial statements as at 31 December 2008 amounting to Baht 121.7 million.

3) Since 2007, Saha-Union Investment (China) Co., Ltd. has increased its registered share capital from USD 33.5 million to USD 37.5 million (4 million ordinary shares of USD 1 each). The Company partially paid USD 0.8 million to Saha-Union Investment (China) Co., Ltd. during the year. As a result, paid-up capital of Saha-Union Investment (China) Co., Ltd. is USD 34.3 million. In addition, Saha-Union Investment (China) Co., Ltd. increased its registered share capital which is awaiting registration. As a result, the Company will pay a total of USD 2.5 million. The Company presented the capital increase under "Investment in subsidiary awaiting registration" in the separate financial statements for the year ended 31 December 2007. In 2008, Saha-Union Investment (China) Co., Ltd. has completed the additional capital registration process, so, the Company reclassified the "Investment in subsidiary awaiting registration" amounting to USD 2.5 million as "Investment in subsidiary".

4) The Company purchased 42,591 ordinary shares of Computer Union Co., Ltd. (a subsidiary) from a minority shareholder, with a total amount of Baht 4.6 million. As a result, the shareholding percentage of the Company increased from 92.79 percent to 97.05 percent.

5) In the current year, the Company purchased the investments of Jiashan-Union Cogeneration Co., Ltd. (a subsidiary) from Union Energy (China) Co., Ltd. for direct holding. As at 31 December 2008, the Company has completed the transfer of right registration but has not made payment of Baht 203.4 million to Union Energy (China) Co., Ltd. The Company presented this transaction under "Payable from purchases of investments - related company". Subsequently, Jiashan-Union Cogeneration Co., Ltd. increased its registered share capital from USD 8.3 million to USD 10.64 million by issuing 2.34 million new ordinary shares of 1 USD each. The Company partially paid for such shares during the year totaling approximately USD 0.3 million or Baht 9.2 million. At present, it is in the process of registration, so, in the separate financial statements as at 31 December 2008, the Company presented such investment as "Investment in subsidiary awaiting registration"

6) The resolutions, passed by the Extraordinary General Meetings of Shareholders No. 1/2551 of Union Shoes Co., Ltd. (a subsidiary), held on 4 August 2008, authorised such subsidiary to decrease its registered and paid-up share capital from Baht 100 million (1 million ordinary shares of Baht 100 each) to Baht 50 million (1 million ordinary shares of Baht 50 each). As a result, investment in Union Shoes Co., Ltd. decreased from Baht 68.9 million to Baht 38.0 million, but the holding percentage remained the same. The Company already received all the capital return during the period.

During the year 2007, there are significant changes in investment in subsidiary companies as follows;

7) Computer Union Co., Ltd. increased its registered share capital from Baht 60 million to Baht 100 million (400,000 ordinary shares of Baht 100 each) and sold to the existing shareholders. The Company additionally invested in Computer Union Co., Ltd. amounting to Baht 34 million.

8) Saha-Union International Ltd. increased its registered share capital from HKD 254.89 million to HKD 330.00 million (75.11 million ordinary shares of HKD 1 each) in order to maintain its interest in the equity of that company.

9) In accordance with the resolutions passed by the Extraordinary General Meetings of shareholders No. 1/2007 and 2/2007 of Union Energy Co., Ltd., held on 19 January 2007 and 12 February 2007, respectively, such company was authorised to decrease its registered and paid-up share capital from Baht 1,350 million (135.0 million ordinary shares of Baht 10 each) to Baht 800 million (80.0 million ordinary shares of Baht 10 each) in order to return capital to shareholders. Union Energy Co., Ltd. registered the share capital reduction with the Department of Business Development of the Ministry of Commerce on 20 February 2007 and returned the whole amount of such reduction to its shareholders. In proportion to its equity, the Company received the capital return of approximately Baht 546 million.

10) The resolutions, passed by the Extraordinary General Meetings of Shareholders No. 1/2007 held on 22 May 2007 and 2/2007 held on 12 June 2007 of Uni-Sole Co., Ltd., authorised such subsidiary to decrease its registered and paid-up share capital from Baht 50 million (500,000 ordinary shares of Baht 100 each) to Baht 12.5 million (125,000 ordinary shares of Baht 100 each) in order to return capital to shareholders. Uni-Sole Co., Ltd. registered the share capital reduction with the Department of Business Development of the Ministry of Commerce on 20 June 2007 and returned the whole amount of such reduction to its shareholders. In proportion to its equity, the Company received the capital return of approximately Baht 12 million.

11) Union Technology (2008) Plc. had a control over Banphi Union Footwear Co., Ltd., which is principally engaged in the manufacture of shoe uppers, resulting in a change in the status of Banphi Union Footwear Co., Ltd. from an associated company to a subsidiary.

12) The Company had a control over Union Plastic Plc. which is principally engaged in the contract manufacture of thermoplastics, and the contract manufacture and repair of molds, resulting in a change in the status of Union Plastic Plc. from an associated to a subsidiary. As at the date of the control, Union Plastic Plc. had an outstanding balance of cash on hand and at bank of Baht 90 million, and the Company, therefore, presented it as “net cash receipt from control over the subsidiary” in the consolidated cash flow statements for the year ended 31 December 2007.

13) The Company and Texport International Corp., Ltd. sold most of the investment in Union Overseas Holding Co., Ltd. Therefore, the shareholding percentage in Union Overseas Holding Co., Ltd. held by the Company and Texport International Corp., Ltd. changed from 58.98 percent to 12.68 percent. As a result, the status of Union Overseas Holding Co., Ltd. changed from subsidiary to other company. The Company and Texport International Corp., Ltd. have received net proceed from sales of such investment amounting to approximately Baht 13 million (separate financial statements: Baht 6 million) and presented it as “cash receipt from disposal of investments” in the consolidated financial statements and separate financial statements for the year ended 31 December 2007.

14) In accordance with the resolution of the Extraordinary General Meeting of the Shareholders of Union Technology (2008) Plc., such company was authorised to cease its footwear business, as mentioned in Note 1.2 to the financial statements. As a result, the Company set aside full allowance for diminution in the value of its investment in Union Technology (2008) Plc. in the Company’s separate financial statements, amounting to Baht 80 million, presented as “Loss on impairment of investment” in the separate income statements for the year ended 31 December 2007. In addition, the Company purchased share capital of Union Technology (2008) Plc. from minority shareholders at approximately Baht 5 million and increased its registered capital by Baht 400 million, resulting in a change in the portion of investment from 51.23 percent to 88.78 percent.

15) Union Garment Co., Ltd. invested in Union Yagi Lao Co., Ltd. which is principally engaged in the manufacture of garments. The Company’s portion of investment is approximately USD 0.38 million (50 percent of total shares).

11. Investments in associates

11.1 Details of associates:

Consolidated financial statements

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2008	2007	2008	2007	2008	2007
			Percent	Percent			(Unit : Thousand Baht)	
Saha - Union International (Taipei) Ltd.	Supplies raw materials to group companies	Taiwan	42.49	42.49	386	386	1,610	4,552
Shanghai Saha - Union Spinning Mill No.7 Co., Ltd.	Spinning	China	50.00	50.00	310,918	311,062	339,093	306,213
Jiangsu Zhonglian - Union Carpet Co., Ltd.	Manufacture of automobile carpets	China	35.00	35.00	231,620	240,295	272,199	251,329
Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride & Fumaric acid and associated products	China	40.00	40.00	216,285	64,814	233,120	66,063
Uni - Agro Co., Ltd.	Investment and agriculture	Thailand	45.02	45.02	20,465	20,465	13,567	13,267
Uni - Fibre Co., Ltd.	Distribution of textiles	Thailand	53.08	53.08	55,800	55,800	122,973	115,602
Union Thread Industries Co., Ltd.	Investment	Thailand	36.20	36.20	52,216	52,216	661,932	687,326
Union Industries Corp., Ltd.	Investment	Thailand	29.60	29.60	43,502	43,502	294,591	283,561
Venus Button Co., Ltd.	Manufacture of buttons	Thailand	30.00	30.00	10,000	10,000	13,605	13,497
Union Thai - Nichiban Co., Ltd.	Manufacture of tape	Thailand	40.27	40.27	19,266	19,266	166,089	172,422
Union Nifco Co., Ltd.	Manufacture of plastic products	Thailand	39.90	39.90	51,549	21,549	177,343	168,032
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.86	49.86	3,748	3,748	62,724	64,267
Sports Ace Co., Ltd.	In the process of liquidation	Thailand	50.00	50.00	22,412	22,412	7,392	7,392
Union Micronclean Co., Ltd.	Manufacture of clothes for cleaning room	Thailand	44.48	44.48	2,550	2,550	15,882	18,963
Union Rubber Plas Co., Ltd.	Investment	Thailand	43.00	43.00	14,700	14,700	18,015	19,122
Union Spinning Mills Co., Ltd.	Manufacture of thread	Thailand	52.14	52.14	46,563	46,563	101,206	97,977
Union Education Management Ltd. and its subsidiaries (2008: status changed to other)	Management of international school	China	-	49.00	-	143,613	-	114,685
Hangzhou - Union Cogeneration Co., Ltd. (2008: status changed to other)	Power generation	China	-	50.00	-	535,757	-	701,061

Company's name		Nature of business	Country of incorporation		Shareholding percentage		Cost		Carrying amounts based on equity method	
					2008	2007	2008	2007	2008	2007
					Percent	Percent				
Jiyang - Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	222,641	222,641	328,537	360,516		
Wuxi - Union Cogeneration Co., Ltd.	Power generation	China	45.70	45.70	746,296	746,296	810,734	951,760		
Yixing - Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	1,113,296	1,113,296	1,737,809	1,849,735		
Yixing - Union Biochemical Co., Ltd.	Manufacture of citric acid	China	50.00	50.00	83,470	83,470	239,082	146,187		
Shangyu Hangzhou - Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	250,329	124,883	354,664	198,829		
Huanan - Union Spring Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	127,789	128,244	125,551	129,984		
Yunnan Energy Luliang - Union Power Co., Ltd. (40.00 percent owned by Union Energy (China) Co., Ltd. and 10.00 percent owned by Saha-Union Investment (China) Co., Ltd.)	Power generation	China	50.00	50.00	445,914	447,625	505,750	472,586		
Yunnan Energy Qujing - Union Power Co., Ltd. (45.19 percent owned by Union Energy (China) Co., Ltd. and 4.81 percent by Saha - Union Investment (China) Co., Ltd.)	Power generation	China	50.00	50.00	509,690	509,690	547,878	535,188		
Union Capital Co., Ltd. (29.00 percent owned by Union Industries Corp., Ltd., 29.00 percent by Union Thread Industries Co., Ltd. and 29.00 percent by Union Business Management Co., Ltd.)	Investment	Thailand	26.55	26.55	-	-	18,453	11,180		
Union Business Management Co., Ltd. (51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd. and 18.99 percent by Union Textile Industries Plc.)	Investment	Thailand	32.84	32.84	94,999	94,999	53,364	48,327		
Ban Phai Union Garment Co., Ltd. (49.99 percent owned by Union Garment Co., Ltd.)	Manufacture of ready to wear clothes	Thailand	49.99	49.99	1,000	1,000	1,047	1,066		

Company's name	Nature of business	Country of incorporation	(Unit : Thousand Baht)			
			Shareholding percentage		Carrying amounts based on equity method	
			2008 Percent	2007 Percent	2008 Cost	2007 Cost
Venus Product Co., Ltd.	Manufacture and retailer of Venus thread	Thailand	25.03	25.03	-	1,757
(99.86 percent owned by Union Thread Industries Co., Ltd.)						1,300
Union Distributor Co., Ltd.	Investment	Thailand	24.83	24.83	-	840
(99.30 percent owned by Union Industries Corp., Ltd.)						740
Union Limousine Co., Ltd.	Fuel retailer	Thailand	24.96	24.96	-	454
(99.83 percent owned by Union Industries Corp., Ltd.)						247
Union Zip Co., Ltd.	Manufacture and distribute of zippers	Thailand	24.95	23.69	-	1,034
(99.79 percent owned by Union Industries Corp., Ltd.)						141
Union Assets Management Co., Ltd. (formerly known as "Union Knitting Yarn Co., Ltd.")	Manufacture and distribute of zippers	Thailand	25.00	24.99	-	757
(99.99 percent owned by Union Industries Corp., Ltd.)						633
Venus Thread Co., Ltd.	Manufacture and distribute of thread	Thailand	25.07	25.07	-	7,812
(98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 by Union Spinning Mills Co., Ltd.)						7,165
Ten Cate - Union Protective Fabric Asia Co., Ltd.	Production of work wear and safety wear fabric	Thailand	24.62	-	190,000	-
(49.35 percent owned by Union Textile Industries Plc.)						139,124
Shanghai Fuji Shima Dyeing & Garments Corporation (44.00 percent owned by Shanghai Saha - Union Thread Industry Co., Ltd.)	Textile	China	26.96	-	17,236	-
Total					4,904,640	7,392,702
					5,080,842	7,820,915

Separate financial statements

Company's name	Nature of business	Country of incorporation	Shareholding		Cost		Allowance for impairment of investments		(Unit : Thousand Baht)	
			percentage	Percent	2551	2550	2551	2550	2551	2550
Saha-Union International (Taipei) Ltd.	Supplies raw materials to group companies	Taiwan	42.49	42.49	386	386	-	-	386	386
Shanghai Saha - Union Spinning Mill No.7 Co., Ltd.	Spinning	China	50.00	50.00	248,255	248,399	-	(3,663)	248,255	244,736
Jiangsu Zhonglian - Union Carpet Co., Ltd.	Manufacture of automobile carpets	China	35.00	35.00	165,230	171,639	-	-	165,230	171,639
Taixing Union Zond Chemicals Co., Ltd.	Manufacture of Phthalic anhydride& Fumaric acid and associated products	China	40.00	40.00	162,214	48,341	-	-	162,214	48,341
Uni - Agro Co., Ltd.	Investment and agriculture	Thailand	45.02	45.02	20,465	20,465	(5,671)	(5,671)	14,794	14,794
Uni - Fibre Co., Ltd.	Distribution of textiles	Thailand	53.08	53.08	30,800	30,800	-	-	30,800	30,800
Union Thread Industries Co., Ltd.	Investment	Thailand	36.20	36.20	52,216	52,216	-	-	52,216	52,216
Union Industries Corp., Ltd.	Investment	Thailand	29.60	29.60	43,502	43,502	-	-	43,502	43,502
Venus Button Co., Ltd.	Manufacture of buttons	Thailand	30.00	30.00	10,000	10,000	-	-	10,000	10,000
Union Thai-Nichiban Co., Ltd.	Manufacture of tape	Thailand	40.27	40.27	19,266	19,266	-	-	19,266	19,266
Union Nifco Co., Ltd.	Manufacture of plastic products	Thailand	39.90	39.90	31,552	13,552	-	-	31,552	13,552
Union Universe Co., Ltd.	Distributor of Grand Slam shirts	Thailand	49.86	49.86	3,748	3,748	-	-	3,748	3,748
Sports Ace Co., Ltd.	In the process of liquidation	Thailand	50.00	50.00	22,412	22,412	(15,021)	(15,021)	7,391	7,391
Union Micronclean Co., Ltd.	Manufacture of clothing for cleaning rooms	Thailand	44.48	44.48	1,250	1,250	-	-	1,250	1,250
Union Rubber Plas Co., Ltd.	Investment	Thailand	43.00	43.00	7,500	7,500	-	-	7,500	7,500
Union Spinning Mills Co., Ltd.	Manufacture of thread	Thailand	52.14	52.14	46,563	46,563	-	-	46,563	46,563
Union Education Management Ltd. and its subsidiaries	Management of international school	China	-	49.00	-	-	-	-	-	-
(2008: status changed to other)										
Hangzhou - Union Cogeneration Co., Ltd.	Power generation	China	-	50.00	-	-	-	-	-	-
(2008: status changed to other)										
Jiyang - Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	328,945	-	(88,505)	-	240,440	-
Wuxi - Union Cogeneration Co., Ltd.	Power generation	China	45.70	45.70	475,479	-	(108,097)	-	367,382	-
Yixing - Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	1,093,795	-	-	-	1,093,795	-

(Unit : Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2551	2550	2551	2550	2551	2550	2551	2550
			Percent	Percent						
Yixing - Union Biochemical Co., Ltd.	Manufacture of citric acid	China	50.00	50.00	56,507	-	-	-	56,507	-
Shangyu Hangzhou - Union Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	125,445	-	-	-	125,445	-
Huanan - Union Spring Cogeneration Co., Ltd.	Power generation	China	50.00	50.00	96,602	-	-	-	96,602	-
Yunnan Energy Luliang - Union Power Co., Ltd.	Power generation	China	50.00	50.00	-	-	-	-	-	-
(40.00 percent owned by Union Energy (China) Co., Ltd. and 10.00 percent by Saha - Union Investment (China) Co., Ltd.)										
Yunnan Energy Qujing - Union Power Co., Ltd.	Power generation	China	50.00	50.00	-	-	-	-	-	-
(45.19 percent owned by Union Energy (China) Co., Ltd. and 4.81 percent by Saha - Union Investment (China) Co., Ltd.)										
Union Capital Co., Ltd.	Investment	Thailand	26.55	26.55	-	-	-	-	-	-
(29.00 percent owned by Union Industries Corp. Ltd., 29.00 percent by Union Thread Industries Co., Ltd. and 29.00 percent by Union Business Management Co., Ltd.)										
Union Business Management Co., Ltd.	Investment	Thailand	32.84	32.84	-	-	-	-	-	-
(51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd. and 18.99 percent by Union Textile Industries Plc.)										
Ban Phai Union Garment Co., Ltd.	Manufacture of ready to wear clothes	Thailand	49.99	49.99	-	-	-	-	-	-
(49.99 percent owned by Union Garment Co., Ltd.)										

(Unit : Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2551	2550	2551	2550	2551	2550	2551	2550
			Percent	Percent						
Venus Product Co., Ltd. (99.86 percent owned by Union Thread Industries Co., Ltd.)	Manufacture and retailer of Venus thread	Thailand	25.03	25.03	-	-	-	-	-	-
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	Investment	Thailand	24.83	24.83	-	-	-	-	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	Fuel retailer	Thailand	24.96	24.96	-	-	-	-	-	-
Union Zip Co., Ltd. (99.79 percent owned by Union Industries Corp., Ltd.)	Manufacture and distribute of zippers	Thailand	24.95	23.69	-	-	-	-	-	-
Union Assets Management Co., Ltd. (formerly known as "Union Knitting Yarn Co., Ltd.") (99.99 percent owned by Union Industries Corp., Ltd.)	Assets management service	Thailand	25.00	24.99	-	-	-	-	-	-
Venus Thread Co., Ltd. (98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)	Manufacture and distribute of thread	Thailand	25.07	25.07	-	-	-	-	-	-
Ten Cate - Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textile Industries Plc.)	Production of work wear and safety wear fabric	Thailand	24.62	-	-	-	-	-	-	-
Shanghai Fuji Shima Dyeing & Garments Corporation (44.00 percent owned by Shanghai Saha - Union Thread Industry Co., Ltd.)	Textile	China	26.96	-	-	-	-	-	-	-
Total			3,042,132	740,039	(217,294)	(24,355)	2,824,838	715,684		

11.2 Share of income/loss and dividend received

During the year, the Company recognised its share of net income/loss from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit : Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income/loss from investments in associates during the year		Dividend received during the year	
	2008	2007	2008	2007
Saha - Union International (Taipei) Ltd.	(3,033)	(446)	-	-
Saha - Union International (USA) Inc.	-	950	-	-
Shanghai Saha - Union Spinning Mill No.7 Co., Ltd.	3,704	9,960	-	4,351
Jiangsu Zhonglian - Union Carpet Co., Ltd.	7,058	6,759	651	-
Taixing Union Zond Chemicals Co., Ltd.	-	-	-	-
Uni - Agro Co., Ltd.	301	803	-	-
Uni - Fibre Co., Ltd.	7,357	6,854	-	4,851
Union Thread Industries Co., Ltd.	(14,978)	18,425	9,024	11,531
Union Industries Corp., Ltd.	14,858	9,096	6,750	11,250
Venus Button Co., Ltd.	672	522	550	490
Union Thai - Nichiban Co., Ltd.	27,497	33,881	33,829	24,164
Union Nifco Co., Ltd.	50,738	42,708	53,705	40,804
Union Universe Co., Ltd.	3,210	7,965	4,488	6,731
Sports Ace Co., Ltd.	-	(9,537)	-	-
Union Micronclean Co., Ltd.	1,368	6,039	2,500	3,750
Union Rubber Plas Co., Ltd.	(454)	714	380	750
Union Spinning Mills Co., Ltd.	4,788	2,603	750	-
Union Education Management Ltd. and its subsidiaries (2008: status changed to other)	-	29,496	-	-
Hangzhou - Union Cogeneration Co., Ltd. (2008: status changed to other)	(69,187)	7,381	-	-
Jiyang - Union Cogeneration Co., Ltd.	(39,885)	17,441	-	-
Wuxi - Union Cogeneration Co., Ltd.	(70,211)	60,321	-	-
Yixing - Union Cogeneration Co., Ltd.	36,967	239,217	-	-
Yixing - Union Biochemical Co., Ltd.	77,387	27,724	-	-
Shangyu Hangzhou - Union Cogeneration Co., Ltd.	11,081	81,805	-	-
Huanan - Union Spring Cogeneration Co., Ltd.	8,108	349	-	-
Yunnan Energy Luliang - Union Power Co., Ltd. (40.00 percent owned by Union Energy (China) Co., Ltd. and 10.00 percent by Saha - Union Investment (China) Co., Ltd.)	(9,239)	1,839	-	-
Yunnan Energy Qujing - Union Power Co., Ltd. (45.19 percent owned by Union Energy (China) Co., Ltd. and 4.81 percent by Saha - Union Investment (China) Co., Ltd.)	(35,327)	(19,585)	-	-

(Unit : Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of income/loss from investments in associates during the year		Dividend received during the year	
	2008	2007	2008	2007
Union Capital Co., Ltd. (29.00 percent owned by Union Industries Corp. Ltd., 29.00 percent by Union Thread Industries Co., Ltd. and 29.00 percent by Union Business Management Co., Ltd.)	10,958	10,051	-	-
Union Business Management Co., Ltd. (51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd. and 18.99 percent by Union Textile Industries Plc.)	5,904	5,184	-	-
Ban Phai Union Garment Co., Ltd. (49.99 percent owned by Union Garment Co., Ltd.)	12	929	-	-
Venus Product Co., Ltd. (99.86 percent owned by Union Thread	457	566	-	-
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	94	75	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	207	77	-	-
Union Zip Co., Ltd. (99.79 percent owned by Union Industries Corp., Ltd.)	893	22	-	-
Union Asset Management Co., Ltd. (formerly known as "Union Knitting Yarn Co., Ltd.") (99.99 percent owned by Union Industries Corp., Ltd.)	124	(2)	-	-
Venus Thread Co., Ltd. (98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)	1,211	884	-	-
Ten Cate-Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textile Industries Plc.)	-	-	-	-
Shanghai Fuji Shima Dyeing & Garments Corporation (44.00 percent owned by Shanghai Thread Industry Co., Ltd.)	-	-	-	-
Total	32,640	601,070	112,627	108,672

11.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenue for		Net income (loss) for	
	as at 31 December		as at 31 December		as at 31 December		the year ended 31 December		the year ended 31 December	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
(Unit : Million Baht)										
Saha - Union International (Taipei) Ltd.	5	5	8	15	1	1	2	27	(7)	(1)
	(million TWD)									
Shanghai Saha - Union Spinning Mill No.7 Co., Ltd.	128	128	780	640	102	28	427	508	7	20
	(million RMB)									
Jiangsu Zhonglian - Union Carpet Co., Ltd.	56.9	56.9	952	867	184	167	567	533	20	19
	(million RMB)									
Taixing Union Zond Chemicals Co., Ltd.	16.2	4.8	633	164	50	-	-	-	-	-
	(million USD)									
Uni - Agro Co., Ltd.	65	65	52	51	-	-	6	9	2	2
Uni - Fibre Co., Ltd.	120	120	245	284	8	13	46	61	14	16
Union Thread Industries Co., Ltd.	200	200	1,972	2,472	79	400	587	1,159	68	62
Union Industries Corp., Ltd.	150	150	1,058	1,065	10	82	186	283	79	56
Venus Button Co., Ltd.	40	40	53	53	-	1	7	6	2	2
Union Thai - Nichiban Co., Ltd.	15	15	490	539	78	111	851	895	68	84
Union Nifco Co., Ltd.	100	40	627	642	208	231	897	931	134	126
Union Universe Co., Ltd.	7.5	7.5	140	149	14	20	55	70	6	15
Sports Ace Co., Ltd.	40	40	32	32	18	18	-	-	-	-
Union Micronclean Co., Ltd.	5	5	63	75	28	33	131	173	2	13
Union Rubber Plas Co., Ltd.	30	30	33	41	-	-	2	3	2	2
Union Spinning Mills Co., Ltd.	200	200	444	480	146	188	600	608	9	4
Union Education Management Ltd. and its subsidiaries	-	9	-	308	-	74	-	139	-	60
	(million USD)									
(2008: status changed to other)										
Hangzhou - Union Cogeneration Co., Ltd.	-	260	-	2,205	-	807	-	1,489	-	106
	(million RMB)									
(2008: Status changed to other)										
Jiyang - Union Cogeneration Co., Ltd.	17	17	822	811	146	90	474	575	(76)	35
	(million USD)									
Wuxi - Union Cogeneration Co., Ltd.	44.2	44.2	6,426	5,619	4,595	3,698	2,375	2,458	(156)	133
	(million USD)									

(Unit : Million Baht)										
Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenue for the year ended 31 December		Net income (loss) for the year ended 31 December	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Yixing - Union Cogeneration Co., Ltd.	60 (million USD)	60	9,631	7,913	5,694	4,259	5,300	4,988	75	540
Yixing - Union Biochemical Co., Ltd.	8.2 (million USD)	8.2	2,082	1,926	1,426	1,457	2,239	1,692	155	55
Shangyu Hangzhou - Union Cogeneration Co., Ltd.	100 (million RMB)	100	2,236	2,011	1,513	1,363	1,426	1,097	32	164
Huanan - Union Spring Cogeneration Co., Ltd.	65 (million RMB)	61.8	1,241	626	908	340	282	217	16	1
Yunnan Energy Luliang - Union Power Co., Ltd. (40.00 percent owned by Union Energy (China) Co., Ltd. and 10.00 percent by Saha - Union Investment (China) Co., Ltd.)	24.7 (million USD)	24.7	1,114	1,036	61	53	319	315	(18)	4
Yunnan Energy Qujing - Union Power Co., Ltd. (45.19 percent owned by Union Energy (China) Co., Ltd. and 4.81 percent by Saha - Union Investment (China) Co., Ltd.)	28.1 (million USD)	28.1	1,130	1,115	56	67	211	309	(71)	(39)
Union Capital Co., Ltd. (29.00 percent owned by Union Industries Corp. Ltd., 29.00 percent by Union Thread Industries Co., Ltd. and 29.00 percent by Union Business Management Co., Ltd.)	250	250	514	641	146	171	30	31	(9)	2
Union Business Management Co., Ltd. (51.10 percent owned by Union Thread Industries Co., Ltd., 29.40 percent by Union Capital Co., Ltd. and 18.99 percent by Union Textile Industries Plc.)	500	500	526	661	136	86	27	26	(11)	17
Ban Phai Union Garment Co., Ltd. (49.99 percent owned by Union Garment Co., Ltd.)	2	2	2	2	-	-	7	12	-	1

(Unit : Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenue for the year ended 31 December		Net income (loss) for the year ended 31 December	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Venus Product Co., Ltd. (99.86 percent owned by Union Thread Industries Co., Ltd.)	2	2	9	8	-	1	10	10	2	2
Union Distributor Co., Ltd. (99.30 percent owned by Union Industries Corp., Ltd.)	1	1	4	4	-	-	1	-	-	-
Union Limousine Co., Ltd. (99.83 percent owned by Union Industries Corp., Ltd.)	4	4	6	5	-	-	14	13	1	-
Union Zip Co., Ltd. (99.79 percent owned by Union Industries Corp., Ltd.)	99	3	164	3	61	1	103	-	4	-
Union Asset Management Co., Ltd. (formerly known as "Union Knitting Yarn Co., Ltd.") (99.99 percent owned by Union Industries Corp. Ltd.)	60	5	64	8	1	-	4	-	-	-
Venus Thread Co., Ltd. (98.96 percent owned by Union Thread Industries Co., Ltd. and 1.04 percent by Union Spinning Mills Co., Ltd.)	300	150	785	203	454	25	539	211	5	3
Ten Cate - Union Protective Fabric Asia Co., Ltd. (49.35 percent owned by Union Textile Industries Plc.)	385	-	469	-	124	-	190	-	(40)	-
Shanghai Fuji Shima Dyeing & Garments Corporation (44.00 percent owned by Shanghai Saha - Union Thread Industry Co., Ltd.)	1.2 (million USD)	-	40	-	3	-	26	-	(1)	-
Total	34,847	32,674	16,250	13,785	17,941	18,848	314	1,504		

During the year, there are many significant changes in investment in associate companies as follows;

1) Saha - Union International Ltd. (a subsidiary) sold its investment in Union Education Management Co., Ltd. and its subsidiaries (an associated company), which is principally engaged in the management of an international school, to a non-related party. As a result, the compared information for the status of Union Education Management Co., Ltd. and its subsidiaries changed from associated company to other. The Company received net proceeds from the sale of such investment amounting to approximately HKD 55.7 million, and recorded gain on the sale of approximately HKD 22.7 million, or Baht 94.6 million.

2) Union Energy (China) Co., Ltd. (a subsidiary) and Saha - Union Investments (China) Co., Ltd. (a subsidiary) sold its investment in Hangzhou - Union Cogeneration Co., Ltd. (an associated company), which is principally engaged in power generation in People's Republic of China, to a non-related party. Union Energy (China) Co., Ltd. received cash from sales of investments amounting to RMB 101.3 million and Saha - Union Investment (China) Co., Ltd. received cash from sales of investments amounting to RMB 11.4 million. The Company recorded a gain on equity method on the sale of investments of approximately Baht 50.3 million and presented it as other income.

3) The Company purchased 25 million shares of Shangyu Hangzhou - Union Cogeneration Co., Ltd. held by Hangzhou - Union Cogeneration Co., Ltd. amounting to RMB 25.0 million or Baht 125.4 million in order to maintain the percentage of holding.

4) The Company and Saha - Union Investment (China) Co., Ltd. (a subsidiary) made additional payments of capital amounting to USD 4.48 million, or approximately Baht 151.4 million, to Taixing Union Zond Chemicals Co., Ltd., which is principally engaged in the manufacture of Phthalic anhydride and Fumaric acid and associated products in order to maintain their interest in the equity of that company at 40 percent.

5) A meeting of the Board of Directors of Union Textile Industries Plc. (a subsidiary) approved a joint investment between Union Textile Industries Plc. and Ten Cate Advance-Textiles BV, a listed company in the Netherlands, to establish Ten Cate - Union Protective Fabric Asia Co., Ltd. (TCUA), with a registered capital of Baht 385 million (3.85 million ordinary shares of Baht 100 each). Union Textile Industries Plc. holds a 49.35 percent interest, equivalent to Baht 190 million. As a result, TCUA became an associated company of the Company and Union Textile Industries Plc.

6) Shanghai Saha - Union Thread Industry Co., Ltd. (a subsidiary) purchased 3.3 million shares of Shanghai Fuji Shima Dyeing & Garments Corporation amounting to RMB 3.3 million or Baht 17.2 million. As a result, Shanghai Fuji Shima Dyeing & Garments Corporation became an associated company of the Company and Shanghai Saha - Union Thread Industry Co., Ltd. holds a 26.96 percent interest.

7) The Company purchased 5 investments in associated companies from Union Energy (China) Co., Ltd. for direct holding, as follows;

- Wuxi - Union Cogeneration Co., Ltd.
- Yixing - Union Cogeneration Co., Ltd.
- Yixing - Union Biochemical Co., Ltd.
- Jiyang - Union Cogeneration Co., Ltd.
- Huanan - Union Spring Cogeneration Co., Ltd.

As at 31 December 2008, the Company has completed the transfer of right registration but has not made payment of Baht 2,051.3 million to Union Energy (China) Co., Ltd. The Company presented this transaction under "Payable from purchases of investments-related company".

8) In addition, an Extraordinary General Meetings of shareholders No. 1/2008 of Union Nifco Co., Ltd. (an associated company) approved to increase the company's capital from Baht 40 million to Baht 100 million. The shares were allocated to the Company and Union Plastic Plc. (a subsidiary) amounting to Baht 30 million equivalent to 50 percent of the increased shares. As a result, the investment of Union Nifco Co., Ltd. increased from Baht 21.5 million to Baht 51.5 million, maintaining their interest at 39.9 percent.

In addition, during the year 2007, there are significant changes in investments in associates as follows;

9) Union Asset Development Co., Ltd. ceased its operation and registered completion of its liquidation with the Department of Business Development of the Ministry of Commerce on 11 April 2007.

10) The Company and Saha - Union Investment (China) Co., Ltd. (a subsidiary) invested in Jiangsu Zhonglian - Union Carpet Co., Ltd. which is principally engaged in the manufacture of automobile carpets in China. Investment according to the contract amounts to RMB 53 million, and the Company's portion is approximately RMB 38 million (25 percent of total shares) while the subsidiary's portion is approximately RMB 15 million (10 percent of total shares). The Company and the subsidiary have to pay for the share capital as stated in the contract. As at 31 December 2007, they have paid a total of RMB 53 million (the separate financial statements: RMB 38 million).

11) Saha - Union Investment (China) Co., Ltd. (a subsidiary) and Union Energy (China) Co., Ltd. (a subsidiary) and Yixing Union Cogeneration Co., Ltd. (an associated company) invested in Huanan Union Spring Cogeneration Co., Ltd. which is principally engaged in the manufacture of combined cycle power generation in China. Investment according to the contract amounts to RMB 52 million. The investment portion is 49.99 percent. All three parties paid for the full value of the investment in the year 2007.

12) The Company and Saha - Union Investment (China) Co., Ltd. (a subsidiary) invested in Taixing Union Zond Chemicals Co., Ltd. which is principally engaged in the manufacture of Phthalic anhydride & Fumaric acid. Investment according to the contract amounts to USD 4.8 million. The investment portion is 40.00 percent.

13) The Company sold its investment in Union Business Management Co., Ltd. (an associated company which is principally engaged in investment holding, 1.47 million ordinary shares or 29.40 percent of total shares of which are directly held by the Company) to Union Capital Co., Ltd. (an associated company which is principally engaged in investment holding, 29.00 percent of the total shares are directly held by the Company) at the price of Baht 130.46 per share. The selling price based on the net book value of Union Business Management Co., Ltd., as at 30 April 2007, totaled Baht 191.8 million (on the contract date, net book value of Union Business Management Co., Ltd. was Baht 125.32 per share). The sale of such investment was carried out in accordance with a resolution of Board of Directors meeting No.5/2007 and 7/2007 on 24 May 2007 and 19 July 2007, respectively. The Company transferred rights of the investment to Union Capital Co., Ltd. and Union Capital Co., Ltd. partially paid Baht 26.2 million to the Company in the current year. Union Capital Co., Ltd. will pay the remaining payment amounting to Baht 165.6 million, in annual installment for a period of 8 years (within the year 2015) plus interest at the rate of MLR-1 percent per annum. The Company recorded gain on sales of investments in the consolidated income statements for the year ended 31 December 2007 amounting to approximately Baht 37.3 million (Separate financial statements: Baht 45.0 million).

14) The Company sold its investment in Union Capital Co., Ltd. (an associated company which is principally engaged in investment holding, 725,000 ordinary shares or 29.00 percent of total shares of which are directly held by the Company) to Union Business Management Co., Ltd. (an associated company which is principally engaged in investment holding, 29.40 percent of total shares of which are directly held by the Company) at the price of Baht 248.45 per share. The selling price based on the net book value of Union Capital Co., Ltd., as at 30 April 2007, totaled Baht 180.1 million (on the contract date, net book value of Union Capital Co., Ltd. was Baht 222.14 per share). The sale of such investment was carried out in accordance with a resolution of Board of Directors meeting No.5/2007 and 7/2007 on 24 May 2007 and 19 July 2007, respectively. The Company transferred rights of the investment to Union Business Management Co., Ltd. and Union Business Management Co., Ltd. partially paid Baht 97.5 million to the Company in the current year. Union Business Management Co., Ltd. will pay the remaining payment, amounting to Baht 82.6 million, in annual installment for a period of 5 years (within the year 2012) plus interest at the rate of MLR-1 percent per annum. The Company recorded gains on sale of investments in the consolidated income statements for the year ended 31 December 2007 amounting to approximately Baht 54.9 million. (Separate financial statements: Baht 107.6 million).

For conservative reasons, in 2008, the Company additionally set up impairment of investment in associated companies amounting to Baht 192.9 million, resulting in a total amount of Baht 217.3 million, as at 31 December 2008, in order to illustrate the actual expected return on net investment in the future.

The share of loss from investments in 13 associated companies accounted for under the equity method amounting to approximately Baht 90 million, as included in the income statements for the year ended 31 December 2008 (2007: 14 companies the share of income Baht 462 million), were determined based on the financial statements which were audited by their auditors.

The shares of income from investments in 23 associated companies accounted for under the equity method amounting to approximately Baht. 122 million, as included in the income statements for the year ended 31 December 2008 (2007: 21 companies of Baht 139 million) have been calculated from the 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 difference if those financial statements had been audited by the associated companies' auditors.

12. Investments in other companies

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

Consolidated financial statements

Investments in ordinary shares:

Company's name	Shareholding percentage		Cost method	
	2008	2007	2008	2007
	Percent	Percent	Thousand Baht	Thousand Baht
Union Button Corp., Ltd.	10.71	10.71	13,107	13,107
Imperial Technology Management Service Plc.	0.67	0.67	10,000	10,000
Ratchaburi Power Co., Ltd.	10.00	10.00	732,500	537,000
P.S.V. Molds Co., Ltd.	25.00	25.00	2,500	2,500
Value Creation Inc.	0.18	-	328,280	-
Processing Center Co., Ltd.	20.00	20.00	10,000	2,000
Zhuo Zhou Resources Link Co., Ltd.	-	36.86	-	32,687
Others			7,419	7,419
Total			1,103,806	604,713
Less: Provision for devalue of investments			(1,705)	(29,273)
			1,102,101	575,440

Investments in available-for-sale securities:

(Unit : Thousand Baht)

Company's name	Cost		Unrealised gains (losses) on change in value of investment		Fair value	
	2008	2007	2008	2007	2008	2007
Saha Pathana Inter - Holding Plc.	27,508	27,508	130,611	147,585	158,119	175,093
Bangkok Bank Plc.	204,785	210,352	(19,808)	111,295	184,977	321,647
New Plus Knitting Plc.	2,010	2,010	(2,010)	(1,905)	-	105
Electricity Generating Plc.	2,324	2,324	2,266	5,113	4,590	7,437
Thai Plastic and Chemicals Plc.	4,655	5,023	(1,849)	(124)	2,806	4,899
Ratchaburi Electricity Generating Holding Plc.	37,965	28,755	(2,483)	(1,000)	35,482	27,755
The Siam Cement Plc.	137,465	101,100	(66,271)	2,400	71,194	103,500
ACL Bank Plc.	24,405	24,405	(16,005)	(5,285)	8,400	19,120
PTT Aromatics and Refining Plc.	19,990	19,990	(15,632)	1,020	4,358	21,010
Thaioil Plc.	4,607	1,750	(3,191)	(20)	1,416	1,730
Asset Plus Asian Special Situation Fund	50,000	50,000	(25,434)	(5,909)	24,566	44,091
PTT Plc.	1,618	-	(748)	-	870	-
Banyan Tree Indochina Hospitality Fund, L.P.	33,389	-	-	-	33,389	-
	550,721	473,217	(20,554)	253,170	530,167	726,387
Total investments in other companies					1,632,268	1,301,827

In current year, Union Energy (China) Co., Ltd. (a subsidiary) write off the whole amount of investment in Zhuo Zhou Resources Link Co., Ltd. and reversed full allowance for diminution in value of the investment as the possibility of a return being earned on the investment was low.

During the year, Union Energy Co., Ltd. (a subsidiary) invested further Baht 195.5 million in the additionally issued ordinary shares of Ratchaburi Power Co., Ltd. in order to maintain its interest in the equity of that company.

As at 13 February 2009, the investments in available-for-sales-securities as presented in the consolidated financial statements as at 31 December 2008 has the fair value of Baht 519.4 million.

Separate financial statements

Investments in ordinary shares:

Company's name	Shareholding percentage		Cost method	
	2008	2007	2008	2007
	Percent	Percent	Thousand Baht	Thousand Baht
Union Button Corp., Ltd.	10.71	10.71	13,107	13,107
Imperial Technology Management Service Plc.	0.67	0.67	4,710	10,000
Value Creation Inc.	0.18	-	328,280	-
Processing Center Co., Ltd.	20.00	20.00	10,000	2,000
Others			694	694
			356,791	25,801

Investments in available-for-sale securities:

(Unit : Thousand Baht)

Company's name	Cost		Unrealised gain (loss) on the change in value of investments		Fair value	
	2551	2550	2551	2550	2551	2550
Saha Pathana Inter - Holding Plc.	27,508	27,508	130,611	147,585	158,119	175,093
Bangkok Bank Plc.	204,402	204,402	(19,769)	111,345	184,633	315,747
New Plus Knitting Plc.	2,010	2,010	(2,010)	(1,905)	-	105
Ratchaburi Electricity Generating Holding Plc.	18,763	18,763	(1,663)	(563)	17,100	18,200
ACL Bank Plc.	24,405	24,405	(16,005)	(5,285)	8,400	19,120
Asset Plus Asian Special Situation Fund	50,000	50,000	(25,434)	(5,909)	24,566	44,091
The Siam Cement Plc.	5,710	-	(1,075)	-	4,635	-
Banyan Tree Indochina Hospitality Fund, L.P.	33,389	-	-	-	33,389	-
	366,187	327,088	64,655	245,268	430,842	572,356
Total investments in other companies					787,633	598,157

As at 13 February 2009, investments in available-for-sale securities presented in separate financial statement as at 31 December 2008 had the fair value of Baht 423.5 million.

13. Property, plant and equipment

(Unit : Thousand Baht)

	Consolidated financial statements						
	Land	Land and leasehold improvement	Buildings and facilities	Machinery and equipment	Power plants	Others	Total
Cost							
31 December 2007	411,604	186,218	4,397,489	6,056,268	1,363,198	2,515,944	14,930,721
Additions	388	1,647	106,160	245,764	13,279	509,384	876,622
Disposals/write-off	-	(66,039)	(816,995)	(1,352,366)	(913,350)	(498,408)	(3,647,158)
Transfers	-	25,227	97,755	77,161	-	(200,143)	-
Translation adjustment	-	-	-	109	43,633	64,643	108,385
31 December 2008	411,992	147,053	3,784,409	5,026,936	506,760	2,391,420	12,268,570
Accumulated depreciation							
31 December 2007	-	146,690	3,283,310	4,806,138	716,583	1,318,338	10,271,059
Depreciation for the year	-	18,120	223,098	294,690	19,673	146,004	701,585
Depreciation on disposals/write-off	-	(50,373)	(614,233)	(1,147,748)	(592,962)	(349,391)	(2,754,707)
Translation adjustment	-	-	-	141	13,035	10,940	24,116
31 December 2008	-	114,437	2,892,175	3,953,221	156,329	1,125,891	8,242,053
Allowance for impairment loss							
31 December 2007	-	18,487	302,993	109,519	13,340	12,410	456,749
Additions	-	3,631	59,504	25,041	-	50,774	138,950
Reversal of loss on impairment	-	(1,937)	(25,755)	(89,569)	(13,340)	(375)	(130,976)
31 December 2008	-	20,181	336,742	44,991	-	62,809	464,723
Net book value							
31 December 2007	411,604	21,041	811,186	1,140,611	633,275	1,185,196	4,202,913
31 December 2008	411,992	12,435	555,492	1,028,724	350,431	1,202,720	3,561,794
Depreciation for the year							
2007 (Baht 505 million included in manufacturing cost, and the balance in selling and administrative expenses)							679,850
2008 (Baht 520 million included in manufacturing cost, and the balance in selling and administrative expenses)							701,585

(Unit : Thousand Baht)

	Separate financial statements				
	Land and		Buildings	Others	Total
	Land	leasehold improvement	and facilities		
Cost					
31 December 2007	211,844	157,145	2,462,049	1,015,872	3,846,910
Additions	-	879	20	58,579	59,478
Disposals/write-off	-	(63,638)	(612,391)	(376,712)	(1,052,741)
Transfers	-	25,049	80,430	(105,479)	-
31 December 2008	211,844	119,435	1,930,108	592,260	2,853,647
Accumulated depreciation					
31 December 2007	-	125,755	1,793,955	737,499	2,657,209
Depreciation for the year	-	17,353	134,084	30,155	181,592
Depreciation on disposals/write-off	-	(49,906)	(451,929)	(234,399)	(736,234)
31 December 2008	-	93,202	1,476,110	533,255	2,102,567
Allowance for impairment loss					
31 December 2007	-	16,550	271,040	12,410	300,000
Additions	-	3,631	59,504	41,602	104,737
31 December 2008	-	20,181	330,544	54,012	404,737
Net book value					
31 December 2007	211,844	14,840	397,054	265,963	889,701
31 December 2008	211,844	6,052	123,454	4,993	346,343
Depreciation for the year					
2007 (included in selling and administrative expenses)					174,960
2008 (included in selling and administrative expenses)					181,592

In 2007, in accordance with the resolutions of the Extraordinary General Meeting of the Shareholders of Union Technology (2008) Public Company Limited (“Union Technology (2008)”), such company was authorised to cease its footwear business, as mentioned in Note 1.2, Union Technology (2008) assigned an independent valuer to revalue most of its assets, using a forced sale basis for machinery and equipment. From the independent valuer’s report, the forced sale value of machinery and equipment was approximately Baht 49 million lower than its book value. In addition, the management of Union Technology (2008) decided to record full allowance for impairment loss in the value of molds. Union Technology (2008) recorded total allowances for impairment loss in the value of its assets totalling Baht 148 million under the heading of “Loss on impairment of property, plant and equipment” in the consolidated income statements for the year.

In addition, during 2007, Union Technology (2008) assigned an independent valuer to revalue most of its property, using the fair value basis for land, land improvements, building and building improvements. From the independent valuer’s report, the fair value of the property amounted to approximately Baht 160 million.

As at 31 December 2008, the Company and its subsidiaries had machinery, vehicles and equipment under finance lease agreements with net book value amounting to Baht 71.3 million.

As at 31 December 2008, certain plant and equipment items of the Company and its subsidiaries had been fully depreciated but were still in use. The original cost of those assets amounted to approximately Baht 5,060 million (2007: Baht 5,635 million) (Separate financial statements: Baht 1,349 million, 2007: Baht 1,723 million).

14. Intangible assets

Details of intangible assets which are computer software are as follows:

(Unit : Baht)

	Consolidated financial statements	
	2008	2007
Cost	10,142,245	7,638,888
Accumulated amortisations	(6,305,735)	(4,633,033)
Net book value	3,836,510	3,005,855
Amortisation expenses included in the income statements for the year	1,672,701	1,506,475

15. Bank overdrafts and short-term loans from financial institutions

(Unit : Baht)

	Interest rate (percent per annum)	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Bank overdrafts	Based on MOR	21,111,787	48,890,581	4,612,623	8,378,437
Short-term loans from financial institutions	3.34 - 5.50	1,184,563,778	1,156,645,229	786,669,000	715,000,000
Total		1,205,675,565	1,205,535,810	791,281,623	723,378,437

16. Long-term loans

Loans	Interest Rate (percent per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2008	2007	2008	2007
((Unit : Baht))						
1. Loan from local bank (changed from USD 25.0 million on 17 May 2007 under an agreement dated 26 January 2007)	Based on MLR	Annual installments from 2007 to 2010	304,534,600	456,838,450	304,534,600	456,838,450
2. Loan from local bank (changed from USD 3.0 million on 29 January 2007 under an agreement dated 26 January 2007)	Based on MLR	Annual installments from 2007 to 2011	45,687,500	73,100,000	45,687,500	73,100,000
3. Loan from local bank (changed from USD 2.5 million on 29 January 2007 under an agreement dated 26 January 2007)	Based on MLR	Annual installments from 2007 to 2011	54,825,000	60,916,667	54,825,000	60,916,667
4. Loan from local bank (changed from USD 10.0 million on 30 March 2007 under an agreement dated 22 March 2007)	Based on MLR	Annual installments from 2007 to 2011	189,930,000	248,370,000	189,930,000	248,370,000
5. Loan from local bank	Based on MLR	Annual installments from 2010 to 2015	260,000,000	-	260,000,000	-
6. Loan from local bank	Based on MLR	3 installments from 2009 to 2010	200,000,000	-	200,000,000	-
7. Loan from local bank	Based on MLR	Monthly installments from 2007 to 2010	2,800,000	5,200,000	-	-
8. Loan from local bank	Based on MLR	Monthly installments from 2004 to 2010	-	17,327,000	-	-
9. Loan from local bank	Based on MLR	Annual installments from 2007 to 2012	10,260,000	12,885,000	-	-
10. Loan from local bank	Based on MLR	Monthly installments from 2009 to 2012	12,000,000	-	-	-
11. Loan from oversea bank	Based on interest rate of Bank of China	Installments within 2010	202,820,650	-	-	-
Total			1,282,857,750	874,637,117	1,054,977,100	839,225,117
Less: current portion of long-term loans			(299,225,017)	(257,229,017)	(294,248,017)	(244,248,017)
Long-term loans - net of current portion			983,632,733	617,408,100	760,729,083	594,977,100

On 25 January 2007, the Company entered into an amendments to loan agreements with a local bank under which the Company had borrowed in US dollars (loans no.1, no.2 and no.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:

(Unit : Million Baht)

Loans	Date of changing currency	Amount	Repayment schedule	Interest rate (percent)
1	17 May 2007	609.1	Annual repayment from 2007 to 2010	Based on MLR
2	29 January 2007	91.4	Annual repayment from 2007 to 2011	Based on MLR
3	29 January 2007	76.1	Annual repayment from 2007 to 2011	Based on MLR
		776.6		

On 22 March 2007, the Company entered into an amendment to loan agreement with a local bank under which the Company had borrowed in US dollars (loan no.4). The substance of the amendments is that it was agreed that the currency would be changed from US dollars to Thai Baht, as follows:

(Unit : Million Baht)

Loans	Date of changing currency	Amount	Repayment schedule	Interest rate (percent)
4	30 March 2007	248.4	Annual repayment from 2007 to 2011	Based on MLR

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.

On 6 June 2008, the Company entered into a loan agreement with a local commercial bank amounting to Baht 260 million for investment in the manufacture of automobile carpets and a small power generation project. The loan is a long-term loan to be repaid in annual installments between 2010 and 2016, and subject to interest at a rate referenced to MLR.

17. Liabilities under finance lease agreements

(Unit : Baht)

	Consolidated financial statements	
	2008	2007
Liabilities under finance lease agreements	74,683,553	65,084,413
Less: Deferred interest expenses	(3,410,944)	(2,914,095)
Total	71,272,609	62,170,318
Less: Portion due within one year	(37,409,558)	(21,329,742)
Liabilities under finance lease agreements - net of current portion	33,863,051	40,840,576

The subsidiary companies have entered into the finance lease agreements with leasing companies for rental of machine, motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 4 years.

As at 31 December 2008, Future minimum lease payments required under the finance lease agreements were as follows:

(Unit : Million Baht)

	Less than 1 year	1 - 5 years
Future minimum lease payments	39	35
Deferred interest expenses	(2)	(1)
Present value of future minimum lease payments	37	34

18. The Company's shares held by the subsidiaries

This represents the acquisition cost of the 10,022,694 ordinary shares (3.34 percent of the total number of shares in issue) of the Company acquired and held by Saha - Union Holding Co., Ltd., Union Equity Co., Ltd. and Union Textile Industries Plc., subsidiaries.

19. Statutory reserve

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

However, the Company's regulations require the Company to set aside to the statutory reserve at least 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.

20. Gain (loss) on exchange rate

Consolidated financial statements

(Unit : Million Baht)

	For the years ended 31 December	
	2008	2007
Realised gain on exchange	3	150
Unrealised gain (loss) on exchange	15	(7)
Total gain on exchange	18	143

Separate financial statements

(Unit : Million Baht)

	For the years ended 31 December	
	2008	2007
Realised gain on exchange	11	20
Unrealised gain (loss) on exchange	2	(6)
Total gain on exchange	13	14

21. Expenses by nature

Significant expenses by nature are as follow:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Salary and wages and other employee benefits	1,851,008,772	3,214,918,140	100,583,246	98,988,649
Depreciation	708,367,351	676,853,620	176,877,416	174,960,004
Loss on impairment of property, plant and equipment	133,703,955	353,536,031	104,737,000	150,000,000
Amortisation expenses	60,988,818	10,978,712	55,983,450	8,815,632
Rental expenses	218,355,694	316,970,785	871,100	855,800
Raw materials and consumables used	2,717,382,604	4,018,633,074	17,306,987	24,028,406
Changes in inventories of finished goods and work in process	178,248,725	264,135,356	154,539,270	106,899,434

22. 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 materials and essential materials which used in the production for export	8 May 2008
Union Technology (2008) Plc.	- Reduction of import duty on imported molds (in the process of cancellation)	31 December 2009
Phon Union Footwear Co., Ltd.	- Exemption from corporate income tax on profits, with the tax exempt capped at 100% of investment, exclusive of land and working capital	30 October 2010
	- Exemption from corporate income tax on dividends paid from of the promoted operations (in the process of cancellation)	30 October 2010
Jakkarat Union Footwear Co., Ltd.	- Exemption from corporate income tax on profits	31 July 2011
	- 50% reduction of corporate income tax on profits	(8 years from the date revenue was first earned) 31 July 2016
	- Exemption from corporate income tax on dividends paid from of the promoted operations	(5 years from expiration of tax exemption) 31 July 2011
	- Double deduction of shipping expenses, electricity expenses and water expenses for corporate income tax purposes (in the process of cancellation)	(8 years from the date revenue was first earned) 31 July 2013
Union Kotec Molds Co., Ltd.	- Exemption from corporate income tax on profits, with the tax exempt capped at 100% of investment, exclusive of land and working capital	(10 years from the date revenue was first earned) 24 April 2012
	- Exemption from corporate income tax on dividends paid from of the promoted operations	(8 years from the date revenue was first earned) 24 April 2012
		(8 years from the date revenue was first earned)

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

(Unit : Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Sales						
Domestic sales	-	-	5,020,782	5,295,078	5,020,782	5,295,078
Export sales	-	-	5,567,232	7,808,409	5,567,232	7,808,409
Service income	60,988	80,423	1,559,620	1,677,304	1,620,608	1,757,727
Total revenues	60,988	80,423	12,147,634	14,780,791	12,208,622	14,861,214

(Unit : Thousand Baht)

	Separate financial statements			
	Non-promoted operations		Total	
	2008	2007	2008	2007
Revenues				
Sales				
Domestic sales	2,005,361	2,772,103	2,005,361	2,772,103
Export sales	1,176,158	1,941,425	1,176,158	1,941,425
Service income	1,256,474	1,325,270	1,256,474	1,325,270
Total revenues	4,437,993	6,038,798	4,437,993	6,038,798

23. Earnings per share

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

24. Discontinued operation

By resolution of the Extraordinary General Meeting of the Shareholders of Union Technology (2008) Public Company Limited ("Union Technology (2008)"), Union Technology (2008) was authorised to cease its footwear business, as mentioned in Note 1.2 to the financial statements. As of 31 December 2008, footwear business part of Union Technology (2008) was classified as a discontinued operation.

Assets and liabilities of the discontinued and continuing operations presented in the consolidated financial statements as at 31 December 2008 are as follow.

(Unit : Million Baht)

	Continuing operation	Discontinued operation	Consolidated financial statements
Assets			
Accounts receivable	1,703	-	1,703
Inventories - net	1,294	-	1,294
Input tax refundable	44	-	44
Property, plant and equipment - net	3,562	-	3,562
Others	12,941	16	12,957
Total assets	19,544	16	19,560
Liabilities			
Bank overdrafts and short-term loans from financial institutions	1,206	-	1,206
Accounts payable	1,147	-	1,147
Provision for employee compensation and pension expense	427	4	431
Others	2,231	-	2,231
Total liabilities	5,011	4	5,015

For the discontinued segment, assets are presented at their net realizable values and liabilities are recorded at the amounts that are expected to be paid.

Operating results and cash flows of the discontinued and continuing operations presented in the consolidated financial statements for the year ended 31 December 2008 and 2007 are as follows:

(Unit : Million Baht)

	For the year ended 31 December 2008		
	Continuing operation	Discontinued operation	Consolidated financial statements
Operating result			
Sales	12,209	-	12,209
Gain on exchange	18	-	18
Gain on sale of assets held for sale	-	23	23
Other income	886	5	891
Cost of sales	(10,736)	-	(10,736)
Selling expenses	(361)	-	(361)
Administrative expenses	(1,038)	-	(1,038)
Reversal of loss on diminution in value of inventory	47	-	47
Loss on impairment of property, plant and equipment	(103)	(31)	(134)
Unrealised loss from revaluation of securities - trading	(327)	-	(327)
Income (loss) before finance cost and corporate income tax	595	(3)	592
Finance cost	(118)	-	(118)
Share of income from investments in associates	33	-	33
Income (loss) before corporate income tax	510	(3)	507
Corporate income tax	(134)	-	(134)
Net income (loss)	376	(3)	373
Cash flows			
Net cash flows from operating activities	1,163	7	1,170
Net cash flows from (used in) investing activities	(741)	87	(654)
Net cash flows used in financing activities	(12)	-	(12)

	For the year ended 31 December 2007		
	Continuing operation	Discontinued operation	Consolidated financial statements
Operating result			
Sales	13,178	1,683	14,861
Gain on exchange	48	95	143
Gain on sale of assets held for sale	-	41	41
Other income	587	15	602
Cost of sales	(11,279)	(1,736)	(13,015)
Selling expenses	(395)	(20)	(415)
Administrative expenses	(1,279)	(84)	(1,363)
Reversal of loss on diminution in value of inventory	20	5	25
Loss on impairment of property, plant and equipment	(197)	(157)	(354)
Provision for employee compensation and expenses	(49)	(118)	(167)
Income (loss) before finance cost and corporate income tax	634	(276)	358
Finance cost	(103)	(4)	(107)
Share of income from investments in associates	601	-	601
Income (loss) before corporate income tax	1,132	(280)	852
Corporate income tax	(259)	-	(259)
Net income (loss)	873	(280)	593
Cash flows			
Net cash flows from (used in) operating activities	1,655	(25)	1,630
Net cash flows from (used in) investing activities	(789)	15	(774)
Net cash flows used in financing activities	(261)	(71)	(332)

25. Segment information

The Company and its subsidiaries' business operations involve four principal segments: (1) textile, footwear, computer and electronics components (2) plastic, rubber and metal (3) power generation and (4) investment and others. The business operations are carried on both in Thailand and overseas. Below is the consolidated financial information of the Company and its subsidiaries for the years ended 31 December 2008 and 2007 by segment.

(Unit : Million Baht)

For the year ended 31 December															
Textile, footwear, computer and electronics components segment				Plastics, rubber and		Power generation		Investment and		Elimination of inter-		Consolidate financial			
Continuing segment				Discontinued segment		Total		metal segment		segment		segment revenues		statements	
2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sale revenues															
6,887	8,230	-	11	6,887	8,241	1,993	1,772	-	-	11	188	(2,250)	(3,148)	6,641	7,053
2,438	3,970	-	1,972	2,438	5,942	2,508	1,640	624	833	97	103	(99)	(710)	5,568	7,808
9,325	12,200	-	1,983	9,325	14,183	4,501	3,412	624	833	108	291	(2,349)	(3,858)	12,209	14,861
Operating income (loss)															
651	682	(3)	(280)	648	402	492	393	(19)	39	(510)	42	407	467	1,018	1,343
Unallocated income and expenses:															
Interest income															
														47	42
Other income															
														886	744
Selling expenses															
														(366)	(418)
Administrative expenses															
														(993)	(1,352)
Share of income of associated companies															
														33	601
Finance cost															
														(118)	(107)
Corporate income tax															
														(134)	(259)
Minority interest															
														(92)	(42)
Net income															
														281	552
Property, plant and equipment															
1,524	1,986	9	-	1,533	1,986	953	1,047	350	647	726	658	-	(135)	3,562	4,203
Unallocated assets															
														15,998	15,838
Total assets															
														19,560	20,041

Transfer prices between business segments are set out in Note 7 to the financial statements.

26. 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 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 2008, the Company and its subsidiaries contributed Baht 21.5 million (2007: Baht 29.1 million) to the fund.

27. Dividends

(Unit : Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2006	Annual General Meeting of the shareholders on 26 April 2007	375,000,000	1.25
Total for 2007		375,000,000	1.25
Final dividends for 2007	Annual General Meeting of the shareholders on 24 April 2008	375,000,000	1.25
Total for 2008		375,000,000	1.25

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2008, the Company and its subsidiaries had capital commitments of approximately Baht 4.8 million (the Company only: Baht 4.8 million), relating to the office improvement.

28.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles, machinery and equipment. The terms of the agreements are generally between 1 and 5 years.

Future minimum rentals payable under these leases as at 31 December 2008 were as follows:

(Unit : Million Baht)

	Consolidated financial statements	Separate financial statements
Payable within:		
Less than 1 year	58	14
1 to 5 years	77	55
	135	69

28.3 Guarantees

(1) As at 31 December 2008, there were outstanding bank guarantees of Baht 323.1 million issued by banks on behalf of the Company and its subsidiaries (Separate financial statements: Baht 49.0 million) in respect of certain performance bonds as required in the ordinary normal of business.

(2) The Company has provided guarantees to financial institutions against certain obligations of its subsidiary, charging such company 1 percent of the guarantee amount as a fee. The outstanding guarantees as at 31 December 2008 are Baht 270 million (2007: Baht 270 million).

(3) The Company has provided a guarantee, proportionate to its shareholding, to secure a loan of USD 6 million provided by a bank in China to Shangyu Hangzhou - Union Cogeneration Co., Ltd.

(4) The Company has provided a guarantee, proportionate to its shareholding, to secure a loan of RMB 20 million provided by a bank in China to Shanghai Saha - Union Spinning Mill No.7 Co., Ltd.

29. Financial instruments

29.1 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 receipts, 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 2008 classified by type of interest rates are summarised 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.

(Unit : Million Baht)

	Consolidated financial statement				
	Fixed interest rates		Within		Total
	1 year	1-5 years	Floating interest rate	Non-interest bearing	
Financial Assets					
Cash and cash equivalent	-	-	1,940	-	1,940
Current investments	-	-	698	-	698
Trade accounts receivable	-	-	-	1,703	1,703
	-	-	2,638	1,703	4,341
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	-	-	1,206	-	1,206
Trade accounts payable	-	-	-	1,147	1,147
Deposits from related parties	-	-	103	-	103
Liabilities under financial lease agreements	37	34	-	-	71
Long-term loans	-	-	1,283	-	1,283
	37	34	2,592	1,147	3,810

(Unit : Million Baht)

Separate financial statements			
	Floating interest rate	Non-interest bearing	Total
<u>Financial Assets</u>			
Cash and cash equivalent	92	-	92
Trade accounts receivable	-	461	461
Short-term loans to related parties	343	-	343
	435	461	896
<u>Financial liabilities</u>			
Bank overdrafts and short-term loans from financial institutions	791	-	791
Trade accounts payable	-	343	343
Deposits from related parties	1,050	-	1,050
Long-term loans	1,055	-	1,055
	2,896	343	3,239

Foreign currency risk

The Company and its subsidiaries' 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 2008 are summarised below.

Foreign currency	Financial assets (Million)	Financial liabilities (Million)	Average exchange rate as at 31 December 2008 (Baht per 1 foreign currency unit)
US dollar	13	3	34.94
Euro	1	0.4	49.27
Japanese yen	102	8	0.39
HK dollar	3	0.2	4.51
RMB	111	-	5.10

Foreign exchange contracts outstanding at 31 December 2008 are summarised below.

Foreign currency	Sold amount (Million)	Sold contractual exchange rate (Baht per 1 foreign currency unit)
US dollar	30	33.02 - 35.60
Euro	2	44.70 - 49.78
Japanese yen	439	0.32 - 0.39

29.2 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.

30. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2008, the Group's debt-to-equity ratio was 0.34 : 1 (2007: 0.32 : 1) and the Company's was 0.58 : 1 (2007: 0.41 : 1).

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2009.

Auditor's Remuneration

Audit Fee

In the year 2008, the auditor of the Company and its subsidiaries was Mr. Suphachai Panyawattano of Ernst & Young Office Ltd. The Company has nominated 3 persons from those who had their independence and had no relationship and/or interests with the Company or its subsidiaries, the management, or the major shareholders, or related parties to such personnel, to be appointed in the AGM as its auditor, with the complete qualifications as approved by the Office of the Securities and Exchange Commission.

In the year 2008, the Company and its subsidiaries have paid the audit fee to Ernst & Young Office Ltd., where the Company's auditor was working for, totally Baht 7,390,000; whereas, the Company and its subsidiaries have not paid the audit fee to the auditor directly or to any individual/business in connection with the auditor and the audit office where the auditor was working for.

Non-Audit Fee

In the year 2008, the Company and its subsidiaries have not paid any non-audit fee; and there were no remaining service works to be paid in the following year to the auditor or to the Ernst & Young Office Ltd., or to any individual/business in connection with the auditor and the audit office where the auditor was working for.

Principles of Corporate Governance

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5.11 Independent directors;	

General Information

Saha - Union Public Company Limited and Its subsidiaries

Saha - Union Public Co., Ltd.

Company Registration No. 0107537000971 (Formerly Public Limited Company No. 344)

Head Office : 1828 Sukhumvit Road, Bangchak, Phraknong, Bangkok 10260, Thailand

Tel : (66-2) 311-5111-9, 332-5600

Fax : (66-2) 332-5616

www.sahaunion.co.th

The company is principally engaged in investment holding and distribution of products manufactured by the group companies. The company had the Registered Capital of Baht 3,000 million which issued and fully paid-up 300 million ordinary shares of Baht 10 each.

Juristic Persons of which the Company's Shareholding exceed 10%

(For the quantity and type of issued shares, please see "Direct Investment Information of the Company", page 18-19)

Manufacturing Textiles

- | | |
|---|---|
| <ul style="list-style-type: none">• Union Textile Industries Public Co., Ltd.
205 Moo 4 Sukhumvit Road Km. 39.5, Bangpoo Mai,
Samutprakarn 10280
Tel : (66-2) 323-1085-90 Fax : (66-2) 710-8808 | <ul style="list-style-type: none">• Union Button Corp., Ltd.
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-3003-7 Fax : (66-2) 538-1132 |
| <ul style="list-style-type: none">• Union Garment Co., Ltd.
1828 Sukhumvit Road, Bangchak, Phraknong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616 | <ul style="list-style-type: none">• Venus Button Co., Ltd.
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-3003-7 Fax : (66-2) 538-1132 |
| <ul style="list-style-type: none">• Union Thread Industries Co., Ltd.
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-0511-30 Fax : (66-2) 539-6153 | <ul style="list-style-type: none">• Union Micronclean Co., Ltd.
1828 Sukhumvit Road, Bangchak, Phraknong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616 |
| <ul style="list-style-type: none">• Union Spinning Mills Co., Ltd.
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-0511-30 Fax : (66-2) 538-4247 | <ul style="list-style-type: none">• Venus Thread Co., Ltd.
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-0511-30 Fax : (66-2) 539-6153 |
| <ul style="list-style-type: none">• Union Industries Corp., Ltd.
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 514-1191-4 Fax : (66-2) 538-4248 | <ul style="list-style-type: none">• Union Zip Co., Ltd.
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-0511-30 Fax : (66-2) 538-4248, 530-0543 |

Other References

Securities Registrar

Thailand Securities Depository Co., Ltd.

62 The Securities Exchange of Thailand Building

Rajadapisek Road, Klongtoey, Bangkok 10110

Tel : (66-2) 359-1200-1 Fax : (66-2) 359-1259

Auditors

Mr. Supachai Phanyawattano or Miss Siraporn Ouuanunkun or

Miss Thipawan Nananuwat

Ernst & Young Office Limited

33rd Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Tel : (66-2) 264-0777 Fax : (66-2) 264-0789-90

Plastics, Rubber and Metal

- **Union Plastic Public Co., Ltd.**

Ng. 11/1 Moo 14 Bangchan Industrial Estates,

Serithai Road, Minburi, Bangkok 10510

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

- **Union Pioneer Public Co., Ltd.**

Ng. 1 Moo 13 Bangchan Industrial Estates,

Serithai Road, Minburi, Bangkok 10510

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

- **Union Thai - Nichiban Co., Ltd.**

Ng. 12 Bangchan Industrial Estates,

Serithai Road, Minburi, Bangkok 10510

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

- **Union Zojirushi Co., Ltd.**

11/3 Moo 14 Bangchan Industrial Estates,

Serithai Road, Minburi, Bangkok 10510

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

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

11/2 Moo 14 Bangchan Industrial Estates,

Serithai Road, Minburi, Bangkok 10510

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

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

1828 Sukhumvit Road, Bangchak, Phrakonong,

Bangkok 10260

Tel : (66-2) 311-5111-9 Fax : (66-2) 741-4836

- **Union Rubber Products Corp., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong,

Bangkok 10260

Tel : (66-2) 311-5111-9 Fax : (66-2) 741-4836

- **Union Nifco Co., Ltd.**

99 Moo 5 Bangna-Trad Road, Bangsamak,

Bangpakong, Chachoengsao 24180

Tel : (66-38) 842-130-5 Fax : (66-38) 842-129

Computer and Electronics Parts

- **Computer Union Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong,

Bangkok 10260

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

Branch : 142/1-2 Soi Ladphrao 80 (Chantima),

Ladphrao Road, Wangthonglang, Bangkok 10310

Tel : (66-2) 530-0505

Fax : (66-2) 530-2940 (Customer Service)

(66-2) 530-1955 (Warehouse)

(66-2) 530-5388 (Installation Department)

- **Union Technology (2008) Public Co., Ltd.**

1828 Sukhumvit Road, Bangchak, Phrakonong,

Bangkok 10260

Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616

Branch 1 : 99 Moo 5 Bangna - Trad (Km. 38),

Bangsamak, Bangpakong, Chachoengsao 24180

Tel : (66-38) 842-108-9 Fax : (66-38) 842-109

Branch 2 : 336 Moo 10 Sukhumvit Road, Bangphra,

Sriracha, Chonburi 20110

Tel : (66-38) 341-370-8 Fax : (66-38) 341-380-2

Energy

- **Union Energy Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616
- **Union Energy (China) Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616

Trading, Investment and Services

Trading

- **Uni - Fibre Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 331-5668, 332-5615
- **Union Universe Co., Ltd.**
52/16-17 Soi Chareonkroong 41, Chareonkroong Road,
Seephraya, Bangrak, Bangkok 10500
Tel : (66-2) 266-2976-80 Fax : (66-2) 237-6468

Investment

- **Saha - Union Holding Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616
- **Union Equity Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616
- **Texport International Co., Ltd.**
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-0511-30 Fax : (66-2) 539-6134
- **Union Business Management Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616
- **Union Oversea Holding Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakonong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616
- **Union Rubber Plas Co., Ltd.**
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-7040-54 Fax : (66-2) 539-6124
- **Union Capital Co., Ltd.**
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 530-0511-30 Fax : (66-2) 539-6134
- **Uni - Agro Co., Ltd.**
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310
Tel : (66-2) 932-7868 Fax : (66-2) 514-2410

Services

- **Union Sime Darby (Thailand) Co., Ltd.**
20th Floor, Vanissa Building, 29 Soi Chidlom,
Lumpinee, Pathumwan, Bangkok 10330
Tel : (66-2) 251-5288 Fax : (66-2) 254-6383
- **Union Printing Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakong,
Bangkok 10260
Tel : (66-2) 311-5111-9 Fax : (66-2) 332-5616
- **Union Human Resources Development Co., Ltd.**
1828 Sukhumvit Road, Bangchak, Phrakong,
Bangkok 10260
Tel : (66-2) 311-5111-9, 332-5600 Fax : (66-2) 332-5616
- **Venus Shoes Co., Ltd.**
142 Soi Ladphrao 80 (Chantima), Ladphrao Road,
Wangthonglang, Bangkok 10310

Branch : 99 Moo 5 Bangna-Trad Road (Km. 38),
Bangsamak, Bangkok, Chachoengsao 24180
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- **Saha - Union International Ltd. (Hong Kong)**
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Tokwawan, Kowloon, Hong Kong
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12th Floor, Bangkok Bank Building,
No. 28 Des Voeux Road, Central, Hong Kong
Tel : (852) 2521-2260 Fax : (852) 2521-0021
- **Union Energy (Hong Kong) Co., Ltd.**
12th Floor, Bangkok Bank Building,
No. 28 Des Voeux Road, Central, Hong Kong
Tel : (852) 2521-2260 Fax : (852) 2521-0021
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Office Locations

Domestic

- **Head Office**

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Tel : (66-2) 311-5111-9, 332-5600

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- **Ladphrao Operations**

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- **Sriracha Operations**

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