



รายงานประจำปี 2553
ANNUAL REPORT 2010



บริษัท โอซีซี จำกัด (มหาชน)
O.C.C. PUBLIC Co.,Ltd.

รายงานประจำปี 2553 ANNUAL REPORT 2010



วิสัยทัศน์

เราจะก้าวไปข้างหน้าอย่างแข็งแกร่ง
ร่วมสร้างสรรค์สิ่งที่แตกต่างกันและดีที่สุด
เพื่อตอบสนองทุกสัมผัสแห่งความไว้วางใจ
ด้วยสินค้าและบริการที่สร้างความสุข
และความประทับใจ
เพื่อพนักงานของเรา ลูกค้าของเรา
คู่ค้าของเรา ผู้ถือหุ้นและสังคมไทยของเรา

VISION

O.C.C. is moving forward strongly
by creating products with a difference and best quality.
We strive to return the loyalty of our customers, employees,
trading partners, shareholders,
and Thai society by providing products & services
which create beauty, happiness and complete satisfaction.

6 O.C.C. Values

B = Boundaryless
E = Ethics and Integrity
A = Adaptability to Change
U = Unity
T = Talent
Y = You are Our Valued Customer

BEAUTY from within

คำนิยม 6 จาม

จามจริง...ต้องเปิดใจ
จามด้วยใจ...ต้องซื่อสัตย์
จามไม่จำกัด...ต้องเปลี่ยนแปลงและปรับ
จามพร้อมสรรพ...ต้องสามัคคี
จามทุกที่...ต้องเก่งและพัฒนา
จามอย่างมีคุณค่า...ต้องรักบริการ
จามนาน ๆ ต้องจามจากภายใน

COVERMARK

SUNGRACE

O'LEARY

KMA
cosmetics

KMA
cosmetics

PROFESSIONAL

OCC
Beauty House

SkinSense

SWIM & LINGERIE

Guy Laroche
PARIS

GUNZE
—JAPAN—

G⁺ PLUS

GG

bsc
hair care

SHISEIDO
PROFESSIONAL



Ritmüller

In House Activities



CWT (Culture Working Team)



Learning Organization Semina



Culture Day Kick-off

Social Contribution Activities



O.C.C. Plc. Contributes to help Flood Victims through Friends in Need (of "PA") Volunteers Foundation



Blood Donation



O.C.C. Plc. support lunch meal to the elders at Almahouse.



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Message from the Board of Directors

During the year 2010, Thailand economy encountered impacts of several negative factors such as global economic uncertainties, domestic political demonstrations, worldwide natural disasters, etc. However, thanks to close cooperation among our employees in all levels thru planning, operational strategy formation and well risk management, the Company could get through the difficulties. There was even higher profit than the past year.

Corporate Culture: BEAUTY from within

In order to achieve the Vision of returning all stakeholders by product and service deliverables that create beauty, happiness and impression, the Company has therefore adopted policies on building corporate strength and employee competency enhancement. A motto “BEAUTY from within” has been built up and maintained as its corporate favorable culture. It is derived from Company’s 6 Values as follows:

B	=	Boundaryless
E	=	Ethics and Integrity
A	=	Adaptability to Change
U	=	Unity
T	=	Talent
Y	=	You are Our Valued Customer

Employees are the Key Factor towards Success

The Company is confident that every employee has value and potential. Support and encouragement is emphasized to develop their competencies and capabilities. Ongoing training has also been provided for their self-potential development as preparations for Company essential forces in the future.

Value Added to Products and Services

The Company has worked closely with R&D teams of owners and manufacturers of various brands of products under distribution. Sharing knowledge in creation of outstanding products and services to fulfill consumer needs at reasonable prices.

Environmental Preservation and Energy Saving

The Company believes that it should stay sustaining together with its community and environment. O.C.C. as a distributor of products and services, it is well aware of importance to environmental issues all the time. Helping relief of global-warming by greenhouse effect and energy saving. Encouraging employees reduce utilization of power by walking up and down the stairs instead of using elevators and turn off lights and air-conditioners during lunch break and 15 minutes before office closing. Encouraging employees and all concerned in participation in behaving as good citizens and being beneficial to community and society. Building consciousness of resource consumption for all it’s worth. Also encourage employees to participate in various creative activities and join the CSR Day Project supported by Corporate Social Responsibility Institute (CSRI), Stock Exchange of Thailand and Thaipat Institute.

During the year 2010, with Company's support, representatives of employees jointly created favorable activities for community and society such as forest feeding at Tub Lan National Park in Nakhon Ratchasima Province, luncheon for elders at Social Welfare Center for Elders in Nakhon Pathom Province, teaching facial make-up provided as future profession for female prisoners at Central Female Prison (Ladyao), donation of money and products to help flood victims and public benefits, participation in blood donation to the Thai Red Cross Society, and etc.

Respect for Intellectual Patents

The Company encourages all employees to respect for other peoples' intellectual patents along with protecting our own rights in any trademarks, patents or software. Especially for computers, only legally obtained software is used. There are measures set that employees must not violate copyrights; installing pirate software in Company's equipment is prohibited.

Accept the King's Sufficiency Economy Philosophy for Sustainable Growth

The Company believes that the King's Sufficiency Economy Philosophy is a balance business framework. It considers own potential, economic and social environments leading the organization towards a secure operation. The Company is pleased to adopt the Sufficiency Economy Philosophy in moderation, rationality, self-immunity, knowledge, morality and integrity. Unlawful behaviors are also avoided such as violation of human rights, unfair treatment of employees, and hiring illegal labor.

The Company's Board of Directors would like to express thanks to shareholders, customers, business partners, employees, and other concerned for all your support. We ensure you that we will endeavor to conduct the business under Ethics and Good Corporate Governance principles for the best benefits to all stakeholders in return for trust and confidence received. Competence in business operation will be developed and strengthened for further sustainable growth



Mrs. Karnchana Saisiriporn
Chairman



Mrs. Teerada Ambhanwong
Managing Director and Chief Executive Officer

General Information

O.C.C. PUBLIC COMPANY LIMITED

Company Abbreviation	OCC
Type of Shares	Common Stock 80,000,000 shares at 1 Baht par value
Issued and paid – up share capital	60,000,000 common stocks at Baht 1 each
Registered No	0107537001323
Type of Business	Distributing cosmetics, clothes, musical and beautifying equipment
Head Office Address	729/4-7 Ratchadaphisek Rd., Bangpongpang Yannawa, Bangkok 10120
Tel.	02-2954545, 02-2954567
Fax.	02-2950415
Home Page	www.occ.co.th

The Company invested investment in the following companies by holding 10% or more of Shares:

Name and Head Office Address	Type of Business	Paid up Capital	% Holding
1. M.I.L. (Thailand) Co., Ltd. 729/21-22 Ratchadaphisek Rd, Bangpongpang, Yannawa, Bangkok 10120 Tel. 02 – 2954760 - 2 Fax.02 - 2954759	Beauty Products Distribution	3.0MB	12.67%
2. Oriental Salon Business Co., Ltd. 729/23-25 Ratchadapisek Rd., Bangpongpang, Yannawa, Bangkok 10120 Tel. 02 - 6839620 Fax. 02 - 2954763	Beauty Products Distribution	1.00MB	15.00%
3. Shiseido Professional (Thailand) Co., Ltd. 2 Soi Sukumvit 23 (Prasanmit) Sukumvit Rd., North Klongtoey, Wattana, Bangkok 10110 Tel. 02 - 2617321 - 2 Fax.02 - 2617323	Salon & Spa	70.0MB	16.00%
4. Hair Service (Thai) Co., Ltd. 21/68 Block C SoiSoonvijai - Rama 9, Rama 9 Rd., Bangkapi, Huaykwang, Bangkok 10320 Tel. 02 - 2030388 Fax. 02 - 6414209	Salon	25.0MB	18.00%

OTHER REFERENCES:

1. Register Of Common Stocks

Thailand Securities Depository Co., Ltd.
62, Stock Exchange of Thailand Building,
Ratchadapisek Road, Klong Teoi, Bangkok 10110
Tel. (662) 2292800 Fax. (662) 2292888

2. Auditor

Mr.Chaiyakorn Aunpitipongsa and/or Mr.Apiruk Ati-anuwat
Dr. Virach & Associates
518/3 Panunee Building, Floor 7th, Ploenchit Road,
Lumpini District, Khet Pratumwan, Bangkok 10330
Tel./Fax: (662) 252-2860, (662) 255-2518

3. Legal Advisor

Mr. Vira Ua-arak
Vira Law Office Office Co., Ltd.
747/151-152 Sathupradit Rd., Bangpongpan, Yannawa,
Bangkok 10120
Tel. (662) 683-8023 Fax. (662) 683-8843

4. Financial Advisor

Saha Pathana Inter-Holding Public Company Limited.
757/10 Soi Pradoo 1 , Sathupadit Rd., Bangpongpan,
Yannawa, Bangkok 10120
Tel. (662) 293-0030 Fax. (662) 293-0040

5. Investor Relations

Mrs. Chantra Tangtanasingkran
Executive Director of Accounting- Financial Division
O.C.C. Public Company Limited
729/4-7 Ratchadaphisek Rd., Bangpongpan
Yannawa, Bangkok 10120
Tel. (662) 295-4545 Ext.508 Fax. (662) 295-0415

2

Financial Information

Unit: Bht1000

	Year 2010		Year 2009		Year 2008	
Sales	1,267,223	100.00%	1,187,248	100.00%	1,162,869	100.00%
Less Cost of Goods Sold	649,548	51.26%	591,384	49.81%	572,269	49.21%
Gross Profit	617,675	48.74%	595,864	50.19%	590,600	50.79%
Less Selling & Administration Expenses	557,682	44.01%	527,314	44.41%	521,179	44.82%
Operating Profit	59,993	4.73%	68,550	5.77%	69,421	5.97%
Add Other Income	43,002	3.39%	26,867	2.26%	16,132	1.39%
Profit before Interest and Income Tax	102,995	8.13%	95,417	8.04%	85,553	7.36%
Less Interest Expenses	1		1		1	
Profit before Income Tax	102,994	8.13%	95,416	8.04%	85,552	7.36%
Less Income Tax	26,280	2.07%	22,867	1.93%	23,596	2.03%
Net Earnings	76,714	6.05%	72,549	6.11%	61,956	5.33%

Unit: Bht1000

Total Income	1,310,225	100.00%	1,214,115	100.00%	1,179,001	100.00%
Total Expenses	1,207,230	92.14%	1,118,698	92.14%	1,093,448	92.74%
Profit before Income Tax	102,995	7.86%	95,417	7.86%	85,553	7.26%
Less Interest Expenses	1		1		1	
Less Income Tax	26,280	2.01%	22,867	1.88%	23,595	2.00%
Net Earnings	76,714	4.49%	72,549	5.98%	61,956	5.25%

Financial Ratios

	Year 2010	Year 2009	Year 2008
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LIQUIDITY RATIO

Current Ratio	2.73 Times	3.30 Times	2.66 Times
Quick Ratio	1.26 Times	1.55 Times	1.17 Times
Cash Flow Liquidity Ratio	0.64 Times	0.19 Times	0.52 Times
Account Receivable Turnover	5.37 Times	5.41 Times	5.73 Times
Collection Period	67 Days	67 Days	63 Days
Inventory Turnover	3.81 Times	3.52 Times	3.41 Times
Inventory Coverage	94 Days	102 Days	106 Days
Account Payable Turnover	5.97 Times	5.90 Times	5.56 Times
Payable Period	60 Days	61 Days	65 Days
Cash Cycle	101 Days	108 Days	104 Days

PROFITABILITY RATIO

Gross Profit	48.74 %	50.19 %	50.79 %
Operating Profit	4.73 %	5.77 %	5.97 %
Other Income	3.28 %	2.21 %	1.37 %
Cash against Operating Profit	194.06 %	46.67 %	126.80 %
Net Earnings	5.86 %	5.98 %	5.25 %
Return on Equity	13.94 %	14.25 %	13.16 %

EFFICIENCY RATIO

Return on Assets	10.32 %	10.54 %	9.52 %
Return on Fixed Assets	122.39 %	105.61 %	89.25 %
Assets Turnover	1.76 Times	1.76 Times	1.81 Times

FINANCIAL RATIO

Debt to Equity	0.39 Times	0.31 Times	0.40 Times
Interest Coverage	NA Times	NA Times	NA Times
Debt Coverage (Cash Basis)	1.18 Times	0.94 Times	0.56 Times
Dividend Ratio		45.49 %	48.42 %



Executive Summary

O.C.C. Public Company Limited has been in operation for more than 3 decades. The main business is distribution of high-quality cosmetics and apparels under leading brand names that are well-know and received widespread popularity. The products are sold through various trading networks covering almost all of sales channels over the country. Examples of the outstanding product are “Covermark” cosmetic, “Shiseido Professional” hair treatment product, “Guy Laroche” lady lingerie, nightwear, sport wear and swimwear.

Previous year, the Thai economy was confronted with negative factors, internal and external pressures through out the year which were unsteady global economy, domestic political problems, several group of protest, oil's price fluctuations and capital control including other natural disasters. However, robust export remained support the economic growth. Though the economy of the United States remained in decline and European countries encounters with the problems of budget deficit and public debt crisis, the economy of Asia was due to an anticipated improve.

Overall domestic demand gradually recovered and had the role in fact moving forward at an accelerating pace of economic for the second half of the year. Confidence indicator of businessmen was improved. Investment indicators were positive. Unemployment rate remained low. Agricultural product's price stayed in high level. Consumers had confidence toward the stability of the economy and spent more in consume while tourism sector was strongly rebounded.

According to the economic situation as mentioned above, the Company aware of significance in its business administration that remains unsteadiness and aggressive competition. Thus, the Company implemented various strategies of management and pursued in the situation closely together with the adaptation in force and undertake until it leaded the Company to struggle all crisis. Therefore, in 2010, the Company gained total sales at 1,267.22 million Baht or increase by 6.74% from the previous year.

Total sales amount was deducted by cost of goods sold, sales and administrative expense and plus with other income the Company gained profit before Juristic Person tax amounted 102.99 million Baht increasing by 7.58 million Baht or 7.94%. After Juristic Person tax, the net profit was 76.71 million Baht increasing 5.74% from the previous year.

The Company's current financial structure stands in strong level with financial ratio that reflects to its high liquidation of the Net Working Capital amounted 362.49 million Baht representing liquidity ratio equals to 2.73 times. Debt to Equity Ratio was in low level only 0.39 times.

Nevertheless, the success performance in the previous year came from concerted efforts with all level of staffs and managements inclusive of every business counterpart without discourage of problems and difficulties. Company was still concerning extremely to create the products and services for responding to the maximize customers' pleasant. Furthermore, the management principles of its executives that were transparent such it could serve as good corporate governance and guideline with the King's Sufficiency Economy Philosophy. It ensured that the Company shall be based on the quality organization with Thai society closely and has regarded to the maximum benefit to the shareholders and stakeholders.

3.1 Overview of Business Operation

The Company has established and begun its operation since 1973. At the beginning, Company was named O'Leary Covermark Center Company Limited for distributing "O'Leary Covermark" cosmetics and opened its service centers to provide beauty advice to the clients. Thus, The Company's products were distributed in department stores and beauty salons by using strategy based on the impression of after-sale-service. Especially, the institute of promotion team on each selling point has demonstrated the products, services and guidance for using the products. It created the confidence and the good customer's response. So Covermark is well known and this led the Company to meet with success and clients' reliance until today.

The Company registered in the Stock Exchange of Thailand since 1994 and it's transformed to be "Public Company Limited". The Company expands its distributing operation with variety of products that are divided as following categories:

Cosmetic comprised of facial and body cosmetics and hair styling and hair treatment products.

Garments comprised of lady lingerie, nightwear, sport wear and swim wear.

Musical Instruments

The Company's major target clients are working women who enjoy good quality products and beauty service that are different but provided happiness, well being health and led to their most impressive to themselves and others.

The Company's core business is the distribution of the products in domestic market by commencing on business operating morality and transparent systematic management complying with Good Corporate Governance, Commitment to move towards on business excellence with the focus on human resources in organizations. Encourage all employees working happily in a friendly environment and contribute to the creative support to staffs that have the opportunity to improve themselves to use potential existing with full efficiency.

3.2 Revenue Structure

(Unit : Thousand)

Product	2010	Ratio	2009	Ratio	2008	Ratio
Cosmetics	1,090,146	86.03%	1,027,475	86.54%	1,011,706	87.00%
Clothes	171,958	13.57%	153,031	12.89%	147,864	12.72%
Musical Instruments	5,119	0.40%	6,742	0.57%	3,298	0.28%
Total	1,267,223	100.00%	1,187,248	100.00%	1,162,868	100.00%

3.3 Products and Marketing

(1) Cosmetics

(1.1) Type of Products or Services

The Company is the sole distributor of high quality cosmetic products under international licensed brands and local brands such as Covermark, O'Leary, KMA, Sungrace, Shiseido Professional and BSC Hair Care. Each product could response to all-level consumers' demand completely through all distributing channels in department stores, beauty centers, beauty salons and modern trades either in Bangkok and the provinces through the Company's sales representatives who are well trained about products' information, sales technique and professional service to give informative advice and pleasant service to the clients.

(1.2) Marketing and Competition

According to the Thai economic situation in previous year, it has been confronted with the negative factors from the global economic crisis, domestic political conflicts and also, other natural disasters in several provinces have been affected to the commercial slow down due to the confidence and private consumption declined. Nevertheless, the competition has still intensified because of the imbalance of supply and demand.



The Company has focused on the products' development under beauty innovation and offered features of trendy outstanding quality, high standard and excellence for consumers. And also, the Company increased the promotional activities in Bangkok and other provinces for encouraging the consumers to interest in products and to purchase them. It emphasized on CRM (Customer Relationship Management) to increase the satisfaction and impression of customers. As this result, the cosmetic products have affected on growth increasingly in 2010 that is the success in the unfavorable situation.

COVERMARK, which is the major brand in cosmetic products, has been developed to meet trendy modern. Thus the new products with high-quality ingredients and high-technology production are imported from Japan directly. This is to represent the brand's positioning to be international brand image. As a result, it could expand the new target groups. Meanwhile, the existing customers remain to have utmost satisfaction. The Company continues to generate more sales, while the rival giant multinationals struggle to share the market.

KMA, which is the Company's house brand cosmetic products, has developed new collections continuously for responding to the popular Korean cosmetic line of teenagers and working women. It has been a great response, resulting in sales growth. Therefore, KMA Boutique shops are opened for expanding services in Bangkok and other provinces.

Hair care products under the license of Shiseido Professional which are imported by emphasizing on superb quality. Its trendy response to fashion tend such as the new formula straight perm lotion, hot perm curling lotion and cool perm curling lotion, hair coloring products, hair treatment products and trendy hair styling products. However, the turnover has increased continuously. The Company has supported the marketing activities by focusing on long-term relationship commitment with dealers. Therefore, educational raining course has aimed to introduce new techniques about hair styling, hair color changing and a demonstration of correctly using the products by the Company's Technicians. These have been reinforced the modern brand image of the products and became the leader of hair care products. Thus these affected to the Company's strong brand awareness in the market segmentation and created stability in both its business and other distributors, which have increased its sale accordingly.

(1.3) Procurement of Products or Services

The Company cares for importance of merchandise's selection and new products' expanding in order to be alternative choice for consumers to get the high standard quality cosmetic products. Most of import products are imported by Pias International (Thailand) Co., Ltd and Shiseido Professional (Thailand) Co., Ltd. as well as the local products research and development by International Laboratories Corp. Ltd and S&J International Enterprise Public Company Limited; the international standard manufacturers with expertise in cosmetic production and high quality control for several years. And also, they have been received reliance from foreign licensors for export to the foreign countries.

(2) Clothes

(2.1) Type of Products

The Company is the sole distributor of garment products comprising of lady lingerie, nightwear, sport wear and swimwear under Guy Laroche licensed-brand in Thailand. These products were produced from the fine quality raw materials and trendy design with elegance taste of laces and perfect cutting technique that fit to women body shape. The products are distributed in leading department stores throughout Thailand by the Company's sales representatives who would serve and provide product's information.

Besides, the Company distributes also woman inner wears under Gunze brand that is well-known with unique character from Japan, this product is made of superfine quality cotton to produce knitting fabrics that have special flexibility. It's suitable for teens to wear as a casual shirt and it has good response extremely with sales growth increased significantly.

The company has appended to the trademark G&G to be the one of alternative consumers that preferred good taste products in affordable prices, both beautiful and modern Lingerie. In addition, the fitness outfits are developed to support the current generation who concentrate on their healthy by working out the exercise.

(2.2) Marketing and Competition

The marketing situation of woman lingerie, nightwear and swimwear is an aggressive competition. Each brand had improved technique pattern by offering latest materials, including price reduction for responding consumer's behavior.

The Company concentrates on French brand name "Guy Laroche", which has been distributed in the Thai market for many years. The Company recruits the marketing executives who have knowledge and keen understanding about women's fashion lifestyle for leading the team as well as to developing the marketing strategy, design and material selection for the creation of distinctive image of the products under brands that consumers know well. Thus, it will expect to result of better sales for the future.

In year 2010, Guy Laroche's lingerie introduced the innovative of lifting up the firm breasts with seamless Brassiere under "Cup Up Bra" concept that has met with customers' interest and has the result of excellent feedback. As a Meanwhile, Guy Laroche's swimsuit has been entrusted as official sponsorship for Miss Thailand Universe 2010 Pageants to wear on stage. It is successful to increase brand awareness and become the fashion leader.

In regarding with Gunze brand, it has been continuously developed in innovation such as Anti Bacteria materials that provided health and hygiene to consumers. Its trendy design with multi color of different materials fit to all Thai ladies' figure. Furthermore, Gunze also held promotional activities to boots up the sales through out the country frequency for introducing the brand toward the consumer to know about Gunze more and more.

In the previous year, The Company has appended to the woman's inner wears and sport wears under trademark G&G for being the one of alternative product that has good quality with competitive price. It could be generated the sale growth in the short-term and long-term.

(2.3) Procurement of Products

The Company purchased the garment products from Thanulux Public Co., Ltd, Pattaya Manufacturing Co., Ltd, and Thai Gunze Co., Ltd that have high standard of production. And also, they have been that received reliance from foreign licenser for export to the foreign countries.

(3) Musical Instruments

(3.1) Type of Products

The Company is the sole distributor of brand "Ritmuller" musical instruments that comprised of pianos and violins. Its name is worldwide famous especially the pianos' melody with the quality of bass, tones, sonorous that is the uniqueness of European style. Furthermore, its elaborate equipment components are made of durable and strength materials. The showrooms are exhibited the available products with the Company's specialists in music and instruments who has been trained from abroad to give advice and after-sales service.

(3.2) Marketing and Competition

For the past several years, Music instruments' market in Thailand tended to expand continuously. Wealthy parents engage their children to start learning the musical instruments at very young age, while many youths are also interested in playing the musical instruments more. Many educational institutions are opened for teaching them. Furthermore, the distribution remains limited due to its Niche market. The distribution channels rely on a referral from the musical schools and musical teachers.

(3.3) Procurement of Products

Ritmuller musical instruments are imported directly from the manufacture in the Republic of China. This giant factory has craftsmanship to produce all kind of musical instruments in the world class with modern tools and technology that are perfected combined. Piano Ritmuller has assembled with the parts that are imported directly from Germany.

4

Risk Factors

4.1 BUSINESS RISKS

The Company distributed the products in the categories of cosmetics, garments, musical instruments and beauty equipments. The Company directly imported the products by itself just only 0.95 %, while the rest 99.05 % was supplied by domestic manufacturers who operated business under international license. Pias Intercosmex (Thailand) Co.,Ltd. was the major supplier whom the Company imported the products from. The purchase amount's portion in 2010 was Bht 327.13 million or equivalent to 48.18 % of total purchase amount.

The above mentioned company is the licensor of the Company's major import products and the Company granted the license to be the Sole Distributor in Thailand. Thus, there is no continuous obstacle in operating business for the future.

4.2 FINANCIAL RISKS

The assets and liabilities shown in the Balance Sheet consist of cash and cash equivalent, short-term investment, trade accounts receivable and payable, and loans. The accounting policies in recording and measuring these financial instruments are disclosed in the related notes to the financial statements. The Company has reduced their risks as follow.

(1) RISKS ON DEBTS

This may be happened if debtors become unable to comply with previous agreements. The Company has policy to avoid this kind of risks by having their financial status analysis, tight credit control, and close follow-up. The maximum of its risk will equal to the net book value after reduction of allowance for doubtful debts shown in the balance sheet.

(2) RISKS ON INTEREST RATES

Fluctuation of interest rates may have a negative impact on the Company operation both at the present and in future. However the Management believes that its risk would be minimal. As the interest rates have been stable and rather on the declining trend.

(3) RISKS ON EXCHANGE RATES

As at December 31, 2010, the Company had no loan in foreign currency. There was a small amount of import under trust receipt. The Management believes that currently its risk is minimal.

5.1 Shareholders

List of top 10 shareholders as at the latest closing date of April 7, 2010

Name	No. of Shares	Proportion
1. I.C.C. International Public Company Limited	11,839,980	19.73%
2. Mr. Samrerng Manoonpol	9,154,940	15.26%
3. Saha Pathana Inter-Holding Public Company Limited	7,635,000	12.73%
4. Mr. Boonsithi Chokwatana	2,757,490	4.60%
5. I.D.F. Company Limited	2,625,000	4.38%
6. Mr. Boonkiet Chokwatana	2,244,300	3.74%
7. Miss Pathchara Sungvorachart	2,197,710	3.66%
8. Watsadoramai Co., Ltd.	1,624,570	2.71%
9. Miss Kittiyaporn Chaithawornsatiean	1,204,990	2.01%
10. Mr. Thananan Ua-Arak	931,990	1.55%
Total	42,215,970	70.37%

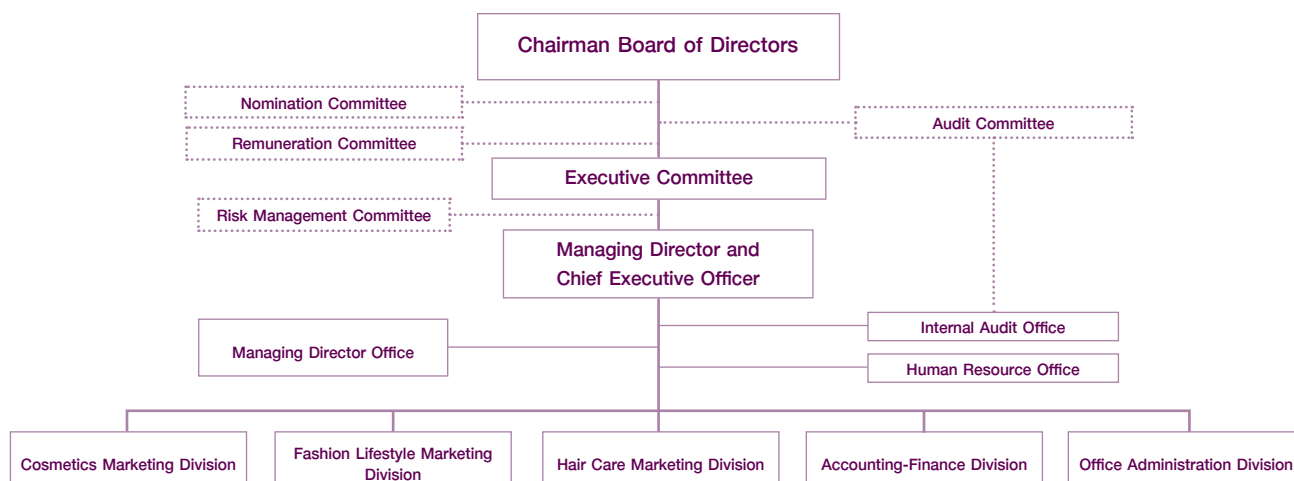
Investors can check updated shareholders' information at the Company website www.occ.co.th prior to the annual general meeting.

Cross Shareholding

Saha Pathana Inter-Holding Public Company Limited and I.C.C. International Public Company Limited are Company Limited major shareholders of the Company by holding 12.72% and 19.73% in orderly as same as the Company that holds shares of these two companies by 0.06% and 0.55% and invest values are 1.51 million Baht and 16.71 million Baht in orderly. Thus, to hold this cross share has no affect to the Company. The Company invests in these two companies because they are solid and have high ability in business operation and the importance is the Company receives good dividend frequently every year.

5.2 Management

(1) Structure (as of December 31, 2010)



The Company's management structure as of December 31, 2010, is comprised of six boards that are the Board of Directors, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Executive Board. The details are as follows:

The Company's Board of Directors

O.C.C. Public Company Limited's Board of Directors as stated on certified register issuing by Ministry of Commerce comprised of 9 directors, one is executive directors, five are non-executive directors and three of which are independent directors. All of them have competency and experience from a pool of knowledgeable profession as below name list

No.	Name		Position
1.	Mrs.Kanchana	Saisiriporn	Chairman Board of Directors
2.	Mr.Somsakdi	Dhanasarnsilp	Vice Chairman
3.	Mrs.Teerada	Ambhanwong	Managing Director &CEO
4.	Mr.Manu	Leelanuwattana	Director
5.	Mr.Chailert	Manoonphol	Director
6.	Mrs.Tipaporn	Chokwatana	Director
7.	Mrs.Oradee	Rungruangroj	Independent Director
8.	Mrs.Watchanee	Watanathawanwong	Independent Director
9.	Mr.Kriangsak	Sripaisal	Independent Director
	Mrs. Choopan	Imthong	The Company's Secretary

Appointment and Resignation from the Position of the Company's Directors

The Company's regulations stated provision relating to the appointment and removal or resignation of the directors' position as follows:

The Appointment of Directors

* At the shareholders' meeting, the vote for the election of the Company's directors would follow to these regulations:

1. A shareholder shall have one vote for one share.
2. Each shareholder must exercise all of the votes to elect one or several persons to be a director and must not allot the vote to any person in any number.
3. The persons having the highest number of votes to he lower number of votes in order shall be elected as the directors equal to the number of directors to be elected by the shareholders' meeting in such election. In case where the number of votes for the candidates in descending order is equal which would otherwise cause the number of directors to be elected by the shareholders' meeting to be exceeded in such election, the Chairman shall have a casting vote.

* The Board of Directors shall elect a director to be the Company's Chairman. The Chairman has the right of voting judge in case the votes of Board of Directors in the meeting is equivalent. In case the Company's Chairman is unable to conduct the duty in temporary or the position has vacant, the Board of Directors may consider electing or appointing another director to be the Vice Chairman, who shall be assigned by the Chairman to perform duties to conduct the Company's business on behalf.

* If the directorship becomes vacant due to other reasons than the expiration of the tenure, the Board of

Directors shall appoint a replacement who possesses the required qualification and is not forbidden by any provision of the law. The replacement shall be appointed at the Board of Directors' next meeting and has to be voted in by at least three-fourths of the remaining directors, with the exception of the situation in which the remaining tenure the vacant directorship is less than 2 months.

✱ In case the number of vacant directorships results in inadequate quorum the remaining directors can act on behalf of the Board of Directors in organizing a meeting of shareholders for the purpose of appointing replacements to fill the vacant.

Resignation of Director

✱ At the Annual General Meeting each year, one-third of the directors must retire from office. The retiring directors are eligible for re-appointment.

✱ Apart from retiring from office upon the expiration of the tenure, the director shall retire from office upon death or resignation or lacking the required qualifications or becoming forbidden by any provisions of the law or the shareholders meeting to vote on resignation or the order by the court of law.

✱ Any director who shall resign from the position has to submit resigned letter to the Company. The resignation will take effect from the date of resignation arriving to the Company. The directors who resign will notify their resignation to the Registrar by any note.

✱ The shareholders' meeting may vote for any of director to be out before term of termination by the votes of not less than three-fourths of the shareholders who attend the meeting and have the rights to vote. The combined share is not less than number of shares held by shareholders who are at the meeting and have the rights to vote.

Charter of the Board of Directors

The Company's Board of Directors has extensively emphasized on duty as directorship with responsibility, care and honesty as fiduciary who operated such business commencing to Good Corporate Governance. These are for the Company's utmost benefit, shareholders and all parties concerned in order to operate the business complying with the Company's policy, law, objective, regulations, the Company's Board's resolution and the Shareholder's Meeting's resolution. The Company's good practice, duties and responsibilities are as follows:

Authority

1. To appoint, revoke and authorize consultants to the Company's Executive Boards' Advisory, to Committees and/or to other individuals to comply.
2. To approve loans of the amount greater than the authority of the Executive Board, to companies with a business relation to the company as shareholders, or to affiliated companies with a trading relation or other companies.
3. To approve guarantee of loans of the amount greater than the authority of the Executive Board, to companies with a business relation with the company as shareholders, or to affiliated companies with a trading relation or other companies.
4. To approve engagement in a legal act, which is no financial transaction, of the amount greater than the authority of the Executive Board.
5. To approve acceptance or cancellation of loans of the amount greater than the authority of the Executive Board.
6. To approve investment, sale of investment capital in ordinary shares and/or any other securities of the amount greater than the authority of the Executive Board.
7. To approve sourcing and investment in fixed assets of the amount greater than the authority of the Executive



Board.

8. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, which are out of the amount greater than the authority of Executive Board.
9. To approve modification, change of price and destruction of raw materials and/or remaining inventories which are deteriorated or out of date, which are of the amount greater than the authority of Executive Board.
10. To approve compromise or settlement of dispute by arbitration, complaint, filling of lawsuits and/or any legal proceeding on behalf of the Company on matters which are not/or normal business course with an amount exceeding the authority of Executive Board.
11. To propose to shareholders an increase or a decrease of capital, a change of share value; modification of memorandum, articles of association and/or objectives of the company.
12. To invite members of the Management, the Executives or relevant employees to provide EXPLANATIONS, opinions or documents as necessary.
13. To consult with specialists or the Company consultants (if any) or hire third-party consultants or specialists if necessary of the Company's expense.
14. To appoint and remove the Company's secretary.
15. All authority of the Company's Board of Directors as mentioned above that is related to the grant and distribution of assets and connected transaction will act in accordance with the announcement of Capital Market Commission.

Duties and Responsibilities

1. To establish directions, goals and business policies of the Company.
2. To approve plans and annual budgets, to supervise the performance of the management in order to ensure effectiveness and compliance with the laws and established policies and plans.
3. To encourage the development of the policy of corporate governance, ethics and business code of ethics in written in order for the Company directors, Executives and employees to observe as guideline in the conduct of the business.
4. To arrange for a sufficient internal control system in order to ensure that transactions are approved by authorized individuals, reviewed and recorded accounting reports; and, to implement systems preventing inappropriate use of company assets.
5. Transactions with possible conflict of interests must be carefully reviewed, with a definite guideline to ensure the interests of the Company and the shareholders, individuals with interests may not be involved in the decision-making process. They must observe the requirements on the proper procedure and disclosure of transactions with possible conflict of interests.
6. To approve the reviewed and/or audited financial reports, which have been approved by the Audit Committee.
7. To be equally responsible to all shareholders, and, to correctly, basely and transparently disclose information to shareholders and investors.
8. To acknowledge business management reports from the Executive Board.
9. To convene shareholders meetings by specified date, time, place and agenda as well as dividends (if any); and, to provide shareholders with opinions of the Board of Directors on the matters proposed to the shareholders. During the twenty-one days prior to each shareholder meeting, the Company may stop share transfer registration

by informing the shareholders at the headquarters and the branch offices at least fourteen days prior to the day of share transfer registration suspension. Alternatively, a record date (RD) may be determined no longer than two months prior to the day of any shareholders meeting, and the share registration book closure date must be one day after the record date. This is to compile a list of names under Section 225 of the Securities and Exchange Act, in order to determine the right to attend shareholders meeting and to receive dividends.

10. To prepare the Report on the Company Board of Directors' Responsibilities for Financial Statements and disclose it in the annual report of the Company (56-2 Form) and the annual disclosure report (56-1 Form).
11. To follow up on documents to be submitted to relevant regulatory agencies, in order to ensure that the statements or the terms are correct as per the data appearing in the account documents, the registration or any other document of the company.
12. To approve the charter of the Board of Directors and/or other committees.
13. To engage in any other action, which is beyond the authority of the Executive Board, or which the Board of Directors deems appropriate.

Code of the Company Board of Directors' Best Practices

1. To practice duties with responsibility, care and honest in the same way as fiduciary should be made in the same situation with bargaining power of trade without the influence of status as the Company's directors, including to comply with policy, law, objective, the Company's regulations, the resolutions of the Company's Board and shareholders' meeting.
2. To have intention to operate the business with continuity and dedicate times to attend the meetings for sharing consideration and opinion frequently.
3. To have leadership, vision, ethic and independence in making decision for the utmost benefit of the Company and all shareholders. To implement knowledge, ability and experience for the benefit of business operation and have attention drawing on business.
4. To supervise and monitor others of Company's operation to be complied with the definite policy that will be effective and efficient.
5. To look after stakeholders as per related law's right and promote the co-operation between the Company and stakeholders in building up financial strength and long lasting business.
6. To report the holding of securities and change of securities' holding belonging to the directors, spouse, children and adopted children under age of 20 to the Stock Exchange Commission, the Stock Exchange of Thailand and shareholders' meeting.
7. To report to the Company regarding of their stakeholders' right or of related persons that connected to the administrative management of the Company or subsidiary in accordance of the regulations, conditions and the process that set by the Capital Market Commission.
8. In case the Company's directors including the persons who have connection or are relatives have correspondence with the Company or subsidiary that is claimed of related transaction and /or the receipt or distribution of assets, have to act in accordance with regulations of the Stock Exchange Commission, the Stock Exchange of Thailand and the Capital Market Commission.
9. In offering the sale of the Company's securities, the directors should monitor for being ensure that all financial information and the Company's business operation is true and fairly disclosed to the public.

Directors with authority to sign on behalf of the Company

According to the Company's regulation, directors who have authority to sign on its behalf is "two directors are required to co-sign and affix the corporate seal, thus the Company's Board may definite names of these two directors".

Authority, Duties and Responsibilities of the Managing Director

The Company's Board of Directors was considered and appointed the Managing Director with the definite of authority, duties and responsibilities as follows

1. To manage the business of the Company in accordance with the policies, the law, the objectives, the Company's regulations, the shareholders' meeting resolutions, the Board of Directors resolutions, the Executive Board resolutions and relevant resolutions.
2. To authorize any necessary and appropriate action to accomplish the deeds under item 1, and, in the cases of any significant matter, the Managing - Director needs to report to and/or notify the Board of Directors and/or the Executive Board of the matter.
3. To manage, put, remove, transfer, reward, issue disciplinary measure against, or issue compensation and welfare for employees, provided that such actions do not interfere with the authority of the Executive Board.
4. To prescribe regulations on the operation of the Company, which are not contradictory with any policy, regulation, requirement, order or resolution, of the Board of Directors and/or the Executive Board.
5. To source and invest in fixed assets with the amount not exceeding 50 million baht.
6. To authorize the Company's investment and to sell investment in ordinary shares and/or securities issued by other companies, provided the amount not exceeding 10 million baht.
7. To approve investment, sale of short-term investment ordinary provided that the amount not exceeding 50 million baht.
8. To authorize the Company's engagement in juristic acts involving non- financial transactions of the amount not exceeding 50 million baht.
9. To report any proceeding under items 5, 6 and 7 to the Board of Directors and/or the Executive Board as appropriate at the next meeting.
10. To authorize and/or assign another individual or other individuals to perform certain tasks on behalf of the Managing Director.
11. The above authority of the Managing Director cannot be exercised in the case where the Managing Director is a stakeholder or has a conflict of interests in any manner with the Company.
12. In case that there is a doubt or an uncertainly regarding the exercise of any of the above authority, the matter is to be presented to the Board of Directors for their consideration.
13. To engage in any other action as assigned by the Board of Directors and/or the Executive Board.

■ Committees

The Company's Board of Directors has extensively emphasized good corporate governance, thus the committees are assigned to have individual duties and responsibilities which are comprised of the Audit Committee, the Remuneration -Committee, the Nomination Committee, the Risk Management Committee and the Executive Board. Each committee has authority, duty and responsibility as stated on committee's charter as follows.

Audit Committee

The Audit Committee was comprised of the Company's directors who were three Independent Directors. They all are independent and perfect qualifications required by the criteria of Securities and Exchange Commission, the Stock Exchange of Thailand as below names.

- | | | |
|-------------------|------------------|--------------------------|
| 1. Mrs. Oradee | Rungruangroj | Audit Committee Chairman |
| 2. Mrs. Watchanee | Watanathawanwong | Audit Committee |
| 3. Mr. Kriangsak | Sripaisal | Audit Committee |

Mrs. Oradee Rungruangroj and Mrs. Watchanee Watanathawanwong have keen knowledge in account and finance (information of their working experience and education are under items of Board of Directors and Executive's information (See on page 122) The Audit Committee had monthly meeting schedule and the meeting had been reported to the Company's Board of Directors while Mrs. Choopan Imthong, the Company's Secretary had duty as the Audit Committee's secretary.

The term of the Audit Committee is served of one year or is completed upon resignation or removal by the Company's Board of Directors or termination of the past as the Company's director. The Committee members who retire upon the expiration of the term may be re-appointed. The Audit Committee has authority, duties and responsibility complying with the Audit Committee Charter authority, as follows:

Authority

1. Liaison for the same direction of understanding between the external Auditor, the Board of Directors and Internal Audit Unit.
2. To invite members of the Management, the Executives or relevant employees to provide explanations, opinions or documents as necessary.
3. To have requisite authority to audit any relevant persons and matters within the scope of the Audit Committee's authority and duties.
4. To consult with specialists or the Company consultants (if any) or hire third-party consultants or specialists if necessary of the Company's expense.

Duties and Responsibilities

1. Review that the Company's financial statement is correct, sufficient and reliable.
2. Review that the Company's Internal Control System and Internal Audit System is sufficient and effective, review the sufficient independence of Internal Audit Unit, and provide opinions for the appointment, relocation, and termination of heads of Internal Audit Unit or other offices with responsibilities for Internal Audit activities.
3. Review that the Company's operation conforms to laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business.
4. Review, select, nominate for approval for the persons with independence of performing the duties of external auditors for the Company, propose the remuneration of such external auditors, and jointly attend the meeting with the external auditors, at least once a year, without the presence of the Company's management.
5. Review any connected transaction or transactions with potential conflict of interest to be in compliance with laws and requirements of the Stock Exchange of Thailand in order to ensure that such transactions are reasonable and provide the best benefits for the Company.
6. Prepare the Audit Committee reports to be disclosed in the Company's annual report; such report must be signed by the Chairman of the Audit Committee and it must contain, at least, some significant information as described below
 - (a) opinions about the accuracy, correctness and reliability of financial statement and financial report of the Company
 - (b) opinions about the sufficiency of internal control system of the Company
 - (c) opinions about the compliance with the laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business
 - (d) opinions about the appropriateness of external auditors

- (e) opinions about transactions with potential conflict of interest
- (f) number of meetings to be convened by the Audit Committee and meeting attendance of each Audit Committee member
- (g) opinions or general findings obtained by performing its duties in accordance with the Audit Committee Charter
- (h) opinions about other matters that should be notified to general shareholders and investors under the scope of duties and responsibilities assigned by the Board of Directors

7. In performing the duties as the Audit Committee, if discovering or suspecting of either of the following transactions or acts, which may give significant effects to the financial status and operating results of the Company, the Audit Committee must report it to the Board of Directors for improvements within the reasonable period determined by the Audit Committee.

- (a) transaction with potential conflict of interest
- (b) fraud or irregularity or significant defect in the internal control system; or
- (c) violation of laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business

If the Board or management of the Company fails to make remedies within the established period, one of the Audit Committee members may report such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 8. Support and monitor to ensure that the Company acquires the efficient risk management system.
- 9. Improve and amend the Audit Committee Charter, and propose such amended charter for the Board of Directors' approval.
- 10. Perform other functions assigned by the Board of Directors under the approval of the Audit Committee by virtue of its authority stated in the Articles of Incorporation of the Company and other relevant law.

Remuneration Committee

The Remuneration Committee is composed of three directors as follows

- | | | |
|------------------|----------------|---------------------------------|
| 1. Mr. Manu | Leelanuwattana | Remuneration Committee Chairman |
| 2. Mrs. Kanchana | Saisiriporn | Remuneration Committee |
| 3. Mrs. Teerada | Ambhanwong | Remuneration Committee |

The Remuneration Committee is established for having duty on supporting the practice of the Board of Directors with good corporate governance in term of setting remuneration's figure, considering paid regulations and remuneration's form of the Company's directors and Senior Executives to have confidence that the Company has considered remuneration's figure with transparency and fairness.

Term of the Remuneration Committee is one year and shall be ended by resignation or death or by the Board of Directors' resolution. The Committee members who retired upon the expiration of term may be re-appointed. According to the 16th Shareholders' General Meeting held on Apr 27th, 2010, resignation of Mr. Boonkiet Chokwatana as the Remuneration Committee Chairman was ended and no longer to be elected as a member for another period. The resolution of the Company's Board of Directors' Meeting No. 3/2553 held on May 13th, 2010, Mr. Manu Leelanuwat who is qualified to be the next Remuneration Committee Chairman.

Remuneration Committee has authority and responsibility as stated on the Directors' charter rules as follows:

Authority

1. To invite members of the Management or relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or the Company consultants (if any) or hire third-party consultants or specialists if necessary of the Company's expense.

Duties and Responsibilities

1. To determine the remuneration of the Company's Directors on the basis of the operational performance of the Company.
2. To determine the remuneration of the Company's Directors on the basis of the performance, as well as, duties and responsibilities, which is not excess of the amount approved by the shareholders; and, to propose the determined amount to the Board of Directors for approval.
3. To determine the remuneration for members of the Nomination and Remuneration Committee (those who are not the Company's directors) on the basis of performance as well as Duties and responsibilities; and, to propose the determined amount to the Board of Directors for approval.
4. To revise the Remuneration Committee Charter and propose it to the Company's Board of Directors for approval.
5. To engage in any other action as assigned by the Company's Board of Directors.

Nomination Committee

The Nomination Committee is composed of four Company's Directors as follows:

- | | | |
|-------------------|---------------|-------------------------------|
| 1. Mr. Manu | Leelanuwatana | Nomination Committee Chairman |
| 2. Mrs. Kanchanna | Saisiriporn | Nomination Committee |
| 3. Mrs. Teerada | Ambhanwong | Nomination Committee |
| 4. Mrs. Oradee | Rungruangroj | Nomination Committee |

The Nomination Committee is established for having duty on supporting the practice of the Board of Directors with Good Corporate Governance in term of considering the persons who have qualification to be the Company's directors with transparency.

Term of the Nomination Committee is one year and shall be ended by resignation or death or by the Board of Directors' resolution. The Committee members who retired upon the expiration of term may be re-appointed. The resolution of the Board of Directors' meeting No. 3/2553 held on May 13th, 2010, the present Nomination Committee was appointed to work for another period and Mrs. Teerada Ambhanwong was appointed to be additional Nomination Committee. Thus the present Nomination Committee is comprised of 4 members and Mr. Manu Leelanuwat

Nomination Committee has authority and responsibility as stated on the Directors' charter rules as follows:

Authority

1. To invite members of the Management or relevant employees to provide explanations, comments or documents as necessary.
2. To consult with specialists or the Company consultants (if any) or hire third-party consultants or specialists if necessary of the Company's expense.

Duties and Responsibilities

1. To consider and recruit qualified persons who are appropriated to be the Company's directors.
2. To check biography an information of selective persons basing upon education, competency, experience, specialist in diversity of profession as defined by the Company's rules and related law.
3. To issue agreement and suggestion for supporting upon Consideration.

4. To propose nominees' name list to the Board of Directors to Consider.
5. To revise the Nomination Committee Charter and propose it to the Board of Directors for approval.
6. To engage in any other action as assigned by the Board of Directors.

Risk Management Committee

The Risk Management Committee is composed of seven Company's Directors as follows:

- | | | |
|-------------------|------------------|------------------------------------|
| 1. Mrs. Teerada | Ambhanwong | Risk Management Committee Chairman |
| 2. Mrs. Watchanee | Watanathawanwong | Risk Management Committee |
| 3. Mr. Prakrit | Choonhasomboon | Risk Management Committee |
| 4. Mrs. Chantra | Tangtanasingkarn | Risk Management Committee |
| 5. Ms. Rattana | Wonglertwit | Risk Management Committee |
| 6. Ms. Siriporn | Tangtanasingkarn | Risk Management Committee |
| 7. Mr. Nicha | Srisanguansakul | Risk Management Committee |

Ms. Hathairat Onhirun, Chief of Internal Audit Unit, is the Risk Management Committee's secretary.

The Risk Management Committee is established for having duty on supporting the practice of the Company's Board of Directors and the Executive Committee in term of evaluating the risk and setting measurement to prevent and monitoring the risk to be in proper and accepted level.

Term of the Risk Management Committee is one year and shall be ended by resignation or death or by the Company's Board's resolution. The Committee members who retired upon the expiration of term may be re-appointed. The resolution of the Board of Directors' meeting No. 3/2553 held on May 13th, 2010, the present Risk Management Committee was appointed to work for another period and Mr. Nicha Srisanguansakul, Fashion Lifestyle Director was appointed to be additional member. The present Risk Management Committee is comprised of seven members and Mrs. Teerada Ambhanwong is the Risk Management Committee Chairman.

The Risk Management Committee has authority and responsibility as stated on the charter towards the Company's Board as follows:

Authority

1. To consult with specialists or the Company consultants (if any) or hire third-party consultants or specialists.
2. To have authority to appoint working team to evaluate and monitor the risk through out the organization.

Duties and Responsibilities

1. To propose the Risk Management policy to the Board of Directors for agreement.
2. To definite the Risk Management guideline overall the organization.
3. To follow up the notified procedure and evaluate the risk that proposed by the Risk Management's working team.
4. To evaluate and approve the Risk Management plan that proposed by the working team.
5. To propose the Risk Management's report to the Company's Board for agreement.
6. To conduct the Risk Management's sufficiency.
7. To propose the appointment of the Risk Management's working team to the Company's Board for agreement.
8. To revise and amend the Risk Management Charter and propose it to the Company's Board to approve.
9. To engage in any other action as assigned by the Company's Board of Directors.

Executive Board

The Executive Board is composed of five Directors as follows:

- | | | | |
|----|--------------|--------------------|--------------------------------------|
| 1. | Mrs. Teerada | Ambhanwong | Managing Director & CEO |
| 2. | Mr. Prakit | Choonhasomboon | Director Managing Director Office |
| 3. | Mrs. Chantra | Tangtanasaringkarn | Director Account-Finance Division |
| 4. | Ms. Rattana | Wonglertwit | Director Corporate Office Division |
| 5. | Ms. Siriporn | Tangtanasringkarn | Director Cosmetic Marketing Division |

Mrs. Choopan Imthong, The Company's Secretary is the secretary to the Board of Executive.

The Executive Board is the Managements who have duties to administrate the Company's business following the assignment from the Board of Directors with responsibility, care and honest in the same way as fiduciary should be made to in the same situation with bargaining power of trade without the influence of their status as Executive Directors.

Term of Executive Board is one year and will be ended by resignation or death or being described as inappropriate or untrustworthy to manage a business of which is held by the public complying with the announcement of Exchange Commission and the Stock Exchange or who retired upon the expiration of term but not be re-appointed in the same position or retired from the Board of Directors' resolution. The Executive Director who retired upon the expiration term may be re-appointed. According to the resolution of the Board of Directors' meeting No. 3/2553 held on May 13th, 2010, present Executive Board was appointed to work for another term.

Executive Board has authority, duty and responsibility as stated on the Company's Board of Directors as follows:

Authority

1. To appoint, remove, transfer, evaluate and determine compensation and welfare of employees of different levels.
2. To appoint and remove any other working committee to carry out necessary for the management of the Company.
3. To issue regulations and announcements on performance of duties; to assign authority to members of the Executive Board and/or employees serving managerial posts; and, to execute authorization on company assets.
4. To approve engagement in non-financial juristic actions provided that the amount doesn't over Baht 10 million.
5. To approve acceptance or cancellation of loans, provided that the amount doesn't over Baht 50 million.
6. To approve investment, sale of investment capital in ordinary shares and/or any other securities, provided that the amount doesn't over Baht 10 million.
7. To approve investment, sale of short-term investment ordinary provided that the amount doesn't over Baht 50 million.
8. To approve sourcing and investment in fixed assets, provided that the amount doesn't over Baht 50 million.
9. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out , provided that the book value doesn't over Baht 20 million.
10. To approve modification, change of price and destruction of raw materials and/or remaining inventory which are deteriorated or out of date, provided that the book value doesn't over Baht 20 million.
11. To approve the cut of Accounting Bad Debt and/or other assets that the amount doesn't over Baht 2 million.
12. To approve compromise or settlement of dispute by arbitration, complaint, filling or lawsuits and/or any legal proceeding on behalf of the Company on matters which are not normal business course of the value doesn't over Baht 2 million and /or which are normal business course of the value doesn't over Baht 20 million.
13. To invite members of the management or relevant employees to provide explanations, opinions or documents as necessary.

14. To consult with specialist or the Company's consultants (if any) or hire third-party consultants or specialist if necessary at the expense of the Company.
15. To authorize executives of the Company or other individuals to act on their behalf.

Duties and Responsibilities

1. To propose goals, policies, operational plans and annual budgets to the Board of Directors.
2. To manage the business of the Company in accordance with directions, goals and business policies of the Company.
3. To enhance the competitiveness of the Company and encourage continuous innovation.
4. To ensure that the operation of the Company is consistent with the laws, the Company objective and regulations, shareholders meeting resolutions, Board of Directors' resolutions and relevant resolutions.
5. Members of the Executive Board may distribute responsibilities among themselves, provided that the Executive Board is kept informed of the progress of the matter each member oversees.
6. To arrange for financial statements to be prepared in order for the auditors to audit and /or review prior to proposal to the Audit Committee and the Board of Directors respectively.
7. To review matters to be proposed to the Board of Directors for approval.
8. To revise the Executive Board Charter and proposed it to the Board of Directors for approval.
9. To engage in any other action as assigned by the Board of Directors.

The Company's Secretary

Mrs. Choopan Imthong, the manager of Legal Division, was officially appointed to be the Company's Secretary upon the resolution of the Board of Director's meeting no.3/2551 held on 14th May, 2008. She has duty and responsibility as stated on applicable laws and included the practice of good corporate governance as follows:

- To provide initial advice to the Board and the Executives to comply with law, rules and other regulations on their practice that give the Company benefits. To monitor their practice to be frequent and accurately as well as to report the significant change of law to the Company, the Board, the Executives and Employees.
- To arrange the meeting for the Board and Shareholder that comply to the law, the Company' Principle of Association and other related regulations.
- To note Shareholder's meeting minutes and the Board's meeting minutes as well as to monitor and cooperate to have the practice being conducted along with resolution of Shareholder's meeting and the Company Board's meeting.
- To look after the disclosure of Inside Information and IT Information in the part of responsibility toward the units that work for registered companies to comply with rules and regulations inclusive of other related law.
- To contact and communicate with general shareholders to receive news for the Company as well as other rights of shareholders.
- To look after the activities of the Board and the Executives.
- To practice along with applicable law in corporate governance, issuance and keep the Company's important documents such as list of Directors, Report on the interest of Directors and Executives, Invitation Letter for Meeting, Board of Directors' meeting minutes, Shareholders' meeting minutes and Annual Report, etc.

Nomination of Directors and Executives

Procedure of nominating candidates to be appointing as the Directors

Nomination Committee has duty to select the qualified person (s) to be Directors and Senior Executives by basing upon their education, experience and specialist in various professions inclusive of working performance as the directors in previous times. The nomination shall be proposing to the Board of Directors' meeting for initial consideration prior to the Shareholders' meeting. Except in case that member(s) of the Board of Directors has not resigned according in due course, Nomination Committee may consider the selection of qualified candidates to propose to the Board of Directors' meeting to be appointed to be the new director to replace the vacant position in compliance with the Company's Articles of Association.

The nomination shall be selected from those who are well educated, have specialist in various professions, have wide vision of leadership, having morality and transparent working profile inclusive of having ability to express their opinion independently.

In 2010 Mr. Boonkiet Chokwatana was the director who resigned according in due course at the 16th General Shareholders' Meeting, had no intention to be director for another term and his directorship was ended since that day. At the Nomination Committee's meeting on 23rd Feb, 2010, there was nomination of candidates who were proposed to be selected to replace three vacant positions that were resigned in due course to the Board of Directors' meeting. They comprised of two existing directors; Mrs. Teerada Ambhanwong and Mr. Kriengsak Sripaisarn and one new directors; Mrs. Tipaporn Chokwatana whose name was proposed. At the Board of Directors' meeting no. 2/2553 held on 18th Mar, 2010, Nomination Committee's proposal was absolutely accepted.

The Board of Directors considered to selecting the candidates who have been proposed names in accordance with the resolution of Nomination Committee's meeting held on 23rd Feb, 2010. Three candidates who were selected to replace the three vacant positions comprised of two existing directors; Mrs. Teerada Ambhanwong and Mr. Kriengsak Sripaisarn and one new directors; Mrs. Tipaporn Chokwatana.

Election of Directors through Shareholders' Meeting and Rights of Minority Shareholders

Rights of Minority Shareholders

Shareholders are allowed to propose name list of qualified nominees to the Shareholders' Meeting. The Company offers an opportunity and right to Shareholders to propose name of person to be selected as the Company's Director at the General Shareholders' Meeting since 1st Dec, 2010 until 30th Dec, 2010. This right was announced on Stock Exchange of Thailand's website www.set.or.th and invited all Shareholders on the Company's website www.occ.co.th with definition of Shareholders' qualification, explanation of rules and procedures of Board of Directors' consideration.

Procedure of Election

According to the Company's Articles of Association: Chapter 3 "Board of Directors" Article 21 stipulating that the directors shall be elected at the Shareholders' Meeting in accordance with the following rules and procedures:

1. A Shareholder shall have one vote for one share.
2. Each Shareholder must exercise all of the votes to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
3. The person having the highest number of votes to the lower number of votes in order shall be elected as the directors equal to the number of directors to be elected at the Shareholder's Meeting in such election. In case where the number of votes for the candidate in descending order is equal which would otherwise cause the number of directors to be elected at the Shareholder's Meeting to be exceeded in such election, the Chairman shall have a casting vote.

The Board of Directors' Meeting shall consider to appoint and/or to remove each Committee. Board of Executives shall consider to appointing, remove and transfer in accordance with their knowledge and competency that comply to the objective and policy that are assigned by the Board of Directors.

(2) Remuneration

(2.1) Monetary Remuneration

(A) In year 2010, the total monetary remuneration for directors comprises of meeting allowance, director incentive, is as follow:

Name		Amount
1.	Mrs.Kanchana Saisririporn	484,000.00
2.	Mr.Somsakdi Dhanasarnsilp	193,000.00
3.	Mrs.Teerada Ambhanwong	390,000.00
4.	Mrs.Oradee Rungruangroj	520,000.00
5.	Mrs.Watchanee Watanathawanwong	509,000.00
6.	Mr. Kriangsak Sripaisal	460,000.00
7.	Mr.Boonkiet Chokwatana	175,000.00
8.	Mr.Manu Leelanuwattana	205,000.00
9.	Mr.Chailert Manoonphol	199,000.00
10.	Mrs.Tipaporn Chokwatana	18,000.00
Total		3,153,000.00

(B) In year 2010, the compensation for all executive directors and executive, totaling 8 persons is shown below:

Salary	20,508,970.00
Bonus	7,201,070.00
Cost of Living Allowance	48,000.00
Vehicle Fare Allowance	212,000.00
Executive Meeting Allowance	240,000.00
Provident Fund	615,268.00
Social Security Expense	72,000.00
Hospitalization	192,729.00
Total	Bht29,090,137.00

(2.2) Other Compensation - None

The Board of Director and Executive's Information

Name & Position	Curriculum Vitae	% Shares hold *	Training program related to work assignments	Experiences
Mrs. Kanchana Saisiriporn Chairman Age 64 years	Bachelor Degree in Political Science, Ramkhumhaeng University	0.33%	DCP 32/2003	Listed Companies : 1 1976-present O.C.C. Plc. present position Chairman Other Non Listed Companies: 7 Competitive Business related to Company's Business - Vice Chairman Shiseido Professional (Thailand) Co., Ltd. - Chairman Hair Service (Thailand) Co., Ltd. - Managing Director Oriental Salon Business Co., Ltd. - Managing Director M.I.L. (Thailand) Co., Ltd.
Mr. Somsakdi Dhanasarnsilp Vice Chairman Age 67 years	Bachelor Degree in Business Administration, Sukhothai Thammathirat University	1.66 %	DCP 5/2001	Listed Companies : 5 1987 - present O.C.C. Plc. present position Vice Chairman 1984 - present Thai President Food Plc. present position Director 1974 - present Boutique New City Plc. present position Vice Chairman and Independent Director 1972 - present Saha Pathana Inter-Holding Plc. present position Director 1972 - present Saha Pathanapibul Plc. present position Director Other Non Listed Companies: 26 Competitive Business related to Company's Business - Director Saha Pathana Inter-Holding Plc. - Director Pattaya Manufacturing Co., Ltd.
Mrs. Teerada Ambhanwong Managing Director / CEO Age 40 years	Bachelor Degree in Political Science, Ramkhumhaeng University	2.47%	DCP 51/2004	Listed Companies : 4 2008 - present O.C.C. Plc. present position Managing – Director /CEO 1999 - present People's Garment Plc Present position Director 1999 - present S&J International Enterprises Plc Present position Director 1999 - present I.C.C. International Plc. Present position Business Dept. Asst. Director Other Non Listed Companies: 12 Competitive Business related to Company's Business - Director Shiseido Professional (Thailand) Co., Ltd. - Director People's Garment Plc - Director S&J International Enterprises Plc. - Business Dept. Asst. Director I.C.C. International Plc.

The Board of Director and Executive's Information

Name & Position	Curriculum Vitae	% Shares hold *	Training program related to work assignments	Experiences
Mr. Manu Leelanuwatana Director Age 65 years	Bachelor of Mechanical Engineering, Chiba University, Director Japan	0.06%	DCP 68/2005	Listed Companies : 6 2007 - present Saha Pathana Inter-Holding Plc present position Director 2004 - present I.C.C. International Plc. present position Director 1999 - present Thanulux Plc. present position Director 1987 - present O.C.C. Plc. present position Chairman of Nomination Committee and Chairman of Remuneration Committee 1976 - present Textile Prestige Plc. present position Chairman 1973 - present Thai Wacoal Plc. present position Chairman Other Non Listed Companies: 32 Competitive Business related to Company's Business - Director Saha Pathana Inter-Holding Plc - Director I.C.C. International Plc. - Director Thanulux Plc. - Director Shiseido Professional (Thailand) Co., Ltd. - Chairman Thai Gunze Co., Ltd - Chairman Pattaya Manufacturing Co., Ltd.
Mr. Chailert Manoonphol Director Age 51 years	Master of Science in Management and Human Relation, Abilene Christian University, Texas, U.S.A. Bachelor Degree of Business Administration Assumption University	0.05 %	DAP 3/2003	Listed Companies : 3 1990 - present I.C.C. International Plc. Vice President Business Div. 1,D 1987 - present O.C.C. Plc. Present position Director 1985 - present People's Garment Plc. Deputy Managing Director Other Non Listed Companies: 9 Competitive Business related to Company's Business - Vice President Business Div. 1,D I.C.C. International Plc. - Deputy Managing Director People's Garment Plc. - Managing Director Champ Ace Co., Ltd.

The Board of Director and Executive's Information

Name & Position	Curriculum Vitae	% Shares hold *	Training program related to work assignments	Experiences
Mrs. Tipaporn Chokwatana Director Age 64 years	Bachelor Degree in Political Science, Ramkhumhaeng University Secretary from Pitman London	3.97 %	DCP 68/2005	Listed Companies : 3 1995 - present S&J International Enterprises Plc. present position Vice Chairman Other Non Listed Companies: 17 Competitive Business related to Company's Business - Vice Chairman Make-up Technic International Co., Ltd. S&J International Enterprises Plc. International Laboratories Corp. Ltd.
Mrs. Oradee Rungruangroj Audit Committee Chairman Age 60 years	Master of Arts in Economics California State University, Long Beach, U.S.A. Bachelor of Economics Banking and Finance from Thammasat University	-	DCP 5/2001 EAC 1/2001 RCC 1/2006 DCP Re-fresher 1/2008 CDC 3/2008	Listed Companies : 2 1999 - present Thai Wacoal Plc. present position Audit Committee Chairman 1994 - present O.C.C. Plc. present position Audit Committee Chairman Other Non Listed Companies: none Competitive Business related to Company's Business - none
Mrs. Watchanee Watanathawong Audit Committee Age 57 years	Master of Business Administration and Bachelor of Accounting Chulalongkorn University Certified Public Accountant	-	DCP 1/2000	Listed Companies : 2 2006 - present Matching Studio Plc. Present position Executive Director 1999 - present O.C.C. Plc. Present position Audit Committee Other Non Listed Companies: 1 Competitive Business related to Company's Business - none
Mr. Kriangsak Sripaisal Audit Committee Age 75 years	Commerce College, Hong Kong	-	DCP 68/2005	Listed Companies : 2 2007 - present O.C.C. Plc. Present position Audit Committee 2001 - present Thanulux Plc. Present position Advisory Director Other Non Listed Companies: none Competitive Business related to Company's Business - none

Notes: 1. *Including shares held by the spouse and minor children

2. Mrs. Tipaporn Chokwatana is Mr. Boonkiet Chokwatana's spouse who is uncle of Mrs. Teerada Ambhanwong

Executive's Information

Name & Position	Curriculum Vitae	% Shares hold *	Training program related to work assignments	Experiences
Mrs. Teerada Ambhanwong Managing Director & CEO Age 40 years	Master Degree in Marketing Sasin Graduate Institute of Business Administration	2.47%	DCP 51/2004	Marketing, Product Brand Management, Business Development, Product Development, Distribution, Joint Venture, International Trade, Life Style Fashion Business
Mrs. Chantira Tangtanasingkarn Director Accounting-Finance Division Age 57 years	Bachelor Degree in Accounting, Rajabhat Suan Dusit University CFO Training Program, Federation of Accounting Profession	0.08%	DCP 73/2006	Accounting, Financial, Banking, Investment and Revenue
Mr. Prakrit Choonhasomboon Director Managing Director office Age 60 years	Bachelor Degree in Management Science, Sukhothai Dhamathirat University Risky Administration Training, Sasin Graduate Institute of Business Administration	-	DCP 3/2000 DCP Refresher 2/2006	General Administration and Management, Marketing, Distribution, Purchasing -Management, Production, International Trading, Accounting and Computer Application
Miss Rattana Wonglertwit Director Corporate Office Division Age 57 years	Bachelor Degree in Education Chulalongkorn University	0.32%	DCP 73/2006 FN 28/2006	International Trading, Business Development and Beauty Profession's Development
Miss Siriporn Tangtanasingkarn Director Cosmetics Marketing Division Age 47 years	Bachelor Degree in Liberal Arts Thammasat University	0.00%	-	Advertising, Public Relation, Marketing, Mass Communication, Business Development and Product Development

Company Share's report of the Directors and the Executives of 2009 and 2010

The Company's Directors

Name	Total Shares (Shares)*		Increase / Decrease Annual (Shares)	The date of shareholding's increase.
	31 December 2009	31 December 2010		
Mrs. Kanchana Saisiriporn	200,000	200,000	-	-
Mr. Somsakdi Dhanasarnsilp	994,960	994,960	-	-
Mrs. Teerada Ambhanwong	81,975	1,481,975	1,400,000	Increased in July, 2010
Mr. Manu Leelanuwattana	38,790	38,790	-	-
Mr. Chailert Manoonphol	30,000	30,000	-	-
Mrs. Tipaporn Chokwatana	2,379,300	2,379,300	-	-
Mrs. Oradee Rungruangroj	-	-	-	-
Mrs. Watchanee Watanathawanwong	-	-	-	-
Mr. Kriangsak Sripaisal	-	-	-	-

The Executives

Name	Total Shares (Shares)*		Increase / Decrease Annual (Shares)	The date of shareholding's increase.
	31 December 2009	31 December 2010		
Mrs. Teerada Ambhanwong	81,975	1,481,975	1,400,000	Increased in July 2010
Mr. Prakit Choonhasomboon	-	-	-	-
Mrs. Chantira Tangtanasingkarn	48,720	48,720	-	-
Ms. Rattana Wonglertwit	196,790	196,790	-	-
Ms. Siriporn Tangtanasingkarn	2,000	2,000	-	-

Notes : 1. * Number of shares including shares held by the spouse and minor children

Meeting Statistic of 2010

The Company's Board of Directors has set meeting schedule at least one time per quarter. In 2010, 5 meetings had been held.

No.	Name of the Board of Directors	Company's Board	Audit Committee	Nomination Committee	Remuneration	Shareholders
1.	Mrs.Kanchana Saisiriporn	4/5	-	Committee	1/1	1/1
2.	Mr.Somsakdi Dhanasarnsilp	3/5	-	-	-	1/1
3.	Mrs.Teerada Ambhanwong(1)	5/5	-	-	1/1	1/1
4.	Mr.Boonkiet Chokwatana(2)	0/2	-	-	-	1/1
5.	Mr.Manu Leelanuwattana	5/5	-	1/1	1/1	1/1
6.	Mr.Chailert Manoonphol	4/5	-	-	-	1/1
7.	Mrs.Tipaporn Chokwatana(3)	3/3	-	-	-	1/1
8.	Mrs.Oradee Rungruangroj	5/5	12/12	1/1	-	1/1
9.	Mrs.Watchanee Watanathawanwong	4/5	12/12	-	-	1/1
10.	Mr.Kriangsak Sripaisal	5/5	11/12	-	-	1/1

Notes: (1) was appointed to be member of Nomination Committee at the Board of Directors' meeting no. 3/2553 held on 13th Mar, 2010

(2) resigned according to agenda set forth at the 16th General Shareholders' Meeting on 27th Apr, 2010 with no intention to be selected to be the director in another term and directorial status was ended

(3) was appointed to be the new director at the 16th General Shareholders' Meeting on 27th Apr, 2010

Meeting Statistic of the Executive Board

No.	Name	Position	Meeting Status
1.	Mrs. Kanchana Saisiriporn	Chairman	12/12
2.	Mrs. Teerada Ambhanwong (1)	Managing Director & CEO	12/12
3.	Mrs. Chantra Tangtanasingkarn	Director Accounting-Finance Division	12/12
4.	Mr. Prakrit Choonhasomboon	Director Managing Director Office	12/12
5.	Ms. Rattana Wonglertwit	Director Office Administration Division	12/12
6.	Ms. Siriporn Tangtanasingkarn	Director Cosmetic Marketing Division	12/12

Notes (1) was appointed to be the Managing Director and CEO according to resolution at the Board of Directors' meeting no 1/2552 held on 23rd Feb, 0210, and was effective since 1st Mar, 2010

Meeting Statistic of the Risk Management Committee

No.	Name	Position	Meeting Status
1.	Mrs. Teerada Ambhanwong	Managing Director & CEO	12/12
2.	Mrs. Watchanee Watanathawanwong	Audit Committee	11/12
3.	Mr. Prakrit Choonhasomboon	Director Managing Director Office	12/12
4.	Mrs. Chantra Tangtanasingkarn	Director Accounting-Finance Division	12/12
5.	Ms. Rattana Wonglertwit	Director Office Administration Division	12/12
6.	Ms. Siriporn Tangtanasingkarn	Director Cosmetic Marketing Division	12/12
7.	Mr. Nicha Srisanguansakul (1)	Director Fashion Lifestyle Marketing Division	8/8

Notes (1) was appointed to be Risk Management Committee's member since May, 2010

(3) Corporate Governance

The Company's Board of Directors emphasizes business performance to run with responsibility and fairness to all people concerned according to the principle of Good Corporate Governance. It assures as significant fundamental of business performance to operate with efficiency and stable growth. In additional, it will increase economic value and wealth to shareholders. The Company's Board, Executives and all employees have intention to develop level of good corporate governance in continuity.

The practice of Corporate Governance Principle in 2010

In 2010 the Company was certified the practice complying with the principle of good corporate governance as follows:

- 2010 General Shareholders' Meeting - AGM Assessment point level = 100 in the level " Excellent "
- Corporate Governance Report of Thai Listed Companies 2010 point level = 86 in the level " Excellent "

The Company's principle of good corporate governance was approved by the Board of Directors since 2002. The principles included the policy on good governance, business and employees ethics. The Company annually reviews its policy to be appropriated in harmony to the current economic and social change.

The Company practices along with good corporate governance's principle for the listed companies with the Stock Exchange of Thailand according to the fifth core principle as follows:

1. The Rights of Shareholders

The Board of Directors is aware of the significance of shareholders' rights by treating all shareholders for their rights of ownership and invertors equally with acceptable method and standard such as the rights to buy, sell or transfer assets freely, the rights to get benefit and dividend from the Company, to propose meeting agenda in advance, to propose person's name to be selecting as the Company's director, the rights to attend shareholders' meeting, the rights to give proxy to other persons to attend meeting and vote on their behalf, the right to vote for appointing or removing the directors individually, the revision of Memorandum of Association and the Company's Principle of Association, the rights to vote for appointing and fixing the wage for the Auditor, the rights to opine their opinion and inquire at the shareholders' meeting and the rights to be informed of sufficient message in time. All shareholders have the rights to vote in accordance with number of shares that one share for one vote and no shares have privilege or violate the other shareholders' right.

Apart from mentioned fundamental rights, the Board of Directors is aware of the significance of disclosure the information accurately, completely, in time and transparently to shareholders. The disclosed information can be found on Stock Exchange of Thailand's website www.set.or.th and the Company's website www.occ.co.th frequently in order that shareholders will get all information. In 2010 the Company served convenience and encouraged the assertion of shareholders' right as follows:

1. To disclose resolution of the Board of Directors' meeting for the arrangement of 2010 general shareholders' meeting via the publicize system of the Stock Exchange of Thailand since the date of meeting resolution was set.
2. Before the meeting day, the notice of invitation to attend the meeting that included date, time, place of meeting, map of place of meeting as well as meeting's regulation and agenda would be delivered to the shareholders with completion, sufficient that followed to the laws, regulation of the Stock Exchange of Thailand and the Company's rules and regulation with enclosure of proxy form and related document for each meeting agenda inclusive of the Company's rules and regulation in the part that concerns to the shareholders' meeting for the shareholders to consider more than 7 days in advance before the meeting. Detail of meeting agenda must be sufficiency for making decision to vote in different agenda. It will definite



clearly in each agenda that it is the subject for acknowledgment, approval or consideration. There is the sufficient and clear agreement of the directors to let the shareholders making their decision to take the rights for voting and it is publicized via the Company's website www.occ.co.th 30 days in advance before meeting in order that the shareholders will receive information with convenience and prompt. It is the same information that the Company will deliver to the shareholders in document form. Also, the announcement to call for attending General Shareholders' Meeting will be published in the Thai daily newspaper for 3-day continuity and 3 days before meeting. Apart from this, the Company has arranged invitation letter to attend the meeting and related documents in English version and publicized it via the Company's web site for the convenience of foreign shareholders. Name of first top ten shareholders shall be disclosed on the date of closing the book and put up the transfer of shares before the General Shareholders' Meeting via the Company's web site.

To attend the shareholders' meeting, the Company has informed detail of evidence documents that are necessary for the shareholders to bring along to show completely for keeping their rights to attend the meeting. The proxy form as per the type fixed by The Ministry of Commerce and list of Independent Directors are enclosed together. In case of each shareholder is unable to attend the meeting, he or she can provide proxy to the Company's Independent Directors to attend the meeting by using this proxy form on behalf. Shareholders can also download 3 kinds of proxy form A, B and C Type from the Company's web site.

3. On the meeting day, the shareholders are allowed to register 2 hours in advance and the Company will arrange the place with receptionists to welcome and also have appropriated numbers of staffs at registered counter. Barcode system is adopted for fast and convenience of the shareholders upon register. Voting ballots are handed out to the shareholders for each agenda.
4. Before General Shareholders' Meeting begins, the Chairman of meeting will explain the method of voting and counting the votes clearly. Votes are cast openly by barcode system that is adopted for instant ballot counting and vote result and the shareholders can check all detail after the meeting. One share represents one vote and more numbers of vote are resolution except the case of resolution that is definite to accept 2/3 of total votes belonging to the shareholders who attend the meeting and have the rights to vote. Or with except the case of resolution that is definite to accept 3/4 of total votes belonging to the shareholders who attend the meeting and have the rights to vote in accordance with the Company's rules and regulations and the law. At the Annual General Shareholders' Meeting No. 16 held in 210, all of the Company's Directors, all Committee Chairman, Executives and the Company's Auditor attended.
5. During the meeting, Chairman of the meeting will allow all shareholders to inquire any questions by giving enough times for the meeting. The Company arranges the relevant persons who are concerned to each division to give replies under the responsibility of the Company Board's of Directors to explain and provide information to the shareholders completely.
6. Late attendees shall be entitled to cast their votes on the remaining agenda that still has no resolution and to be counted as part of the quorum from the time they cast their votes.
7. Shareholders who hold their shares at least 12 months continuously shall have the rights to propose agenda or appropriate persons to be nominees for appointing to be the directors upon the general shareholders'

meeting. In 2010 the shareholders had an opportunity to propose on 1st – 31st December, 2010 to the Company Secretary to review it completely prior to present it to the Nomination Committee/ the Company's Board to reconsider and this message has been uploaded on the web site of the Stock Exchange of Thailand and in detail has also been uploaded on the Company's web site.

8. After the meeting, the Company shall summarize the meeting report with completion in accordance with the truth as expressed upon the meeting and submit it to the Stock Exchange of Thailand and publicize it via the Company's web site www.occ.co.th in Thai and English language within 14 days after date of meeting. There shall be the show of shareholders' meeting VCD via the Company's web site inclusive the delivery of meeting report to the Commercial Business Development, the Ministry of Commerce within the time as defined by the law.
9. The Company operates business to achieve effectiveness in order to bring long term progress and stability with appropriate remuneration for all shareholders.

2. Treating Shareholders with Equality and Fairness

The Company recognizes the right of shareholders and treats it with equality and fairness to all groups of major, minor or foreign shareholders. They all have their rights to vote in any item as ownership of the Company entirely. All shareholders are assuring that their rights will have protection and be treated as fairness always as follows:

Shareholders' Right with Equality at the Shareholders' Meeting

Before the Meeting

- To encourage the principle of good corporate governance shareholders have the rights to propose the topic for considering to add on the meeting's agenda as well as to nominate name of persons who are qualified in complying with the Company rules and principle of association to be the elected as directors in the same time at general shareholders' meeting. This information is publicized on the Stock Exchange of Thailand as well as on the Company's website. The Company will inform the result of consideration with reasons to shareholders to acknowledge in the meeting. In 2010 the Company's offered an opportunity to shareholders to exercise their rights in advance during 1-30 December, 2010 but no topic was added on the agenda and no names was proposed to be nominee for considering as the director.
- An announcement for the meeting shall be published in the daily newspaper for 3 consecutive days prior on the meeting day in accordance with the law. The Company also posted an invitation meeting along with all relevant documents on its website 30 days prior to the meeting. These are the same information that the Company will deliver to the shareholders as documents 14 days prior to the meeting. The period of document delivery is extended from previous year. This information is publicized on the Stock Exchange of Thailand. The Company has plan to extend period of delivery to be longer in the next years for serving convenience to shareholders as much as possible.
- Disclosure of sufficient and complete information together with opinion of the Board of Directors with no additional or any change of significant information that didn't informed the shareholders to acknowledge in advance. Rules and procedure for the shareholders to attend the meeting are informed in the invitation. In case the shareholders are unable to attend the meeting, they can authorize proxy to any person or the Company's Independent Committee as name list provided to attend the meeting on their behalf. Type B proxy form will be attached and sent to the shareholders or it can be downloaded with the other types as appropriated from the Company's website.



On the Meeting Day

- The shareholders can register with barcode system 2 hours in advance before meeting though the register period is over, those shareholders are allowed to register and attend the shareholders' meeting with entire rights.
- The arrangement for the shareholders' meeting will be transparent and efficient. The Company's Chairman will inform meeting rules, procedure and method to exercise the votes to the shareholders before meeting begins. These are in accordance with the Company's Principle of Association and relevant law. The consideration and vote will follow the items on agenda accordingly. There is consideration and vote for electing the director individually as well as to consider for remuneration of the directors including the appointment of the Auditor with approval of Audit's Fee and other agendas as stated on the invitation.
- The votes are cast openly. Ballots are handed out to the shareholders for each agenda. Only votes that are against and/or null are counted such votes would be deducted from all votes. In the case of a director election where ballot cards are given to all participants for the voting of individual directors, the votes would be counted by having the Auditor to be witness. Voting cards of each agenda would be safely kept in the Company and could be audited. During the meeting, apart from relevant documents, the Company will present all information through VCD system for the convenience of the shareholders.
- In case the shareholders are unable to attend the meeting, they can authorize proxy to any person or the Company's Independent Committee as name list provided to attend the meeting on their behalf. Type B proxy form will be attached and sent to the shareholders or it can be downloaded with the other types which are Type A, Type B and Type C from the Company's website www.occ.co.th
- The Chairman, Managing Director, all Committee's Chairman place importance on attending the meeting for give explanation and reply to all inquiries . The Chairman will introduce Directors and Executives inclusive of all concerned persons who attend the meeting. The shareholders are allowed to inquire the matters that related to the meeting or the Company's business with sufficient information.

After the Meeting

- The meeting will be accurately and completely recorded with significant information such as the meeting resolution and result of the votes counted on each item of the agenda, including pro, con and abstentions. Clear and relevant answers are to be offered to every question. A report is to be sent to the Stock Exchange of Thailand within 14 days after the day of the meeting and it will also be posted on the Company's website in Thai and English in order that the shareholders may not have to wait until the next meeting to obtain the information that are kept with system for audit and reference. Furthermore, the Company recorded the meeting with the type of VCD for offering information that is useful in the future. The Company's Board of Directors will take comments and suggestion getting from the meeting at evaluates performance of meeting arrangement to consider and seek the guideline to adjust / improve for the development of meeting in continuity.
- After the general shareholder's meeting, the Company will inform the meeting's resolution through the news network system of the Stock Exchange of Thailand within 1 day and inform detail of dividend payment to all shareholders with equal rate.

Regulated the Use of Inside Information

- The Company has measurement to protect incorrect usage of inside information as clearly written in the employee' ethics. The Directors, the Executives all Employees and concerned persons who are spouse and minor children inclusive of the staffs who are in charge of inside information's acknowledgement will use its significance to change the price of the Company's securities that are not disclose to the public for buying or selling the Company's securities especially during one month prior to the Financial Statement's disclosure. To protect the misuse of inside information that may affect the right- abuse of all shareholders
- Annual meeting schedule for the Board of Directors and the Executive Board will be set in advance and be informed in advance in order that they will acknowledge the period that should not buy or sell the Company's securities. In 2010 the Company's Board and the Executives strictly practiced along with this policy, therefore no sell or buy of Company's securities during prohibited period.
- The Company's Directors and the Executives have duties to report the change of the Company's securities holding to the Stock Exchange of Thailand as stated on Item 59 of Articles of Securities and the Stock Exchange of Thailand and set this report of securities holding by Directors and Executives inclusive of their spouse as fixed agenda at the meeting of the Board of Directors' and the Executive Board.
- Define the practice to keep and protect the use of inside information as written guideline for informing this policy to everyone in the organization to practice and to monitor its result of regularity.
- In case of having Related Items, stakeholders' information, items' value, Independent Committee's opinion and other necessary information of Directors and Executives as well as related persons must be disclosed.
- There is a clear measurement not to allow the Directors and Executives who are stakeholders or concern to be involved in the considering process on activity done with the Company to attend for considering or making resolution on that matter. In order that such consideration will be fair and give utmost benefit to the shareholders.
- The Directors and Executives in senior position are definite to report their and related group's stakeholders to the Company's Secretary to make duplicate copy to propose to the Chairman and Chairman of the Audit Committee in accordance with the Act of Securities and the Stock of Exchange of Thailand. Any time of change needs to be reported.


3. The Role of Stakeholders

The Company operated its business with responsibility towards all stakeholders for mutual benefit by commencing the practice of corporate governance to ensure the rights of all stakeholders to be treat equality. The stakeholders comprise of shareholders, employees, customers, trade partners, competitors, creditors, government and other related sectors including the community, environment and society which will be treated under the principle policy of good corporate governance, business and employee' ethics in writing.

Treat to the various stakeholders of the Company

Shareholders: In addition to the basic right to advices received by the shareholders specified in the law and regulation of the Company, it also operates a policy of business with honesty, without other benefit that might otherwise come from the unfaithful operations. Operations with accurate, transparent bring pride to work with good performance, continued growth and stability, potential competitive, as well as causing the maximum value for the shareholders in the long term.

Employees: The Company recognizes the importance of employees is considered a very valuable resource and as a key factor to organizational success. The Company takes good care for every employee equally, operating the career path system to promote employee's self-development, advocating and competency strengthening of knowledge and capability for all



employees. Create an atmosphere within the organization as a learning organization and working together as a team. Enhance opportunity to all employees in training, working skills as well as showing team and self's ability to perform the employee's career stability and potential progressive while the Company considered fair compensation which is appropriated base on the knowledge, ability, responsibility, commitment and employee's performance as well as providing support and development to the potential employees in leadership under the succession plan. In addition, the Company allows employees to participate in reviews the business operation which is the personal development of capabilities to support policy to the further business expansion.

The Company manage the care of working environment of employees to a secure life, health and employee's asset base on the standard of Biological safety, health and environment and enhance the employee to participate in taking care of the Company's environment by forming " the Committee of Biological safety, health and environment " to manage the safety and good health.. The Company has reviewed the safety of the workplace on a regular basis, providing 24 hour security guards, Install alarm systems in buildings, tools and various safety equipments to Employees, caring the staff to strictly use those prevention of accidents tools, preparing the defense system and the availability of various safety equipment is always available such as fire alarm, emergency lighting etc., conducting the fire training and fire prevention both in theory and practice.

The Company is dedicated to the advantage of employees in the long run by providing the provident fund to save for the future which the Company will top up the fund by contribution rate of progress for the long term working employees. Also the Company provides retirement pension benefits to employees after retirement schedule more than the compensation specified in the Labor Act for employees who worked over 20 years. It also prepared a group accident insurance for all employees to prevent the risks and relief the loss to the employees and their family members supplemented. This is supplemented by a list of member social security fund as normal.

The Company also engages the other welfare for the staffs as follows:

■ **Well versed in Knowledge**

- ▣ Training course to enhance employees' knowledge such as consecutive course of "Learning Organization", seminar on new issue of Standard Accounting
- ▣ Library and reading corners for employees.
- ▣ Extend internal communication with Intranet via the Company's webboard.

■ **Cost of Living Support**

- ▣ Cost of living, OT, Social Security
- ▣ Annual Bonus, Retirement Fund
- ▣ Grant to disasters relief
- ▣ Grant to pass-away employees
- ▣ Grant to pass-away employees' parents or spouse
- ▣ Cost of expense for traveling, gasoline
- ▣ Special price products to subsidize cost of living.
- ▣ Uniforms
- ▣ Scholarship or employees' children from Dr. Thiam
- ▣ Chokwatana Foundation

■ **Leisure and Health Welfare**

- ▣ Other traditional activities such as New Year's party, ask blessing from the seniors on Songkran Festival, merit making to support candles and lamps to the temples on the Buddhist Lent Day
- ▣ Joined party for the employees who have the same Birth Month
- ▣ Sport matches for employees
- ▣ Infirmary
- ▣ Encourage employees to have vaccine against influenza

■ Channels to communicate

- Employees can express comment, suggestion or report on any wrong practice via the message box that available in the Company with the measurement to protect any lost that may occur to related person in order to raise confidence the employees to dare to express their comment and requirement

Customer: The Company is sincerely in doing business honestly with integrity and committed to the highest customers' satisfaction of products and services offering both quality and pricing. It is committed to develop and maintain sustainable relationships by providing a team ready to respond to the needs of our customers with care, responsibility and the importance of customer confidentiality, as well as providing Customer Call Center unit to receive a complaint, suggestion, and advice on the products from customers which can be contacted at the phone number: 02-295-13333, fax: 02-295-0411 or www.beautyplus@occ.co.th which provides that officers are ready for deployment and perform to the utmost to make such a request has been highly responsive and customer satisfaction as the Company's value BEAUTY from within which is the Company's culture as You are our valued customer!

Business Partners: The Company deals business with its partners via equalization and honest by emphasizing on the maximized benefit of the Company along with fundamental of fair return for both parties and these agreed contracts and conditions shall be practiced strictly. The circumstance that may causes conflict of interest shall be avoid to be happened by having a discussion to solve problem complying with fundamental of business relationship and deal with corporate contract for goods' delivery in accordance with proper quality and punctual time as agreed.

Trade Competition: The Company deals business according to the rules of competition's framework with honest and fair very strictly under the law and has no policy to take advantage on trade competition in the way that against the law. The Company bears of its trade competition that it is the factor to be push up to keep developing the products and services to be better. During the passing periods, the Company has never had any conflict that concerned to the trade competition.


Creditors: The Company keeps on practicing its operation in accordance with trading condition, loan condition and the duty to treat to creditors with honest in order to build up the trustiness and reliability among each other.

Labor: The Company cares and protects the human rights into business not to be involved with the infringement of others, un-exploit workers and non-illegal workers.

Society community and environment: The Company conducts business with the responsibility of all parties involved, encouraging employees and concerned people in practice good citizenship and charitable service to the community and society, as well as employees' participation in creativity service activities and joining the CSR Day Project which supported by the Business Institutions to Society (CSRI) The Stock Exchange of Thailand and The Thai Phat Institution.

The past year in 2010, the Employees and other participations had collaborated to create a good activity for the community and society. Such as feeding forestation at Thap Lan National Park, Nakhornratchsima province, providing lunch to the elderly at the elderly Home of Nakornpathom province, implementing makeup course as a career program to the women inmates of the Central Women Correction Institution, donating money and goods to help victims and to the various public needs, advocating the charming course in development of beauty profession through the Department of Vocational Education and other government sectors, donating blood to the Red Cross etc.

The company had the campaign to plant trees in and outside the office to beautify the landscape and a part in reducing global warming. In addition to raising awareness to employees to reduce waste both within and outside the office by reduction of material that may cause pollution or waste balance to the natural environment, campaigning staffs to reduce energy consumption by taking the stairs instead of elevators and air closed off during lunch time and 15 minutes early from working hour. Decrease the use of paper and promote the use of reused paper following 3 R, Reduce, Reuse and Recycle. Environment saving and Thai traditional culture are conserved to stay with the Thai society forever.



Government: The Company has fully paid the correct tax period required by the law as the corporate tax; value added tax, specific business tax, withholding tax, property tax, signboard tax, customs duty, revenue stamp including the government tariffs related to the business operation.

Channels of participation of Stakeholders: Shareholders and other stakeholders are able to inform a clue or provide information of the significant issue about the accuracy for financial report, internal control deficiency, or illegal and unethical practice. It can communicate through the Company's Secretary to the direct line no. 020294-0657 or by email address law@occ.co.th. The Company's Secretary is responsible for the information and documents, submitting the specific issue to the relevant person and report to the Board of Directors. In this respect the whereabouts or the complaint will be protected and preserved the right to protect the confidentiality of the best.

4. Disclosure of Information and Transparency

The Company places importance to the transparent, equal and fair disclosure of information through the channels that can approach simply. As it is realized as the subject affects or may affect the change of the value of the Company's securities as well as the decision-making of investor and interested person. The Board of Director is responsible to the Company's practice to comply with the laws, standard of Account, rules and regulated prescribed by the Office of the Securities and Exchange Commission (SEC) and other government agencies. And it also constantly monitors change so as to ensure confidence that the laws, rules and regulations followed by the Company at any point in time are update and act as guarantees for shareholders to remain confident in the proper operation of the business. Interested persons may access information necessary in making proper decisions in it entirely and on a timely basis. Information is transparently disclosed and is verifiable so as to maintain its reliability and add value to the shareholders. In this regard, the Company has disclosed information through various channels, such as the Annual Report and Form 56-1 through dissemination channels of the Stock Exchange of Thailand www.set.or.th and the Company's website www.occ.co.th.

The Company assigned the person to take responsibility on the investor relation as for being the channel to communicate with shareholders, investor either minor or institute, analyzer including other concerns such as the Stock Exchange of Thailand and the Office of Securities Exchange Commission. The Company has appointed Mrs. Chantira Tangtanasingkarn, Accounting-Finance Director/Senior Executive to provide information and news as required by investors and other interested persons by calling to telephone number 02 2954545 ext 508 or by fax number 02 2950417. The Company's significant information is up-dated and completed along with the practice of good corporate governance as posted on the website: www.occ.co.th and can be downloaded.

The Company discloses its Financial Statement and other information to the public via various channels as complied by the law strictly, completely and timely. Furthermore, the Company also discloses information to express of its' transparency in operating business as follows:

1. Disclosure of each Committee's duty such as numbers of the meeting.
2. Disclosure of share holding's structure and ratio of the Directors and Executives.
3. Disclosure of procedure to nominate the Directors, the method to evaluate and result of practicing evaluate of the Directors.
4. Disclosure of remuneration's type, description and paid amount in individual.
5. Disclosure of corporate governance, business and employee's ethics.
6. Provide the channels that stakeholders are able to inform a clue or provide information of the significant issue about the accuracy for financial report, internal control deficiency, or illegal and unethical practice. It can communicate through the Company's Secretary to the direct line no. 020294-0657 or by email address law@occ.co.th. The Company's Secretary is responsible for the information and documents, submitting the specific issue to the relevant person and report to the Board of Directors. In this respect the whereabouts or the complaint will be protected and preserved the right to protect the confidentiality of the best.

5. Responsibilities of the Board of Directors

Structure of the Company's Board of Directors

Composition of the Company's Board of Director

The Company's Board of Directors comprised of members who have knowledge, competency that play an important role in definite the Company's policy. It cooperates with senior Executives to set short and long term plan of business operation, financial policy, risk management, overview of organization inclusive of corporate governance, audit and evaluate the performance of the Company as well as the practice of the Company's Board of Directors along with the set principles independently.

The Company's Board comprise of nine directors. Eight of them are non-executive directors. One of them is executive director who is the Managing Director and Chief of Executives. The Company has three audit committee members who have qualification as independent directors as complied with the rules of the Office of Securities Exchange Commission and the Company's Principle of Association that he Company's Board of Directors is from the election following the resolution of the General Shareholder's Meeting along with the rules, legal and the Company's Principle of Association that is appropriate to the Company's business.

Authority of the Director

According to the Company's Principle of Association, two directors have authority to c-sign and affix the corporate seal on its behalf.

Definitions of the Independent Director

"The Independent Director" is an individual with qualification that meets the rules and definitions by the Equity Market Committee as follows:

(1) Holding no more than one percent with voting rights of parent company, the associates, the affiliates of juristic persons with possible conflict of interests inclusive of shareholding by individuals related to such independent directors.

(2) Not serving, or have served, as a director who is involved with the management, a staff member, an employee or a consultant with monthly wage. The person also must not be an individual with the authority to control the company, the parent company, the associates, the affiliates, the associates as the same level, or juristic persons with possible conflict of interests with the exception of the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

(3) Not related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the company or candidates for the position of an executive or an individual with the authority to control the company or an associates.

(4) Not having, or have had, a business relationship with the company, the parent company, the associates or juristic persons with possible conflict of interests, in such a manner that may interfere with one's independent discretion. the person also must have not been or have been a significant shareholder, a director who is not independent director or an executive with business relationship in the company, the parent company, the associates, the affiliates, the major shareholders of the entities with the authority to control the company. There is an exception in the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

The business relationship as described in the above paragraph is inclusive of normal trading transactions for the conduct of business ; lease or letting of immovable; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, the use of assets as collateral and other such practices which result in the company or the party to the agreement being under the obligation to repay the other party for an amount from three percent of net tangible assets of the company or from twenty million Baht whichever is lower. The calculation of such obligation to debt is to be in accordance with the Announcement of the Stock Exchange of Thailand on the Related Transaction Criteria with exceptions. The said obligation to debt includes that which has materialized during the period of one year prior to the day of business relationship with the same individual.

(5) Must not be, or has been, an auditor or the company, the parent company, the associates, the affiliates or juristic persons with possible conflict of interests, not being the major shareholders, director who is not an independent director, executive, partner in a partnership of the audit office with which the auditor company, the parent company, the associates, the affiliates or juristic persons with possible conflict of interests is associated. There is an exception in such case where he or she

retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

(6) Must not be, or has been, a provider of a professional service including the services as a legal consultant or a financial consultant for which greater than two million Baht of fee is paid per year by the company, the parent company, the associates, the affiliates or juristic persons with possible conflict of interests. In case that the professional service is a juristic persons It includes the major shareholders, director who is not an independent director, executive or partner in a partnership of the professional service. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

(7) Must not be a director appointed to represent a director of the company, a major shareholder, or a shareholder who is related to a major shareholder.

(8) Must not have the business that is similar and compares to the same significant of the company or subsidiary, the partner in the same significant partnership, the director who participate in business administration, employee, staff, consultant with salary or hold the share more than one percent of shares with voting rights belonging to the other company that has similar business and compete with the same significant of the company and subsidiary.

(9) Must not have any other characteristic which is an obstacle to the giving of free opinion on the operation of the company.

Committees

The Company has appointed other Committees which comprises of the Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and the Executive Board to practice as specific duties or propose the subjects to the Company's Board of Directors to consider or acknowledge. Each Committee has the right as defined on each Committee's Charter and will be reviewed its practice individually every year. (more information on page 111-117)

Directorial Term of Service

In accordance with the Company's Article of Association, one-third of the directors have to retire from the past at each annual general meeting. In the case where the number of directors cannot be divided by three, the number of the directors to retire is to be closet to one-third. The longest-serving directors are asked to retire. In case there is no solution of retire, the lottery draw needs to be cast. Directors who retire from the past may be re-elected. Directorial Term of Committee comprising of the Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and the Executive Board is 1 year and upon retirement, they may be re-elected. In the case other than competition of term, the Nomination Committee will propose a qualified individual to the Board of Directors' meeting in accordance with the Article of Association for appointment.

The Company has not fixed the maximum period of director term as well believe that the ability to operate business and the expertise of each director is not depended upon age.

Numbers of the Company that the Directors are holding their Positions

Each of the directors has been disclosed information of their positions holding in other companies in Form 56-1 and in the annual report. At present, the Company has 2 directors who are the directors of other 3 registered companies that comprised of Mr. Somsakdi Dhanasarnsilp and Mr. Manu Leelanuwattana. The Company is assured that it will not affect to their practice. The Company always receives advice, suggestion and recommendation that are beneficial as guideline for the Company's business operation.

The Company's Secretary

The Company's Board of Directors appointed Mrs. Choophan Imthong to be the Company's Secretary for having duty to arrange the meeting for Company's Board of Directors, the Committee and the Shareholders including to record minute of meeting of the Directors, Shareholders, to take care of Annual Report as well as to keep documents that defined by the law. The qualification of the Company's Secretary appointed by Company's Board of Directors, is approved with appropriation and competency to administrate the Company's Secretary's job. The position as Legal Division Manager will take care and support the Company's Secretary's job to practice along with the law and other relevant rules and regulations including the good corporate governance of the Company such as to give advice on initial law subjects and the Company's rules and regulations to the directors.

Roles, Duties and Responsibilities of the Board of Directors

Leadership and Vision

The Company's Board of Directors comprises of the individual who has knowledge and competency, skill and various working experience as well as to have expertise that benefits to the Company.

The Company's Board of Directors has duty to define vision, mission, policy and goal plan, budget and business strategy as well as to control business operation to be in accordance with business plan and set budget with effectiveness and efficiency. The Company's Board has independent in sharing opinion and determining for the security and benefit that is balance and last long for all related group as well as to add value to the business and shareholders.

Corporate Governance

The Company's Board of Directors cares for the importance of Good Corporate Governance and realizes of its duty to be responsible to the Company and shareholders including all related group. It assures as significant fundamental of business performance to operate with efficiency and stable growth complying with the principle of the Company's corporate governance that is approved and announced to use as written by the Company's Board of Directors. There is a review on policy and practice along with it to be up-to-date and appropriate gradually with faithfulness, independent, transparency, responsibility, fairness and have responsibility toward the society.

The Company's Board of Directors also enhances the employees to aware the importance of the practice along with corporate governance for long run as for the development of the good corporate governance to have the culture of organization from 2009 until now a day. As well as the course "Learning Organization" was consecutive trained to all employees. The course of Culture of Organization is engaged with the set up of CWT to arrange the activities that will enhance the building up of culture of organization to meet B E A U T Y from within as comprised of

B = Boundaryless

E = Ethics and Integrity

A = Adaptability to Change

U = Unity

T = Talent

Y = You are Our Valued Customer

Segregation of the Authority

The Company's Board of Directors and the Management has clear demarcation of roles. The Company's Board of Directors has duty to define policy and conduct the operation of the Management in the level of policy, while the Management has duty to manage the Company's operation in accordance with the definite policy.

The Company's Chairman and Managing Director is not the same person. These two positions must have been selected via the resolution of Company's Board of Directors to have the person who is appropriate. The Company's Board of Directors will be the person who set Successor Plan for Senior Executive' Position.



Report of the Interest of Directors and Executives and Related Group

The Company provides the report of the Interest of Directors and Executives or of the Related Persons for the monitorial benefit of its interest of the said group in accordance with the principles and procedure that defined by the Company's Board of Directors on the part of the Interest of the Company's Business Management along with new issue of the Office of Securities Exchange Commission's rules.

Transaction with Possible Conflicts of Interest

The Company's Board of Directors has defined well-established guide line to practice with any possible conflict of interest between shareholders, directors, exclusives and other persons to have confidence that when engage in transaction with possible conflict of interest that is fair and reasonable. The information will be disclosed accurately and entirely with the transparent procedure to approve any transaction that cares for utmost benefit of the Company and along with the instruction and practicing guideline of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

At every meeting of the Company's Board of Directors that there is a consideration on transaction with possible conflict of interest against any director, the director who is stakeholder will leave the meeting room with null vote on that agenda in order that the other directors can give opinion freely with the cooperate of the Audit Committee to give opinion freely, too.

Internal Control and Risk Management

■ Risk Management

The Company's Board of Directors has resolution to appoint the Risk Management Committee to have duty on evaluating and definite the measurement to monitor the risk to be in appropriate and acceptable level. There is the review of the measurement to monitor the risk that may happen by placing importance of prior warning signal that is irregular and significant under the advice, suggestion of the Audit Committee and to monitor the significant risk consecutively. The Risk Management Committee will have a meeting monthly for analyzing and evaluating the risk with the summary of report to the Executive Board and the Audit Committee, while give report of risky evaluation to the Company's Board of Directors per quarter. There is a definition to report to the Executive Board and /or the Company's Board of Directors immediately when the risk is reached to the significant level.

■ Internal Control and Internal Audit

The Board of Directors provide a system of internal controls covering financial, operation, action to comply with relevant regulations, laws, regulations and the mechanism of checking and equilibrating to protect and take care of shareholders' funds and the Company's assets. The Internal Audit Office to be reviewed for performance of all working units to comply with the regulations. And it specifies the critical control points of the internal control of the operations to cover all important events, which enhance the effectiveness in managing the business carefully. The cooperation of all units within the Company to collect and update work instructions and apply to work to achieve the goals and plans.

The company has developed and improved manual operation of the relevant units to comply with the requirements of internal controls appropriate to the modern state of the current business operation. The Board of Directors ensures that the Internal Audit Office is free to check and equilibrate and directly report to the Audit Committee regularly as scheduled time.

The Company has internal control system that determines the significant control of the internal control as an extensive practice in all key activities which enhance the effectiveness in managing our business carefully, with the cooperation of all units within the company to collect and update work instructions and use practice to achieve the goals and set plan. The Company developed and improved the operation manual of the relevant units to comply with the requirements of internal controls appropriate to the modern applicable operation as the current

■ Preventing Conflicts of Interest

Set the measurement for the prevention of insider impropriety of the directors, executives and employees who are in the organization that acknowledge the information, including spouses and minor children of such persons will not provide the information within the Company to use for personal gain as well as for trading Company's shares, especially in the period of 1 month before the published financial statements to the public. The message should clearly set forth in the Code of Conduct.

The Company agrees to report to shareholders of the Company's Board of Directors, executives or relevant persons for the purpose of monitoring the interest of such person under the rules and procedures prescribed by the Board of Directors, the interest relating to the Company's management affairs as of the new Securities Act and to consider and approve the transactions that are related transaction, Its provided the interests disclosure of directors, executives and related parties, value of the transaction, independent directors' opinion as well as other necessary information for the Board of Directors / shareholders can decide for the benefit of the company as a whole. It also has set guidelines to prevent the directors and executives has an interests or involvement in the process decided to consider the transactions between the Company and those who are interested or involved in it and that related persons who are involved or interested in any matter should not attend the meeting to consider or vote on such matter

■ Inside Information Usage Control

The Company has policy to disclose the information, transparency, Financial Statement and business operation by definite the principle of practice of financial disclosure and other issues that related to business and the Company's performance with accurate completion that is sufficient to rely and regular timely for the shareholders, investors, security's analyzers and general people. The Company's Board of Directors monitors the practice that will follow the defined law and rules that concern with the transparent disclosure of information strictly. In case the Directors or Executives have the change the buy or sale of shares as defined on the definition of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, must to report the information to the unit that is related within time as set. The Directors or Executives have duty to report their hold of securities and disclose their stake and related persons to the Company's Board of Director for clear and transparency. Inside Information Usage Control is under the duty and responsibility of the Directors, Executives and employees to keep the Company's information as secret firmly, especially, the inside information that not yet disclosed to the public or may affect to the business operation or share value. The Directors, Executives and employees will not take advantage on information to seek for their own benefit, for the benefit to buy or sell the Company's share or give inside information to the others for the benefit to sell the Company's share or to operate business that compete to the Company or related business. No disclosure the secret of the Company's business to outsiders. Any prohibited practice that may cause the lost or damage of business opportunity of the Company will take as the practice against the policy of corporate governance, business and employees' ethics and will be seriously punished on discipline.

The Board of Director Meeting

The Company's directors have duties to attend the Board of Directors' meeting regularly for acknowledgement and participation of making decision on the Company's business operation. The Company has set meeting schedule of the Board of Directors one year in advance, with further additional extraordinary meeting being scheduled as may necessary. Prior to each meeting, the agenda will be clearly laid out according to subjects for acknowledgement and those for consideration. The Company's Secretary will send notices of meetings together with the agenda and accompanying documents for the meetings to the directors no later than seven days in advance, except in the case of emergency, in order to allow time for the directors

to study the data in sufficient.

At the meeting, the Chairman and CEO will be corporate in fixing agenda of the meeting and consider the lead to the Company's Board of Directors' meeting agenda and will open by giving all directors an opportunity to propose the subjects for considering as agenda. The Board of Director's meeting clearly has specific agenda comprising of the agenda to consider and monitor the performance and report the hold of securities which are regular agenda. The Senior Positions may sometimes are invited to attend the meting for acknowledge the additional on regular agenda and direct policy that will practice along with efficiency. During the meeting, the Chairman who has authority of Chairman of the meeting will open an opportunity to express opinion independently. The resolution at the meeting of the Board of Directors' meeting will cast by major vote. One director has once vote and the interest director who involve in any subject will not attend no vote on that subject. The Company's Secretary is responsible to record the meeting report in writing with complete significant detail within appropriate time and keep the report that is certified by the Board of Directors and relevant documents in system for the Board of Directors and concern persons to audit and convenience to investigate as reference.

In 2010, there were five Board of Directors' meeting and detail of meeting attendance of the directors is disclosed on the subject of the meeting of each board in 2010

Self-Evaluation by Members of the Board of Directors

The Board of Directors conducted a self-evaluation by members of the Board of Directors every year. The process involved the giving of opinions of each director on the overall performance of the Board of Directors. It reviewed performance, issues and obstacles occurring in the past year, in order to enhance the efficiency of the Board of Directors. Format of this self-evaluation is in accordance with the principle of corporate governance and the Board of Directors' responsibilities. The self-evaluation by members of the Board of Directors is conducts once a year around end of December. The Company Secretary shall deliver the self-evaluation from to each director and collect it after completed and concludes as report for proposing it the 1st Company's Boards of Directors' meeting of the next year. The result of such evaluation shall be considering and improving to achieve the above objective.

The results of self-evaluation by members of the Board of Directors in 2009 have been made known to the Company's Boards of Directors' meeting No. 1/2554 held on 16th Feb, 2011

Overall of result by score range for the past three years is as follows:

Evaluating Topics	Result		
	2010	2009	2008
1. Structure and Qualification of the Board of Directors	87.91%	82.81%	75.00%
2. Role, Duty and Responsibility of the Board of Directors	88.37%	84.44%	74.07%
3. The Meeting of the Board of Directors	90.23%	90.63%	81.60%
4. Duty of the Directors	89.29%	89.29%	78.97%
5. Relationship with the Management	91.52%	91.25%	83.33%
6. Self-development of the Directors and Executives	89.06%	88.02%	77.78%
Average Overall	89.18%	86.72%	77.26%

Remuneration

Remuneration Committee defines policy and regulation of remuneration and it is then proposed to the Board of Directors for consideration and to the shareholders meeting for their approval. The annual recommended remuneration is transparent. Its structure and composition of remuneration based on each director's duty, responsibility and benefit done for the Company and associated with the Company performance.

Remuneration Regulations of the Directors are as follows:

1. Meeting Attendance Fees

- The Board of Directors
 - only paid to attendance directors 6,000 Baht
- The Audit Committee
 - Audit Committee chairman 20,000 Baht/ time
 - Audit Committee members 15,000 Baht/time
- The Executives Board
 - only paid to attendance directors 5,000 Baht
- The Committee
 - the Nomination Committee, the Remuneration Committee and the Risk Management Committee only paid to attendance directors who are non-executives 5,000 Baht In case each board or committee has the meeting more than one time, remuneration is paid just one time only.

2. Annual Bonus – paid to all directors

Amount of remuneration for the directors is not exceeding the amount approved at shareholders' meeting.

Remuneration of the Executives is determined according to the principle and policy of Remuneration Committee that associates with performance of the Company and each individual executive. 2010 Remuneration is been disclosed in annual report and 56-1 Form on the topic Remuneration.

Competency Development of Directors and Executives

To enhance the practice of the Board of Directors' duty, the Company has policy to promote all directors and executives as well as those whose duty are concerned to secretary, internal audit and the Company's corporate governance are encouraged to enhance their knowledge by participating in relevant training course and seminars at the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand or any independent institutes. To encourage to attend the course of law or rules that related and has benefit to the consecutive work such as the seminar of new issue of Accounting Standard IFRS to implement the knowledge to improve the work with the Company gradually.

For those new appointed directors, the Company will provide information of organization and show of its operation with the profile of manual practice of the registered company that the Company has arranged it, in order that they will understand their roles, duties and responsibilities. Furthermore, to acknowledge legal mission and regulations that concerned to the status of directors of registered company.

Regulations of the Company's Boards and Importance policy of the Company

Succession Plan

The Board of Directors set the succession plan of the senior position with its guidelines for the preparation of succeeding person to be assigned to alternative jobs in the executive level that shall be based on the future direction of the organization which qualification of the executive will be required to comply with the direction and goals set forth by the Company by generating the junior management at the initial stage for the potential, knowledge, ability and vision to encourage to become senior management to a sequence of step to develop the technical knowledge and learn from practice experience. The Board of Directors and Executive Committee have been monitoring and evaluating the performance of the person who will be promoted to an executive in order to ensure continuity.

(4) 2010 Internal Control

The Company takes the principle of organization management upon the fundamental of accurate and transparent practice along with the good corporate governance and treats it as the fundamental of effective and efficient practice of the Company's Internal Control

The Board of Director's meeting No. 2/2554 on 2nd Mar, 2010, three Audit Committee members were attended and evaluated sufficient and appropriation of the Company Internal Control System for 2010 by enquiring information from the Executives and considered the evaluation form that arranged by the Executives, the conclusion of internal control system's comments are as follows:

Organization and Environment

The Management and employees have good attitude to work in team. The administration run along with the principle of good corporate governance and support to internal control that places importance to morality, ethic and faithfulness that are appropriate to the development of internal control. Thus the internal control stays with effectiveness, organization structure, segregation of authority and responsibility and numbers of operators that appropriate to the works, policy and the practice of personal that convince and support the operator's thus overall environment of the Company's control is appropriate and support be the part that bring the sufficient and effective internal control.

Risk Management

The Company definite Risk Management policy for the organization and have the Risk Management Committee to practice the corporate and definite the frame of risks for management of overall organization to be in appropriate level, effectiveness and efficiency in harmonize with each situation. There is sub working units of risk management that have responsibilities within the defined frame. It covers the risk management of finance, business operation, the management and administration, safety, occupational health, environment and any significant risk that concern to the Company's operation.

Operational Control by the Management

The Company definite policy and operation practice for control that will allow the operators aware of the risk that may occur and carefully on working in order to archive the success of objective as

- ▣ In management, the Company definite vision, mission and objective of organization as written and communicate it to meet everyone's understanding in order that the operation can archive the objective. There is a plan set for operation, the implement resource, budget and manpower. Furthermore, there is a definition of working procedure and monitor the performance to allow the staffs to work with effective and efficient along with the law, rules and regulations and defined standard.
- ▣ In accounting-finance, the Company set the internal control rules that related to the collecting of money, keep the money, to receive and to pay money, money to deposit the bank and expense reserved money by recording on account book with accurate and regularity.

- In purchase and employment, the Company set up Purchase Center to control the regulations and definition of the parcels that are for purchase or employ. There is the clear definition of authority and responsibilities such as the authority to approve the definition of demand of arrival parcels, the control and collect the parcels.
- The human resource management, the Company implements the nomination procedure to gain the personals who have knowledge and competency as definite with appropriate and fair remuneration. There is organization structure of each unit, definition of authority and responsibility. Working standard and clear monitoring system as well as the provide of information system and sufficient effective communication

Information Technology and Communication

The Company has Information Technology system that is related to the working operation, financial report and performance. The operation along with the policy and other regulations that is implemented to control and operate the activities of the organization inclusive of Information Technology from outside that has communication with the management and the operators in the organization in the type that help the information technology's receiver can practice along with authority and responsibility with effective and efficient. And to ensure the confidence of internal and external communication that support the organization to archive the objective as aimed.

Monitoring

The Company has monitored the evaluation of internal control and quality of operation by definite the practice process in the monitor of performance result according to the consecutive internal control system and be a part of general practice process of the management, working controller and related authorities. Furthermore, there is evaluation made by the audit from the Internal Audit Unit in accordance with annual audit plan as regular. In case the need of improvement, there is the instructions provide to correct and / or the procedure to practice to ensure the confidence that the audit and review has been respond and to manage to fix that error.

After having reviewed these five areas of internal control system, the Board of Directors agreed that the Company has clear principle of practice for employees to follow its system and is able to manage the operation effectively. Evaluation and analysis of situation, risk business circumstance from internal and external are implemented for appropriate handling with the management by internal control system including of transaction that is to take place between the Company and a major shareholders, directors and executives or an individual associated with the aforesaid parties as well as any such related transaction that is sufficient and complied with the Company's policy.

(5) Dividend Payment Policy

The Company shall pay the dividend to shareholders every year on the basis of its operating performance and economy situation. Minimum dividend payment rate has never been defined in written. Nevertheless, during the past five years, the Company had paid dividend to shareholders fairly with the rate is suitable to each period economy situation as follows:

Year	2009	2008	2007	2006	2005
Value of share (Baht)	1.00	1.00	1.00	1.00	1.00
Dividend per share (Baht)	0.55	0.50	0.45	0.55	0.55
Total amount (Baht)	33,000,000.00	30,000,000.00	27,000,000.00	33,000,000.00	33,000,000.00
Ratio (%) net profit	45.49%	48.42%	58.16%	43.38%	42.70%



(6) Human Resources Management

The Company is well aware of its employees as significant and valuable assets that successfully drive force behind its success to achieve goals as one of the leading company in sales and excellent services that impress customers with utmost pleasure. The management policies are entirely emphasized on improving and developing skill of employees and the team to gain professional working ability. It begins from basis policy that the employees are given the opportunity to participate with entire working system either in executive management and operation. New concepts and tools are implemented to develop working pattern to be always up-to-date and effective. Plans are set in advance before actually practice and lead to archive goals as targeted. The strenuous efforts on innovation development have been added value towards merchandise and service that shall be delivering to consumers.

In term of personnel recruitment, the Company selects employees from multi channel's effective recruitment and to provide an opportunity on selection. Employees' income benefit structure is appropriately adjusted to meet with labor market, economy and current cost of living. Measures for working performance are applicable with transparency and compensation is awarded fairly and suitable for knowledge, competency, and responsibility. Positioning structure is considered according to employees' competency by offering progressive opportunity in duty to create leadership and encouragement as well as to drive employees' working motivation in concrete. The working environment is well improved to ensure the safeguarding of their lives and happiness.

Regarding to human resource development, the course Learning Organization: Leading in a complex world with a True Teamwork was conducted to convince all level employees to have positive thinking and to working method for continuity. Shared value course was the next course to be conducted for the employees who are members of Culture Working Team: CWT to form reinforcement of organizational culture under BEAUTY from within theme and has six shared values which are B E A U T Y that leads to the transformation of all employees' behavior to practice along with it. Learning Organization is publicized and utilized as a tool to communicate and exchange knowledge as well as to share knowledge and success. The exchange knowledge is shared through Knowledge Sharing, a conversation which is carried on between two or more persons on a reciprocal basis and can also be held to exchange views and ideas between two parties as well as to brain storm for solving problems or improving working pattern and the practice of Systems Thinking. Communicating channels are expanded by 2 additional channels which are OCC Intranet and Web Board for extending capacity of communicating ability to meet with demand and appropriated data that are needed to communicate.

Safety, Occupational Health and Working Environment

The Company sets policy of safety, occupational health and working environment to comply with Safety Act that is emphasized on building up safety conscious in the job as it is the mission of all employees. The Safety and Occupational Health Committee is set up to be responsible for handling with safety and occupational health in workplace by conducting the training, control, examines and improvement of equipments, the location and buildings, environment including of the appropriate preparation of fire prevention.

Social Welfare

The Company realizes the need and benefit of employees. Therefore it provides welfares that support working spirit and encouragement, reduce cost of living, security in retirement and relief their trouble as follows:

1. Well versed in Knowledge

- Training courses that well meshing with employees' individual functional competency in different levels
- Library for employees

- In-house journal to publicize Company's news and information to employees nationwide

2. Cost of Living Support

- Annual bonus allowance
- Dormitory for employees
- Cost of living's monetary support
- Monetary grant to disasters relief
- Uniforms for employees
- Grant to pass-away employees
- Special price products for employees
- Group life insurance with increase of capital sum insured in any case of pass-away employees
- Other grants such as employees' marriage or giving birth

3. Money Saving Support

- Provident fund as savings for the future

4. Employee's Family Support

- Educational Scholarship from Dr. Thiam Chokwatana Foundation

5. Stable Future Strengthen Support

- Retirement fund for all employees
- Low interest housing loans in conjunction with the Government Housing Bank
- Certificate presentation ceremony for employees after 10, 20, and 30 years of service

6. Health Support

- Encourage employees to donate blood
- Encourage employees to have vaccine against influenza Southern Strain 2010
 - A/California/7/2009Z (H1N1) - like virus
 - A/Perth/16/2009 (H3N2) - like virus
 - B/Brisbane/60/2008 - like viruss
- An Infirmary is available
- Provide essential health knowledge
- Medical check-up for risky works
- Encourage employees to do exercise

7. Other

- Hold other traditional activities
- Merit making, foods offering to monks and ask blessing from the elders
- Birth month
- Retirement farewell party

Responsibility towards Society and the Environment

The Company has noble intention to have its responsibility towards society and the environment. Thus, it conducts business morally and ethically and contributes to the public and society with generous support by always encouraging and promoting events and activities that will benefit the community as follows:

Educational Activities

The Company provided scholarships for disadvantaged young people in corporation with the Ruamchit Norm Klao Foundation under Her Majesty's Royal Patronage for supporting them to complete their education up to the compulsory level. Those youths will grow up to be qualitative and integrity new generation who were the future of the society. The Company co-operated with Vocational Education Commission organized charming curriculum, a makeup course that instructed the students who attended the charming course in Polytechnic Colleges and Industrial and Community Colleges for being fundamental and development of their profession as well as to conduct workshops for vocational instructors in the field

of Beauty Profession.

Employment of Disable Employee

The Company has policy to employ disable employees to work in the job titles that are suitable for their working ability by selecting the one whom has been introduced by Disabled Revival Center in order that they can earn incomes for spending as their self dependence and can stay in this society with dignity.

The Project of AIDS Defense and Management

The Company has policy to protect and manage about AIDS with clearly intention. The applicants for the job were no longer to have their blood checked for AIDS. This showed the respect of dignity and basic human rights. Employees were educated about AIDS while the Company gave hands to join social activities with other AIDS' associations continuously and always. Thus, the Company received Silver Class of ASO Certificate as per the conditions of AIDS Response Standard Organization (ASO Thailand) from Department of Labor Protection and Welfare Ministry of Labor and Department of Disease Control Ministry of Health.

Save the Energy

The Company has policy to conserve the energy by emphasizing on employees' consciousness to aware and understand how to conserve the energy comprising of electricity, fuel, running water, and worthy use of resources, decrease the usage of papers. The management of transforming the equipments that need high energy and equipments with outdated technology that it's cost for maintenance were high by replacing them with the ones that could save energy as well as to emphasize on Reuse campaign.

Social Contributions

The Company is collaborated with charity projects and regularly supports activities that concern to commonweal of community, society and environment via different authorities as follows:

- Thai Fund for Disaster Relief Haiti
- Rachamongkol University of Technology
- Thai Veteran's Family Foundation
- SAHA Group Unity Foundation 1997
- Rabbit in the Moon Foundation
- Dr. Thiam Chokwatana Foundation
- The Support Foundation of the Majesty Queen Sirikit
- Thai Muslim Housewife Foundation
- Foundation for Environment Preservation
- The Cardiac Children Foundation of Thailand
- King Rama II Memorial Foundation
- The Federation of Women Volunteers of Civil Defense Association
- Yannawa District Non-formal and Informal Education Center
- National Council on Social Welfare of Thailand under Royal Patronage of Her Majesty the Queen
- The National Council of Women of Thailand under the Royal Patronage of Her Majesty the Queen
- Red Cross of Trang
- Thai Chamber of Commerce
- Friends in Need (of "PA") Volunteers Foundation
- Wat That Phra Aram Laung
- Phra Dabos School
- The Thai Red Crosses Society
- National Association of Women Award
- Zonta Club International (Thailand)

The Company has supported the above mentioned organizations by donating money. Besides, it also participated in charity activities by providing team of Make-Up Artists and Hair Stylists to take care for facial make-up and hair styling to actors and actress as well as to provide the Company's products as the gifts or rewards and the training to develop personalities in other organizations as well as to support the makeup training course for the public charity organizations.

The Company has certain transactions with its related parties which are related by shareholding or having some shareholders or co-directors. These transactions are in normal business. Inter-trading of goods with related companies is performed under bargaining price negotiation by considering of both highest short and long-term benefit to the Company with the following related parties :

RELATED PARTIES	RELATIONSHIP
1.M.I.L. (Thailand) Co., Ltd.	See Note 7
2.Oriental Salon Business Co., Ltd.	See Note 7
3.Saha Asia Pacific Co., Ltd.	See Note 7
4.Shiseido Professional (Thailand) Co., Ltd.	See Note 7
5.Tiger Distribution and Logistic Co., Ltd.	See Note 7
6.Hair Service (Thai) Co., Ltd.. (Formerly Q.B. (Thailand) Co., Ltd.)	See Note 7
7.Bangkok Tokyo Socks Co., Ltd.	See Note 7
8.International Laboratories Co., Ltd.	Shareholders/some co-directors
9.Watsadornmai Co., Ltd.	Shareholders
10.I.C.C. International Plc.	See Note 8
11.Saha-Pathana Inter-Holding Plc.	See Note 8
12.Top Trend Manufacturing Co., Ltd.	Co- shareholders
13.Thai Gunze Co., Ltd.	Co- shareholders
14.S&J International Enterprises Plc.	Co-directors
15.Thanulux Plc.	Co-shareholders
16.Pattaya Manufacturing Co., Ltd.	Co-shareholders
17.People's Garment Plc.	Co-directors
18.Champ Ace Co., Ltd.	Co-directors

The significant transactions with related parties are as follows :

TRANSACTIONS IN BALANCE SHEETS	(AMOUNT IN BAHT)	
	2010	2009
1. Trade accounts receivable	174,147	507,933
2. Other receivables	5,088,750	204,200
3. Deposit	181,136	30,000
4. Trade accounts payable	65,925,694	47,400,688
5. Other current liabilities	268,285	290,291
6. Asset payable	16,478	29,960
7. Purchase of equipment	84,000	288,636

(AMOUNT IN BAHT)

TRANSACTIONS IN INCOME STATEMENTS	2010	2009
1. Sales	683,941	961,965
2. Rental income	1,527,839	1,350,574
3. Dividend income	3,018,820	3,029,780
4. Other income	11,927,868	2,666,231
5. Purchase of goods	333,177,944	281,906,427
6. Purchase of packaging	566,891	457,170
7. Transportation (with the maximum fare of Baht 5 million)	2,660,044	3,141,306
8. Sale promotion expenses	3,768,772	4,459,570
9. Selling area rental and other expenses	3,535,179	2,880,275
10. Other expenses	360,000	526,456

Revenues from sales, purchases, promotional expenses, other income and expenses shown in the statements of income are in general trading condition by price fixing or market price compensation. For the transactions with no reference of market price, the mutual agreement will be applied.

7

Explanation and Analysis of Financial Status and Performance

1. Result of Business Performance

The Company does not disclose its business target goal for the next 3-5 years ahead to the shareholders and third parties. Overall of business performance for the past 2010 is lower than aimed target due to the affect causing by external factors.

2. Operating Performance

2.1 Overall of Performance in the Past

In 2010 the Company earns total revenue of 1,310.23 million Baht, increase of 96.11 million Baht or equivalent to 7.92 % from the previous year. Total expenses amount 1,207.23 million Baht or representing the increase of 88.53 million Baht or equivalent to 7.91%. Net profit after juristic person income tax's reduction is 76.71 million Baht, increase of 4.17 million Baht or equivalent to 5.74%.

In accordance with Thai economy in previous year, though it encountered impacts of several negative factors, unsteady global economy, domestic political problems, several group of protest, oil's price fluctuations and capital control including natural disasters either drought or flood. However, Thai robust export remained as important tool in driving growth of the economic. Though economy of the United States remained in decline and European countries encountered with the problems of budget deficit and public debt crisis, the economy in Asia was due to an anticipated improve. Especially, from the power of China that has overtaken Japan as the world's second-biggest economy.

Overall domestic demand has gradually recovery and had in fact moving forward at an accelerating pace of economic for the second half of year 2010. Indicators of business confidence have improved. Investment indicators were positive. Unemployment rate remains low level significantly. Agricultural product's price has been high level. The private consumer has been confidence in economic stability. Private spending has increased. Thai tourism industry has been strongly rebounded.

However, the Company recognizes the importance of business administration under unstable circumstance and frequently change at all time as well as the aggressive competition that enhances day by day. Therefore, the Company handles its with strategy management by keeping check situations very closely and then adjusts the strategy that suits to each appropriated cases with the active and passive strategy. Thus, the Company develops the personal skills continuously until it can archive the obstacles and effects to business performance's growth rate to be increased when compares to the previous year.

In addition, there are some other factors that affect to the business performance in term of promoting, supporting and being the obstacles toward the business operation such as

(1) To implement relaxing financial policy with infusion of money into the economic system, the interest rate is maintained in low levels, the issues of Government's measures that activate the economic in many ways such as Thai Khem Khaeng (TKK) that can help reduce household expense and also increase incomes.

(2) According to the aggressive marketing competition, new competitors joined in with the implement of various marketing tools to compete for capturing market share, therefore, the Company set the strategy plan in various dimension to maintain existing loyalty customers and in the meanwhile keep raising new customers' expansion by emphasizing on advertisement and public relation to widely build up brand awareness.

(3) To draw attention on development of innovative products those has uniqueness and are different with diversity for responding consumers' demand as well as to regularly improve quality of service to enhance consumers' confidence with utmost pleasant.

(4) To improve and re-organize the structure of some divisions to be more practical in working, the young executives are supported to have responsibilities in the management. To Create the Culture Working Team (CWT) for reinforcement the Company's 6 Values and the corporate favorable culture under "Beauty from Within". And also, there are training courses and seminars which set up for all level staffs continuously in house and outdoor including the enhancement to create exchanging network for transferring knowledge in Intranet channel. To create the campaign on consciousness for adjusting the private vision related with the Company's vision that is beneficial for strengthen and solidity the operation to reach target goal.

(5) The current inflation has the trend to be raised gradually but it is at the low level. So it does not affect to living cost of people and investors' confidence. Thus, Thai Baht value is still strong in comparison to US Dollar because of the foreign capital inflow following to the Asia economy rebound. It won't impact on a significant cost of raw material and finished products that are imported.

2.2 Performance in the Past

(1) Revenue from Sale or Service

In 2010 the Company has total sales incomes of 1,267.22 million Baht; it is 6.74% growth from the two major product lines as per each total sale as follows:



(A) Cosmetics, Musical Instruments

The total sales amount is 1,095.26 million Baht or representing to 86.43% from the Company's total sales. It has grown 5.90% over the previous year because of development of the new products that have quality and outstanding for creating the value added products. It expands the new target group of customers who care in the good personality and glamorous with the Customer Relation Management (CRM)'s activities. And also, it can maintain existing customers with tight by building up good relationship to the trades and customers. Furthermore, the distributing channels on Bangkok and up-country have been expanded more widely until it met with the good response from customer.

(B) Clothing Products

Its total sales amount is 171.96 million Baht or represents 13.57% of the Company's total sale, 12.37% increase when compared to previous year. The growth on quantity is due to choose the good quality raw material and new design collections that have been met with the need and pleasant of customers with the reasonable price.

(2) Other Revenues

The revenues that earn from other income is 43.00 million Baht and it increase from previous year amount of 16.14 million Baht or equivalent to 60.06% receiving from compensated expenses and benefit from investment.

(3) Cost of Sale and Expense

The cost of goods for sale in previous 2010 is 649.55 million Baht or represents 51.26% of total net sale and increase 1.45% from previous year. It causes by the costs ratio of some goods that is higher. Total expense of sale and administration is 557.68 million Baht or represents 5.76% increase from previous year. It's due to the effective control of expense in the category of employees and marketing promotion with the monitor of expense to be valuable spent.

In previous year, there is unpaid interest because the Company has an excellent level of liquidity; therefore it can manage cash inflow and cash outflow with effectiveness.

(4) Profit

After deducting cost of goods for sale, cost of sale and administration from total sales revenue, the Company earns profit from business operation 59.99 million Baht. It decreases from previous year 8.56 million Baht, representing 12.48%. According to the above reasons and after including of all other revenues that are increased to be deducted by less paid interest, thus net profit before juristic person income tax is equivalent to 102.99 million Baht. It increases 7.58 million Baht from previous year, representing 7.94%. After the deduction of juristic person income tax, the net profit is 76.71 million Baht or increase 5.74% from previous year.

In comparison with Cash Flow Statement, ratio of net cash earning from operation against net profit ratio reached at 1.52 times. Though it slightly increases 1.08 times from previous year, the result is still at the good level.

(5) Return on Shareholders' Equity

The Company paid dividend for the year 2009 amount of 33.00 million Baht, representing 45.49% of net profit in 2009. It complies with the Company's dividend policy.

2.3 Performance versus Budget

In the past year, the Company didn't showed estimate of operating result on the registration statement offering of securities.

3. Financial Status

3.1 Assets

(1) Composition of Assets

The total assets amount as at December 31, 2010 was 795.63 million Baht; it increases from previous year 104.93 million Baht or equivalent to 15.19%. The current assets increase 77.44 million Baht while fix assets increase 27.49 million Baht.

Current assets is cash and cash equivalents increase 17.72 million Baht, the temporary investments increase 29.91 million Baht because the Company invests from cash balance in Promissory Note and Debt Instrument Fund that has low risk but higher liquidity in return more than bank deposit. Trade account receivable net increases 9.81 million Baht following to sales increase. While the inventory increases 13.57 million Baht due to the preparing of goods sold on Chinese New Year and New Year Eve. Other current assets increase 9.72 million Baht.

Non Current assets as Investment of fix assets in related business is decrease 0.16 million Baht. Other long- term investment is increased 33.45 million Baht earning from the transformation of capital value in accordance with the principle of fair value while lands, buildings and equipments-net are decreased 4.31 million Baht. Invisible assets-net is increased 0.28 million Baht from the pay-cut along to limited longevity. Leasehold rights are decreased 2.19 million Baht, while other fix assets are slightly increased.

(2) Quality of Assets

(A) Assets

The Company has set up reserve for devalue of assets in full for the capital invest in the companies having retained losses.

(B) Accounts Receivable

Trade accounts receivable aged over 3 months together with total of returned cheque amount to 12.14 million Baht, representing only 5.59% from total of all trade accounts receivable. It is decreased 13.73% from previous year. This affected the effectiveness of credit management as well as the tracking to collect the money very closely. The Company has set up reserve for doubtful accounts amount of 14.11 million Baht by taking the same rules as previous year.

3.2 Liquidity

(1) Cash Flow

In 2010, Net cash from operating activities is 116.42 million Baht. It increases 84.43 million Baht due to the increase of Accounts Payable. Total net cash for investment activities is 65.71 million Baht. It is increased 61.61 million Baht from previous year. Almost of cash for investment comes from the fixed deposit and the investment in Fixed Income Fund that has the low risk but high liquidity. Net cash that has been spent for financial activities is 33.00 million Baht that it has been paid for dividend of shareholders. After including cash at beginning of the year, the balance net cash as ended of the year was 25.75 million Baht.

(2) Key Liquidity Ratios

As ended of 2010, ratio of liquidity equivalent to 2.73 times and it slightly decrease from previous year 0.44 times. Quick liquidity ratio equivalents to 1.26 times that decrease 0.29 times from previous year. The liquidity is still the high level and the Working Capital is sufficiency. The overview of Cash Cycle, its average was 101 days, decreased 7 days from the previous year cause on the average of sales period decreased.

(3) Short-term Loans which may affect Liquidity

The value amount of current assets is 571.91 million Baht and it is higher over the current debts amount of 362.49 million Baht. Company has no longer the balance of loans to return, thus this shows the sufficiency of liquidity and the ability to return of loans obviously.

3.3 Investment Expenditure

The Company does not contain any significant additional investment in the past year due to unfavorable external circumstances as well as the social that remains have conflict.

3.4 Source of Funds

(1) Suitability of Capital Structure

Ratio of the Company's Debt to Equity equivalent to 0.39 times and it slightly increased from previous year and it has no balance loan. This index represents the stable and solid financial structure. When there is appropriate business's opportunity with worthy profit, the Company would be able to expand its investment by utilizing loans from financial institutes.

(2) Shareholders' Equity

As ended of 2010, value of shareholders' is 573.97 million Baht. It's increased 46.98 million Baht from previous year, representing 8.91% earnings from net profit amount of 76.71 million Baht as well as the lost that not yet happened from the transformation of capital working value in accordance with the principle of fair value amount of 3.26 million Baht and the deduction of 2009's dividend amount of 33.00 million Baht.

(3) Liabilities

As ended of 2010, the Company has no balance of loans from financial institutes. During the year, there is none of loan. Therefore, there is no risk against any fluctuation of foreign currency exchange or interest rates. The Company has no problem at all to pay interest if it may need loans in some times. Most of existing liabilities were the Company's trade accounts payable that have been always paid to meet with due date.

4. Key factors & Influence which may affect Future Performance of Financial Status

According to the monitor prediction from several analysts, Thai economy in year 2011 shows upward trend continuously from the year 2010 which is slowing down proportion. Thai economy's momentum has been supported from the global trade that still contributes to grow of exports. Despite on the concerning of developed countries slowed down as USA, Japan and European Union including Chinese economy may tend to slow down. Also, it faces the risks from the strength of Thai Baht value. This will reduce the competitive advantage of Thai exports.

For the consumption, investment and domestic expenditure sector, Government has prepared the fiscal stimulus packages to stimulate the economy in continuity. Especially public projects evolve Pracha Wiwat (People's Agenda) welfare scheme to help support the economy. Although, there are significant negative factors that impede of the Thai economy's growth as conflict in Thai society, cause political unrest continued. The border dispute erupted into violence between neighbor countries. Their factor will affect the image of the country, the confidence of investors both domestic and international, private consumers, businesses, including foreign tourists and spread to other business sector. Furthermore, there are also other risk factors as the increasing of wage hikes and commodity prices. The inflation rate is presently on an uptrend and the interest rate policy to be raised gradually.

However, the Company will prepare in advance to handle with the changes that will happen rapidly. To set emergency plan on a negative situation by being aware of business risks with the whole sides, to administrate the organization with caution. To have incurred issues to be analyzed with the principle of reasonable. Commitment the developing products and services to meet the consumers' needs and to satisfy the most impressive. To improve the Information Technology Systems (MIS) for reinforcement in decision making and problem solving very timely. To develop at all levels with the potential for enhancing competitiveness. As well as enhancing the atmosphere in the organization to be the synergy. Settlement with the complexity environment and political change to our commitment for being the mutual success and sustainable growth.

8.1 THE COMPANY'S COMPARATIVE FINANCIAL STATEMENTS

REPORT ON THE COMPANY BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS


The Board of Directors is responsible for the accuracy of the Company's Financial Statements including financial information appear in the annual report. Such financial statements are in compliance with the generally accepted accounting principles. Due circumspection of estimation has also been given in the preparation of the financial statements. As well as adequate disclosure of significant information in the Note to Financial Statements that Company's Auditor's comments has been shown in the Company's Financial Statements on the Auditor's Report for the benefits of shareholders and investors who seek access in to the financial statements.

The Board of Directors has appointed the Audit Committee, consisting of independent members who have knowledge and understanding on account, financial and business administration to oversee the financial statements and evaluate the Internal Control System to be efficient in order to be ensure on accurate accounting record that is sufficient completion and timely, as well as to prevent fraud or abnormal practices. The Audit Committee's comments have shown in the Report of the Audit Committee in this annual report.

The Board of Directors has comments that the Company's Internal Control System can prove confidence of the financial statements' status as of December 31, 2010, with accurate picture of its financial status, performance and cash flow statements according to the certified accounting principles and legally comply with the law and related regulations.



(Mrs. Kanchana Saisiriporn)
Chairman



(Mrs. Teerada Ambhanwong)
Managing Director & CEO



AUDITOR' S REPORT

To The Shareholders of O.C.C. Public Company Limited

I have audited the balance sheets of O.C.C. Public Company Limited as at December 31, 2010 and 2009, the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of O.C.C. Public Company Limited as at December 31, 2010 and 2009, the results of its operation and its cash flows for the years then ended in accordance with generally accepted accounting principles.



(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

February 14, 2011

O.C.C. PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009
ASSETS

	<u>NOTES</u>	<u>BAHT</u>	
		<u>2010</u>	<u>2009</u>
Current Assets			
Cash and cash equivalents		25,745,512	8,030,131
Short-term investments			
Fixed deposit		-	10,000,000
Bill of exchange		-	10,346,500
Investments in Open-end Fund-net	3.2 and 4	125,315,280	75,063,482
Total short-term investments		125,315,280	95,409,982
Trade accounts receivable-net	3.3, 3.4 and 5	217,344,455	210,819,465
Inventories-net	3.5 and 6	175,861,313	162,287,626
Other current assets			
Prepaid sale tax		9,565,767	8,916,004
Others		18,081,626	9,013,463
Total other current assets		27,647,393	17,929,467
Total Current Assets		571,913,953	494,476,671
Non-current Assets			
Investments in related parties	3.6 and 7	18,770,450	18,934,853
Other long-term investments			
Available-for-sale securities	3.7 and 8	70,508,208	67,243,280
Investments in other companies	3.6 and 9	5,115,984	4,928,484
Investments in held-to-maturity securities-debt securities	3.8 and 10	10,000,000	-
Fixed deposit		40,000,000	20,000,000
Total other long-term investments		125,624,192	92,171,764
Property, plant and equipment-net	3.9 and 11	44,591,217	48,898,833
Intangible assets-net	3.10 and 12	3,186,744	2,907,321
Leasehold rights-net	3.11 and 13	28,591,009	30,783,727
Other non-current assets		2,950,905	2,529,037
Total Non-current Assets		223,714,517	196,225,535
TOTAL ASSETS		795,628,470	690,702,206

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009
LIABILITIES AND SHAREHOLDERS' EQUITY

	NOTES	BAHT	
		2010	2009
Current Liabilities			
Trade accounts payable			
Related parties	17	65,925,694	47,400,688
Other companies		63,789,077	40,367,426
Total trade accounts payable		129,714,771	87,768,114
Accrued corporate income taxes		13,833,734	10,440,267
Other current liabilities			
Accrued bonus		24,703,819	23,953,778
Accrued expenses		37,499,401	30,819,389
Asset payables		2,437,297	1,164,286
Others		1,237,619	1,632,970
Total other current liabilities		65,878,136	57,570,423
Total Current Liabilities		209,426,641	155,778,804
Non-current Liabilities			
Provision for retirement fund	23	12,234,899	7,936,883
Total Non-current Liabilities		12,234,899	7,936,883
TOTAL LIABILITIES		221,661,540	163,715,687

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

	NOTES	BAHT	
		2010	2009
Shareholders' Equity			
Share capital			
Authorized share capital			
80,000,000 common stocks of Baht 1 par value		<u>80,000,000</u>	<u>80,000,000</u>
Issued and paid-up share capital			
60,000,000 common stocks at Baht 1 each		60,000,000	60,000,000
Additional paid-in capital			
Premium on common stocks		36,500,000	36,500,000
Unrealized gains on investment revaluation	8	52,276,143	49,011,215
Retained earnings			
Appropriated			
Legal reserve	14	8,259,676	8,259,676
General investment reserve	15	49,000,000	49,000,000
Unappropriated		<u>367,931,111</u>	<u>324,215,628</u>
Total Shareholders' Equity		<u>573,966,930</u>	<u>526,986,519</u>
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		 <u>795,628,470</u>	 <u>690,702,206</u>

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	NOTES	BAHT	
		2010	2009
Revenues			
Sales		1,267,222,859	1,187,247,802
Other income			
Dividend income		3,446,945	6,359,155
Others		39,555,377	20,507,578
Total other income		43,002,322	26,866,733
Total Revenues		1,310,225,181	1,214,114,535
Expenses	18		
Cost of sales		649,547,558	591,384,136
Selling expenses		412,060,549	388,060,833
Administrative expenses		142,468,556	136,243,437
Directors' remuneration	16	3,153,000	3,010,000
Total Expenses		1,207,229,663	1,118,698,406
Profit before Finance Costs and Income Tax Expenses		102,995,518	95,416,129
Finance Costs		1,275	424
Profit before Income Tax Expenses		102,994,243	95,415,705
Income Tax Expenses	24	26,279,788	22,866,996
Net Profit		76,714,455	72,548,709
Basic Earnings per Share	3.14		
Net Profit		1.28	1.21
The number of 60,000,000 common stocks used in computation.			

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

BAHT

	NOTES	Issued and paid-up share capital	Premium on common stocks	Unrealized gain (loss)	Retained earnings			Total
					Appropriated		Unappropriated	
					Legal reserve	General investment reserve		
Beginning balances, January 1, 2009		60,000,000	36,500,000	55,466,985	8,259,676	49,000,000	281,665,984	490,892,645
Available for sale investments		-	-	(6,455,770)	-	-	-	(6,455,770)
Recognized gain (loss) in shareholders' equity	8	-	-	-	-	-	72,548,709	72,548,709
Net profit for 2009		-	-	-	-	-	(29,999,065)	(29,999,065)
Dividend payment	16	-	-	-	-	-	-	-
Ending balances, December 31, 2009		60,000,000	36,500,000	49,011,215	8,259,676	49,000,000	324,215,628	526,986,519
Available for sale investments		-	-	3,264,928	-	-	-	3,264,928
Recognized gain (loss) in shareholders' equity	8	-	-	-	-	-	76,714,455	76,714,455
Net profit for 2010		-	-	-	-	-	(32,998,972)	(32,998,972)
Dividend payment	16	-	-	-	-	-	-	-
Ending balances, December 31, 2010		60,000,000	36,500,000	52,276,143	8,259,676	49,000,000	367,931,111	573,966,930

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	BAHT	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE INCOME TAX EXPENSES	102,994,243	95,415,705
ADJUSTMENTS TO RECONCILE NET PROFIT TO		
NET CASH PROVIDED FROM (USED IN) OPERATION :		
Bad debts	4,895,662	60,689
Bad debts collected	(78,000)	(40,000)
Doubtful debts	(4,540,504)	-
Loss on inventories fired	1,055,731	-
Provision for diminution in inventory value	-	375,851
Allowance for goods returned	3,286,733	1,885,066
Depreciation	17,695,565	16,528,327
Intangible assets amortization	675,195	2,842,200
Leasehold rights amortization	2,192,718	2,192,719
Dividend income	(3,446,945)	(6,359,155)
Interest expenses	1,275	424
Interest income	(1,265,122)	(1,674,872)
Unrealized gain on investments in Open-end Fund	(396,028)	(63,482)
Realized gain on disposal of invesments in Open-end Fund	(778,700)	(489,234)
Loss on devaluation of investments in related parties	164,403	607,197
Loss on disposal of investments in related parties	6,347,705	-
Gain on reversal of provision on devaluation of investment in related parties	(6,370,000)	-
Loss on devaluation of investments in other company	-	106,416
Gain on fixed assets disposal	(398,335)	(402,681)
Loss on unused fixed assets	85,126	646,941
Loss on inventories revaluation	1,487,906	3,731,840
Loss on inventories deteriorated and lost	305,550	693,626
Gain on exchange rate	-	(382)
Profit from operation before changes in operating assets and liabilities items	123,914,178	116,057,195

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	BAHT	
	2010	2009
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS		
Trade accounts receivable	(10,088,881)	(27,455,888)
Inventories	(16,460,690)	4,167,733
Other current assets	(9,746,650)	(5,041,547)
Other non-current assets	(421,868)	(142,488)
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS		
Trade accounts payable	41,946,657	(24,784,359)
Other current liabilities	5,870,416	(4,173,491)
Provision for retirement fund	4,298,016	(2,694,104)
CASH PROVIDED FROM OPERATION	139,311,178	55,933,051
Interest expenses paid	(1,275)	(424)
Income tax expenses paid	(22,886,321)	(23,937,873)
NET CASH PROVIDED FROM OPERATING ACTIVITIES	116,423,582	31,994,754
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in investment-fixed deposit	10,000,000	(10,000,000)
Decrease in bill of exchange	10,346,500	79,653,500
Increase in investments in Open-end Fund	(400,000,000)	(445,000,000)
Proceeds from investments in Open-end Fund disposal	350,922,930	370,489,234
Increase in investments in held-to-maturity securities-debt securities	(10,000,000)	-
Increase in long-term investments-fixed deposit	(20,000,000)	-
Proceeds from investments in related parties disposal	22,295	-
Increase in investments in related parties	-	(70)
Increase in investments in other companies	(187,500)	(400,000)
Dividend income from investments	3,446,945	6,359,155
Interest received	1,293,846	2,384,984
Purchase of equipment	(11,236,973)	(6,955,467)
Increase in intangible assets	(726,244)	(1,228,559)
Proceeds from fixed assets disposal	408,972	593,644
NET CASH USED IN INVESTING ACTIVITIES	(65,709,229)	(4,103,579)

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	BAHT	
	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend payment	(32,998,972)	(29,999,065)
NET CASH USED IN FINANCING ACTIVITIES	(32,998,972)	(29,999,065)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,715,381	(2,107,890)
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	8,030,131	10,138,021
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	25,745,512	8,030,131
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS		
NON-CASH ITEMS CONSIST OF :		
Inventories transferred to fixed assets	37,816	-
Unrealized gain (loss) on investment revaluation	3,264,928	(6,455,770)
Increase in fixed assets from other current liabilities	2,208,923	450,637
Increase in intangible assets from other current liabilities	228,374	713,649

Notes to the financial statements form an integral part of these statements.

O.C.C. PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

1. GENERAL INFORMATION

1.1 Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	729/4 – 7, Soi Wat Chan-nai, Ratchadaphisek Road, Kwaeng Bangpongpan, Khet Yannawa, Bangkok 10120, Thailand.
1.3 Nature of business	Distributing cosmetics, clothes, musical equipment, beautifying equipment and servicing of beautification.

2. BASIS FOR FINANCIAL STATEMENT PRESENTATION

2.1 These financial statements are prepared in accordance with the Accounting Standards under the Accounting Act, B.E. 2543 (2000), the Accounting Profession Act, B.E. 2547 (2004), and the Notification of the Office of Securities and Exchange Commission.

2.2 Announcement of accounting standards and financial reporting standards

To be in accordance with the IFRS, in 2010, the Federation of Accounting Professions announced the revision of TAS and TFRS, some are to replace existing standards and some are additional standards. These standards were published in the Royal Thai Government Gazette as follows:

The standard which is immediately effective

Framework for the Preparation and Presentation of Financial Statements (revised 2009), which the Company has adopted this standard since the effective date on May 26, 2010.

The standards which are effective to the financial statements beginning on or after January 1, 2011 are as follows:

TAS 01 (revised 2009)	Presentation of Financial Statements
TAS 02 (revised 2009)	Inventories
TAS 07 (revised 2009)	Statement of Cash Flows
TAS 08 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans



TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings Per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share - Based Payments
TFRS 3 (revised 2009)	Business Combination
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

The standards which are effective to the financial statements beginning on or after January 1, 2013 are as follows:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate

The Company's management believes that these accounting standards and financial reporting standards will not have any significant impact on the financial statements for the year when they are initially applied, except TAS 12 Income Taxes, management is evaluating the impact of such accounting standards in the year when they are adopted, and TAS 19 Employee Benefit, management has assessed the impact of such accounting standards in the year when they are adopted by choosing to recognize the additional amount adjusted against retained earnings brought forward for the year 2011 amount of Baht 50.85 million (amount of Baht 0.85 per share)

2.3 The Company's financial statements have been prepared on the basis of the historical cost except where otherwise disclosed in the accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 REVENUES AND EXPENSES RECOGNITION

Revenues from sales and cost of sales are recognized upon delivery of goods to customers.

Revenues from goods on consignment are recognized whenever the consignee sold goods to the third party.

Dividend income is recorded when shareholder's right to receive is established.

The Company recorded other revenues and expenses on an accrual basis.

The Company recorded commission expenses for direct sales by computing in accordance with the benefit payment plan as announced by the Company when selling was occurred.

3.2 INVESTMENTS IN OPEN-END FUND

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of disposed investments during the periods is calculated by the weighted average method.

3.3 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company provides allowance for doubtful accounts based on amount of debts which are expected to be uncollectible.

3.4 ALLOWANCE FOR GOODS RETURNED

The allowance for goods returned is set up by considering from the past experience.

3.5 INVENTORIES

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is calculated by the weighted average method.

The Company set up provision for diminution in value of obsolete, deteriorated goods and some goods which are expected to be unsalable.

3.6 INVESTMENTS IN RELATED AND OTHER COMPANIES

Investments in related companies are those companies in which the Company has its shareholding and, directly or indirectly, has some common management, major shareholders or such related persons. Investments in related companies are recognized at cost net from provision for loss on devaluation of investments.

Investments in other companies are those companies in which the Company has shareholding but has no power to govern or participate in setting up any policy. Investments in other companies are stated at cost net from provision for loss on devaluation of investments.

3.7 INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

Investments in available-for-sale securities, being marketable securities are stated at fair value with the objective for long-term investments. The Company recognizes revaluation of available-for-sale securities as separate item in shareholders' equity under the caption "Unrealized gain (loss) on investment revaluation".

The Company calculated cost of the disposed securities during the year by the weighted average method.

3.8 INVESTMENTS IN HELD-TO-MATURITY SECURITIES-DEBT SECURITIES

Investments in held-to-maturity securities-debt securities are stated at cost.

3.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method based on the estimated useful lives of the following assets:

PARTICULARS	YEARS OF USEFUL LIVES
Building	20
Beautifying accessories	5
Furnishing of building and selling areas	5-10
Vehicles	5
Office equipment	3-5

3.10 INTANGIBLE ASSETS

Intangible assets are computer softwares used in the Company's operation. Such intangible assets are amortized by the straight-line method based on the estimated useful lives of 5 - 10 years.

3.11 LEASEHOLD RIGHTS

Leasehold rights are stated at cost and amortized by the straight-line method based on the duration of contracts.

3.12 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the balance sheet date are converted to Baht at the rate of exchange in effect on that date. Gains or losses on exchange rate are credited or charged to operations of each year.

3.13 OPERATING LEASES

Leases where most of substantial risks and benefits of ownership of assets still remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are recognized as expense in the statements of income over the lease term.

3.14 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the annual net profit by the weighted average number of common stocks held by the outsiders during the year.

3.15 CASH AND CASH EQUIVALENTS

For the purpose of preparation of cash flows statements, cash and cash equivalents are cash on hand and deposits at financial institutions due not more or less than 3 months from the receiving date with no obligation.

3.16 EMPLOYEE BENEFITS

PROVIDENT FUND

The Company provides a provident fund, which is defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of income in the incurred year.

RETIREMENT FUND

Obligations for contributions to retirement fund are computed on the benefit formula and recognized as an expense in the statements of income. Benefits are payable to employees upon retirement.

3.17 USE OF ACCOUNTING ESTIMATES

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use various estimates and assumptions that will affect the reported amounts of revenues, expenses, assets and liabilities including the disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

4. INVESTMENTS IN OPEN-END FUND

(AMOUNT IN BAHT)

PARTICULARS	2010	2009
Investments in Open-end Fund-Debt securities	124,855,770	75,000,000
Allowance for adjustment investment value in Open-end Fund	459,510	63,482
Investments in Open-end Fund-net	125,315,280	75,063,482

Investments in Open-end Fund are trading securities. The difference between fair value and cost is shown as allowance for adjustment investment value in Open-end Fund. Gains on investments in Open-end Fund incurred during the year were duly presented in the statements of income as follows:

(AMOUNT IN BAHT)

PARTICULARS	2010	2009
Unrealized gain on investments in Open-end Fund	396,028	63,482
Realized gain on disposal of investments in Open-end Fund	778,700	489,234
Gain on investments in Open-end Fund	1,174,728	552,716

5. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable can be classified according to the aging of outstanding as follows :

(AMOUNT IN BAHT)

PARTICULARS	2010	2009
Post dated cheques	26,704,397	27,068,656
Current and overdue within 3 months	199,558,004	191,989,871
Over 3 - 6 months	4,939,486	1,614,864
Over 6 - 12 months	473,355	827,916
Over 12 months	4,970,445	5,747,210
Cheques returned	1,755,466	5,881,417
Total	238,401,153	233,129,934
Less Allowance for doubtful accounts	(14,114,786)	(18,655,290)
Allowance for goods returned	(6,941,912)	(3,655,179)
Trade accounts receivable-net	217,344,455	210,819,465

6. INVENTORIES

(AMOUNT IN BAHT)

PARTICULARS	2010	2009
Finished goods		
Cosmetics	128,993,118	118,355,973
Clothes	41,307,726	38,021,246
Beautifying and musical equipment	4,625,900	4,039,811
Direct sales goods	2,359,056	3,295,083
Total	177,285,800	163,712,113
Less Provision for diminution in inventory value	(1,424,487)	(1,424,487)
Inventories-net	175,861,313	162,287,626

7. INVESTMENTS IN RELATED PARTIES

(AMOUNT IN BAHT)

COMPANIES	% HOLDING		INVESTMENTS		DIVIDENDS	
	2010	2009	2010	2009	2010	2009
1. M.I.L. (Thailand) Co., Ltd.	12.67	12.67	380,000	380,000	114,000	114,000
2. Oriental Salon Business Co., Ltd.	15.00	15.00	150,000	150,000	112,500	112,500
3. Saha Asia Pacific Co., Ltd.	-	3.56	-	*6,370,000	-	-
4. Shiseido Professional (Thailand) Co., Ltd.	16.00	16.00	11,200,000	11,200,000	691,040	702,240
5. Tiger Distribution and Logistic Co., Ltd.	5.00	5.00	2,309,000	2,309,000	450,000	450,000
6. Hair Service (Thai) Co., Ltd. (Formerly Q.B. (Thailand) Co., Ltd)	18.00	18.00	*4,500,000	*4,500,000	-	-
7. Thai Bunka Fashion Co., Ltd.	4.00	4.00	*1,000,000	*1,000,000	-	-
8. Bangkok Tokyo Socks Co., Ltd.	4.89	4.89	3,750,000	3,750,000	-	-
Total			23,289,000	29,659,000	1,367,540	1,378,740
Less *Allowance for devaluation of investments			(4,518,550)	(10,724,147)		
Total investments in related parties-net			18,770,450	18,934,853		

(AMOUNT IN BAHT)

COMPANIES	RELATIONSHIP	RELATIONSHIP	PAID-UP CAPITAL	
			2010	2009
1. M.I.L. (Thailand) Co., Ltd.	Beautifying	Some co- directors	3,000,000	3,000,000
2. Oriental Salon Business Co., Ltd.	Beautifying	Shareholder and some co-directors	1,000,000	1,000,000
3. Saha Asia Pacific Co., Ltd.	Beautifying	Some co- directors	-	179,000,000
4. Shiseido Professional (Thailand) Co., Ltd.	Spa and hair setting services	Shareholder and some co-directors	70,000,000	70,000,000
5. Tiger Distribution and Logistic Co., Ltd.	Warehouse management and delivery insured goods	Some co- directors	10,000,000	10,000,000
6. Hair Service (Thai) Co., Ltd. (Formerly Q.B. (Thailand) Co., Ltd)	Beautifying	Shareholder and some co-directors	25,000,000	25,000,000
7. Thai Bunka Fashion Co., Ltd.	Fashion design school	Shareholder and some co-directors	25,000,000	25,000,000
8. Bangkok Tokyo Socks Co., Ltd.	Manufacturing and distributing socks	Shareholder and some co-directors	102,300,000	102,300,000

In the second quarter of 2010, Q.B. (Thailand) Co., Ltd. has registered the name change to Hair Service (Thai) Co., Ltd.

On July 22, 2010, the Company has disposed the investment of Saha Asia Pacific Co., Ltd to related person of 637,000 shares with the book value Baht 0.035 each, totalling amount of Baht 22,295 by having the loss on investment disposal amount of Baht 6.35 million.

8. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

Available-for-sale securities are listed securities on the stock exchange.

(AMOUNT IN BAHT)

RELATED PARTIES	% HOLDING		INVESTMENTS		DIVIDENDS	
	2010	2009	2010	2009	2010	2009
1. I.C.C. International Plc.	0.55	0.55	16,711,905	16,711,905	1,591,610	1,591,610
2. Saha Pathana Inter Holding Plc.	0.06	0.06	1,512,660	1,512,660	59,320	59,320
3. Boutique New City Plc.	0.01	0.01	7,500	7,500	350	110
Total			18,232,065	18,232,065	1,651,280	1,651,040
Add Unrealized gain on investment revaluation			52,276,143	49,011,215		
Total investments in available-for-sale-securities-net			70,508,208	67,243,280		

RELATED PARTIES	NATURE OF BUSINESS	RELATIONSHIP
1. I.C.C. International Plc.	Distributing consumer goods	Shareholder and some co-directors
2. Saha Pathana Inter Holding Plc.	Investment	Shareholder and some co-directors
3. Boutique New City Plc.	Distributing garment	Directors holding shares in common

9. INVESTMENTS IN OTHER COMPANIES - GERNERAL INVESTMENTS

(AMOUNT IN BAHT)

COMPANIES	% HOLDING		INVESTMENTS		DIVIDENDS	
	2010	2009	2010	2009	2010	2009
1. K. Commerical and Construction Co., Ltd.	2.00	2.00	1,000,000	100,000		200,000
2. Thai Samsung Electronics Co., Ltd.	0.08	0.08	1,000,000	1,000,000	300,000	3,000,000
3. Treasure Hill Co., Ltd.	2.00	2.00	*4,000,000	*4,000,000	-	-
4. Shaldan (Thailand) Co., Ltd.	3.50	3.50	*1,400,000	*1,400,000	-	-
5. Thai Takaya Co., Ltd.	3.33	3.33	1,000,000	1,000,000	-	120,000
6. SSDC (Tigertext) Co., Ltd.	0.35	0.35	1,125,000	937,500	28,125	9,375
Total			9,525,000	9,337,500	428,125	3,329,375
Less *Allowance for devaluation of investments			(4,409,016)	(4,409,016)		
Total investments in other companies-net			5,115,984	4,928,484		

In the fourth quarter of 2010, SSDC (Tigertext) Co.,Ltd has increased its share capital from Baht 270 million to Baht 324 million, which the Company has increased its investment amount of 18,750 shares at Baht 10 per share, totalling Baht 187,500.

On October 30, 2009, Shaldan (Thailand) Co., Ltd. has increased its share capital from Baht 20 million to Baht 40 million, which the Company has increased its investment amount of 4,000 shares at Baht 100 per share, totalling Baht 0.40 million.

10. INVESTMENTS IN HELD-TO-MATURITY-DEBT SECURITIES

(AMOUNT IN BAHT)

PARTICULARS	December 30, 2010	December 31, 2009
Debt securities		
Debenture (3 year maturity, due date 2013)	10,000,000	-
Total	10,000,000	-

On June 24, 2010, the Company has purchased unsubordinated and unsecured debenture of Pruksa Real Estate Public Company Limited amount of 10,000 units at Baht 1,000 each with fixed interest rate at 3.00 % per annum.

11. PROPERTY, PLANT AND EQUIPMENT consist of :

(หน่วย : บาท)

PARTICULARS	2009	Increase	Disposal/ Amortization	2010
Cost				
Land	2,103,990	-	-	2,103,990
Building	54,072,299	-	-	54,072,299
Beautifying equipment	4,995,752	211,516	(245,004)	4,962,264
Furnishing building and selling areas	71,931,632	8,779,019	(682,784)	80,027,867
Vehicles	27,518,340	2,120,103	(2,104,812)	27,533,631
Office equipment	29,464,671	2,201,004	(1,344,235)	30,321,440
Work in process	-	172,070	-	172,070
Total	190,086,684	13,483,712	(4,376,835)	199,193,561
Accumulated depreciation				
Building	44,408,240	2,703,615	-	47,111,855
Beautifying equipment	2,568,806	878,276	(205,284)	3,241,798
Furnishing building and selling areas	49,038,051	8,616,197	(631,415)	57,022,833
Vehicles	22,824,251	2,061,871	(2,104,808)	22,781,314
Office equipment	22,348,503	3,435,606	(1,339,565)	24,444,544
Total	141,187,851	17,695,565	(4,281,072)	154,602,344
Property, plant and equipment-net	48,898,833			44,591,217
Depreciation for the years	16,528,327			17,695,565

As at December 31, 2010 and 2009, the Company has fully depreciated fixed assets up to their useful lives but are usable at cost of Baht 64.48 million and Baht 66.13 million, respectively.

12. INTANGIBLE ASSETS consist of the following :

(AMOUNT IN BAHT)

LEASEHOLD RIGHTS	PERIOD	STARTING - ENDING	AMOUNT	NOTE
Computer softwares	23,926,438	954,618	610,500	25,491,556
Work in process	610,500	-	(610,500)	-
Total	24,536,938	954,618	-	25,491,556
Less Accumulated amortization	(21,629,617)	(675,195)	-	(22,304,812)
Intangible assets-net	2,907,321			3,186,744
Amortization for the years	2,842,200			675,195

13. LEASEHOLD RIGHTS consist of the following :

(AMOUNT IN BAHT)

PARTICULARS	2009	Increase	Decrease	2010
<u>Cost</u>				
Leasehold rights - Land	1,200,000	-	-	1,200,000
- Building	45,204,359	-	-	45,204,359
Total	46,404,359	-	-	46,404,359
<u>Accumulated amortization</u>				
Leasehold rights - Land	842,169	46,008	-	888,177
- Building	14,778,463	2,146,710	-	16,925,173
Total	15,620,632	2,192,718	-	17,813,350
Leasehold rights-net	30,783,727			28,591,009
Amortization for the years	2,192,719			2,192,718

(MILLION BAHT)

LEASEHOLD RIGHTS	PERIOD	STARTING-ENDING	AMOUNT	NOTE
<u>Land</u>				
1. Bangpongpan, Khet Yannawa	26 years and 1 month	August 27, 1991 - September 26, 2017	1.20	The monthly rental has to be paid over the lease period.
<u>Building</u>				
1. "Royal City Avenue" Shopping arcade	27 years	December 1, 1993 - November 30, 2020	4.85	The monthly rental has to be paid over the lease period.
2. 5 units of 4-storey commercial office building, Khet Yannawa	27 years and 6 month	April 1, 1993 - September 30, 2020	8.74	
3. Siam Paragon shopping centre	25 years	January 1, 2006 - December 31, 2030	25.21	
4. Union Mall Project	10 years	February 1, 2006 - January 31, 2016	6.40	

14. LEGAL RESERVE

The Company has set up legal reserve which duly met 10% of authorized share capital in compliance with the Public Company Act, B.E. 2535 (1992). Such reserve is forbidden for dividend payment.

15. GENERAL INVESTMENTS RESERVE

The Company has appropriated some of its net profit for a general investment reserve which is not specified for any particular objective.

16. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 27, 2010, the Ordinary Shareholders' Meeting was held and has a resolution to pay dividends to the shareholders of 60 million shares at Baht 0.55 each, totalling Baht 33 million and to pay directors' remuneration not more than Baht 6 million. The dividend payment was fixed to be made on May 25, 2010.

On April 28, 2009, the Ordinary Shareholders' Meeting was held and has a resolution to pay dividends to the shareholders of 60 million shares at Baht 0.50 each, totalling Baht 30 million and to pay directors' remuneration not more than Baht 6 million. The dividend payment was fixed to be made on May 27, 2009.

17. TRANSACTIONS WITH RELATED PARTIES

The Company has certain transactions with its related parties which are related by shareholding or having some shareholders or co-directors. These transactions are in normal business. Inter-trading of goods with related companies is performed under bargaining price negotiation by considering of both highest short and long-term benefit to the Company with the following related parties :

RELATED PARTIES	RELATIONSHIP
1.M.I.L. (Thailand) Co., Ltd.	See Note 7
2.Oriental Salon Business Co., Ltd.	See Note 7
3.Saha Asia Pacific Co., Ltd.	See Note 7
4.Shiseido Professional (Thailand) Co., Ltd.	See Note 7
5.Tiger Distribution and Logistic Co., Ltd.	See Note 7
6.Hair Service (Thai) Co., Ltd.. (Formerly Q.B. (Thailand) Co., Ltd.)	See Note 7
7.Bangkok Tokyo Socks Co., Ltd.	See Note 7
8.International Laboratories Co., Ltd.	Shareholders/some co-directors
9.Watsadornmai Co., Ltd.	Shareholders
10.I.C.C. International Plc.	See Note 8
11.Saha-Pathana Inter-Holding Plc.	See Note 8
12.Top Trend Manufacturing Co., Ltd.	Co- shareholders
13.Thai Gunze Co., Ltd.	Co- shareholders
14.S&J International Enterprises Plc.	Co-directors
15.Thanulux Plc.	Co-shareholders
16.Pattaya Manufacturing Co., Ltd.	Co-shareholders
17.People's Garment Plc.	Co-directors
18.Champ Ace Co., Ltd.	Co-directors

The significant transactions with related parties are as follows :

(AMOUNT IN BAHT)

TRANSACTIONS IN BALANCE SHEETS	2010	2009
1. Trade accounts receivable	174,147	507,933
2. Other receivables	5,088,750	204,200
3. Deposit	181,136	30,000
4. Trade accounts payable	65,925,694	47,400,688
5. Other current liabilities	268,285	290,291
6. Asset payable	16,478	29,960
7. Purchase of equipment	84,000	288,636

(AMOUNT IN BAHT)

TRANSACTIONS IN INCOME STATEMENTS	2010	2009
1. Sales	683,941	961,965
2. Rental income	1,527,839	1,350,574
3. Dividend income	3,018,820	3,029,780
4. Other income	11,927,868	2,666,231
5. Purchase of goods	333,177,944	281,906,427
6. Purchase of packaging	566,891	457,170
7. Transportation (with the maximum fare of Baht 5 million)	2,660,044	3,141,306
8. Sale promotion expenses	3,768,772	4,459,570
9. Selling area rental and other expenses	3,535,179	2,880,275
10. Other expenses	360,000	526,456

Revenues from sales, purchases, promotional expenses, other income and expenses shown in the statements of income are in general trading condition by price fixing or market price compensation. For the transactions with no reference of market price, the mutual agreement will be applied.

18. EXPENSES BY NATURE

(AMOUNT IN BAHT)

PARTICULARS	2010	2009
(Increase) decrease in changes in finished goods	(13,535,871)	8,593,199
Purchase of finished goods	678,985,047	601,518,299
Goods used for equipment	(37,816)	-
Director and executive remuneration	32,243,137	38,991,758
Employee benefit expenses	306,606,953	290,572,847
Depreciation and amortization expenses	20,563,478	21,563,246
Bad debts	4,895,662	60,689
Doubtful debts	(4,540,504)	-
Loss on devaluation of investments	164,403	713,613
Other expenses	181,885,174	156,684,755
Total	1,207,229,663	1,118,698,406

19. FINANCIAL INFORMATION BY SEGMENT

The Company's financial information by segment for the years ended December 31, are as follows :-

(THOUSAND BAHT)

TRANSACTIONS	PRODUCTS						TOTAL	
	COSMETICS AND SERVICING OF BEAUTIFICATION AND DIRECT SALES		CLOTHES		BEAUTIFYING AND MUSICAL EQUIPMENT			
	2010	2009	2010	2009	2010	2009	2010	2009
Net sales	1,090,146	1,027,475	171,958	153,031	5,119	6,742	1,267,223	1,187,248
Profit (loss) from operation	194,640	200,760	12,312	8,969	(1,337)	(1,926)	205,615	207,803
Other income							43,002	26,867
Common expenses							(145,621)	(139,254)
Finance costs							(1)	-
Corporate income taxes							(26,280)	(22,867)
Net profit							76,715	72,549
Property, plant and equipment- net							44,591	48,899
Intangible assets - net							3,187	2,907
Leasehold rights - net							28,591	30,784
Total assets							795,628	690,702

20. COMMITMENT AND CONTINGENT LIABILITIES

20.1 The Company has commitment and contingent liabilities as follows:

(MILLION BAHT)

PARTICULARS	2010	2009
Letters of guarantee from commercial bank	0.61	0.61
Guarantee for related parties	6.70	6.70

20.2 The Company has commitment relating to the Lease of Land, Selling Areas and Building Agreement as follows:

Lease of Land and Building Agreement at Chongnonsee, Khet Yannawa has the lease term from December 1, 2007 to November 30, 2010 with the monthly rental amounting to Baht 55,000 and the renewal right of every 3 years. Currently, the Company has renewed the aforesaid agreement with the lease term from December 1, 2010 to November 30, 2013 with the monthly rental amount of Baht 60,000 for the first year, Baht 65,000 for the second year and Baht 80,000 for the third year.

Lease of Building Agreement with related party has the lease term from July 1, 2009 to September 30, 2010 with the monthly rental amounting to Baht 0.17 million and the renewal right of every year. The Company has made the additional areas agreement with the lease term from September 1, 2010 to September 30, 2011 with the monthly rental totaling amount of Baht 0.22 million.

Lease of Selling Areas Agreement has the lease term 1 to 3 years by having the monthly rental payment amounting to Baht 0.32 million approximately and the rental rate vary upon the percentage of sale in each month as stipulated in the contract.

Lease of Land and Other Building Agreement (see Note 13) by having the monthly rental payment amounting to Baht 0.11 million approximately.

As at December 31, 2010 and 2009, the Company has totally minimum payment to be paid in the future under the Lease of Land, Selling Areas and Building Agreement as follows :

(MILLION BAHT)

PERIODS	2010	2009
Within one year	6.14	7.05
Over 1-5 years	7.78	9.94
Over 5 years	7.90	9.24
รวม	21.82	26.23

21. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has information relating to financial instruments both in and off balance sheets, as follows :

21.1 Accounting policies and procedure

See Note 3.

21.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company.
- The credit risk with respect to the concentration of trade accounts receivable is limited due to the large number of customers.
- For the financial assets shown in the balance sheets, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

21.3 Risk relating to interest rate fluctuation

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the following years. The Company expects to manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

21.4 Risk from currency exchange rate

The Company has outstanding foreign currency liabilities at the balance sheet date which the amounts are immaterial. Therefore, the hedging from currency exchange rate risk has not been made.

21.5 Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of financial instruments :

- Financial assets shown at book value which equal to estimated fair value.
- Financial liabilities shown at book value almost the same with fair value, due to such liabilities will be matured in short term.

22. REGISTERED PROVIDENT FUND

The Company has set up and registered provident fund in accordance with the Provident Fund Act B.E. 2530 (1987), in order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. One part of the contribution is paid by the employees and another part by the Company at 3 % of their basic salaries. The Company has appointed the BT Asset Management Company Limited to be the fund manager.

On August 2, 2010 BT Asset Management Company Limited has registered the name change to CIMB-Principal Asset Management Company Limited.

Provident fund contributions made by the Company for its employees are recorded as expenses in the income statements for the years ended December 31, 2010 and 2009 in the amount of Baht 4.64 million and Baht 4.45 million, respectively.

23. PROVISION FOR EMPLOYEES' RETIREMENT FUND

The Company has the policy for employees' retirement from working at the age of 55 years with the compensation of employees' retirement fund. The Company will gradually set up the provision for retirement fund for every employees of age 52 years up by dividing into 2 parts. The first part is calculated according to the Labour Law including the second part which is calculated from half of present salary received multiply by the excess amount over 20 working years.

Provision for retirement fund contributions are recorded as expenses in the income statements for the years ended December 31, 2010 and 2009 in the amount of Baht 7.88 million and Baht 7.49 million, respectively.

24. INCOME TAX

The Company has corporate income taxes for the years ended December 31, 2010 and 2009, which are computed from accounting profit and adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in tax computation.

The reconciliation between accounting profit and taxable profit multiplied by tax rate used in the years 2010 and 2009 as the following:

(MILLION BAHT)

PARTICULARS	TAX RATES (25%)	
	2010	2009
Accounting profit before income tax	103.00	95.42
The effect of accounting profit which is not considered to be taxable revenues and expenses.		
Bad debts	4.90	0.01
Doubtful debts	(4.54)	-
Loss on inventories from fire	(1.05)	-
Tax-exempted dividend	(3.45)	(6.36)
Net retirement fund	4.30	(2.69)
Loss on devaluation of investment	0.16	0.71
Reversal of provision on devaluation of investment	(6.37)	-
Others	8.17	4.38
Taxable profit	105.12	91.47
Income taxes	26.28	22.87

25. LITIGATION

As at December 31, 2010, the Company has the following lawsuit under the Court's consideration:

The Company has been sued by its employee in terminating employment and the Company has made legally severance payment in the amount of Baht 431,160. But the employee has counter-charged the Company for more compensation of Baht 10,000,000. The Court rendered its judgement to dismiss the plaintiff's case on December 29, 2008. The plaintiff has submitted an appeal to the Supreme Court for protesting against the judgement of the Court of First Instance on March 13, 2009 and the Company has revoked the appeal on April 3, 2009.

26. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

Some accounting transactions of 2009 financial statements have been reclassified to conform with the presentation of 2010 financial statements.

27. FINANCIAL STATEMENTS APPROVAL

These financial statements have been duly approved by the Company's directors on February 14, 2011.

8.2 Auditor Fees

(a) Auditor Fees

In year 2010, the Company paid auditor fees to Dr. Virach & Associates totally amounted to 595,000.00 Baht.

(b) Other Services - None

Audit Committee's Report

Dear Shareholders,

The Company's Board of Directors' Meeting No. 3/2010 on May 13, 2010 reappointed Mrs. Oradee Rungruangroj, Mrs. Watchanee Watanathawanwong and Mr. Kriangsak Sripaisal to be the Company's Audit Committee for another term in year 2010 having one year term commencing from May 13, 2010 onwards. The Committee consists of 3 Independent Directors of which every member meets SET qualifications and has the Company Secretary acts as its secretary. The Committee performed duties as assigned by the Board of Directors and reported the results on a regular basis.

During the year 2010, the Audit Committee held totally 12 meetings. The Management and the Auditor joined some agendas deemed appropriate. It also attended 5 Company's Board Meetings. The key performances within year 2010 are summarized as follows:

1. Ensured that the Company's financial statements were conducted according to the Generally Accepted Accounting Standards with adequate disclosure. The Committee received the Management reports and considered its comments sufficiently. Reviewed its quarterly and annually financial statements before presenting to the Board for approval prior to submitting to the Stock Exchange of Thailand. Reviewed together with the Management and the Auditors on impact of compliance with new accounting standards in year 2011.

2. Ensured that the Company has appropriate and efficient internal control system. Considered reports from the Internal Audit Office, the External Auditors and the Board's Appraisal of Internal Control Sufficiency. Reviewed audit results and followed up the Management correction of its internal control system along with improvement on efficient auditing whereas its Internal Audit Office reports directly to the Audit Committee. Considered its audit plan, budget and manpower for year 2010 enabling confidence that the Company still has a suitable system for its business circumstances. Also improved its substantial weakness continuously.

3. Ensured that the Company has conducted appropriate risk assessment in various perspectives being beneficial to risk management of its new business investment, operation, administration and finance.

4. Reviewed its related transactions and jointly considered approvals of transactions occurred such as hiring and guarantee to companies under SET notifications. The Audit Committee did not find any breach of laws or SET regulations.

5. Reviewed the Audit Committee's Charter in order to ensure that it has completed assignments and responsibilities in line with SET best practices and suitability for the Company business.

6. Considered and recommended to the Board for presenting to AGM in appointment of Mr. Chaiyakorn Aunpitipongsa, Dr. Virach Aphimeteetamrong and Mr. Apiruk Atianuwat of Dr. Virach & Associates to be the Company's External Auditors for year 2010, being the 4th year.

7. Reviewed and provided opinions on Company's annual budget preparation.

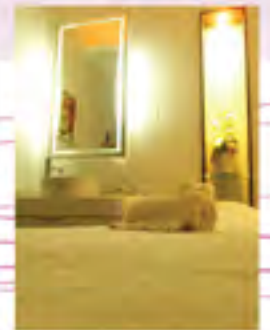


(Mrs. Oradee Rungruangroj)

Chairperson of the Audit Committee



SkinSense





บริษัท โอซีซี จำกัด (มหาชน)
729/4-7 ถ.รัชดาภิเษก บางโพธิ์จตุร
สถานนาคร กรุงเทพมหานคร 10120 ประเทศไทย
โทรศัพท์ (662) 295-4545
โทรสาร (662) 295-0416

O.C.C. PUBLIC COMPANY LIMITED
729/4-7 Ratchadaphisek Rd., Bangpoojungs
Yannawa, Bangkok 10120 Thailand
Tel: (662) 295-4545
Fax: (662) 295-0416
www.occ.co.th