

Annual Report 2010

รายงานประจำปี 2553



บริษัท ยูบิส (เอเชีย) จำกัด (มหาชน)

UBIS

UBIS (ASIA) PUBLIC COMPANY LIMITED

www.ubisasia.com

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Financial Highlights

For the fiscal year ended December 31	Consolidated Financial Statements			Separate Financial Statements		
	2010	2009	2008	2010	2009	2008
Stock Data						
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book Value (Baht) *	1.45	1.61	1.49	1.44	1.62	1.48
Earnings Per Share (Baht) *	0.37	0.37	0.30	0.34	0.39	0.31
Operating Results (Thousand Baht)						
Sales Revenue	610,546	560,975	559,816	581,449	527,136	537,593
Total Income	625,833	574,361	579,665	595,652	539,645	553,657
Net Profit	69,593	70,080	57,270	63,742	73,843	59,738
Balance Sheet (Thousand Baht)						
Total Assets	362,851	406,129	362,337	358,648	408,133	360,695
Total Liabilities	86,809	100,880	79,668	85,334	99,761	78,666
Paid-up Capital	190,000	190,000	190,000	190,000	190,000	190,000
Shareholders' Equity	276,042	305,249	282,669	273,314	308,372	282,029
Financial Ratios						
Return on Shareholders' equity (%)	23.9	23.8	19.8	21.9	25.0	20.8
Return on Total Assets (%)	18.1	18.2	15.4	16.6	19.2	16.2
Return on Fixed Assets (%)	317	289	238	294	304	248
Gross Profit (%)	33.9	35.9	30.1	30.1	34.3	28.0
Net Profit (%)	11.1	12.2	9.9	10.7	13.7	10.8

Board of Directors' Report

Thailand has faced the political and social problem through the year 2010, but it has not affected to the economy in general, especially export of canned food industry. In 2010, Thailand was still the top rank of the world in exporting canned food. The USA, EU, and Japan were still the significant markets. Although EU has faced the financial crisis in 2010, but Thailand export canned food to EU still increased from 2009. For the 2010 canned food industry, the export value decreased 0.3%, however, the export volume still grew up by 3.9%. The decrease in export value came from the strength of Baht in 2010.

In 2010, the revenue of the Company and Subsidiary was 611 million Baht or increased 9% from the previous year. The export market significantly improved, especially China market was 20% growth and the others was 22% growth from the previous year. In 2010 UBIS has expanded new market to Peru and Mexico. The Company has focused on China market by increasing the capital of Subsidiary Company from USD 750,000 to USD 1,400,000 to support business expansion in China. The net profit of Company was Baht 69.5 million in 2010 or same as the previous year.

According to the overall operation and financial position of the Company, the Board of Directors resolved to propose to the Annual General Meeting of Shareholders on April 7, 2011 to approve dividend payment for year 2010 at the rate of 0.31 Baht per share. The interim dividend payment previously made at the rate of 0.20 Baht per share on September 15, 2009, therefore the last dividend payment will be made at the rate of 0.11 Baht per share on April 29, 2011.

On behalf of the Board of Directors, our patrons, shareholders, trading partners, concerned people, as well as employees and management are all thanked for your supports and confidence in the Company throughout the past. You can be rest assured that the Board of Directors will supervise the Company for the long term stability, as well as ensuring that the Company's management continuously implements the plans, in order to achieve the Company's goals, adherence to good corporate governance, and corporate social responsibility.



Mr. Sawaeng Dhangwatnotai
Chairman

Major Shareholders

The top ten list of shareholders as shown in the registration book as at December 30, 2010 and as follows:

	Shareholders	No. of shares owned	%
1.	Dhangwatnotai Family	113,093,525	59.52
2.	Mr. Somchai Lurngnateetape	17,998,125	9.47
3.	CITIBANK NOMINEES SINGAPORE PTE LTD-UBS AG LONDON BRANCH-NRBS IPB CLIENT SEG	7,092,400	3.73
4.	Mr. Surachart Pongpattarine	6,119,000	3.22
5.	Ms. Nattawan Boontah	5,698,200	3.00
6.	Ms. Rungtiwa Phalee	5,592,100	2.94
7.	Mr. Komsan Techamaitreejit	5,025,000	2.65
8.	Ms. Sudkaneug Panyatara	3,985,000	2.10
9.	Mr. Thaneth Thumrongluck	2,634,750	1.39
10.	Mr. Sun Boontah	2,517,200	1.32
	Small individual shareholders	20,244,700	10.66
	Total	190,000,000	100.00

Limitation of Foreigner Shareholder

The foreigner shareholders cannot hold company shares more than 49% of total shares issued and fully paid up. They held shares 4.37% of total shares as at December 30, 2010.

Dividend Policy

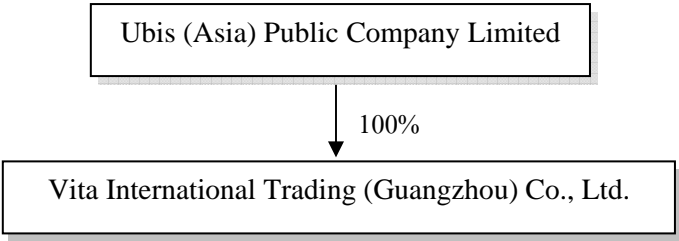
UBIS has policy to pay dividend not less than 40% of net profit from the operation after deducting income tax and legal reserve under the condition that there is no requirement to use fund for investment or expansion business and there is enough cash flow to pay. However, the Board of Directors may propose to pay dividend different from the policy depending on the Company's situation and necessities, such as the case of investment or the economy change, or events affecting cash flow of the Company.

Subsidiary's Dividend Policy

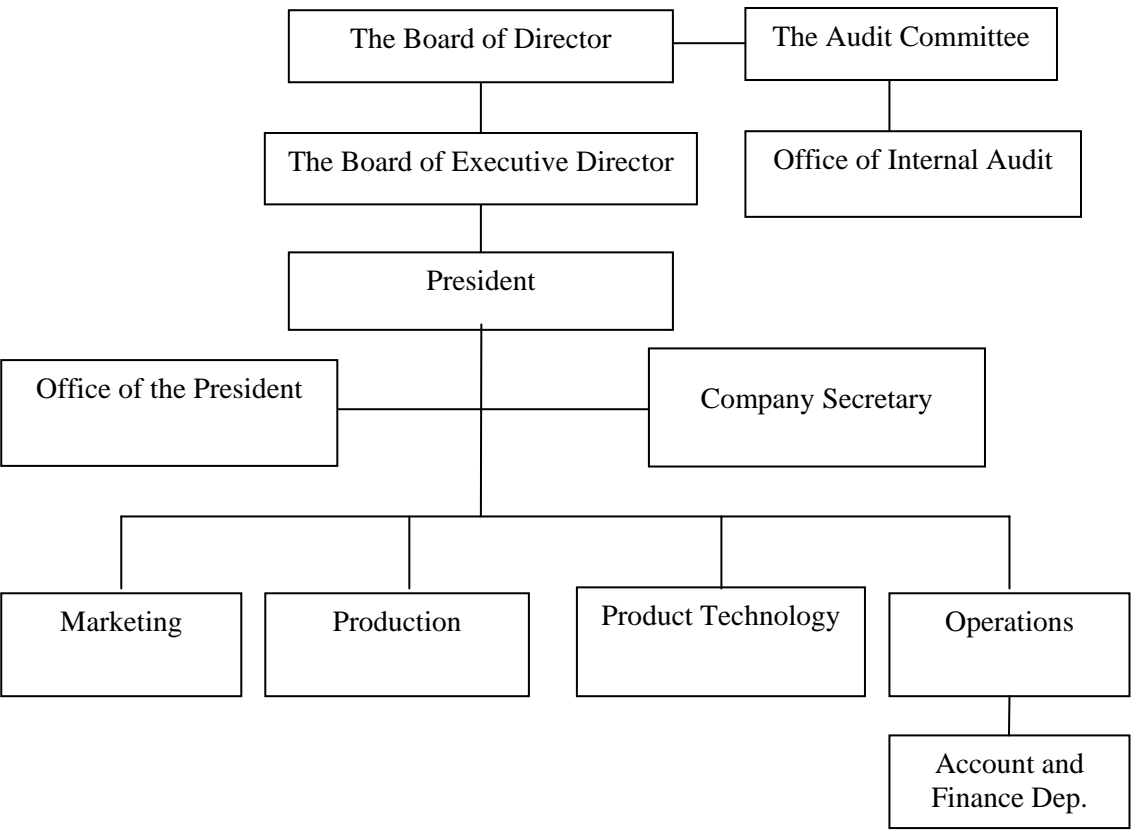
The Subsidiary has policy to pay dividend based on the performance. The dividend payment is not fixed but it depends on the Subsidiary's investment plan in the future.

Management Structure

Organization Structure



Management Structure



Management Structure consists of 3 Boards of Committee which are Board of Directors, Board of Executive Directors and Board of Audit Committees by the following details;

Board of Directors



- | | |
|--------------------------------|---|
| 1. Mr. Sawaeng Dhangwatnotai | Director / Chairman |
| 2. Mr. Sawong Dhangwatnotai | Director / President |
| 3. Mr. Phakdi Kanchanavalai | Independent Director / President to Audit Committee |
| 4. Mr. Pongsak Liangsiri | Independent Director / Audit Committee |
| 5. Mr. Sakonthon Sivaroroskul | Independent Director / Audit Committee |
| 6. Mr. Somchai Lurngnaetee | Director / Senior Executive Vice President – Production |
| 7. Mr. Thaneth Thumrongluck | Director / Executive Vice President – Marketing |
| 8. Mr. Sawang Dhangwattanotai | Director / Executive Vice President – Operation |
| 9. Mr. Surachart Pongpattarine | Director / Executive Vice President - Office of the President |

Biography of the Board of Directors and Executive

1. Mr. Sawaeng Dhangwatnotai

Education	Bachelor of Architecture, Howard University, USA
Training	Certificate Director Accreditation Program (DAP)
Present Position	Director / Chairman, Ubis (Asia) Public Company Limited
Year of directorship	7 years
Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None

2. Mr. Sawong Dhangwatnotai

Education	Master of Engineering Administration, George Washington University, USA Bachelor of Engineering, Chulalongkorn University
Training	Certificate Director Accreditation Program (DAP)
Present Position	Director / President, Ubis (Asia) Public Company Limited
Year of directorship	7 years
Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None

3. Mr. Phakdi Kanchanavalai

Education	Bachelor of Commerce and Accountancy, Thammasat University
Training	Certificate Director Accreditation Program (DAP)
Present Position	- Independent Director / President of Audit Committee, Ubis (Asia) Public Company Limited - Certified Public Accountant / Kanchanakit Accounting Office
Year of directorship	7 years
Holding the share:	None
Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None
Relationship:	Neither related the Company nor be a closed relative with the Executives

4. Mr. Pongsak Liangsiri

Education	Master of Information Technology, City College of New York, USA Bachelor of Information Technology, City College of New York, USA
Training	Certificate Director Accreditation Program (DAP)
Present Position	Independent Director / Audit Committee, Ubis (Asia) Public Company Limited
Work Experience	- Managing Director, Power Prospect Co., Ltd. - Director, Country Electricity Co., Ltd.

	- Director, Kennedy and Donkin (Thailand) Co., Ltd.
	- Director, Star Micro Electronics (Thailand) Co., Ltd.
Year of directorship	7 years
Holding the share:	None
Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None
Relationship:	Neither related the Company nor be a closed relative with the Executives

5. Mr. Sakonthon Sivaroroskul

Education	Master of Business Administration, Thammasat University Certificate, Board of Dermatology, Medical Degree (MD), Chiangmai University
Training	Certificate Director Accreditation Program (DAP)
Present Position	- Independent Director / Audit Committee, Ubis (Asia) Public Company Limited - Sale Director, Pfizer (Thailand) Limited.
Year of directorship	7 years
Holding the share:	None
Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None
Relationship:	Neither related the Company nor be a closed relative with the Executives.

6. Mr. Somchai Lurngnateetape

Education	Bachelor of Engineering, Chulalongkorn University
Training	Certificate Director Accreditation Program (DAP) Certificate, Mini M.B.A., Thammasat University
Present Position	- Director / Executive Director, Ubis (Asia) Public Company Limited - Senior Executive Vice President – Production, Ubis (Asia) Public Company Limited
Year of directorship	7 years
Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None

7. Mr. Thaneth Thumrongluck

Education	Bachelor of Economics, Thammasat University
Training	Certificate Director Accreditation Program (DAP)
Present Position	- Director / Executive Director, Ubis (Asia) Public Company Limited - Executive Vice President – Marketing and Sale, Ubis (Asia) Public Company Limited
Year of directorship	7 years

Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None

8. Mr. Sawang Dhangwattantai

Education	Master of Business Administration, Oklahoma State University, USA Bachelor of Engineering, Chulalongkorn University
Training	Certificate Director Accreditation Program (DAP)
Present Position	- Director / Executive Director, Ubis (Asia) Public Company Limited - Executive Vice President - Operation, Ubis (Asia) Public Company Limited
Year of directorship	7 years
Position in other listed company	None
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None

9. Mr. Surachart Pongpattarine

Education	Diploma of Business Administration, Montgomery College, USA
Training	Certificate Director Accreditation Program (DAP)
Present Position	- Director / Executive Director, Ubis (Asia) Public Company Limited - Executive Vice President – Office of the President, Ubis (Asia) Public Company Limited
Year of directorship	7 years
Position in other listed company	Independent Director, CPS Steel Center Public Company Limited
Position in company that may cause conflict of interest	None
There are interested transaction in company and its affiliates	None

10. Mr. Doug Rasic

Education	Doctorate of Science, Chemistry, New South Wales University Master of Science, Chemistry, New South Wales University Bachelor of Science, Chemistry, Belgrade University
Present Position	- Executive Director, Ubis (Asia) Public Company Limited - Executive Vice President – Product Technology Ubis (Asia) Public Company Limited
Work Experience	- Technical Manager – Asia, ICI - Technical Manager – Asia, Coats Brothers - Technical Manager – Asia, W.R. Grace - Department Head, Berger Paint - Chemist, Vessey Chem

11. Mr. Wanchai Chukiatpaisarn

Education	Master of Business Administration - Finance, Siam University Bachelor of Accountancy, Rhamkamhang University
Present Position	- Vice President – Accounting and Finance Dept. Ubis (Asia) Public Company Limited
Work Experience	- Accountant Assistant, P. Charoenphan Veterinary Food Co., Ltd. - Auditor Assistant, Tongsuk and Associate Office - Accounting Staff, Visuth Accounting Office.

Shareholding of the Boards and Executives

As at December 30, 2010.

	Name	Dec 30, 2009		Dec 30, 2010	
		Shares	%	Shares	%
1.	Mr. Sawaeng Dhangwatnotai	4,741,875	2.5	741,875	0.39
2.	Mr. Sawong Dhangwatnotai	43,416,625	22.85	43,416,625	22.85
3.	Mr. Phakdi Kanchanavalai	-		-	
4.	Mr. Pongsak Liangsiri	-		-	
5.	Mr. Sakonthon Sivaroroskul	-		-	
6.	Mr. Somchai Lurngnaetepape	17,998,125	9.47	17,998,125	9.47
7.	Mr. Surachart Pongpattarine	6,119,000	3.22	6,119,000	3.22
8.	Mr. Thaneth Thumrongluck	4,255,750	2.24	2,634,750	1.39
9.	Mr. Sawang Dhangwattanotai	2,358,125	1.24	2,358,125	1.24
10.	Mr. Doug Rasic	1,015,000	0.53	1,015,000	0.53
11.	Mr. Wanchai Chukiatpaisarn	20,500	0.01	20,500	0.01

Report of Independent Auditor

AUDIT REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Board of Directors and Shareholders of UBIS (ASIA) Public Company Limited:

I have audited the consolidated balance sheet of UBIS (ASIA) Public Company Limited and its subsidiary as at December 31, 2010, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended and I have also audited the separate balance sheet of UBIS (ASIA) Public Company Limited as at December 31, 2010, the separate statements of income, changes in shareholders' equity and cash flows for the year then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements of an overseas subsidiary, namely Vita International Trading (Guangzhou) Co., Ltd., for the year then ended December 31, 2010 as included in these consolidated financial statements were audited by another auditor whose report has been furnished to me. My audit report on the consolidated financial statements, insofar as it relates to the amounts included for this subsidiary company, is based solely upon the report of this another auditor. The financial statements of the subsidiary reflect total assets as at December 31, 2010 of approximately Baht 65.17 million, constituting 17.96 percent of the consolidated total assets and total revenues for the year then ended of approximately Baht 113.73 million, constituting 18.17 percent of the consolidated total revenues. The consolidated financial statements of UBIS (ASIA) Public Company Limited and its subsidiary for the year ended December 31, 2009 and the separate financial statements of UBIS (ASIA) Public Company Limited for the same period, which have been presented herewith for comparative purposes, were audited by another auditor in the same firm, whose report dated February 24, 2010, expressed an unqualified opinion on those financial statements.

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

Based on my audit and the report of another auditor as discussed in the first paragraph, in my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial positions of UBIS (ASIA) Public Company Limited and its subsidiary as at December 31, 2010, and the consolidated results of their operations and their cash flows for the year then ended, and the separate financial positions of UBIS (ASIA) Public Company Limited as at December 31, 2010, and the results of its operations and its cash flows the year then ended, in conformity with generally accepted accounting principles.



Prawit Viwanthananut
Certified Public Accountant
Registration Number 4917

Financial Statement

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009

(Unit: Baht)

ASSETS	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
	3				
CURRENT ASSETS					
Cash and cash equivalents	5	47,684,657.24	54,506,798.05	40,750,855.13	49,934,684.74
Current investments	6	37,925,069.84	97,011,370.43	37,925,069.84	97,011,370.43
Trade accounts receivable - net	4, 7	145,506,342.08	158,486,133.72	127,832,192.79	159,496,845.39
Inventories - net	8	95,149,365.03	61,285,014.14	78,545,802.58	50,850,802.54
Other current assets	9	9,233,068.53	7,938,983.93	8,732,272.50	7,393,413.10
Total Current Assets		<u>335,498,502.72</u>	<u>379,228,300.27</u>	<u>293,786,192.84</u>	<u>364,687,116.20</u>
NON-CURRENT ASSETS					
Investments in subsidiary	10	-	-	38,027,500.00	17,000,000.00
Restricted deposits at financial institutions	11	399,099.00	399,099.00	399,099.00	399,099.00
Buildings and equipment - net	12	24,299,997.83	23,581,712.95	24,102,662.16	23,471,516.97
Intangible assets - net	13	122,866.28	219,659.25	122,866.28	219,659.25
Other non-current assets - net	4, 14	2,530,685.52	2,699,955.30	2,209,717.13	2,355,422.33
Total Non-Current Assets		<u>27,352,648.63</u>	<u>26,900,426.50</u>	<u>64,861,844.57</u>	<u>43,445,697.55</u>
TOTAL ASSETS		<u>362,851,151.35</u>	<u>406,128,726.77</u>	<u>358,648,037.41</u>	<u>408,132,813.75</u>

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

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
BALANCE SHEETS
AS AT DECEMBER 31, 2010 AND 2009

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2010	2009	2010	2009
LIABILITIES AND SHAREHOLDERS' EQUITY	3				
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institution	15	1,518,861.74	13,606,755.58	1,518,861.74	13,606,755.58
Trade accounts payable	16	66,212,670.04	58,253,239.55	66,212,670.04	58,253,239.55
Accrued income tax		9,520,194.78	15,570,927.14	8,196,661.74	15,542,693.88
Accrued expenses		1,804,988.27	5,695,467.85	1,804,988.27	4,605,160.42
Other current liabilities	17	3,688,692.80	2,668,093.63	3,537,689.16	2,668,093.63
Total Current Liabilities		82,745,407.63	95,794,483.75	81,270,870.95	94,675,943.06
NON-CURRENT LIABILITIES					
Deferred revenue	27	4,063,320.51	5,085,240.51	4,063,320.51	5,085,240.51
Total Non-Current Liabilities		4,063,320.51	5,085,240.51	4,063,320.51	5,085,240.51
Total Liabilities		86,808,728.14	100,879,724.26	85,334,191.46	99,761,183.57
SHAREHOLDERS' EQUITY					
Share Capital					
Authorized 190,000,000 ordinary shares, Baht 1 par value		190,000,000.00	190,000,000.00	190,000,000.00	190,000,000.00
Issued and fully paid-up					
Issued 190,000,000 ordinary shares, fully paid-up		190,000,000.00	190,000,000.00	190,000,000.00	190,000,000.00
Premium on ordinary shares	18	26,870,810.00	26,870,810.00	26,870,810.00	26,870,810.00
Retained earnings	19, 20				
Appropriated to legal reserve		19,000,000.00	15,861,712.22	19,000,000.00	15,861,712.22
Unappropriated		40,171,613.21	72,516,480.29	37,443,035.95	75,639,107.96
Total Shareholders' Equity		276,042,423.21	305,249,002.51	273,313,845.95	308,371,630.18
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		362,851,151.35	406,128,726.77	358,648,037.41	408,132,813.75

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

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF INCOME
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2010	2009	2010	2009
	3				
Revenues from sales	4	610,546,167.21	560,975,325.63	581,449,459.10	527,136,022.86
Cost of sales	23	(403,795,193.14)	(359,363,462.07)	(406,169,124.02)	(346,199,095.81)
Gross profit		206,750,974.07	201,611,863.56	175,280,335.08	180,936,927.05
Other incomes	22	15,287,280.39	13,386,089.96	14,202,902.51	12,509,054.56
Profit before expenses		222,038,254.46	214,997,953.52	189,483,237.59	193,445,981.61
Selling expenses	23	(49,522,668.94)	(46,907,157.12)	(30,433,312.10)	(28,962,051.56)
Administrative expenses	4, 23	(37,251,191.61)	(30,720,137.00)	(32,007,004.41)	(24,027,121.66)
Management benefit expenses	4	(38,131,264.00)	(36,268,104.00)	(38,131,264.00)	(36,268,104.00)
Total expenses		(124,905,124.55)	(113,895,398.12)	(100,571,580.51)	(89,257,277.22)
Profit before finance cost and income tax		97,133,129.91	101,102,555.40	88,911,657.08	104,188,704.39
Finance cost		(144,730.26)	(219,530.86)	(99,151.41)	(58,964.72)
Profit before income tax		96,988,399.65	100,883,024.54	88,812,505.67	104,129,739.67
Income tax	21	(27,394,978.95)	(30,803,314.19)	(25,070,289.90)	(30,287,072.29)
Net profit		69,593,420.70	70,079,710.35	63,742,215.77	73,842,667.38
Net profit attributable to:					
Equity holders of the parent		69,593,420.70	70,079,710.35	63,742,215.77	73,842,667.38
Minority interests		-	-	-	-
		69,593,420.70	70,079,710.35	63,742,215.77	73,842,667.38
Basic earnings per share					
Net profit attributable to equity holders of the parent	3	0.37	0.37	0.34	0.39
Weighted average number of ordinary shares (shares)	3	190,000,000	190,000,000	190,000,000	190,000,000

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)

Consolidated financial statements					
Note	Share capital	Premium on	Retained earnings		Total
	Issued and paid-up	ordinary shares	Appropriated	Unappropriated	
Beginning balance as at January 1, 2009	190,000,000.00	26,870,810.00	12,095,311.28	53,703,170.88	282,669,292.16
Net profit	-	-	-	70,079,710.35	70,079,710.35
Legal reserve	19	-	-	3,766,400.94	(3,766,400.94)
Dividend payment	20	-	-	-	(47,500,000.00)
Ending balance as at December 31, 2009	190,000,000.00	26,870,810.00	15,861,712.22	72,516,480.29	305,249,002.51
Net profit	-	-	-	69,593,420.70	69,593,420.70
Legal reserve	19	-	-	3,138,287.78	(3,138,287.78)
Dividend payment	20	-	-	-	(98,800,000.00)
Ending balance as at December 31, 2010	190,000,000.00	26,870,810.00	19,000,000.00	40,171,613.21	276,042,423.21

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)

	Note	Separate financial statements				Total
		Share capital	Premium on	Retained earnings		
		Issued and paid-up	ordinary shares	Appropriated	Unappropriated	
Beginning balance as at January 1, 2009		190,000,000.00	26,870,810.00	12,095,311.28	53,062,841.52	282,028,962.80
Net profit		-	-	-	73,842,667.38	73,842,667.38
Legal reserve	19	-	-	3,766,400.94	(3,766,400.94)	-
Dividend payment	20	-	-	-	(47,500,000.00)	(47,500,000.00)
Ending balance as at December 31, 2009		190,000,000.00	26,870,810.00	15,861,712.22	75,639,107.96	308,371,630.18
Net profit		-	-	-	63,742,215.77	63,742,215.77
Legal reserve	19	-	-	3,138,287.78	(3,138,287.78)	-
Dividend payment	20	-	-	-	(98,800,000.00)	(98,800,000.00)
Ending balance as at December 31, 2010		190,000,000.00	26,870,810.00	19,000,000.00	37,443,035.95	273,313,845.95

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cash Flows from Operating Activities:				
Profit before income tax	96,988,399.65	100,883,024.54	88,812,505.67	104,129,739.67
Adjustments to reconcile profit before income tax to net cash provided by operating activities:				
Depreciation and amortization	6,181,843.79	7,224,336.13	6,155,109.65	7,199,674.22
Doubtful accounts (reversal)	173,798.16	(796,150.83)	-	-
Amortization of deferred revenue	(1,021,920.00)	(1,246,509.03)	(1,021,920.00)	(1,246,509.03)
Loss on devaluation of inventories (reversal)	(1,346,422.96)	1,657,720.38	(210,176.49)	-
Interest income	(1,532,046.02)	(1,610,436.88)	(1,512,278.94)	(1,593,576.42)
Interest expense	144,730.26	219,530.86	99,151.41	58,964.72
(Gain) loss on sale of assets	(1,523,362.05)	27,286.39	(1,523,362.05)	27,286.39
Unrealized (gain) loss on exchange rate	(105,007.43)	126,645.48	(128,572.01)	126,645.48
Profit from operating activities before changes in operating assets and liabilities	97,960,013.39	106,485,447.04	90,670,457.24	108,702,225.03
Change in operating assets (increase) decrease:				
Trade accounts receivable	12,936,358.22	(15,701,233.55)	31,795,017.34	(13,622,135.70)
Inventories	(32,517,927.93)	34,367,400.82	(27,484,823.55)	30,632,513.07
Other current assets	(1,380,426.96)	127,027.67	(1,425,201.76)	156,621.53
Other non-current assets	115,463.76	(5,000.00)	115,463.76	(5,000.00)
Change in operating liabilities increase (decrease):				
Trade accounts payable	7,974,082.73	9,113,731.65	7,974,082.73	9,113,731.65
Accrued expenses	(3,899,937.68)	2,886,388.84	(2,809,630.25)	2,150,206.60
Other current liabilities	1,001,764.41	(169,709.88)	850,760.77	(169,709.88)
Cash generated from operations	82,189,389.95	137,104,052.59	99,686,126.28	136,958,452.30
Interest paid	(144,730.26)	(219,530.86)	(99,151.41)	(58,964.72)
Income tax paid	(33,445,711.31)	(24,094,022.91)	(32,416,322.04)	(22,958,074.26)
Net cash provided by operating activities	48,598,948.38	112,790,498.82	67,170,652.83	113,941,413.32

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Cash Flows from Investing Activities:				
Interest received	1,630,236.27	1,360,244.42	1,610,469.19	1,343,383.96
(Increase) decrease in current investments	59,086,300.59	(90,011,370.43)	59,086,300.59	(90,011,370.43)
Increase in investment in subsidiary	-	-	(21,027,500.00)	-
Purchases of equipment	(6,773,097.26)	(2,513,212.14)	(6,659,223.43)	(2,492,717.94)
Proceed from sales of asset	1,523,365.05	1,797,700.93	1,523,365.05	1,797,700.93
Net cash provided by (used in) investing activities	55,466,804.65	(89,366,637.22)	34,533,411.40	(89,363,003.48)
Cash Flows from Financing Activities:				
Increase (decrease) in bank overdrafts	(10,087,893.84)	3,892,275.06	(10,087,893.84)	3,892,275.06
Cash receipt from short-term loan from financial institutions	-	17,000,000.00	-	17,000,000.00
Repayment of short-term loan from financial institutions	(2,000,000.00)	(17,000,000.00)	(2,000,000.00)	(17,000,000.00)
Dividend paid	(98,800,000.00)	(47,500,000.00)	(98,800,000.00)	(47,500,000.00)
Net cash used in financing activities	(110,887,893.84)	(43,607,724.94)	(110,887,893.84)	(43,607,724.94)
Net decrease in cash and cash equivalents	(6,822,140.81)	(20,183,863.34)	(9,183,829.61)	(19,029,315.10)
Cash and cash equivalents at the beginning of the year	54,506,798.05	74,690,661.39	49,934,684.74	68,963,999.84
Cash and cash equivalents at the end of the year	47,684,657.24	54,506,798.05	40,750,855.13	49,934,684.74

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2010 AND 2009

1. GENERAL INFORMATION

UBIS (ASIA) Public Company Limited, “the Company” was incorporated in Thailand under the Civil and Commercial Code on June 17, 1997 and became a public company limited on September 9, 2004. The Company operates the business of industrial chemical producing. On May 9, 2007, the Company was listed on the Stock Exchange of Thailand in the “Market for Alternative Investment” (MAI).

The Company has a registered office at 20-22 Narathiwat Ratchanakharin Road, Chong-nonsee, Yannawa, Bangkok and its plant is located at 48/1 Moo 6, Petchkaseam Road, Klong-mai, Sampran, Nakhonprathom.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in conformity with generally accepted accounting principles in Thailand.

The accompanying financial statements of the Company have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai accounting standard requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

During 2010, the Federation of Accounting Professions has issued a Notification, re-numbering of the following Thai Accounting Standards (“TAS”) as follows:

<u>Former TAS no.</u>	<u>Re-numbering TAS no.</u>	<u>Topic</u>
TAS 11	TAS 101	Doubtful Accounts and Bad Debts
TAS 26	TAS 102	Income Recognition For Real Estate Business
TAS 27	TAS 103	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 34	TAS 104	Accounting for Troubled Debt Restructuring (revised 2002)
TAS 40	TAS 105	Accounting for Investments in Debt and Equity Securities
TAS 42	TAS 106	Accounting For Investment Companies
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

Adoption of new and revised Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Interpretation

During 2010, the Federation of Accounting Professions has issued Notifications, mandating the use of new and revised Framework for the Preparation and Presentation of Financial Statements, Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRI) as follows:

- a) Framework for the Preparation and Presentation of Financial Statements (revised 2009) which is immediately effective for the current year. The management of the Company has assessed the effects of this framework and believes that it does not have any significant impact on the financial statements for the current year.
- b) TAS, TFRS and TFRI which are effective for the financial statements for the period beginning on or after January 1, 2011 of totalling 28 standards.

<u>TAS/TFRS/TFRI</u>	<u>Topic</u>
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (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

<u>TAS/TFRS/TFRI</u>	<u>Topic</u>
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 Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRI 15	Agreements for the Construction of Real Estate

The management of the Company has assessed the effects of these TAS, TFRS and TFRI, and believes that they will not have any significant impact on the financial statements for the year in which they are initially applied except for TAS as follows:

TAS 16 (revised 2009) – Property, Plant and Equipment

The main changes of TAS 16 (revised 2009) and affecting the Group as follows:

- (1) The costs of dismantlement, removing the item and restoring the site, on which it is located and incurred from the obligation, have to be included as asset costs and subject to annual depreciation.
- (2) The depreciation charge has to be determined separately for each significant part of an asset.
- (3) The residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for disposal of the asset if the assets were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

Presently, the management of the Company is assessing the impact on the financial statements of the main change of TAS 16 (revised 2009) from January 1, 2011.

TAS 19 – Employee Benefits

TAS 19 includes the requirements to recognize and measure employee benefits costs of post-employment benefits under defined benefit plans, other long-term employee benefits and termination benefits in the period in which the service is performed. The requirements require actuarial assumptions to measure the obligation and expense. Moreover, the obligations are measured on a discounted basis using the Projected Unit Credit Method because they may be settled many years after the employees render the related service.

The management of the Company has determined that the liability incurred from the employee benefits as at January 1, 2011 for post-employment benefits is the amount of Baht 36.92 million in the consolidated financial statements and the separate financial statements.

- c) TAS which are effective for the financial statements for the period beginning on or after January 1, 2013 are as follows:

<u>TAS</u>	<u>Topic</u>
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate

The management of the Company is assessing the impacts of these standards on the financial statements for the year in which they are initially applied.

BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for each of the years ended December 31, 2010 and 2009, consisted of the financial statements of UBIS (ASIA) Public Company Limited, and subsidiary (together referred to as “the Group”) as follows:

<u>Subsidiary</u>	<u>Located in</u>	<u>Business Type</u>	<u>Percentage of holding (%)</u>	
			<u>2010</u>	<u>2009</u>
Vita International Trading (Guangzhou) Co., Ltd.	People’s Republic of China	Sales of industrial chemical	99.99	99.99

The financial statements of the subsidiary company incorporated in overseas are converted to Thai Baht at the closing exchange rate as to assets and liabilities and at the weighted average exchange rate during the year as to revenues and expenses. The resultant difference has been shown under the caption of “Gain (loss) on exchange rate” in the statement of income.

All significant intercompany transactions and accounts are eliminated in preparing the consolidated financial statements.

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

The consolidated financial statements for each of the years ended December 31, 2010 and 2009, which included the financial statements of an overseas subsidiary were audited by another auditor, with total assets as at December 31, 2010 and 2009 of Baht 65.17 million and Baht 53.05 million, respectively, constituting 17.96 percent and 13.06 percent, respectively, of the consolidated total assets and total revenues for each of the years then ended amounting to Baht 113.73 million and Baht 96.57 million, respectively, constituting 18.17 percent and 16.81 percent, respectively, of the consolidated total revenues.

3. SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenue

Sale of goods

Revenue excluding value added taxes is arrived at after deduction of trade discounts.

Revenue is recognized in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Interest income and other income

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

Other incomes are recognized on an accrual basis.

Dividend income

Dividend income is recognized when the right to receive the dividend is established.

Expenses

Expenses are recognized on an accrual basis.

Operating leases

Payments made under operating leases are recognized in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognized in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income in the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of income using the effective interest rate method.

Employee benefits

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of income in the year to which they relate.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, tax coupons, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity net of deposits at bank on obligation.

Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

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

In determined an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Inventories

Finished goods are valued at the lower of weighted average cost or net realizable value.

Cost comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overhead based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the costs to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Investment in subsidiary

Investment in subsidiary in the separate financial statements of the Company is accounted for using the cost method less loss on impairment of investment in subsidiary (if any).

Buildings and equipment

Buildings are stated at cost less accumulated depreciation and allowance for impairment loss (if any). Depreciation are computed by the straight-line basis over the period of the rental agreement (see Note 4) estimated 9 years.

Equipment is stated at cost less accumulated depreciation and allowance for impairment loss (if any). Depreciation is computed by the straight-line method based on the useful lives of assets as follows:

	Years
Fixtures and office equipment	5 and 8.50
Machinery and equipment	5
Vehicles	5

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and loss from impairment (if any).

Amortization

Amortization is charged to the statement of income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

	Years
Trademark	5
Software licences	5

Impairment of assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Foreign currencies accounts

Transactions in foreign currencies are converted at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are converted to Thai Baht at the foreign exchange rates ruling at that date. Forward exchange contracts at the transaction date are converted to Thai Baht by using the contract rates.

Outstanding forward exchange contracts are marked to market by comparing contract rates to forward rates established by the contracting Bank with the same maturity. At each balance sheet date, the unrealized gains or losses on outstanding forward exchange contracts, calculated as describe above, are included within other receivables or other payables from forward exchange contracts in the balance sheet.

Gain or loss upon conversion is included in the statements of income.

Income tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

Dividends

Dividend and interim dividend payment are recorded in the consolidated and separate financial statements in the period in which they are approved by the Ordinary General Meeting of Shareholders and the Board of Directors' Meeting.

Basic earnings per share

Basic earnings per share is determined by dividing net profits attributable to ordinary shareholders for the years by the weighted average number of ordinary shares during the years.

Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

4. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has transactions with related parties. These parties are related through common shareholders and/or directorships. Transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities, and other transactions that occurred with those parties are shown as follows:

Transactions with related parties for each of the years ended December 31, 2010 and 2009:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Subsidiary				
Vita International Trading (Guangzhou) Co., Ltd.				
Revenues from sales of goods	-	-	83,982,914.20	61,856,347.37
Related persons (director/shareholder)				
Rent of fixed assets	5,009,400.00	4,554,000.00	5,009,400.00	4,554,000.00

Balance with related parties as at December 31, 2010 and 2009:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Subsidiary				
Vita International Trading (Guangzhou) Co., Ltd.				
Trade account receivable	-	-	19,550,631.77	34,386,889.42
Related persons (director/shareholder)				
Deposit for rental of fixed assets	2,070,000.00	2,070,000.00	2,070,000.00	2,070,000.00

Assets lease agreement

- On May 1, 2005, the Company entered into a rental agreement for land and property with a related party (the shareholders), which started from May 1, 2005 to December 31, 2013 with the fee in the amount of Baht 220,000 per month and a deposit for the rental in the amount of Baht 1,320,000. The fee can be revised every 3 years, at the increase rate of 10%.
- On May 1, 2005, the Company entered into a rental agreement for land and building with a related party (director), which started from May 1, 2005 to December 31, 2013 with the fee in the amount of Baht 125,000 per month and a deposit for the rental in the amount of Baht 750,000. The fee can be revised every 3 years, at the increase rate of 10%.

Directors' remuneration

Directors' remuneration represents benefits paid to the director of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

Directors' remuneration for each of the years ended December 31, 2010 and 2009 in the amount of Baht 1,350,000 and Baht 1,310,400, in the separate financial statements.

Nature of relationship

<u>Name</u>	<u>Country</u>	<u>Relation</u>	<u>Type of relation</u>
Vita International Trading (Guangzhou) Co., Ltd.	People's Republic of China	Subsidiary	Direct shareholders
Related persons	Thailand	Related persons	Directors and shareholders

Bases of measurement for intercompany revenues and expenses

	<u>Pricing Policies</u>
Revenue from sales of goods	
Vita International Trading (Guangzhou) Co., Ltd.	Market price comparable to the selling price with third parties
Rent of fixed assets	
Related persons	Contractually agreed prices
Directors' remuneration	As determined at the rate approved by the directors and the shareholders

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	<u>Consolidated</u>		<u>Separate</u>	
	<u>financial statements</u>		<u>financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash	339,721.01	352,506.12	300,337.84	248,767.38
Savings deposits	9,603,951.48	16,729,196.93	2,709,532.54	12,260,822.36
Current deposits	910,984.75	4,425,095.00	910,984.75	4,425,095.00
Bill of exchange	36,830,000.00	33,000,000.00	36,830,000.00	33,000,000.00
Total	<u>47,684,657.24</u>	<u>54,506,798.05</u>	<u>40,750,855.13</u>	<u>49,934,684.74</u>

As at December 31, 2010, the Company has bill of exchange of domestic commercial bank in the amount of Baht 36.83 million for the period of 3 months with interest rate referred to market rate. (As at December 31, 2009: Baht 33 million for the period of 1 month and 3 months with interest rate referred to market rate).

The currency denomination of cash and cash equivalents as at December 31, 2010 and 2009 was as follows:

(Unit : Baht)

Currencies	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Thai Baht	40,344,487.24	49,554,245.44	40,344,487.24	49,554,245.44
US Dollars	326,826.55	296,741.93	326,826.55	296,741.93
EURO	36,756.72	44,034.39	36,756.72	44,034.39
Renminbi	6,941,944.25	4,576,762.70	8,142.14	4,649.39
Other	34,642.48	35,013.59	34,642.48	35,013.59
Total	47,684,657.24	54,506,798.05	40,750,855.13	49,934,684.74

6. CURRENT INVESTMENTS

Current investments as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated financial statements and Separate financial statements	
	2010	2009
Fixed deposits	224,002.00	36,000,000.00
Bill of exchange	37,500,000.00	55,000,000.00
Mutual fund	201,067.84	6,011,370.43
Total	37,925,069.84	97,011,370.43

As at December 31, 2010 the Company has an investment in bill of exchange of domestic commercial bank in the amount of Baht 37.50 million for the period of 4 months and 6 months with interest rate referred to market rate. (As at December 31, 2009: Baht 55 million for the period of 5 months and 6 months with interest rate referred to market rate).

As at December 31, 2010 and 2009, the Company has investment in fixed income fund. The principal investments are debt instrument-government, bank deposits and debt instrument of financial institutions (at cost as at December 31, 2010 and 2009 in the amount of Baht 0.20 million and Baht 6.01 million, respectively).

7. TRADE ACCOUNTS RECEIVABLE - NET

The Company had outstanding balances of trade accounts receivable as at December 31, 2010 and 2009 aged by numbers of month as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Trade Accounts Receivable-General				
Current	113,645,979.04	113,264,947.63	82,753,935.87	86,897,603.26
Overdue				
Less than or up to 3 months	32,901,185.01	43,287,766.14	26,565,827.29	37,464,489.83
Over 3 months up to 6 months	-	1,938,135.14	-	1,786,065.02
Over 6 months up to 12 months	-	1,089,950.84	-	-
Over 12 months	424,515.42	196,873.21	-	-
Total	146,971,679.47	159,777,672.96	109,319,763.16	126,148,158.11
<u>Less</u> Allowance for doubtful accounts	(1,465,337.39)	(1,291,539.24)	(1,038,202.14)	(1,038,202.14)
Trade Accounts Receivable-General - Net	145,506,342.08	158,486,133.72	108,281,561.02	125,109,955.97
Trade Accounts Receivable-Related Party				
Current	-	-	19,550,631.77	19,241,948.01
Overdue				
Less than or up to 3 months	-	-	-	1,470,189.39
Over 3 months up to 6 months	-	-	-	3,062,778.45
Over 6 months up to 12 months	-	-	-	1,863,691.24
Over 12 months	-	-	-	8,748,282.33
Total	-	-	19,550,631.77	34,386,889.42
Trade Accounts Receivable - Net	145,506,342.08	158,486,133.72	127,832,192.79	159,496,845.39

Movements of allowance for doubtful accounts for each of the years ended December 31, 2010 and 2009 was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Balance as at the beginning	1,291,539.24	2,087,690.07	1,038,202.14	1,038,202.14
<u>Addition</u> Allowance for doubtful accounts	173,798.15	-	-	-
<u>Less</u> Reversal of allowance for doubtful accounts	-	(796,150.83)	-	-
Balance as at the end	1,465,337.39	1,291,539.24	1,038,202.14	1,038,202.14

8. INVENTORIES - NET

Inventories as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Raw materials	42,160,758.04	28,697,136.20	42,160,758.04	28,697,136.20
Work in process	1,710,572.12	1,150,705.46	1,710,572.12	1,150,705.46
Finished goods	44,909,917.78	33,522,060.73	27,685,710.65	21,330,957.98
Raw materials in transit	7,106,582.38	-	7,106,582.38	-
Total	95,887,830.32	63,369,902.39	78,663,623.19	51,178,799.64
<u>Less</u> Allowance for devaluation of inventories	(738,465.29)	(2,084,888.25)	(117,820.61)	(327,997.10)
Inventories - Net	95,149,365.03	61,285,014.14	78,545,802.58	50,850,802.54

Movements of allowance for devaluation of inventories for each of the years ended December 31, 2010 and 2009 was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Balance as at the beginning of the year	2,084,888.25	427,167.87	327,997.10	327,997.10
<u>Addition:</u> Loss from devaluation of inventories	-	1,657,720.38	-	-
<u>Less:</u> Reverse of loss from devaluation of inventories	(1,346,422.96)	-	(210,176.49)	-
Balance as at the end of the year	738,465.29	2,084,888.25	117,820.61	327,997.10

9. OTHER CURRENT ASSETS

Other current assets as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Advance payments for goods	873,257.35	961,047.36	873,257.35	961,047.36
Accrued income	4,518,840.39	5,033,630.90	4,518,840.39	5,033,630.90
Other receivable	2,876,306.43	896,095.93	2,876,306.43	516,999.28
Accrued interest receivable	177,299.19	275,489.44	177,299.19	275,489.44
Others	787,365.17	772,720.30	286,569.14	606,246.12
Total	9,233,068.53	7,938,983.93	8,732,272.50	7,393,413.10

10. INVESTMENT IN SUBSIDIARY

Investment in subsidiary stated by the cost method, as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Paid up share capital		Percentage of holding (%)		Book value	
	2010	2009	2010	2009	2010	2009
Subsidiary						
Vita International Trading						
(Guangzhou) Co., Ltd.	53,105,472.67	32,077,972.67	99.99	99.99	38,027,500.00	17,000,000.00

At the meeting of the Board of Directors held on May 13, 2010, a resolution was passed approving to increase investment in subsidiary (Vita International Trading (Guangzhou) Co., Ltd.) in the portion of the increased share capital of the subsidiary from USD 0.75 million to USD 1.40 million which is equal to shareholding 99.99% of the subsidiary's share capital. On July 15, 2010, the Company transferred cash to increase investment in subsidiary in the amount of USD 0.65 million (equivalent to Baht 21.03million).

11. RESTRICTED DEPOSIT AT FINANCIAL INSTITUTION

As at December 31, 2010 and 2009, the Company's cash at bank in the amount of Baht 0.40 million in the consolidated and separate financial statements was used as collateral for a letter of guarantee issued by a bank (see Note 24).

12. BUILDINGS AND EQUIPMENT – NET

Buildings and equipment - net as at December 31, 2010 and 2009 consisted of:

(Unit : Baht)

	Consolidated financial statements				
	Buildings and building improvements	Fixtures and office equipment	Machinery and equipment	Vehicles	Total
<u>Cost</u>					
At January 1, 2009	12,723,567.16	9,325,500.92	11,154,581.74	27,128,060.00	60,331,709.82
Purchase/Transfer in	230,000.00	228,230.18	480,010.00	1,574,971.96	2,513,212.14
Disposals/Transfer out	-	(59,154.95)	(46,000.00)	(5,750,000.00)	(5,855,154.95)
At December 31, 2009	12,953,567.16	9,494,576.15	11,588,591.74	22,953,031.96	56,989,767.01
Purchase/Transfer in	205,974.00	334,443.55	960,679.71	5,272,000.00	6,773,097.26
Disposals/Transfer out	-	(205,032.48)	(8,000.00)	(4,521,000.00)	(4,734,032.48)
At December 31, 2010	13,159,541.16	9,623,987.22	12,541,271.45	23,704,031.96	59,028,831.79
<u>Accumulated depreciation</u>					
At January 1, 2009	5,168,321.39	5,761,547.85	7,819,368.30	11,621,785.03	30,371,022.57
Depreciation	1,538,416.62	1,109,675.57	1,352,387.76	3,066,709.17	7,067,189.12
Disposals/Transfer out	-	(59,146.95)	(45,998.00)	(3,925,012.68)	(4,030,157.63)
At December 31, 2009	6,706,738.01	6,812,076.47	9,125,758.06	10,763,481.52	33,408,054.06
Depreciation	1,572,712.71	919,788.97	1,083,144.67	2,479,163.03	6,054,809.38
Disposals/Transfer out	-	(205,032.48)	(8,000.00)	(4,520,997.00)	(4,734,029.48)
At December 31, 2010	8,279,450.72	7,526,832.96	10,200,902.73	8,721,647.55	34,728,833.96
<u>Net book value</u>					
At December 31, 2009	6,246,829.15	2,682,499.68	2,462,833.68	12,189,550.44	23,581,712.95
At December 31, 2010	4,880,090.44	2,097,154.26	2,340,368.72	14,982,384.41	24,299,997.83

(Unit: Baht)

	Separate financial statements				
	Buildings and building improvements	Fixtures and office equipment	Machinery and equipment	Vehicles	Total
<u>Cost</u>					
At January 1, 2009	12,723,567.16	8,954,598.51	11,154,581.74	27,128,060.00	59,960,807.41
Purchase/Transfer in	230,000.00	207,735.98	480,010.00	1,574,971.96	2,492,717.94
Disposal/Transfer out	-	(59,154.95)	(46,000.00)	(5,750,000.00)	(5,855,154.95)
At December 31, 2009	12,953,567.16	9,103,179.54	11,588,591.74	22,953,031.96	56,598,370.40
Purchase/Transfer in	205,974.00	220,569.72	960,679.71	5,272,000.00	6,659,223.43
Disposal/Transfer out	-	(205,032.48)	(8,000.00)	(4,521,000.00)	(4,734,032.48)
At December 31, 2010	13,159,541.16	9,118,716.78	12,541,271.45	23,704,031.96	58,523,561.35
<u>Accumulated depreciation</u>					
At January 1, 2009	5,168,321.39	5,505,009.13	7,819,368.30	11,621,785.03	30,114,483.85
Depreciation	1,538,416.62	1,085,013.66	1,352,387.76	3,066,709.17	7,042,527.21
Disposal/Transfer out	-	(59,146.95)	(45,998.00)	(3,925,012.68)	(4,030,157.63)
At December 31, 2009	6,706,738.01	6,530,875.84	9,125,758.06	10,763,481.52	33,126,853.43
Depreciation	1,572,712.71	893,054.83	1,083,144.67	2,479,163.03	6,028,075.24
Disposal/Transfer out	-	(205,032.48)	(8,000.00)	(4,520,997.00)	(4,734,029.48)
At December 31, 2010	8,279,450.72	7,218,898.19	10,200,902.73	8,721,647.55	34,420,899.19
<u>Net book value</u>					
At December 31, 2009	6,246,829.15	2,572,303.70	2,462,833.68	12,189,550.44	23,471,516.97
At December 31, 2010	4,880,090.44	1,899,818.59	2,340,368.72	14,982,384.41	24,102,662.16

Depreciation for each of the years ended December 31, 2010 and 2009 as shown in statements of income.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Depreciation				
Cost of sales	3,331,940.52	3,684,206.86	3,331,940.52	3,684,206.86
Selling expenses	733,856.08	680,004.50	733,856.08	680,004.50
Administrative expenses	1,989,012.78	2,702,977.76	1,962,278.64	2,678,315.85
Total	6,054,809.38	7,067,189.12	6,028,075.24	7,042,527.21

As at December 31, 2010 and 2009, the Company had carrying amount before less accumulated depreciation of building and equipment which have been fully depreciated and still in use as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Building and equipment	17,168,485.85	10,203,760.57	16,904,055.84	9,939,330.56

The Company has rented land including buildings and partial equipment from related parties (see Note 4).

The subsidiary has rented office building area with a company for the period of 1 year from November 16, 2010 to November 15, 2011 in the rate of Renminbi 0.009 million per month.

The subsidiary has rented warehouse area with a company for the period of 1 year from November 16, 2010 to November 15, 2011 in the rate of Renminbi 0.005 million per month.

13. INTANGIBLE ASSETS – NET

Intangible assets as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated financial statements and separate financial statements		
	Trademarks	Software licences	Total
<u>Cost</u>			
At January 1, 2009	200,000.00	483,965.00	683,965.00
Additions/Transfer in	-	-	-
Disposals/Transfer out	-	-	-
At December 31, 2009	200,000.00	483,965.00	683,965.00
Additions/Transfer in	-	-	-
Disposals/Transfer out	-	-	-
At December 31, 2010	200,000.00	483,965.00	683,965.00
<u>Accumulated amortization</u>			
At January 1, 2009	169,897.40	167,512.78	337,410.18
Amortization	30,102.60	96,792.97	126,895.57
Disposals/Transfer out	-	-	-
At December 31, 2009	200,000.00	264,305.75	464,305.75
Amortization	-	96,792.97	96,792.97
Disposals/Transfer out	-	-	-
At December 31, 2010	200,000.00	361,098.72	561,098.72
<u>Net book value</u>			
At December 31, 2009	-	219,659.25	219,659.25
At December 31, 2010	-	122,866.28	122,866.28

Amortization for each of the years ended December 31, 2010 and 2009 in the amount of Baht 0.10 million and Baht 0.13 million, respectively, was included in administrative expenses.

14. OTHER NON-CURRENT ASSETS - NET

Other non-current assets as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Guarantee for asset rental (see Note 4)	2,414,818.64	2,530,282.40	2,104,536.24	2,220,000.00
Other guarantee	25,142.56	48,707.14	14,456.57	14,456.57
Leasehold - net	90,724.32	120,965.76	90,724.32	120,965.76
Other non-current assets - net	2,530,685.52	2,699,955.30	2,209,717.13	2,355,422.33

15. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, 2010 and 2009 consisted of:

(Unit: Baht)

	Consolidated financial statements and separate financial statements	
	2010	2009
Bank overdrafts	1,518,861.74	11,606,755.58
Promissory notes	-	2,000,000.00
Total	1,518,861.74	13,606,755.58

The Company had credit facilities from financial institutions in the amount of Baht 299 million which consisted of bank overdrafts in the amount of Baht 143 million referred with the interest rate of minimum overdraft rate (MOR) per annum, loans from promissory notes in the amount of Baht 95 million referred with interest rate of maximum interest rate of money market rate (MMR) per annum and the interest rate of minimum loan rate (MLR) per annum, Letter of credit/trust receipt in the amount of Baht 51 million referred with interest rate of maximum interest rate of money market rate (MMR) per annum, forward foreign currency in the amount of USD 3.75 million and Baht 170 million and packing credit and outward bill purchase in the amount of Baht 10 million referred with the interest rate of minimum loan rate (MLR) per annum and no collateral.

16. TRADE ACCOUNTS PAYABLE

Trade accounts payable as at December 31, 2010 and 2009 consisted of:

	(Unit: Baht)	
	Consolidated financial statements and separate financial statements	
	2010	2009
Trade accounts payable - Domestic	23,733,713.44	22,681,683.74
Trade accounts payable - Overseas	27,286,731.96	14,215,270.11
Postdate cheque	15,192,224.64	21,356,285.70
Total	66,212,670.04	58,253,239.55

17. OTHER CURRENT LIABILITIES

Other current liabilities as at December 31, 2010 and 2009 consisted of:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
Withholding income tax payable	3,215,491.32	2,450,177.09	3,215,491.32	2,450,177.09
Others payable	473,201.48	217,916.54	322,197.87	217,916.54
Total	3,688,692.80	2,668,093.63	3,537,689.19	2,668,093.63

18. SHARE PREMIUM

Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

19. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

20. DIVIDEND PAYMENT

At the Board of Directors' Meeting held on August 16, 2010, a resolution was passed authorizing the interim dividend payment at the rate of Baht 0.20 per share, in the total amount of Baht 38.00 million.

At the Ordinary General Meeting of Shareholders held on April 28, 2010, a resolution was passed authorizing the payment of a dividend at the rate of Baht 0.44 per share which consisted of interim dividend payment at the rate of Baht 0.12 per share, according to the Board of Directors' Meeting held on August 10, 2009 and this latest dividend payment at the rate of Baht 0.32 per share, in the total amount of Baht 60.80 million.

At the Board of Directors' Meeting held on August 10, 2009, a resolution was passed authorizing the interim dividend payment at the rate of Baht 0.12 per share, in the total amount of Baht 22.80 million.

At the Ordinary General Meeting of Shareholders held on April 28, 2009, a resolution was passed authorizing the payment of a dividend at the rate of Baht 0.25 per share which consisted of interim dividend payment at the rate of Baht 0.12 per share, according to the Board of Directors' Meeting held on August 19, 2008 and this latest dividend payment at the rate of Baht 0.13 per share, in the total amount of Baht 24.70 million.

21. INCOME TAX EXPENSE

Corporate income tax for each of the years ended December 31, 2010 and 2009 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporation income tax as expense for each of the years and recorded the accrued portion as liabilities in the balance sheets.

Income tax reduction

Royal Decree No. 475 B.E. 2551 dated July 29, 2008 grants companies listed on the Market for Alternative Investment on or before enactment a reduction in the corporate income tax rate from 30% to 20% for taxable profit not exceeding Baht 20 million for the three consecutive accounting periods beginning on or after January 1, 2008. The Company has, accordingly, calculated income tax of its taxable profit for each of the years ended December 31, 2010 and 2009 at the 20% corporate income tax rate for the amount of taxable profit which is not exceeding Baht 20 million and at the 30% corporate income tax rate for taxable profit exceeding that amount.

22. OTHER INCOME

Other income for each of the years ended December 31, 2010 and 2009 consisted of:

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Revenue from royalty fee (see Note 27)	5,167,163.25	5,802,836.09	5,167,163.25	5,802,836.09
Services income	1,455,363.62	1,457,927.24	1,455,363.62	1,457,927.24
Tax coupons compensation	1,742,736.69	1,816,155.89	1,742,736.69	1,816,155.89
Interest income	1,532,046.02	1,610,436.88	1,512,278.94	1,593,576.42
Gain on foreign exchange	1,310,406.07	-	878,489.98	-
Reversal of doubtful accounts	-	796,150.83	-	-
Gain on sale of assets	1,523,362.05	-	1,523,362.05	-
Others	2,556,202.69	1,902,583.03	1,923,507.98	1,838,558.92
Total	15,287,280.39	13,386,089.96	14,202,902.51	12,509,054.56

23. EXPENSES BY NATURE

Significant expenses by nature for each of the years ended December 31, 2010 and 2009 consisted of:

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2010	2009	2010	2009
Changes in inventories of finished				
goods and work in progress	(11,947,723.71)	14,673,719.64	(6,914,619.33)	10,938,831.89
Purchase of finished goods	31,433,775.43	21,779,829.99	31,433,775.43	21,779,829.99
Raw materials and supplies used	360,183,075.84	297,046,304.07	356,444,653.49	287,616,825.56
Employee expenses	83,712,436.80	82,434,464.66	80,353,540.08	75,189,918.01
Distribution and utility expenses	9,180,708.79	8,281,032.61	9,180,708.79	8,281,032.61
Rental fee	6,632,686.53	6,275,709.83	5,009,400.00	4,554,000.00
Depreciation and amortization	6,181,843.79	7,224,336.13	6,155,109.65	7,199,674.22
Loss on devaluation of inventories (reversal)	(1,346,422.96)	1,657,720.38	(210,176.49)	-
Interest expenses	144,730.26	219,530.86	99,151.41	58,964.72
Loss from exchange rate	-	1,638,302.66	-	252,716.94

24. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2010 the Company and subsidiary had commitments and contingent liabilities as follows:

The Company

Commitments

- From a letter of guarantee for electricity issued by a bank in the amount of Baht 0.40 million (see Note 11).
- From payment under a consultant agreement in the amount of USD 0.003 million per month.
- From payment under a consultant agreement in the amount of Baht 0.22 million per month.
- From payment under a financial consultant agreement in order to study business development plan in the amount of Baht 0.30 million.
- From payment under rental agreements for land and building with related parties in the amount of Baht 0.43 million per month, future minimum rental payments under non-cancellable operating leases are as follows (see Note 4).

(Unit : Million Baht)	
Future minimum	
Year	lease payments
Not more than 1 year	5.01
More than 1 year but not over 5 years	10.52
	15.53

The subsidiary

Commitments

- From payment under rental agreements for office building area with a company in the amount of Renminbi 0.009 million per month (see Note 12).
- From payment under rental agreements for warehouse area with a company in the amount of Renminbi 0.005 million per month (see Note 12).
- From payment under rental agreements for a vehicle with a company in the amount of Renminbi 0.008 million per month.

25. BUSINESS SEGMENT INFORMATION

The Company and subsidiary operated the business primarily related to industrial chemical producing by engaging in both domestic and export sales. Based on the types of the activities, the operating income for each of the years ended December 31, 2010 and 2009 were classified as follows:

For the year ended December 31, 2010.

	(Unit: Baht)			
	Domestic sales	Export sales	Eliminate	Total
Net sales	350,077,360.13	344,451,721.28	(83,982,914.20)	610,546,167.21
Cost of sales	(225,902,830.43)	(262,824,520.07)	84,932,157.36	(403,795,193.14)
Gross profit	124,174,529.70	81,627,201.21	949,243.16	206,750,974.07
Other income				15,287,280.39
Selling and administrative expenses				(124,905,124.55)
Profit before finance cost and income tax				97,133,129.91
Finance cost				(144,730.26)
Income tax				(27,394,978.95)
Net profit				69,593,420.70
Building and equipment - net				24,299,997.83
Total assets in consolidated financial statements				362,851,151.35

For the year ended December 31, 2009.

	(Unit: Baht)			
	Domestic sales	Export sales	Eliminate	Total
Net sales	347,128,983.60	275,702,689.40	(61,856,347.37)	560,975,325.63
Cost of sales	(223,560,323.01)	(197,983,652.48)	62,180,513.42	(359,363,462.07)
Gross profit	123,568,660.59	77,719,036.92	324,166.05	201,611,863.56
Other income				13,386,089.96
Selling and administrative expenses				(113,895,398.12)
Profit before finance cost and income tax				101,102,555.40
Finance cost				(219,530.86)
Income tax				(30,803,314.19)
Net profit				70,079,710.35
Building and equipment - net				23,581,712.95
Total assets in consolidated financial statements				406,128,726.77

26. DISCLOSURE OF FINANCIAL INSTRUMENTS

Accounting Policies

The detail of significant accounting policies and methods used, classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in Note 3.

Financial risk management policies

The Company is exposed to the fluctuations in interest rate and foreign exchange rates in the market and the risks from default on the agreement by counterparties. The Company had the risk management policies as follows:

Interest Rate Risk

Interest rate risk is the fluctuation of the market interest rate in the future which will affect the Company's operation and cash flows. The Company has the interest rate risk from cash and deposits at bank and loans because the interest rate of financial assets and financial liabilities fluctuated based on the market rate. In addition, the Company has not engaged in any hedging contracts.

Foreign Currency Risk

The Company's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2010 and 2009 the Company had assets and liabilities in foreign currencies as follows:

(Unit: Millions)								
<u>Currencies</u>	<u>Consolidated financial statements</u>				<u>Separate financial statements</u>			
	<u>2010</u>		<u>2009</u>		<u>2010</u>		<u>2009</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
US Dollars	0.42	0.88	0.69	0.44	1.08	0.88	1.72	0.44
Singapore Dollars	0.25	0.02	0.30	0.02	0.25	0.02	0.30	0.02
EURO	0.42	0.01	0.37	-	0.42	0.01	0.37	-

However, the Company had forward contracts to hedge the exchange rate on foreign trade accounts receivables and trade accounts payables. As at December 31, 2010, the Company had outstanding forward sold contracts for accounts receivables in the amount of USD 1.12 million, EURO 0.34 million and Singapore Dollars 0.25 million and outstanding forward bought contracts for accounts payable in the amount of USD 0.04 million.

The Company had credit lines for forward exchange contracts from banks in the amount of Baht 170 million and in the amount of USD 3.75 million (see Note 15).

Credit Risk – Trade Accounts Receivable

The Company has a policy on hedging credit risk from trade accounts receivable by forming conservative credit policy and determining that the receipt from sales of goods be made through letter of credits and by customers making partial advance payment for goods. Therefore, the Company expects that the loss from collection of those trade accounts receivable should not exceed the allowance for doubtful accounts.

Fair Value

Most of the financial assets are cash at bank, current investments and trade accounts receivable which are short - term credit and financial liabilities. Most of the financial liabilities are trade accounts payable and loans with its interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

27. ROYALTY FEE

On January 1, 2005, the Company entered into a license agreement with an overseas company for the period of 10 years started from January 1, 2005. The Company will receive the license fee from the production and sales of products in the amount of EURO 200,000. Moreover, the Company will also receive royalty fee from the sales of the product at the rate of a percentage of the net selling price of the product that is produced and sold by that company as described in the agreement.

28. RECLASSIFICATION

The Company and subsidiary have reclassified certain accounts in the balance sheet as at December 31, 2009 to conform with the presentation of the financial statements of this period consisted of:

(Unit: Baht)

	Consolidated financial statements		
	Before		After
	reclassification	Reclassification	reclassification
<u>Balance sheet</u>			
Cash and cash equivalents	21,506,798.05	33,000,000.00	54,506,798.05
Current investments	130,011,370.43	(33,000,000.00)	97,011,370.43
Other current assets	8,283,516.90	(344,532.97)	7,938,983.93
Other non-current assets	2,355,422.33	344,532.97	2,699,955.30

(Unit: Baht)

	Separate financial statements		
	Before reclassification	Reclassification	After reclassification
<u>Balance sheet</u>			
Cash and cash equivalents	16,934,684.74	33,000,000.00	49,934,684.74
Current investments	130,011,370.43	(33,000,000.00)	97,011,370.43

29. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Company's Board of Directors on February 17, 2011.

Company Profile

1.1 General Information

Company Name	Ubis (Asia) Public Company Limited
Type of Business	Manufacturer of Can Coating / Lacquer and Can Sealing / Compound
Company Registration No.	0107547000826
Location of Head Office	20-22 Narathiwat Ratchanakharin Rd., Chongnonsri, Yannawa, Bangkok 10120 Tel: 0 2678 4222 Fax: 0 2287 2018
Location of Factory	48/1 Moo 6, Petchkasem Rd., Tumbon Klong Mai, Amphoe Sampran, Nakornprathom Province Tel: 0 3432 2911 Fax: 0 3432 4233
Website	www.ubisasia.com
Registered Capital	Baht 190,000,000 (Common Share 190,000,000 shares, Par Value Baht 1.00)
Issuing and Paid up Capital	Baht 190,000,000
Founded year	17 June 1997
Subsidiary Company	Vita International Trading (Guangzhou) Co., Ltd.
Subsidiary Company Address	Room 903 GuangLiang Plaza, 486 Huanshi Road E, Guangzhou City, Guangdong 510075, P.R. China.
Registered and Paid up Capital	USD 1,400,000
Investor Relations	Mr. Sawang Dhangwattanotai and Mr. Akrawin Boonmongkolras Tel: 0 2678 4222 ext 321 Fax: 0 2287 2018 Email: akrawin@ubisasia.com

1.2 References

Auditor	Mr. Prawit Viwanthananut, C.P.A. No.4917 Mr. Bunjong Pichayaprasat, C.P.A. No.7147 Mr.Thirdthong Thepmongkorn, C.P.A. No.3787 ANS Audit Co., Ltd. 100/72, 22rd Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang, Bangkok 10320 Tel: 0 2645 0107 – 9 Fax: 0 2645 0110
Law Consultant	WTE Law Consultant & Accounting Ltd., Part. 44/555 Moo 10, Nawamin Road, Klongkum, Bungkum, Bangkok 10230 Tel: 0 2510 0690 Fax: 0 2510 0680
Financial Advisor	None
Security Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Tel: 0 2229 2800 Fax: 0 2359 1259



UBIS (ASIA) PUBLIC COMPANY LIMITED

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