



ANNUAL  
**REPORT**  
**2011** UBIS (ASIA)  
PUBLIC COMPANY LIMITED

รายงานประจำปี 2554

บริษัท ยูบิส (เอเซีย) จำกัด (มหาชน)

# Contents

1	Financial Highlights
2	Board of Directors' Report
3	Major Shareholders
4	Management Structure
5	Biography of Board of Directors and Executives
11	Shareholding of the Board and Executives
12	Report of Independent Auditor
14	Financial Statements
51	Company Profile

# Financial Highlights

For the fiscal year ended December 31	Consolidated Financial Statements			Separate Financial Statements		
	2011	2010	2009	2011	2010	2009
<b>Stock Data</b>						
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book Value (Baht) *	1.46	1.45	1.61	1.43	1.44	1.62
Earnings Per Share (Baht) *	0.35	0.37	0.37	0.33	0.34	0.39
<b>Operating Results (Thousand Baht)</b>						
Sales Revenue	699,873	610,546	560,975	673,664	581,449	527,136
Total Income	717,025	625,833	574,361	687,478	595,652	539,645
Net Profit	65,739	69,593	70,080	63,477	63,742	73,843
<b>Balance Sheet (Thousand Baht)</b>						
Total Assets	417,525	362,851	406,129	409,750	358,648	408,133
Total Liabilities	140,272	86,809	100,880	137,487	85,334	99,761
Paid-up Capital	190,000	190,000	190,000	190,000	190,000	190,000
Shareholders' Equity	277,253	276,042	305,249	272,263	273,314	308,372
<b>Financial Ratios</b>						
Return on Shareholders' equity (%)	23.8	23.9	23.8	23.3	21.9	25.0
Return on Total Assets (%)	16.8	18.1	18.2	16.5	16.6	19.2
Return on Fixed Assets (%)	326	317	289	318	294	304
Gross Profit (%)	29.1	33.9	35.9	26.6	30.1	34.3
Net Profit (%)	9.2	11.1	12.2	9.2	10.7	13.7

# Board of Directors' Report

In Q4-2554 the country was faced with flooding, which impact the economic of central part of the country, especially in the area around Bangkok. Many industries had been severely affected by the disaster, Ubis (Asia) Public Company Limited (the Company) had succeeded in implementing measures to protect the factory carefully without affecting the business both manufacturing and transportation.

The Company was aware of social responsibility and the sufferings of the Thai people and be a part in helping society by donating money to many charities. And the employees participated in preparing survival bags for distributing to the public who were affected.

Although in 2011 the European economy continued to experience problems. The canned food industry in Thailand could continue to produce and export to various key export markets, including the USA, EU and Japanese. Thailand's exports could maintain the growth from last year. In 2011 the export value increased by 17.3 percent and the export quantity increased by 10.5 percent compared to the year 2010.

Under the flood situation, the Company had overcome obstacles and was able to produce and deliver products to customers both domestic and abroad. In 2011, the Company had sales Baht 699.9 million, up by 14.6 percent from 2010 that came from the expansion of export 26.6 percent and the domestic sales grew 6 percent. The Company's net profit was Baht 65.74 million, down 5.5 percent from a previous year as a result of higher raw material costs.

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 19, 2012 to approve dividend payment for year 2011 at the rate of Baht 0.23 per share. The interim dividend payment previously made at the rate of Baht 0.05 per share on September 1, 2011, therefore the last dividend payment will be made at the rate of Baht 0.18 per share on May 8, 2012.

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. Sawong Dhangwatnotai  
Chairman

# Major Shareholders

The top ten list of shareholders as shown in the registration book as at December 30, 2011 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.	Ms. Sudkaneug Panyatara	6,301,100	3.32
5.	Mr. Surachart Pongpattarine	6,119,000	3.22
6.	Ms. Nattawan Boontah	5,698,200	3.00
7.	Ms. Rungtiwa Palee	5,592,100	2.94
8.	Mr. Komsan Techamaitreejit	5,025,000	2.65
9.	Mr. Vicharn Chokesawangnate	2,798,800	1.47
10.	Mr. Thaneth Thumrongluck	2,634,750	1.39
	Small individual shareholders	17,647,000	9.29
	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 4.107% of total shares as at December 30, 2011.

## Dividend Policy

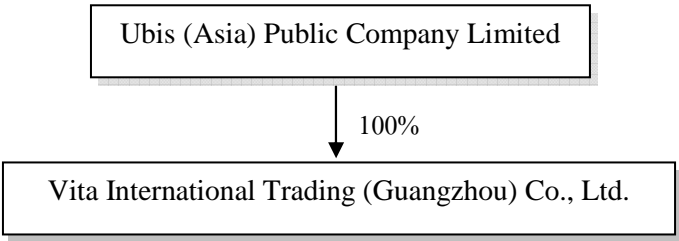
UBIS has policy to pay dividend not less than 40% of net profit from the operation after deducting income tax and legal reserve under the condition that there is no requirement to use fund for investment or expansion business and there is enough cash flow to pay. However, the Board of Directors may propose 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

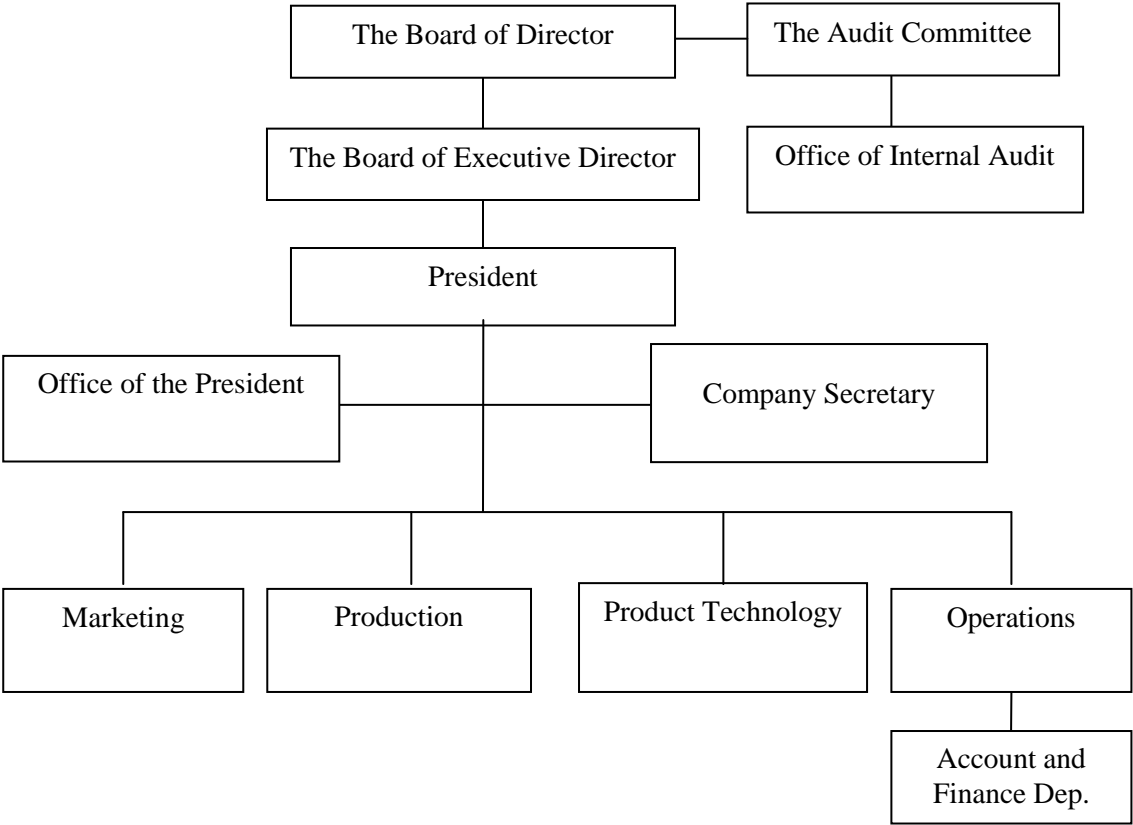
The Subsidiary has policy to pay dividend based on the performance. The dividend payment is not fixed but it depends on the Subsidiary's investment plan in the future.

# 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;

# Biography of the Board of Directors and Executive

## 1. Mr. Sawong Dhangwatnotai

Education	Master of Business Administration, George Washington University, USA Bachelor of Engineering, Chulalongkorn University
Training	Certificate Director Accreditation Program Thai Institute of Directors
Present Position	Director / Chairman, Ubis (Asia) Public Company Limited President, Ubis (Asia) Public Company Limited
Year of directorship	8 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

## 6. Mr. Somchai Lurngnateetape

Education	Bachelor of Engineering, Chulalongkorn University
Training	Certificate Director Accreditation Program Thai Institute of Directors 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	8 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. Thaneth Thumrongluck

Education Bachelor of Economics,  
Thammasat University

Training Certificate Director Accreditation Program  
Thai Institute of Directors

Present Position Director / Executive Director,  
Ubis (Asia) Public Company Limited  
Executive Vice President – Marketing and Sale,  
Ubis (Asia) Public Company Limited

Year of directorship 8 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

4. Mr. Surachart Pongpattarine

Education Diploma of Business Administration,  
Montgomery College, USA

Training Certificate Director Accreditation Program  
Thai Institute of Directors

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 8 years



Position in other listed company Independent Director,  
CPS Steel Center Plc.

Position in company that may cause conflict of interest None

There are interested transaction in company and its affiliates None



5. Mr. Sawang Dhangwattanotai

Education Master of Business Administration,  
Oklahoma State University, USA  
Bachelor of Engineering,  
Chulalongkorn University

Training Certificate Director Accreditation Program  
Thai Institute of Directors

Present Position Director / Executive Director,  
Ubis (Asia) Public Company Limited  
Executive Vice President - Operation,  
Ubis (Asia) Public Company Limited

Year of directorship 8 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

6. Mr. Pongsatorn Dhangwatnotai

Education Master of Business Administration,  
National University, USA  
Bachelor of Science,  
Srinakharinwirot University

Training Certificate Director Accreditation Program  
Thai Institute of Directors

Present Position Director,  
Ubis (Asia) Public Company Limited  
Export Manager,  
Ubis (Asia) Public Company Limited

Year of directorship 1 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. Phakdi Kanchanavalai

Education	Bachelor of Commerce and Accountancy, Thammasat University
Training	Certificate Director Accreditation Program Thai Institute of Directors
Present Position	Independent Director, President of Audit Committee, Ubis (Asia) Public Company Limited Certified Public Accountant, Kanchanakit Accounting Office
Year of directorship	8 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

8. 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 Thai Institute of Directors
Present Position	Independent Director / Audit Committee, Ubis (Asia) Public Company Limited
Year of directorship	8 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

9. Mr. Sakonthon Sivaroroskul

Education Master of Business Administration,  
Thammasat University  
Certificate, Board of Dermatology,  
Medical Degree (MD),  
Chiangmai University

Training Certificate Director Accreditation Program  
Thai Institute of Directors

Present Position Independent Director / Audit Committee,  
Ubis (Asia) Public Company Limited  
Sale Director,  
Pfizer (Thailand) Limited.

Year of directorship 8 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.

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, 2011.

	Name	Dec 30, 2011		Dec 30, 2010	
		Shares	%	Shares	%
1.	Mr. Sawong Dhangwatnotai	43,416,625	22.85	43,416,625	22.85
2.	Mr. Somchai Lurngnateetape	17,998,125	9.47	17,998,125	9.47
3.	Mr. Thaneth Thumrongluck	2,634,750	1.39	2,634,750	1.39
4.	Mr. Surachart Pongpattarine	6,119,000	3.22	6,119,000	3.22
5.	Mr. Sawang Dhangwattanotai	2,358,125	1.24	2,358,125	1.24
6.	Mr. Pongsatorn Dhangwatnotai	10,168,750	5.35	10,168,750	5.35
7.	Mr. Phakdi Kanchanavalai	-		-	
8.	Mr. Pongsak Liangsiri	-		-	
9.	Mr. Sakonthon Sivaroroskul	-		-	
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 statements of financial position of UBIS (ASIA) Public Company Limited and its subsidiary as at December 31, 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the years then ended and I have also audited the separate statements of financial position of UBIS (ASIA) Public Company Limited as at December 31, 2011 and 2010, the separate statements of comprehensive income, changes in shareholders' equity and cash flows for each of the years 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 audits. The financial statements of an overseas subsidiary, namely Vita International Trading (Guangzhou) Co., Ltd., for each of the years ended December 31, 2011 and 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, 2011 and 2010 of approximately Baht 81.03 million and Baht 65.17 million, respectively, constituting 19.41 percent and 17.96 percent, respectively, of the consolidated total assets and total revenues for each of the years then ended of approximately Baht 130.42 million and Baht 113.73 million, respectively, constituting 18.19 percent and 18.17 percent, respectively, of the consolidated total revenues.

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

Based on my audits 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, 2011 and 2010, and the consolidated results of their operations and their cash flows for each of the years then ended, and the separate financial positions of UBIS (ASIA) Public Company Limited as at December 31, 2011 and 2010, and the results of its operations and its cash flows for each of the years then ended, in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to the Note 2 to the financial statements, in the year 2011, the Company and its subsidiary have adopted new and revised Thai Financial Reporting Standards, which are issued by the Federation of Accounting Professions and effective for the financial statements for the period beginning on or after January 1, 2011, for the preparation and presentation of these financial statements. The financial statements for the year ended December 31, 2010 which have been presented herewith for comparative purposes are newly presented in conformity with the financial statements for the year ended December 31, 2011.



Prawit Viwanthananut  
Certified Public Accountant  
Registration Number 4917

ANS Audit Co., Ltd.  
Bangkok, February 21, 2012

# Financial Statement

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011 AND 2010

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2011	2010	2011	2010
ASSETS	3				
CURRENT ASSETS					
Cash and cash equivalents	5	20,809,480.02	47,684,657.24	15,261,925.54	40,750,855.13
Current investments	6	82,020,000.00	37,925,069.84	82,020,000.00	37,925,069.84
Trade and other receivables - net	4, 7	206,915,894.70	153,842,645.22	184,235,433.93	135,667,699.90
Inventories - net	8	85,277,137.61	95,149,365.03	68,213,574.38	78,545,802.58
Other current assets		33,717.29	896,765.39	33,717.29	896,765.39
Total Current Assets		395,056,229.62	335,498,502.72	349,764,651.14	293,786,192.84
NON-CURRENT ASSETS					
Investments in subsidiary	9	-	-	38,027,500.00	38,027,500.00
Restricted deposits at financial institutions	10	399,100.00	399,099.00	399,100.00	399,099.00
Buildings and equipment - net	2, 11	19,381,181.86	24,299,997.83	19,225,079.02	24,102,662.16
Intangible assets - net	12	189,172.47	122,866.28	189,172.47	122,866.28
Other non-current assets - net	4, 13	2,499,327.08	2,530,685.52	2,144,939.45	2,209,717.13
Total Non-Current Assets		22,468,781.41	27,352,648.63	59,985,790.94	64,861,844.57
TOTAL ASSETS		417,525,011.03	362,851,151.35	409,750,442.08	358,648,037.41

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



UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2011 AND 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
LIABILITIES AND SHAREHOLDERS' EQUITY	3				
CURRENT LIABILITIES					
Bank overdrafts	14	360,515.66	1,518,861.74	360,515.66	1,518,861.74
Trade and other payables	15	79,221,530.05	68,472,025.03	78,120,012.29	68,321,021.39
Accrued income tax		15,058,875.05	9,520,194.78	13,376,189.22	8,196,661.74
Other current liabilities		4,891,763.70	3,234,326.08	4,891,763.70	3,234,326.08
Total Current Liabilities		99,532,684.46	82,745,407.63	96,748,480.87	81,270,870.95
NON-CURRENT LIABILITIES					
Deferred revenue	22	3,041,400.51	4,063,320.51	3,041,400.51	4,063,320.51
Employee benefit obligations	2, 16	37,697,623.70	-	37,697,623.70	-
Total Non-Current Liabilities		40,739,024.21	4,063,320.51	40,739,024.21	4,063,320.51
Total Liabilities		140,271,708.67	86,808,728.14	137,487,505.08	85,334,191.46
SHAREHOLDERS' EQUITY					
Share Capital					
Authorized share capital - 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 paid-up share capital					
190,000,000 ordinary shares, Baht 1 per share		190,000,000.00	190,000,000.00	190,000,000.00	190,000,000.00
Premium on ordinary shares	17	26,870,810.00	26,870,810.00	26,870,810.00	26,870,810.00
Retained earnings	2, 18, 19				
Appropriated to legal reserve		19,000,000.00	19,000,000.00	19,000,000.00	19,000,000.00
Unappropriated		41,382,492.36	40,171,613.21	36,392,127.00	37,443,035.95
Total Shareholders' Equity		277,253,302.36	276,042,423.21	272,262,937.00	273,313,845.95
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		417,525,011.03	362,851,151.35	409,750,442.08	358,648,037.41

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

UBIS (ASIA) PUBLIC COMPANY LIMITED AND SUBSIDIARY  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR EACH OF THE YEARS ENDED DECEMBER 31, 2011 AND 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
	3				
Revenues from sales	4	699,873,349.00	610,546,167.21	673,663,619.41	581,449,459.10
Cost of sales	2, 4, 23	(495,916,971.62)	(403,795,193.14)	(494,586,149.85)	(406,169,124.02)
Gross profit		203,956,377.38	206,750,974.07	179,077,469.56	175,280,335.08
Other incomes	21	17,151,268.70	15,287,280.39	13,814,358.76	14,202,902.51
Selling expenses	2, 23	(72,173,096.40)	(61,772,332.94)	(52,343,908.71)	(42,682,976.10)
Administrative expenses	2, 4, 23	(55,832,300.84)	(63,132,791.61)	(51,295,013.51)	(57,888,604.41)
Finance cost		(147,796.66)	(144,730.26)	(141,487.92)	(99,151.41)
Profit before income tax		92,954,452.18	96,988,399.65	89,111,418.18	88,812,505.67
Income tax expense	20	(27,215,211.88)	(27,394,978.95)	(25,633,965.98)	(25,070,289.90)
Profit for the year		65,739,240.30	69,593,420.70	63,477,452.20	63,742,215.77
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		65,739,240.30	69,593,420.70	63,477,452.20	63,742,215.77
Total comprehensive income attributable to					
Owners of the parent		65,739,240.30	69,593,420.70	63,477,452.20	63,742,215.77
Non-controlling interests		-	-	-	-
		65,739,240.30	69,593,420.70	63,477,452.20	63,742,215.77
Basic earnings per share					
Profit attributable to owners of the parent	2, 3	0.35	0.37	0.33	0.34
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, 2011 AND 2010

(Unit: Baht)

Consolidated financial statements						
Equity attributable to shareholders' equity of the Company						
Note	Share capital issued and paid-up	Premium on ordinary shares	Retained earnings		Other components of equity	Total shareholders'
			Appropriated	Unappropriated	Other comprehensive income	
Balance at January 1, 2010	190,000,000.00	26,870,810.00	15,861,712.22	72,516,480.29	-	305,249,002.51
Changes in shareholders' equity for the year 2010 :						
Dividend payment	19	-	-	(98,800,000.00)	-	(98,800,000.00)
Total comprehensive income for the year 2010		-	-	69,593,420.70	-	69,593,420.70
Legal reserve	18	-	3,138,287.78	(3,138,287.78)	-	-
Balance at December 31, 2010	190,000,000.00	26,870,810.00	19,000,000.00	40,171,613.21	-	276,042,423.21
Effects of changes in accounting policies	2	-	-	(34,128,361.15)	-	(34,128,361.15)
Restated balance	190,000,000.00	26,870,810.00	19,000,000.00	6,043,252.06	-	241,914,062.06
Changes in shareholders' equity for the year 2011 :						
Dividend payment	19	-	-	(30,400,000.00)	-	(30,400,000.00)
Total comprehensive income for the year 2011		-	-	65,739,240.30	-	65,739,240.30
Balance at December 31, 2011	190,000,000.00	26,870,810.00	19,000,000.00	41,382,492.36	-	277,253,302.36

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, 2011 AND 2010

(Unit: Baht)

		Separate financial statements					
		Share capital issued and paid-up	Premium on ordinary shares	Retained earnings		Other components of equity	Total shareholders'
Note	Appropriated			Unappropriated	Other comprehensive income		
Balance at January 1, 2010		190,000,000.00	26,870,810.00	15,861,712.22	75,639,107.96	-	308,371,630.18
Changes in shareholders' equity for the year 2010 :							
Dividend payment	19	-	-	-	(98,800,000.00)	-	(98,800,000.00)
Total comprehensive income for the year 2010		-	-	-	63,742,215.77	-	63,742,215.77
Legal reserve	18	-	-	3,138,287.78	(3,138,287.78)	-	-
Balance at December 31, 2010		190,000,000.00	26,870,810.00	19,000,000.00	37,443,035.95	-	273,313,845.95
Effects of changes in accounting policies	2	-	-	-	(34,128,361.15)	-	(34,128,361.15)
Restated balance		190,000,000.00	26,870,810.00	19,000,000.00	3,314,674.80	-	239,185,484.80
Changes in shareholders' equity for the year 2011 :							
Dividend payment	19	-	-	-	(30,400,000.00)	-	(30,400,000.00)
Total comprehensive income for the year 2011		-	-	-	63,477,452.20	-	63,477,452.20
Balance at December 31, 2011		190,000,000.00	26,870,810.00	19,000,000.00	36,392,127.00	-	272,262,937.00

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, 2011 AND 2010

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Cash Flows from Operating Activities:				
Profit before income tax	92,954,452.18	96,988,399.65	89,111,418.18	88,812,505.67
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities:				
Depreciation and amortization	5,562,931.10	6,181,843.79	5,521,698.27	6,155,109.65
Doubtful accounts	114,792.04	173,798.16	-	-
Reversal of allowance for doubtful accounts	(114,792.04)	-	-	-
Amortization of deferred revenue	(1,021,920.00)	(1,021,920.00)	(1,021,920.00)	(1,021,920.00)
Loss on devaluation of inventories (reversal)	23,384.25	(1,346,422.96)	-	(210,176.49)
Interest income	(2,569,972.63)	(1,532,046.02)	(2,544,605.36)	(1,512,278.94)
Interest expense	147,796.66	144,730.26	141,487.92	99,151.41
Gain on sale of assets	(1,028,035.37)	(1,523,362.05)	(1,028,035.37)	(1,523,362.05)
Loss on assets written off	1.00	-	1.00	-
Unrealized (gain) loss on exchange rate	144,573.79	(105,007.43)	76,553.10	(128,572.01)
Provision incurred from the employee benefit liabilities	4,519,662.55	-	4,519,662.55	-
Profit from operating activities before changes in operating assets and liabilities	98,732,873.53	97,960,013.40	94,776,260.29	90,670,457.24
Change in operating assets (increase) decrease:				
Trade and other receivables	(51,852,039.14)	11,466,293.31	(47,346,523.69)	30,280,177.63
Inventories	9,848,843.17	(32,517,927.93)	10,332,228.20	(27,484,823.55)
Other current assets	863,048.10	89,637.95	863,048.10	89,637.95
Other non-current assets	34,536.24	115,463.76	34,536.24	115,463.76
Restricted deposits at financial institutions	(1.00)	-	(1.00)	-
Change in operating liabilities increase (decrease):				
Trade and other payables	10,333,598.59	4,310,595.23	9,383,084.47	5,249,899.02
Other current liabilities	998,221.36	765,314.23	998,221.36	765,314.23
Employee benefit obligations	(950,400.00)	-	(950,400.00)	-
Cash generated from operations	68,008,680.85	82,189,389.95	68,090,453.97	99,686,126.28
Interest paid	(147,796.66)	(144,730.26)	(141,487.92)	(99,151.41)
Income tax paid	(21,777,971.54)	(33,445,711.31)	(20,454,438.50)	(32,416,322.04)
Net cash provided by operating activities	46,082,912.65	48,598,948.38	47,494,527.55	67,170,652.83

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, 2011 AND 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash Flows from Investing Activities:				
Interest received	2,347,331.88	1,630,236.27	2,321,964.61	1,610,469.19
(Increase) decrease in current investments	(44,094,930.16)	59,086,300.59	(44,094,930.16)	59,086,300.59
Increase in investment in subsidiary	-	-	-	(21,027,500.00)
Purchases of equipment	(529,182.89)	(6,773,097.26)	(529,182.89)	(6,659,223.43)
Purchases of intangible assets	(151,000.00)	-	(151,000.00)	-
Proceed from sales of asset	1,028,037.38	1,523,365.05	1,028,037.38	1,523,365.05
Net cash provided by (used in) investing activities	(41,399,743.79)	55,466,804.65	(41,425,111.06)	34,533,411.40
Cash Flows from Financing Activities:				
Decrease in bank overdrafts	(1,158,346.08)	(10,087,893.84)	(1,158,346.08)	(10,087,893.84)
Cash receipt from short-term loan from financial institutions	20,000,000.00	-	20,000,000.00	-
Repayment of short-term loan from financial institutions	(20,000,000.00)	(2,000,000.00)	(20,000,000.00)	(2,000,000.00)
Dividend payment	(30,400,000.00)	(98,800,000.00)	(30,400,000.00)	(98,800,000.00)
Net cash used in financing activities	(31,558,346.08)	(110,887,893.84)	(31,558,346.08)	(110,887,893.84)
Net decrease in cash and cash equivalents	(26,875,177.22)	(6,822,140.81)	(25,488,929.59)	(9,183,829.61)
Cash and cash equivalents at the beginning of the year	47,684,657.24	54,506,798.05	40,750,855.13	49,934,684.74
Cash and cash equivalents at the end of the year	20,809,480.02	47,684,657.24	15,261,925.54	40,750,855.13

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, 2011 AND 2010

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 plant is located at 48/1 Moo 6, Petchkaseam Road, Klong-mai, Sampran, Nakhonprathom.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with 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 presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements 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 judgments, 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 judgments 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.

## Transition to new and revised TFRS

During 2010 and 2011, the Federation of Accounting Professions (“FAP”) has issued Notifications, mandating the use of new and revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Financial Reporting Interpretation (“TFRI”), Thai Interpretation (“TI”) and guidelines which are effective for the financial statements for the period beginning on or after January 1, 2011 as follows:

<u>TAS/TFRS/TFRI/TI/FAP’s</u>	<u>Topic</u>
<u>Announcements</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
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
TI 31	Revenue – Barter Transactions Involving Advertising Services
No. 16/2554	Disclosure Guidance on Related Party Transactions with Government
No. 17/2554	Transitional Procedures for Other Long-term Employee Benefits
No. 18/2554	Accounting Guidance on Revaluation of Assets
No. 19/2554	Accounting Guidance for Condominiums



In 2011, the Group has adopted new and revised TFRS which are effective for the financial statements for the period beginning on or after January 1, 2011. Such transition affected the presentation of the financial statements for the year ended December 31, 2010 which have been presented herewith for comparative purposes in conformity with the presentation of the financial statements for the year ended December 31, 2011 and the Group's overall financial position and financial performance as follows:

#### TAS 1 (revised 2009) Presentation of Financial Statements

Under the revised TAS, a set of financial statements comprises:

- Statements of financial position;
- Statements of comprehensive income;
- Statements of changes in shareholders' equity;
- Statements of cash flows; and
- Notes to the financial statements.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

#### TAS 16 (revised 2009) - Property, Plant and Equipment

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

The residual value of buildings and equipment has to be measured at the amount estimated receivable currently for the sales of asset if the asset 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. As a result from change in residual value, the depreciation expenses for the year ended December 31, 2011 is decreased in the amount of Baht 0.19 million in the consolidated and separate financial statements.

#### TAS 19 - Employee Benefits

The management of the Group has determined that the liability incurred from the employee benefits as at January 1, 2011 for post-employment benefits in the amount of Baht 34.13 million in the consolidated and separate financial statements which applied a transitional provision that such liability is recognized and accounted for immediately in retained earnings at the transition date (see Note 16).

### Effect from the adoption of Thai Financial Reporting Standards

From January 1, 2011, the Group has adopted of new and revised TFRS, the effects on the financial statements are as follows:

			(Unit: Baht)
			Consolidated financial
			statements and
			Separate financial statements
<u>The Statements of Comprehensive Income</u>			
<u>For the year ended December 31, 2011</u>			
Increase in cost of sales			656,534.34
Increase in selling expenses			1,551,919.51
Increase in administrative expenses			2,125,380.67
Decrease in profit for the year			(4,333,834.52)
Decrease in basic earnings per share			(0.02)
			Consolidated financial
			statements and
			Separate financial statements
			As at December 31, 2011
<u>The Statements of Financial Position</u>			
Increase in buildings and equipment - net			185,828.03
Increase in employee benefit obligations			37,697,623.70
Decrease in retained earnings			(37,511,795.67)

### Adoption of new and revised Thai Financial Reporting Standards

During 2010 and 2011, the Federation of Accounting Professions (“FAP”) has issued new and revised Thai Accounting Standards (“TAS”), Thai Interpretations (“TI”) which are effective for the financial statements for the period beginning on or after January 1, 2013 as follows:

<u>TAS/TI</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
TI 10	Government Assistance – No Specific Relation to Operating Activities
TI 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets

	<u>TAS/TI</u>	<u>Topic</u>
TI 25		Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

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

#### BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for each of the years ended December 31, 2011 and 2010, 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>2011</u>	<u>2010</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 at the end of reporting period 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 comprehensive 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 to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The preparation of the consolidated financial statements has 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, 2011 and 2010, which included the financial statements of an overseas subsidiary were audited by another auditor, with total assets as at December 31, 2011 and 2010 of Baht 81.03 million and Baht 65.17 million, respectively, constituting 19.41 percent and 17.96 percent, respectively, of the consolidated total assets and total revenues for each of the years then ended amounting to Baht 130.42 million and Baht 113.73 million, respectively, constituting 18.19 percent and 18.17 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 comprehensive 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 comprehensive income on a straight line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

##### Finance costs

Interest expenses and similar costs are charged to the statement of comprehensive 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 comprehensive income using the effective interest rate method.

## Employee benefits

### Short-term benefits

The Company recognized salaries, wages, bonus and social security contribution as expenses when incurred.

### Post-employment benefits – defined contribution plan

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 relevant company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

### Post-employment benefits – defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average year until the benefits become vested.

When the actuarial assumptions are changed, the Group recognizes all actuarial gains (losses) in the profit or loss in the year in which they arise.

## 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 receivable

Trade and other 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

Inventories 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 statement of comprehensive income during the financial year 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 will be more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in statement of comprehensive income.

### 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 comprehensive 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 the end of each reporting period 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 comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to shareholders' equity.

### Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell 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 end of reporting period 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 the end of reporting period date, the unrealized gains or losses on outstanding forward exchange contracts, calculated as described above, are included within other receivables or other payables from forward exchange contracts in the statement of financial position.

Gain or loss upon conversion is included in the statement of comprehensive 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 end of reporting period 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 statement of financial position 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 PARTIES 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, 2011 and 2010:

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Subsidiary				
Vita International Trading (Guangzhou) Co., Ltd.				
Revenues from sales of goods	-	-	100,945,314.47	83,982,914.20
Related persons (directors/shareholders)				
Rent of fixed assets	5,009,400.00	5,009,400.00	5,009,400.00	5,009,400.00
Directors				
Directors' remuneration	692,500.00	1,350,000.00	692,500.00	1,350,000.00



Balance with related parties as at December 31, 2011 and 2010:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Subsidiary				
Vita International Trading (Guangzhou) Co., Ltd.				
Trade account receivable	-	-	29,200,645.26	19,550,631.77
Related persons (directors/shareholders)				
Deposit for rental of fixed assets	2,070,000.00	2,070,000.00	2,070,000.00	2,070,000.00

Key management personnel compensation

Key management personnel compensation for the year ended December 31, 2011 consisted of:

(Unit : Baht)

	Consolidated financial statements and Separate financial statements
Short-term benefits	38,601,520.00
Post-employment benefits	3,163,166.11
Total key management personnnel compensation	41,764,686.11

Significant agreements with related parties

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 (directors), 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%.

### 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

	Pricing Policies
Revenues 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

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2011 and 2010 consisted of:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Cash	579,243.00	339,721.01	388,878.09	300,337.84
Savings deposits	13,449,241.31	9,603,951.48	8,092,051.74	2,709,532.54
Current deposits	6,780,995.71	910,984.75	6,780,995.71	910,984.75
Bill of exchange	-	36,830,000.00	-	36,830,000.00
Total	20,809,480.02	47,684,657.24	15,261,925.54	40,750,855.13

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 in the consolidated and separate financial statements with interest rate referred to market rate.

The currency denomination of cash and cash equivalents as at December 31, 2011 and 2010 was as follows:

<u>Currencies</u>	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Thai Baht	14,753,980.47	40,344,487.24	14,753,980.47	40,344,487.24
US Dollars	438,539.53	326,826.55	438,539.53	326,826.55
EURO	15,966.29	36,756.72	15,966.29	36,756.72
Renminbi	5,550,391.64	6,941,944.25	2,837.16	8,142.14
Other	50,602.09	34,642.48	50,602.09	34,642.48
Total	20,809,480.02	47,684,657.24	15,261,925.54	40,750,855.13

#### 6. CURRENT INVESTMENTS

Current investments as at December 31, 2011 and 2010 consisted of:

	Consolidated financial statements and separate financial statements	
	2011	2010
Fixed deposits	-	224,002.00
Bill of exchange	82,020,000.00	37,500,000.00
Mutual fund	-	201,067.84
Total	82,020,000.00	37,925,069.84

As at December 31, 2011, the Company has an investment in bill of exchange of domestic commercial bank in the amount of Baht 82.02 million for the period of 4 months to 9 months with interest rate referred to market rate (As at December 31, 2010: Baht 37.50 million for the period of 4 months and 6 months with interest rate referred to market rate).

## 7. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at December 31, 2011 and 2010 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Trade accounts receivable	200,077,878.38	146,971,679.47	177,392,169.31	128,870,394.93
<u>Less</u> allowance for doubtful account	(1,465,337.39)	(1,465,337.39)	(1,038,202.14)	(1,038,202.14)
Trade accounts receivable - net	198,612,540.99	145,506,342.08	176,353,967.17	127,832,192.79
Other receivables	8,303,353.71	8,336,303.14	7,881,466.76	7,835,507.11
Trade and other receivables - net	206,915,894.70	153,842,645.22	184,235,433.93	135,667,699.90

Movements of allowance for doubtful accounts for each of the years ended December 31, 2011 and 2010 was as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at the beginning	1,465,337.39	1,291,539.24	1,038,202.14	1,038,202.14
<u>Add</u> Doubtful accounts	114,792.04	173,798.15	-	-
<u>Less</u> Reversal of allowance for doubtful accounts	(114,792.04)	-	-	-
Balance as at the end	1,465,337.39	1,465,337.39	1,038,202.14	1,038,202.14

As at December 31, 2011 and 2010, the Company had outstanding balances of trade accounts receivable aged by number of months as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Trade accounts receivable - general				
Current	163,355,739.55	113,645,979.04	121,040,437.43	82,753,935.87
Overdue				
Less than or equal 3 months	36,244,858.02	32,901,185.01	27,151,086.62	26,565,827.29
Over 3 months up to 6 months	5,672.22	-	-	-
Over 12 months	471,608.59	424,515.42	-	-
Total	200,077,878.38	146,971,679.47	148,191,524.05	109,319,763.16
<u>Less</u> Allowance for doubtful accounts	(1,465,337.39)	(1,465,337.39)	(1,038,202.14)	(1,038,202.14)
Trade accounts receivable - general - net	198,612,540.99	145,506,342.08	147,153,321.91	108,281,561.02
Trade accounts receivable - related party				
Current	-	-	29,200,645.26	19,550,631.77
Total	-	-	29,200,645.26	19,550,631.77
Trade accounts receivable - net	198,612,540.99	145,506,342.08	176,353,967.17	127,832,192.79

#### 8. INVENTORIES - NET

Inventories as at December 31, 2011 and 2010 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Raw materials	31,062,535.07	42,160,758.04	31,062,535.07	42,160,758.04
Work in process	2,888,397.27	1,710,572.12	2,888,397.27	1,710,572.12
Finished goods	43,398,083.91	44,909,917.78	25,690,491.75	27,685,710.65
Raw materials in transit	8,216,839.65	7,106,582.38	8,216,839.65	7,106,582.38
Finished goods in transit	473,131.25	-	473,131.25	-
Total	86,038,987.15	95,887,830.32	68,331,394.99	78,663,623.19
<u>Less</u> Allowance for devaluation of inventories	(761,849.54)	(738,465.29)	(117,820.61)	(117,820.61)
Inventories - net	85,277,137.61	95,149,365.03	68,213,574.38	78,545,802.58

Movements of allowance for devaluation of inventories for each of the years ended December 31, 2011 and 2010 was as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Balance as at the beginning	738,465.29	2,084,888.25	117,820.61	327,997.10
<u>Add</u> Loss on devaluation of inventories	23,384.25	-	-	-
<u>Less</u> Reversal of loss on devaluation of inventories	-	(1,346,422.96)	-	(210,176.49)
Balance as at the end	761,849.54	738,465.29	117,820.61	117,820.61

#### 9. INVESTMENT IN SUBSIDIARY

Investment in subsidiary stated by the cost method, as at December 31, 2011 and 2010 consisted of:

	(Unit: Thousands Baht)					
	Paid up share capital		Percentage of holding (%)		Book value	
	2011	2010	2011	2010	2011	2010
Subsidiary						
Vita International Trading						
(Guangzhou) Co., Ltd.	53,105,472.67	53,105,472.67	99.99	99.99	38,027,500.00	38,027,500.00

#### 10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2011 and 2010, 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).

# 11. BUILDING AND EQUIPMENT - NET

Building and equipment as at December 31, 2011 and 2010 consisted of:

(Unit : Baht)

	Consolidated financial statements					
	Building and building improvements	Fixtures and office equipment	Machinery and equipment	Vehicles	Equipment under installation	Total
<u>Cost</u>						
At January 1, 2010	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
Purchase/Transfer in	-	141,718.04	387,464.85	-	42,000.00	571,182.89
Disposals/Transfer out	-	-	(2,429.91)	(2,992,000.00)	(42,000.00)	(3,036,429.91)
At December 31, 2011	13,159,541.16	9,765,705.26	12,926,306.39	20,712,031.96	-	56,563,584.77
<u>Accumulated depreciation</u>						
At January 1, 2010	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
Depreciation	1,599,141.42	699,353.08	985,522.90	2,163,978.45	-	5,447,995.85
Disposals/Transfer out	-	-	(2,428.91)	(2,991,997.99)	-	(2,994,426.90)
At December 31, 2011	9,878,592.14	8,226,186.04	11,183,996.72	7,893,628.01	-	37,182,402.91
<u>Net book value</u>						
At December 31, 2010	4,880,090.44	2,097,154.26	2,340,368.72	14,982,384.41	-	24,299,997.83
At December 31, 2011	3,280,949.02	1,539,519.22	1,742,309.67	12,818,403.95	-	19,381,181.86

(Unit : Baht)

	Separate financial statements					
	Building and building improvements	Fixtures and office equipment	Machinery and equipment	Vehicles	Equipment under installation	Total
<u>Cost</u>						
At January 1, 2010	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
Purchase/Transfer in	-	141,718.04	387,464.85	-	42,000.00	571,182.89
Disposal/Transfer out	-	-	(2,429.91)	(2,992,000.00)	(42,000.00)	(3,036,429.91)
At December 31, 2011	13,159,541.16	9,260,434.82	12,926,306.39	20,712,031.96	-	56,058,314.33
<u>Accumulated depreciation</u>						
At January 1, 2010	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
Depreciation	1,599,141.42	658,120.25	985,522.90	2,163,978.45	-	5,406,763.02
Disposal/Transfer out	-	-	(2,428.91)	(2,991,997.99)	-	(2,994,426.90)
At December 31, 2011	9,878,592.14	7,877,018.44	11,183,996.72	7,893,628.01	-	36,833,235.31
<u>Net book value</u>						
At December 31, 2010	4,880,090.44	1,899,818.59	2,340,368.72	14,982,384.41	-	24,102,662.16
At December 31, 2011	3,280,949.02	1,383,416.38	1,742,309.67	12,818,403.95	-	19,225,079.02



Depreciation for each of the years ended December 31, 2011 and 2010 as shown in statements of comprehensive income.

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Depreciation				
Cost of sales	3,074,854.91	3,331,940.52	3,074,854.91	3,331,940.52
Selling expenses	814,878.45	733,856.08	814,878.45	733,856.08
Administrative expenses	1,558,262.49	1,989,012.78	1,517,029.66	1,962,278.64
Total	<u>5,447,995.85</u>	<u>6,054,809.38</u>	<u>5,406,763.02</u>	<u>6,028,075.24</u>

As at December 31, 2011 and 2010, 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	
	2011	2010	2011	2010
Building and equipment	<u>15,372,569.24</u>	<u>17,168,485.85</u>	<u>15,096,063.62</u>	<u>16,904,055.84</u>

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, 2011 to November 15, 2012 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 October 1, 2011 to September 30, 2012. The rental fee is as stipulated in the agreement.

## 12. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2011 and 2010 consisted of:

	Consolidated financial statements and separate financial statements		
	Trademarks	Software licences	Total
<u>Cost</u>			
At January 1, 2010	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
Additions/Transfer in	-	151,000.00	151,000.00
Disposals/Transfer out	-	-	-
At December 31, 2011	200,000.00	634,965.00	834,965.00
<u>Accumulated amortization</u>			
At January 1, 2010	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
Amortization	-	84,693.81	84,693.81
Disposals/Transfer out	-	-	-
At December 31, 2011	200,000.00	445,792.53	645,792.53
<u>Net book value</u>			
At December 31, 2010	-	122,866.28	122,866.28
At December 31, 2011	-	189,172.47	189,172.47

Amortization for each of the years ended December 31, 2011 and 2010 in the amount of Baht 0.08 million and Baht 0.10 million, respectively, was included in administrative expenses.

### 13. OTHER NON-CURRENT ASSETS - NET

Other non-current assets as at December 31, 2011 and 2010 consisted of:

			(Unit: Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Guarantee for asset rental (see Note 4)	2,070,000.00	2,414,818.64	2,070,000.00	2,104,536.24
Other guarantee	368,844.20	25,142.56	14,456.57	14,456.57
Leasehold - net	60,482.88	90,724.32	60,482.88	90,724.32
Other non-current assets - net	2,499,327.08	2,530,685.52	2,144,939.45	2,209,717.13

### 14. BANK OVERDRAFTS

Bank overdrafts as at December 31, 2011 and 2010 consisted of:

	(Unit: Baht)	
	Consolidated financial statements and	
	separate financial statements	
	2011	2010
Bank overdrafts	360,515.66	1,518,861.74

The Company had credit facilities from financial institutions in the amount of Baht 314 million which consisted of bank overdrafts in the amount of Baht 158 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 175 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 without collateral.

# 15. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2011 and 2010 consisted of:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Trade accounts payable - Domestic	28,798,415.42	23,733,713.44	28,798,415.42	23,733,713.44
Trade accounts payable - Overseas	24,139,536.63	27,286,731.96	24,139,536.63	27,286,731.96
Post-date cheque	21,974,045.23	15,192,224.64	21,974,045.23	15,192,224.64
Total trade accounts payable	74,911,997.28	66,212,670.04	74,911,997.28	66,212,670.04
Other payables	4,309,532.77	2,259,354.99	3,208,015.01	2,108,351.35
Total trade and other payables	79,221,530.05	68,472,025.03	78,120,012.29	68,321,021.39

# 16. EMPLOYEE BENEFITS OBLIGATIONS

Employee benefits obligations in the statements of financial position as at December 31, 2011 consisted of:

(Unit: Baht)

	Consolidated
	financial statements and
	separate financial statements
<u>Post-employment benefit plan</u>	
Present value of obligations	37,697,623.70
Employee benefits obligations	37,697,623.70

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

Movement of the present value of employee benefits obligations for the year ended December 31, 2011 as follows:

	(Unit : Baht)
	Consolidated
	financial statements and
	separate financial statements
<u>Post-employment benefit plan</u>	
Employee benefit obligation as at January 1	34,128,361.15
Current service cost	3,063,340.55
Interest cost	601,410.70
Decrease in liabilities from payment	(950,400.00)
Actuarial loss recognized	854,911.30
Employee benefit obligation as at December 31	<u>37,697,623.70</u>

Employee benefit expenses in the statements of comprehensive income for the year ended December 31, 2011 as follows:

	(Unit : Baht)
	Consolidated
	financial statements and
	separate financial statements
<u>Post-employment benefit plan</u>	
Current service cost	3,063,340.55
Interest from obligation	601,410.70
Actuarial loss recognized	854,911.30
Total employee benefit expenses	<u>4,519,662.55</u>

Employee benefit expenses for the year ended December 31, 2011 as shown in the statements of comprehensive income as follows:

	(Unit : Baht)
	Consolidated
	financial statements and
	separate financial statements
<u>Post-employment benefit plan</u>	
Cost of sales	656,534.34
Selling expenses	1,551,919.51
Administrative expenses	2,311,208.70
Total employee benefit expenses	<u>4,519,662.55</u>

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting period date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table year 2008.

17. 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.

18. 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.

19. DIVIDEND PAYMENT

At the Board of Directors' Meeting held on August 9, 2011, a resolution was passed authorizing the interim dividend payment at the rate of Baht 0.05 per share, in the total amount of Baht 9.50 million.

At the Ordinary General Meeting of Shareholders held on April 7, 2011, a resolution was passed authorizing the payment of a dividend at the rate of Baht 0.31 per share which consisted of interim dividend payment at the rate of Baht 0.20 per share, according to the Board of Directors' Meeting held on August 16, 2010 and this latest dividend payment at the rate of Baht 0.11 per share, in the total amount of Baht 20.90 million.

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.

20. INCOME TAX EXPENSE

Corporate income tax for each of the years ended December 31, 2011 and 2010 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 statements of financial position.

Income tax reduction

Royal Decree No. 531 B.E. 2554 dated December 14, 2011 grants companies listed on the Market for Alternative Investment a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 50 million for the accounting periods beginning on or after January 1, 2011. The Company has, accordingly, calculated income tax of its taxable profit for the year ended December 31, 2011 at the 25% corporate income tax rate for the amount of taxable profit which is not exceeding Baht 50 million and at the 30% corporate income tax rate for taxable profit exceeding that amount.

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 the year ended December 31, 2010 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.

## 21. OTHER INCOME

Other income for each of the years ended December 31, 2011 and 2010 as follows:

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Revenue from royalty fee (see Note 22)	5,143,920.00	5,167,163.25	5,143,920.00	5,167,163.25
Others	12,007,348.70	10,120,117.14	8,670,438.76	9,035,739.26
Total	17,151,268.70	15,287,280.39	13,814,358.76	14,202,902.51

## 22. 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 fees 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.

## 23. EXPENSES BY NATURE

Significant expenses by nature for each of the years ended December 31, 2011 and 2010 consisted of:

(Unit : Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
Changes in inventories of finished goods and work in progress	(139,122.53)	(11,947,723.71)	344,262.50	(6,914,619.33)
Purchase of finished goods	25,308,620.75	31,433,775.43	25,308,620.75	31,433,775.43
Raw materials and supplies used	442,601,639.90	360,183,075.84	442,601,639.90	356,444,653.49
Employee expenses	92,171,600.39	83,712,436.80	84,865,546.23	80,353,540.08
Distribution and utility expenses	15,965,324.81	9,180,708.79	10,980,657.81	9,180,708.79
Rental fee	6,540,369.59	6,632,686.53	5,009,400.00	5,009,400.00
Depreciation and amortization	5,562,931.10	6,181,843.79	5,521,698.27	6,155,109.65
Loss on devaluation of inventories (reversal)	23,384.25	(1,346,422.96)	-	(210,176.49)
Interest expenses	147,796.66	144,730.26	141,487.92	99,151.41

## 24. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2011 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 10).
- 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 0.02 million per month and the daily service fee at the rate of Baht 0.01 million per day.
- 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 0.42 million per month, future minimum rental payments under non-cancellable operating leases are as follows (see Note 4).

(Unit : Million Baht)	
Year	Future minimum lease payments
Not more than 1 year	5.01
More than 1 year but not over 5 years	5.51
	<u>10.52</u>

### 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 11).
- From payment under rental agreements for warehouse area with a company. The rental fee is stipulated in the agreement (see Note 11).
- From payment under rental agreements for a vehicle with a company in the amount of Renminbi 0.008-0.01 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, 2011 and 2010 were classified as follows:

For the year ended December 31, 2011.



	(Unit: Baht)			
	Domestic sales	Export sales	Eliminate	Total
Net sales	370,009,978.12	430,808,685.35	(100,945,314.47)	699,873,349.00
Cost of sales	(271,651,615.45)	(322,630,195.41)	98,364,839.24	(495,916,971.62)
Gross profit	98,358,362.67	108,178,489.94	(2,580,475.23)	203,956,377.38
Other income				17,151,268.70
Selling and administrative expenses				(128,005,397.24)
Finance cost				(147,796.66)
Profit before income tax				92,954,452.18
Income tax expense				(27,215,211.88)
Profit for the year				65,739,240.30
Building and equipment - net				19,381,181.86
Total assets in the consolidated financial statements				417,525,011.03

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)
Finance cost				(144,730.26)
Profit before income tax				96,988,399.65
Income tax expense				(27,394,978.95)
Profit for the year				69,593,420.70
Building and equipment - net				24,299,997.83
Total assets in the consolidated financial statements				362,851,151.35

## 26. DISCLOSURE OF FINANCIAL INSTRUMENTS

### Capital Management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

### 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, 2011 and 2010 the Company had assets and liabilities in foreign currencies as follows:

(Unit: Millions)

	Consolidated financial statements				Separate financial statements			
	2011		2010		2011		2010	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Currencies								
US Dollars	0.76	0.75	0.42	0.88	1.68	0.75	1.08	0.88
Singapore Dollars	0.34	0.02	0.25	0.02	0.34	0.02	0.25	0.02
EURO	0.24	0.02	0.42	0.01	0.24	0.02	0.42	0.01

However, the Company had forward exchange contracts to hedge the exchange rate on the partial foreign trade accounts receivables. As at December 31, 2011, the Company had outstanding forward sold contracts for accounts receivables in the amount of USD 1.14 million, EURO 0.21 million and Singapore Dollars 0.34 million which have maturity date between January 2012 to July 2012.

The Company had credit lines for forward exchange contracts from banks in the amount of Baht 175 million and in the amount of USD 3.75 million (see Note 14).

#### 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. RECLASSIFICATION

The Company and subsidiary have reclassified certain accounts in the statements of financial position as at December 31, 2010 and the statement of comprehensive income for the year ended December 31, 2010 to conform with the presentation of the financial statements of this year consisted of:

(Unit: Baht)

	Consolidated financial statements		
	Before		After
	reclassification	Reclassification	reclassification
<u>Statement of financial position</u>			
Trade accounts receivable - net	145,506,342.08	(145,506,342.08)	-
Trade and other receivables - net	-	153,842,645.22	153,842,645.22
Other current assets	9,233,068.53	(8,336,303.14)	896,765.39
Trade accounts payable	66,212,670.04	(66,212,670.04)	-
Trade and other payables	-	68,472,025.03	68,472,025.03
Accrued expenses	1,804,988.27	(1,804,988.27)	-
Other current liabilities	3,688,692.80	(454,366.72)	3,234,326.08
<u>Statement of comprehensive income</u>			
Selling expenses	49,522,668.94	12,249,664.00	61,772,332.94
Administrative expenses	37,251,191.61	25,881,600.00	63,132,791.61
Management benefit expenses	38,131,264.00	(38,131,264.00)	-

(Unit: Baht)

	Separate financial statements		
	Before		After
	reclassification	Reclassification	reclassification
<u>Statement of financial position</u>			
Trade accounts receivable - net	127,832,192.79	(127,832,192.79)	-
Trade and other receivables - net	-	135,667,699.90	135,667,699.90
Other current assets	8,732,272.50	(7,835,507.11)	896,765.39
Trade accounts payable	66,212,670.04	(66,212,670.04)	-
Trade and other payables	-	68,321,021.39	68,321,021.39
Accrued expenses	1,804,988.27	(1,804,988.27)	-
Other current liabilities	3,537,689.16	(303,363.08)	3,234,326.08
<u>Statement of comprehensive income</u>			
Selling expenses	30,433,312.10	12,249,664.00	42,682,976.10
Administrative expenses	32,007,004.41	25,881,600.00	57,888,604.41
Management benefit expenses	38,131,264.00	(38,131,264.00)	-

## 28. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 21, 2012, the Board approved to submit for approval at the Ordinary General Meeting of Shareholders, a full year 2011 dividend payment at the rate of Baht 0.23 per share which consisted of interim dividend payment at the rate of Baht 0.05 per share, according to the Board of Directors' Meeting held on August 9, 2011 and this latest dividend payment at the rate of Baht 0.18 per share, in the amount of Baht 34.20 million.

## 29. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Company's Board of Directors on February 21, 2012.

# 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., Chongnonsee, Yannawa, Bangkok 10120 Tel: 0 2678 4222 Fax: 0 2287 2018
Location of Factory	48/1 Moo 6, Petchkasem Rd., Tumbon Klong Mai, Amphor Sampran, Nakhonpathom 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 (Common Share 190,000,000 shares, Par Value Baht 1.00)
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 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**

20-22 Narathiwat Ratchanakharin Rd.,  
Yannawa, Bangkok 10120 Thailand  
[www.ubisasia.com](http://www.ubisasia.com)