

2012
Annual
Report

UBIS



UBIS (ASIA) PUBLIC COMPANY LIMITED

รายงานประจำปี **2555**
บริษัท ยูบิส (เอเซีย) จำกัด (มหาชน)

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Financial Highlights

For the fiscal year ended December 31	Consolidated Financial Statements			Separate Financial Statements		
	2012	2011	2010	2012	2011	2010
Stock Data						
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00	1.00
Book Value (Baht) *	1.58	1.46	1.45	1.59	1.43	1.44
Earnings Per Share (Baht) *	0.39	0.35	0.37	0.42	0.33	0.34
Operating Results (Thousand Baht)						
Sales Revenue	749,352	699,873	610,546	716,398	673,664	581,449
Total Income	761,816	717,025	625,833	728,795	687,478	595,652
Net Profit	74,608	65,739	69,593	80,704	63,477	63,742
Balance Sheet (Thousand Baht)						
Total Assets	465,241	417,525	362,851	499,050	409,750	358,648
Total Liabilities	164,430	140,272	86,809	197,383	137,487	85,334
Paid-up Capital	190,000	190,000	190,000	190,000	190,000	190,000
Shareholders' Equity	300,811	277,253	276,042	301,667	272,263	273,314
Financial Ratios						
Return on Shareholders' equity (%)	25.8	23.8	23.9	28.1	23.3	21.9
Return on Total Assets (%)	16.9	16.8	18.1	17.8	16.5	16.6
Return on Fixed Assets (%)	140	326	317	152	318	294
Gross Profit (%)	31.5	29.1	33.9	28.7	26.6	30.1
Net Profit (%)	9.8	9.2	11.1	11.1	9.2	10.7

Board of Directors' Report

After the massive flood disaster in 2011 was over, fortunately, most of our customers were not directly impacted by the incident neither their production nor machineries. Though some customers might temporarily stop their operations due to the disrupted transportation and communication system. The operations of customers had resumed to normal condition in Q1 2012 and the sign of strong recovery could be seen in the Q2 2012.

Thai cannery industry has still been growing despite of the recession in Europe. Compared to 2011, the export canned products from Thailand increased in both volume and value of 23.7% and 5% respectively.

In 2011, the company purchased the land in Samutsakorn Industrial Estate to expand the capacity to meet the fast growing demand especially export market. Additionally, the company has established 2 subsidiary companies; Ubis Primatch Limited to operate under its BOI promoted privilege for compound production (99.99% owned by Ubis (Asia) Plc. and Ubis All Company limited to market and distribute food ingredients business in Thailand (90% owned by Ubis (Asia) Plc. and 10% by non-related partner).

As a result of the strong business commitment from top management to all employees, the company reached the annual sales of Baht 749 million which is 7% over 2011 and the export market increased 13% in sales compared to previous year. Net profit recorded at Baht 74.6 million, 14% increase from 2011. This achievement was greatly contributed by growing in sales while managing cost effectively.

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 2013 to approve dividend payment for year 2012 at the rate of Baht 0.41 per share. The interim dividend payment previously made at the rate of Baht 0.09 per share on September 1, 2012, therefore the last dividend payment will be made at the rate of Baht 0.32 per share on May 20, 2013 by stock dividend at the rate of Baht 0.20 per share in proportion of 5 ordinary shares to 1 stock dividend and cash dividend at the rate of Baht 0.12 per share.

On behalf of the Board of Directors, our patrons, shareholders, trading partners, concerned people, as well as employees and management, we 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, 2012 and as follows:

	Shareholders	No. of shares owned	%
1.	Dhangwatnotai Family	115,792,325	60.94
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	5,408,400	2.85
8.	Mr. Komsan Techamaitreejit	5,025,000	2.65
9.	Mr. Thaneth Thumrongluck	2,634,750	1.39
10.	Mr. Amornwat Thirakittaporn	2,181,500	1.15
	Small individual shareholders	15,749,200	8.29
	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 4.64 % of total shares as at December 30, 2012.

Dividend Policy

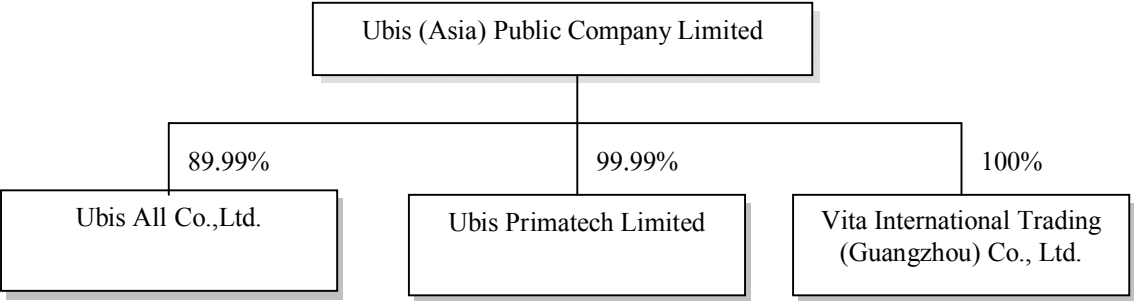
UBIS has policy to pay dividend not less than 40% of net profit from the operation after deducting income tax and legal reserve under the condition that there is no requirement to use fund for investment or expansion business and there is enough cash flow to pay. However, the Board of Directors may propose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

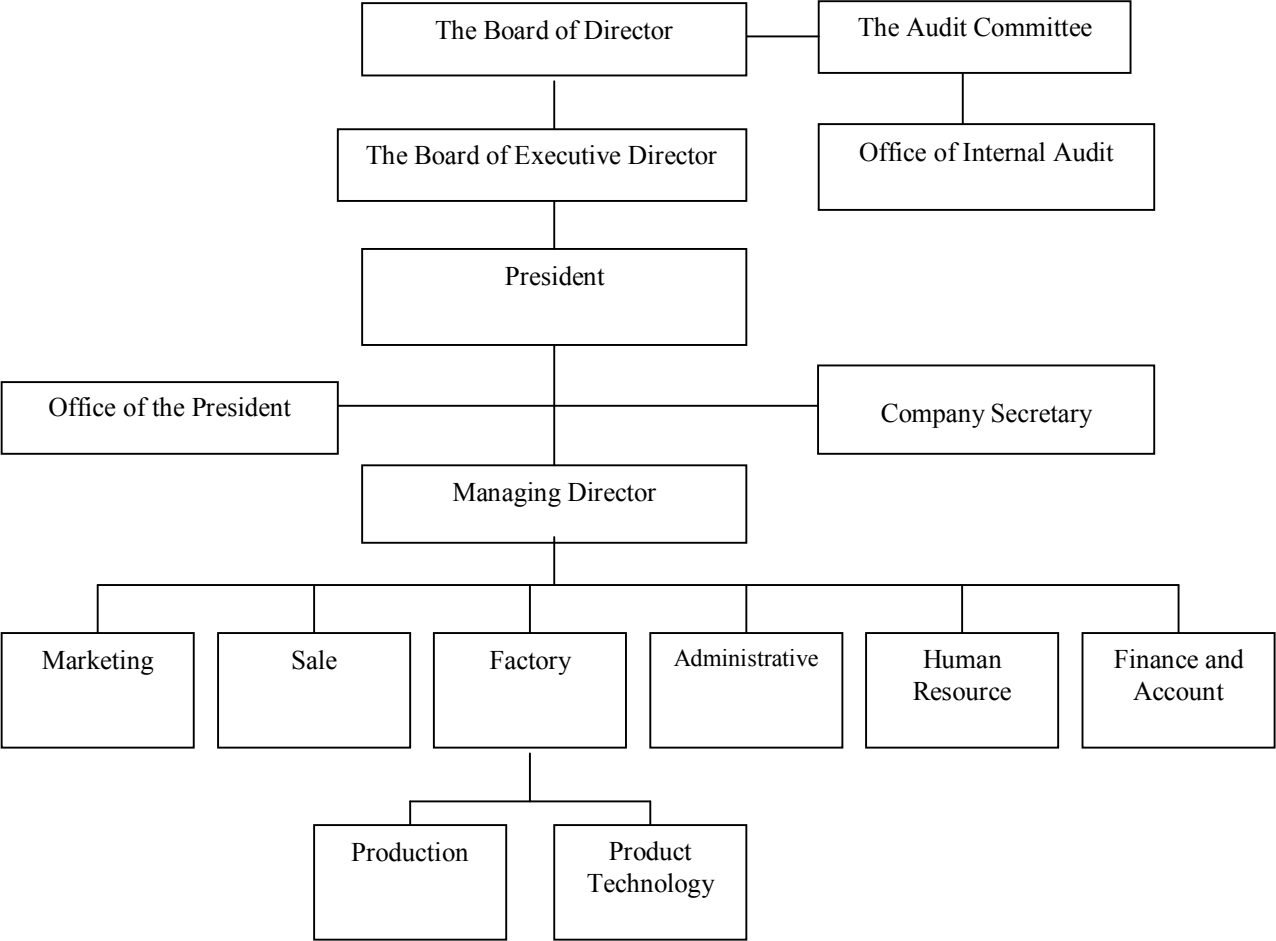
The Subsidiary has policy to pay dividend based on the performance. The dividend payment varies depends on the Subsidiary's cash flow and investment plan in the future.

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 9 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 / Vice Chairman,
Ubis (Asia) Public Company Limited
Senior Executive Vice President – Production,
Ubis (Asia) Public Company Limited

Year of directorship 9 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 / Vice Chairman,
Ubis (Asia) Public Company Limited
Executive Vice President – Sale,
Ubis (Asia) Public Company Limited

Year of directorship 9 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 9 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 9 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 9 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

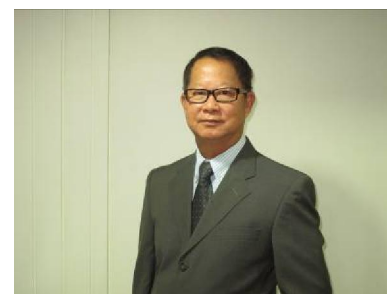
8. Mr. Pongsak Liangsiri

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 9 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. Visuth Jirathiyut

Education Master of Business Administration,
National Institute of Development Administration
Bachelor of Engineering,
Chulalongkorn University

Training Certificate Director Accreditation Program
Thai Institute of Directors

Present Position Independent Director / Audit Committee,
Ubis (Asia) Public Company Limited
Chairman,
Siam Steel Syndicate Public Company Limited.

Year of directorship 1 year



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. Nawat Triyapongpattana

Education Master of Business Administration,
Bangkok University
Bachelor of Arts (Humanities),
Kasetsart University

Training -

Present Position Managing Director / Executive Director
Ubis (Asia) Public Company Limited

Year of directorship 1 year



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.

11. 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

12. Mr. Akrawin Boonmongkolras

Education

Bachelor of Accountancy,
Thammasat University

Present Position

Vice President – Account and Finance Dept.,
Company Secretary
Ubis (Asia) Public Company Limited

Shareholding of the Boards and Executives

As at December 30, 2012

	Name	Dec 30, 2012		Dec 30, 2011	
		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. Nawat Triyapongpattana	250,000	0.13	-	
11.	Mr. Doug Rasic	1,015,000	0.53	1,015,000	0.53
12.	Mr. Akrawin Boonmongkolras	11,000	0.01	11,000	0.01

Report of Independent Auditor

AUDITOR'S REPORT

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

I have audited the accompanying consolidated financial statements of UBIS (ASIA) Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the accompanying separate financial statements of UBIS (ASIA) Public Company Limited which comprise the separate statement of financial position as at December 31, 2012, and the separate statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of UBIS (ASIA) Public Company Limited and its subsidiaries as at December 31, 2012, and their financial performance and cash flows for the year then ended, and the separate financial position of UBIS (ASIA) Public Company Limited as at December 31, 2012, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Udom Thanuratpong
Certified Public
Accountant
Registration Number 8501

ANS Audit Co., Ltd.
Bangkok, February 27, 2013

Financial Statement

UBIS (ASIA) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

		Unit: Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2012	2011	2012	2011
ASSETS	3				
CURRENT ASSETS					
Cash and cash equivalents	5	25,509,273.92	20,809,480.02	13,212,694.69	15,261,925.54
Current investments	6	-	82,020,000.00	-	82,020,000.00
Trade and other receivables	4, 7	226,883,352.01	206,915,894.70	210,899,966.24	184,235,433.93
Short-term loans to related parties	4	-	-	500,000.00	-
Inventories	8	113,965,656.86	85,277,137.61	96,674,300.90	68,213,574.38
Other current assets		43,283.91	33,717.29	43,283.91	33,717.29
Total Current Assets		366,401,566.70	395,056,229.62	321,330,245.74	349,764,651.14
NON-CURRENT ASSETS					
Investments in subsidiaries	9	-	-	80,277,487.50	38,027,500.00
Restricted deposits at financial institutions	10	399,100.00	399,100.00	399,100.00	399,100.00
Property, plant and equipment	11	95,876,528.51	19,381,181.86	94,825,398.22	19,225,079.02
Intangible assets	12	113,093.38	189,172.47	113,093.38	189,172.47
Other non-current assets	4, 13	2,450,432.82	2,499,327.08	2,104,241.56	2,144,939.45
Total Non-Current Assets		98,839,154.71	22,468,781.41	177,719,320.66	59,985,790.94
TOTAL ASSETS		465,240,721.41	417,525,011.03	499,049,566.40	409,750,442.08

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

UBIS (ASIA) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

		Unit: Baht			
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY	3				
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	14	3,118,936.15	360,515.66	158,466.45	360,515.66
Trade and other payables	15	107,636,334.13	83,454,077.49	106,729,621.86	82,352,559.73
Short-term loans from related parties	4	-	-	37,500,000.00	-
Accrued income tax		11,342,990.27	15,058,875.05	11,279,148.11	13,376,189.22
Other current liabilities		552,192.63	659,216.26	10,055.11	659,216.26
Total Current Liabilities		122,650,453.18	99,532,684.46	155,677,291.53	96,748,480.87
NON-CURRENT LIABILITIES					
Deferred revenue	21	2,019,480.51	3,041,400.51	2,019,480.51	3,041,400.51
Employee benefit obligations	16	39,759,553.82	37,697,623.70	39,686,140.38	37,697,623.70
Total Non-Current Liabilities		41,779,034.33	40,739,024.21	41,705,620.89	40,739,024.21
Total Liabilities		164,429,487.51	140,271,708.67	197,382,912.42	137,487,505.08
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 shares capital	17	26,870,810.00	26,870,810.00	26,870,810.00	26,870,810.00
Retained earnings	2, 19				
Appropriated to legal reserve	18	19,000,000.00	19,000,000.00	19,000,000.00	19,000,000.00
Unappropriated		64,876,361.82	41,382,492.36	65,795,843.98	36,392,127.00
Total Shareholders' Equity of the Company		300,747,171.82	277,253,302.36	301,666,653.98	272,262,937.00
Non-controlling Interests		64,062.08	-	-	-
Total Shareholders' Equity		300,811,233.90	277,253,302.36	301,666,653.98	272,262,937.00
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		465,240,721.41	417,525,011.03	499,049,566.40	409,750,442.08

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

UBIS (ASIA) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

		Unit: Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Note		2012	2011	2012	2011
3					
Revenues from sales	4	749,351,735.17	699,873,349.00	716,398,270.25	673,663,619.41
Cost of sales	4, 22	(513,032,748.90)	(495,916,971.62)	(510,753,770.37)	(494,586,149.85)
Gross profit		236,318,986.27	203,956,377.38	205,644,499.88	179,077,469.56
Other incomes	20	12,463,931.67	17,151,268.70	12,396,814.22	13,814,358.76
Selling expenses	22	(79,517,021.49)	(72,173,096.40)	(52,408,428.50)	(52,343,908.71)
Administrative expenses	4, 22	(69,629,778.30)	(55,832,300.84)	(59,844,817.37)	(51,295,013.51)
Finance cost	4, 22	(64,242.64)	(147,796.66)	(184,483.72)	(141,487.92)
Profit before income tax		99,571,875.51	92,954,452.18	105,603,584.51	89,111,418.18
Income tax expense	23	(24,963,956.47)	(27,215,211.88)	(24,899,867.53)	(25,633,965.98)
Profit for the years		74,607,919.04	65,739,240.30	80,703,716.98	63,477,452.20
Other comprehensive income for the years		-	-	-	-
Total comprehensive income for the years		74,607,919.04	65,739,240.30	80,703,716.98	63,477,452.20
Profit (loss) attributable to					
Owners of the parent		74,793,869.46	65,739,240.30	80,703,716.98	63,477,452.20
Non-controlling interests		(185,950.42)	-	-	-
		<u>74,607,919.04</u>	<u>65,739,240.30</u>	<u>80,703,716.98</u>	<u>63,477,452.20</u>
Basic earnings per share					
Profit attributable to owners of the parent	3	0.39	0.35	0.42	0.33
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 ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Unit: Baht								
Consolidated financial statements								
Equity attributable to shareholders' equity of the Company								
Note	Share capital	Premium on	Retained earnings		Other comprehensive	Total Shareholders'	Non-controlling	Total
	issued and paid-up	share capital	Appropriated	Unappropriated	income	Equity of the Company	interests	shareholders' equity
Balance at January 1, 2011	190,000,000.00	26,870,810.00	19,000,000.00	40,171,613.21	-	276,042,423.21	-	276,042,423.21
Effects of changes in accounting policies	2	-	-	(34,128,361.15)	-	(34,128,361.15)	-	(34,128,361.15)
Adjusted balance	190,000,000.00	26,870,810.00	19,000,000.00	6,043,252.06	-	241,914,062.06	-	241,914,062.06
Changes in shareholders' equity for the year 2011 :								
Dividend payment	19	-	-	(30,400,000.00)	-	(30,400,000.00)	-	(30,400,000.00)
Total comprehensive income for the year 2011	-	-	-	65,739,240.30	-	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	-	277,253,302.36
Changes in shareholders' equity for the year 2012 :								
Issued and paid-up ordinary shares - subsidiaries	-	-	-	-	-	-	250,012.50	250,012.50
Dividend payment	19	-	-	(51,300,000.00)	-	(51,300,000.00)	-	(51,300,000.00)
Total comprehensive income (loss) for the year 2012	-	-	-	74,793,869.46	-	74,793,869.46	(185,950.42)	74,607,919.04
Balance at December 31, 2012	190,000,000.00	26,870,810.00	19,000,000.00	64,876,361.82	-	300,747,171.82	64,062.08	300,811,233.90

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

		Unit: Baht				
		Separate financial statements				
Note	Share capital	Premium on	Retained earnings		Other comprehensive	Total
	issued and paid-up	ordinary shares	Appropriated	Unappropriated	income	shareholders' equity
Balance at January 1, 2011	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)
Adjusted 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
Restated balance	190,000,000.00	26,870,810.00	19,000,000.00	36,392,127.00	-	272,262,937.00
Changes in shareholders' equity for the year 2012 :						
Dividend payment	19	-	-	(51,300,000.00)	-	(51,300,000.00)
Total comprehensive income for the year 2012	-	-	-	80,703,716.98	-	80,703,716.98
Balance at December 31, 2012	190,000,000.00	26,870,810.00	19,000,000.00	65,795,843.98	-	301,666,653.98

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash Flows from Operating Activities:				
Profit before income tax	99,571,875.51	92,954,452.18	105,603,584.51	89,111,418.18
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities:				
Depreciation and amortization	5,992,927.44	5,562,931.10	5,900,025.84	5,521,698.27
Doubtful accounts	26,047.09	114,792.04	-	-
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	475,916.71	23,384.25	-	-
Interest income	(2,031,154.69)	(2,569,972.63)	(1,941,228.86)	(2,544,605.36)
Interest expense	64,242.64	147,796.66	184,483.72	141,487.92
Gain on sale of assets	-	(1,028,035.37)	-	(1,028,035.37)
Loss on written off assets	84.00	1.00	84.00	1.00
Unrealized gain on exchange rate	113,473.47	144,573.79	61,111.08	76,553.10
Provision incurred from the employee benefit liabilities	4,455,841.46	4,519,662.55	4,382,428.02	4,519,662.55
Profit from operating activities before changes in operating assets and liabilities	107,647,333.63	98,732,873.53	113,168,568.31	94,776,260.29
Change in operating assets (increase) decrease:				
Trade and other receivables	(20,173,278.23)	(51,852,039.14)	(27,159,581.02)	(47,346,523.69)
Inventories	(29,192,488.75)	9,848,843.17	(28,460,726.52)	10,332,228.20
Other current assets	(9,566.62)	863,048.10	12,623.20	863,048.10
Other non-current assets	10,456.57	34,536.24	10,456.57	34,536.24
Restricted deposits at financial institutions	-	(1.00)	-	(1.00)
Change in operating liabilities increase (decrease):				
Trade and other payables	24,211,836.91	11,098,912.82	24,406,642.40	10,148,398.70
Other current liabilities	(117,078.74)	232,907.13	(659,216.26)	232,907.13
Employee benefit obligations	(2,393,911.34)	(950,400.00)	(2,393,911.34)	(950,400.00)
Cash generated from operations	79,983,303.43	68,008,680.85	78,924,855.34	68,090,453.97
Interest paid	(64,242.64)	(147,796.66)	(184,483.72)	(141,487.92)
Income tax paid	(28,681,456.88)	(21,777,971.54)	(26,996,908.64)	(20,454,438.50)
Net cash provided by operating activities	51,237,603.91	46,082,912.65	51,743,462.98	47,494,527.55

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash Flows from Investing Activities:				
Interest received	2,115,794.68	2,347,331.88	2,333,451.51	2,321,964.61
(Increase) decrease in current investments	82,020,000.00	(44,094,930.16)	82,020,000.00	(44,094,930.16)
Increase in investment in subsidiaries	-	-	(42,249,987.50)	-
Purchases of equipment	(82,373,087.68)	(529,182.89)	(81,385,158.63)	(529,182.89)
Purchases of intangible assets	(8,950.00)	(151,000.00)	(8,950.00)	(151,000.00)
Increase in short-term loans to related parties	-	-	(500,000.00)	-
Proceed from sale of assets	-	1,028,037.38	-	1,028,037.38
Net cash provided by (used in) investing activities	1,753,757.00	(41,399,743.79)	(39,790,644.62)	(41,425,111.06)
Cash Flows from Financing Activities:				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(7,241,579.51)	(1,158,346.08)	(202,049.21)	(1,158,346.08)
Cash receipt from issuing ordinary shares - subsidiaries	250,012.50	-	-	-
Cash receipt from short-term loans from financial institutions	10,000,000.00	20,000,000.00	10,000,000.00	20,000,000.00
Repayment of short-term loans from financial institutions	-	(20,000,000.00)	(10,000,000.00)	(20,000,000.00)
Cash receipt from short-term loans from related parties	-	-	40,100,000.00	-
Repayment from short-term loans from related parties	-	-	(2,600,000.00)	-
Dividend payment	(51,300,000.00)	(30,400,000.00)	(51,300,000.00)	(30,400,000.00)
Net cash used in financing activities	(48,291,567.01)	(31,558,346.08)	(14,002,049.21)	(31,558,346.08)
Net increase (decrease) in cash and cash equivalents	4,699,793.90	(26,875,177.22)	(2,049,230.85)	(25,488,929.59)
Cash and cash equivalents at the beginning of the year	20,809,480.02	47,684,657.24	15,261,925.54	40,750,855.13
Cash and cash equivalents at the end of the year	25,509,273.92	20,809,480.02	13,212,694.69	15,261,925.54

The accompanying notes are an integral part of these financial statements

UBIS (ASIA) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

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 accordance 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 accordance with Thai Financial Reporting Standards 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.

The changes in accounting policies as at January 1, 2011

In the year 2011, the Group has adopted new and revised TFRS which such transition affected the financial statements reflected from the adoption of TAS No. 16 (revised 2009) “Property, Plant and Equipment” and TAS No. 19 “Employee Benefits”.

New and revised Thai Financial Reporting Standards not yet effective

The Group has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

- a) Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Interpretation (TI) and guidelines which are effective for the financial statements for the period beginning on or after January 1, 2013 as follows:

TAS/TFRS/TI/FAP's Announcement	Topic
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
TFRS 8	Operating Segments
TI 10	Government Assistance – No Specific Relation to Operating Activities
TI 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
TI 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
No. 34/2555	Accounting Treatment Guidance for Transfers of Financial Assets

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

TAS 12 – Income taxes

The main change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the Group's financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the asset or liabilities in the statement of financial position and the amount attributed to that asset or liabilities for tax purposes; and the carry forward of unused tax losses. Currently, the Group does not recognize deferred tax in the financial statements.

The Group will adopt TAS 12 with effective from January 1, 2013. The effects of the change will be recognized retrospectively in the financial statements and the statement of financial position as at December 31, 2012 and January 1, 2012 and the statement of comprehensive income for the year ended December 31, 2012 will be adjusted accordingly. The management estimates that the impact on the financial statements as at January 1, 2012 and for the year ended December 31, 2012 will be as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2012	January 1, 2012	December 31, 2012	January 1, 2012
The statements of financial position				
Increase in deferred tax assets	8,354,769.02	7,539,524.74	7,937,228.08	7,539,524.74
Increase in retained earnings	8,354,769.02	7,539,524.74	7,937,228.08	7,539,524.74
Increase in shareholders' equity	8,354,769.02	7,539,524.74	7,937,228.08	7,539,524.74

	Unit : Baht	
	Consolidated	Separate
	financial statements	financial statements
The statement of comprehensive income for the year ended December 31, 2012		
Increase in total comprehensive income for the year	815,244.28	397,703.34
Increase in basic earnings per share	0.004	0.002

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The main change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates and presentation currency. TAS 21 (revised 2009) requires the entity to determine its functional currency and translation method of foreign currency items into its functional currency and presentation currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functioned currency of the Company and its subsidiaries in Thailand is Thai Baht and foreign operation is Renminbi. However, the translation of foreign operation required to recognize the exchange difference from such translation in the other comprehensive income which resulted in the increase in other comprehensive loss for the year ended December 31, 2012 in the amount of Baht 1.15 million and total assets and other component of shareholders' equity as at December 31, 2012 are decreased in the amount of Baht 0.09 million and Baht 1.06 million, respectively and as at January 1, 2012 increased in the amount of Baht 1.49 million and Baht 0.09 million, respectively and the retained earnings as at December 31, 2012 and January 1, 2012 increased in the amount of Baht 0.97 million and Baht 1.40 million, respectively in the consolidated financial statements.

- b) Thai Financial Reporting Interpretations (TFRI) and TI which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

TFRI/TI	Topic
TFRI 4	Determining whether an Arrangement contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TI 29	Service Concession Arrangements: Disclosures

The management of the Group is assessing the impacts of these 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 consisted of the financial statements of UBIS (ASIA) Public Company Limited, and subsidiaries (together referred to as "the Group") as follows:

Subsidiaries	Located in	Business Type	Percentage of holding (%)	
			2012	2011
Vita International Trading (Guangzhou) Co., Ltd.	People's Republic of China	Sales of industrial chemical	99.99	99.99
UBIS PRIMATECH Co., Ltd.	Thailand	Production and sales industrial chemical	99.99	-
UBIS ALL Co., Ltd.	Thailand	Sales raw material for food industry	89.99	-

The financial statements of the subsidiary incorporated in overseas are converted to Thai Baht at the closing exchange rate as at the end of reporting period 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.

Subsidiaries are 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 subsidiaries 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 the years ended December 31, 2012 and 2011, which included the financial statements of an overseas subsidiary were audited by another auditor, with total assets as at December 31, 2012 and 2011 of Baht 89.37 million and Baht 81.03 million, respectively, constituting 19.21 percent and 19.41 percent, respectively, of the consolidated total assets and total revenues for the years then ended amounting to Baht 153.29 million and Baht 130.42 million, respectively, constituting 20.12 percent and 18.19 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 recognized 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 not more than 3 months and short-term investments with high liquidity net of deposits at bank on obligation.

Trade and other receivables

Trade and other receivables 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 determining 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.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less loss on impairment of investments in subsidiaries (if any).

Property, plant and equipment

Land is stated at cost less allowance for impairment loss (if any).

Buildings are stated at cost less accumulated depreciation and allowance for impairment loss (if any). Depreciation is 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 net 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.

At the end of reporting period date, 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 PARTY TRANSACTIONS OR 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 the years ended December 31, 2012 and 2011.

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Subsidiaries				
Vita International Trading (Guangzhou) Co., Ltd.				
Revenues from sales of goods	-	-	119,887,130.42	100,945,314.47
UBIS PRIMATECH Co., Ltd.				
Interest expense	-	-	119,369.86	-
UBIS ALL Co., Ltd.				
Interest expense	-	-	871.22	-
Related persons (directors/shareholders)				
Rent of fixed assets	5,572,050.00	5,009,400.00	5,572,050.00	5,009,400.00

Balance with related parties as at December 31, 2012 and 2011.

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Subsidiaries				
Vita International Trading (Guangzhou) Co., Ltd.				
Trade account receivable	-	-	38,914,981.72	29,200,645.26
UBIS ALL Co., Ltd.				
Short-term loan to related party	-	-	500,000.00	-
UBIS PRIMATECH Co., Ltd.				
Short-term loan from related party	-	-	37,500,000.00	-
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

Short-term loan to related party

Movement of short-term loan to related party for the year ended December 31, 2012 consisted of:

	Unit : Baht
	Separate
	financial statements
Balance as at the beginning of the year	-
Increase during the year	500,000.00
Decrease during the year	-
Balance as at the end of the year	500,000.00

Short-term loan to related party of the Company was the loan from promissory notes, due at call with interest rate charged at 1% per annum.

Short-term loan from related parties

Movement of short-term loan from related parties for the year ended December 31, 2012 consisted of:

	Unit : Baht
	Separate
	financial statements
Balance as at the beginning of the year	-
Increase during the year	40,100,000.00
Decrease during the year	(2,600,000.00)
Balance as at the end of the year	37,500,000.00

Short-term loan from related parties of the Company was the loan from promissory notes, due at call with interest rate charged at 1% per annum.

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2012 and 2011 consisted of:

	Unit : Baht	
	Consolidated financial statements and separate financial statements	
	2012	2011
Short-term benefits	47,396,390.89	38,601,520.00
Post-employment benefits	3,974,535.22	3,163,166.11
Total key management personnel compensation	51,370,926.11	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%.

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 the years ended December 31, 2012 and 2011 in the amount of Baht 0.50 million and Baht 0.69 million, respectively in the separate financial statements.

Nature of relationship

Name	Country	Relation	Type of relation
Vita International Trading (Guangzhou) Co., Ltd.	People's Republic of China	Subsidiary	Direct shareholders
UBIS PRIMATECH Co., Ltd.	Thailand	Subsidiary	Direct shareholders
UBIS ALL Co., Ltd.	Thailand	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
Interest expense	
UBIS PRIMATECH Co., Ltd.	Interest rate at 1% per annum
UBIS ALL Co., Ltd.	Interest rate at 1% per annum
Interest income	
UBIS ALL Co., Ltd.	Interest rate at 1% per annum
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, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash	309,392.70	579,243.00	213,275.81	388,878.09
Savings deposits	24,891,115.37	13,449,241.31	12,695,353.03	8,092,051.74
Current deposits	308,765.85	6,780,995.71	304,065.85	6,780,995.71
Total	25,509,273.92	20,809,480.02	13,212,694.69	15,261,925.54

The currency denomination of cash and cash equivalents as at December 31, 2012 and 2011 was as follows:

Currencies	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Thai Baht	15,488,858.48	14,753,980.47	12,888,125.11	14,753,980.47
US Dollars	260,763.54	438,539.53	260,763.54	438,539.53
EURO	7,635.35	15,966.29	7,635.35	15,966.29
Renminbi	9,698,834.68	5,550,391.64	2,988.82	2,837.16
Other	53,181.87	50,602.09	53,181.87	50,602.09
Total	25,509,273.92	20,809,480.02	13,212,694.69	15,261,925.54

6. CURRENT INVESTMENTS

Current investments as at December 31, 2012 and 2011 consisted of:

	Unit : Baht	
	Consolidated financial statements and	
	separate financial statements	
	2012	2011
Bill of exchange	-	82,020,000.00
Total	-	82,020,000.00

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade accounts receivable-other parties	217,911,464.15	200,077,878.38	162,861,923.28	148,191,524.05
Trade accounts receivable-related party	-	-	38,914,981.72	29,200,645.26
Total	217,911,464.15	200,077,878.38	201,776,905.00	177,392,169.31
Less Allowance for doubtful accounts	(1,518,020.69)	(1,465,337.39)	(1,038,202.14)	(1,038,202.14)
Net	216,393,443.46	198,612,540.99	200,738,702.86	176,353,967.17
Other receivables-other parties	10,489,908.55	8,303,353.71	10,161,263.38	7,881,466.76
Net	226,883,352.01	206,915,894.70	210,899,966.24	184,235,433.93

Movements of allowance for doubtful accounts for the years ended December 31, 2012 and 2011 were as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Balance as at the beginning	1,465,337.39	1,465,337.39	1,038,202.14	1,038,202.14
Add Doubtful accounts	26,047.09	114,792.04	-	-
Add Exchange differences	26,636.21	(114,792.04)	-	-
Balance as at the end	1,518,020.69	1,465,337.39	1,038,202.14	1,038,202.14

The Group had outstanding balances of trade accounts receivable as at December 31, 2012 and 2011 aged by numbers of month as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade accounts receivable-other parties				
Current	177,100,780.30	163,355,739.55	128,489,793.06	121,040,437.43
Overdue				
Less than or up to 3 months	39,812,576.23	36,244,858.02	34,293,217.72	27,151,086.62
Over 3 months up to 6 months	479,884.30	5,672.22	78,912.50	-
Over 6 months up to 12 months	31,465.35	-	-	-
Over 12 months	486,757.97	471,608.59	-	-
Total	217,911,464.15	200,077,878.38	162,861,923.28	148,191,524.05
Less Allowance for doubtful accounts	(1,518,020.69)	(1,465,337.39)	(1,038,202.14)	(1,038,202.14)
Trade accounts receivable-other parties - net	216,393,443.46	198,612,540.99	161,823,721.14	147,153,321.91
Trade accounts receivable-related party				
Current	-	-	38,914,981.72	29,200,645.26
Total	-	-	38,914,981.72	29,200,645.26
Net	216,393,443.46	198,612,540.99	200,738,702.86	176,353,967.17

8. INVENTORIES

Inventories as at December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Raw materials	56,014,281.10	31,062,535.07	56,014,281.10	31,062,535.07
Work in process	3,402,966.53	2,888,397.27	3,402,966.53	2,888,397.27
Finished goods	44,643,514.02	43,398,083.91	26,204,159.63	25,690,491.75
Raw materials in transit	11,170,714.25	8,216,839.65	11,170,714.25	8,216,839.65
Finished goods in transit	-	473,131.25	-	473,131.25
Total	115,231,475.90	86,038,987.15	96,792,121.51	68,331,394.99
Less Allowance for devaluation of inventories	(1,265,819.04)	(761,849.54)	(117,820.61)	(117,820.61)
Net	113,965,656.86	85,277,137.61	96,674,300.90	68,213,574.38

Movements of allowance for devaluation of inventories for the years ended December 31, 2012 and 2011 were as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Balance as at the beginning	761,849.54	738,465.29	117,820.61	117,820.61
Add Loss on devaluation of inventories	475,916.71	23,384.25	-	-
Add Exchange differences	28,052.79	-	-	-
Balance as at the end	1,265,819.04	761,849.54	117,820.61	117,820.61

9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries stated by the cost method, as at December 31, 2012 and 2011 consisted of:

	Unit : Baht					
	Paid-up share capital		Percentage of holding (%)		Book value	
	2012	2011	2012	2011	2012	2011
Subsidiaries						
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
UBIS PRIMATECH Co., Ltd.	40,000,000.00	-	99.99	-	39,999,992.50	-
UBIS ALL Co., Ltd.	2,500,000.00	-	89.99	-	2,249,995.00	-
Total					80,277,487.50	38,027,500.00

On May 10, 2012 and May 30, 2012, the Company registered to establish two subsidiaries in order to expand business. Two subsidiaries are UBIS ALL Co., Ltd. and UBIS PRIMATECH Co., Ltd. that have the registered capital of Baht 10 million and Baht 20 million, at par value of Baht 10 per share, respectively with 89.99% of shareholding and 99.99% of shareholding, respectively.

At the Board of Directors' Meeting held on August 28, 2012, a resolution was passed the approval of addition investment in UBIS PRIMATECH Co., Ltd. which increased the registered capital from the previous registered capital of Baht 20 million to Baht 160 million. At present, the Company paid subscription share of UBIS ALL Co., Ltd. and UBIS PRIMATECH Co., Ltd. in the amount of Baht 2.50 per share, totaling Baht 2.25 million and Baht 40 million, respectively.

10. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

As at December 31, 2012 and 2011, 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. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2012 and 2011 consisted of:

	Unit : Baht							
	Consolidated financial statements							
	Land and land improvements	Building and building improvements	Fixtures and office equipment	Machinery and equipment	Vehicles	Equipment under installation	Building and building improvements under construction	Total
Cost								
At January 1, 2011	-	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
Purchase/Transfer in	75,951,000.00	-	795,513.68	931,349.00	4,516,100.00	-	413,525.00	82,607,487.68
Disposals/Transfer out	-	-	(857,891.22)	(37,603.74)	-	-	(234,400.00)	(1,129,894.96)
At December 31, 2012	75,951,000.00	13,159,541.16	9,703,327.72	13,820,051.65	25,228,131.96	-	179,125.00	138,041,177.49
Accumulated depreciation								
At January 1, 2011	-	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
Depreciation	-	1,603,632.24	762,540.39	823,399.01	2,688,085.39	-	-	5,877,657.03
Disposals/Transfer out	-	-	(857,809.22)	(37,601.74)	-	-	-	(895,410.96)
At December 31, 2012	-	11,482,224.38	8,130,917.21	11,969,793.99	10,581,713.40	-	-	42,164,648.98
Net book value								
At December 31, 2011	-	3,280,949.02	1,539,519.22	1,742,309.67	12,818,403.95	-	-	19,381,181.86
At December 31, 2012	75,951,000.00	1,677,316.78	1,572,410.51	1,850,257.66	14,646,418.56	-	179,125.00	95,876,528.51

Unit : Baht

	Separate financial statements							
	Land and land improvements	Building and building improvements	Fixtures and office equipment	Machinery and equipment	Vehicles	Equipment under installation	Building and building improvements under construction	Total
Cost								
At January 1, 2011	-	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
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	9,260,434.82	12,926,306.39	20,712,031.96	-	-	56,058,314.33
Purchase/Transfer in	75,951,000.00	-	707,684.63	931,349.00	3,616,000.00	-	413,525.00	81,619,558.63
Disposals/Transfer out	-	-	(857,891.22)	(37,603.74)	-	-	(234,400.00)	(1,129,894.96)
At December 31, 2012	75,951,000.00	13,159,541.16	9,110,228.23	13,820,051.65	24,328,031.96	-	179,125.00	136,547,978.00
Accumulated depreciation								
At January 1, 2011	-	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
Disposals/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
Depreciation	-	1,603,632.24	717,434.35	823,399.01	2,640,289.83	-	-	5,784,755.43
Disposals/Transfer out	-	-	(857,809.22)	(37,601.74)	-	-	-	(895,410.96)
At December 31, 2012	-	11,482,224.38	7,736,643.57	11,969,793.99	10,533,917.84	-	-	41,722,579.78
Net book value								
At December 31, 2011	-	3,280,949.02	1,383,416.38	1,742,309.67	12,818,403.95	-	-	19,225,079.02
At December 31, 2012	75,951,000.00	1,677,316.78	1,373,584.66	1,850,257.66	13,794,114.12	-	179,125.00	94,825,398.22

Depreciation for the years ended December 31, 2012 and 2011 as shown in statements of comprehensive income.

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Depreciation				
Cost of sales	2,922,899.18	3,074,854.91	2,922,899.18	3,074,854.91
Selling expenses	937,380.76	814,878.45	937,380.76	814,878.45
Administrative expenses	2,017,377.09	1,558,262.49	1,924,475.49	1,517,029.66
Total	<u>5,877,657.03</u>	<u>5,447,995.85</u>	<u>5,784,755.43</u>	<u>5,406,763.02</u>

As at December 31, 2012 and 2011, 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	
	2012	2011	2012	2011
Building and equipment	<u>17,545,893.49</u>	<u>15,372,569.24</u>	<u>17,213,265.35</u>	<u>15,096,063.62</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, 2012 to November 15, 2013 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, 2012 to September 30, 2013. The rental fee is as stipulated in the agreement.

12. INTANGIBLE ASSETS

Intangible assets as at December 31, 2012 and 2011 consisted of:

	Unit : Baht		
	Consolidated financial statements and separate financial statements		
	Trademarks	Software licences	Total
Cost			
At January 1, 2011	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
Additions/Transfer in	-	8,950.00	8,950.00
Disposals/Transfer out	-	-	-
At December 31, 2012	200,000.00	643,915.00	843,915.00
Accumulated amortization			
At January 1, 2011	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
Amortization	-	85,029.09	85,029.09
Disposals/Transfer out	-	-	-
At December 31, 2012	200,000.00	530,821.62	730,821.62
Net book value			
At December 31, 2011	-	189,172.47	189,172.47
At December 31, 2012	-	113,093.38	113,093.38

Amortization for the years ended December 31, 2012 and 2011 in the amount of Baht 0.09 million, was included in administrative expenses.

13. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Guarantee for asset rental (see Note 4)	2,070,000.00	2,070,000.00	2,070,000.00	2,070,000.00
Other guarantee	350,191.26	368,844.20	4,000.00	14,456.57
Leasehold - net	30,241.56	60,482.88	30,241.56	60,482.88
Net	2,450,432.82	2,499,327.08	2,104,241.56	2,144,939.45

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

Bank overdrafts and short-term loans from financial institutions as at December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Bank overdrafts	158,466.45	360,515.66	158,466.45	360,515.66
Short-term loans	2,960,469.70	-	-	-
Total	3,118,936.15	360,515.66	158,466.45	360,515.66

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.

The subsidiary had short-term loan from financial institution in the amount of USD 0.03 million referred with interest rate of LIBOR six months and used customer's drafts as collateral.

15. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Trade accounts payable - Domestic	45,009,466.87	28,798,415.42	45,009,466.87	28,798,415.42
Trade accounts payable - Overseas	24,494,181.04	24,139,536.63	24,494,181.04	24,139,536.63
Post-date cheque	22,442,018.23	21,974,045.23	22,442,018.23	21,974,045.23
Total trade accounts payable	91,945,666.14	74,911,997.28	91,945,666.14	74,911,997.28
Other payables	15,690,667.99	8,542,080.21	14,783,955.72	7,440,562.45
Total trade and other payables	107,636,334.13	83,454,077.49	106,729,621.86	82,352,559.73

16. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations in the statements of financial position as at December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Post-employment benefit plan				
Present value of obligations	39,759,553.82	37,697,623.70	39,686,140.38	37,697,623.70
Employee benefit obligations	39,759,553.82	37,697,623.70	39,686,140.38	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.

Movements of the present value of employee benefit obligations for the years ended December 31, 2012 and 2011 were as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Post-employment benefit plan				
Employee benefit obligations as at January 1	37,697,623.70	34,128,361.15	37,697,623.70	34,128,361.15
Current service cost	2,075,241.06	3,063,340.55	2,001,827.62	3,063,340.55
Interest cost	637,778.34	601,410.70	637,778.34	601,410.70
Decrease in liabilities from payment	(2,393,911.31)	(950,400.00)	(2,393,911.31)	(950,400.00)
Actuarial loss	1,742,822.03	854,911.30	1,742,822.03	854,911.30
Employee benefit obligations as at December 31	<u>39,759,553.82</u>	<u>37,697,623.70</u>	<u>39,686,140.38</u>	<u>37,697,623.70</u>

Employee benefit expenses for the years ended December 31, 2012 and 2011 as shown in the statements of comprehensive income.

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Post-employment benefit plan				
Cost of sales	415,416.72	656,534.34	415,416.72	656,534.34
Selling expenses	909,767.94	1,551,919.51	909,767.94	1,551,919.51
Administrative expenses	3,130,656.77	2,311,208.70	3,057,243.33	2,311,208.70
Total employee benefit expenses	<u>4,455,841.43</u>	<u>4,519,662.55</u>	<u>4,382,427.99</u>	<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

At the Board of Directors’ Meeting held on August 9, 2012, a resolution was passed authorizing the payment of interim dividend payment at the rate of Baht 0.09 per share, in the total amount of Baht 17.10 million.

At the Ordinary General Meeting of Shareholders held on April 19, 2012, a resolution was passed authorizing the payment of a dividend 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 total amount of Baht 34.20 million.

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.

20. OTHER INCOME

Other income for the years ended December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Revenue from royalty fee (see Note 21)	5,073,536.78	5,143,920.00	5,073,536.78	5,143,920.00
Others	7,390,394.89	12,007,348.70	7,323,277.44	8,670,438.76
Total	12,463,931.67	17,151,268.70	12,396,814.22	13,814,358.76

21. 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.

22. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2012 and 2011 consisted of:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Changes in inventories of finished goods and work in progress	(1,759,999.37)	(139,122.53)	(1,028,237.14)	344,262.50
Purchase of finished goods	16,199,880.34	25,308,620.75	16,199,880.34	25,308,620.75
Raw materials and supplies used	468,874,297.71	442,601,639.90	468,874,297.71	442,601,639.90
Employee expenses	108,554,909.77	92,171,600.39	94,347,693.18	84,865,546.23
Distribution and utility expenses	18,758,123.99	15,965,324.81	12,055,277.42	10,980,657.81
Rental fee	6,725,270.61	6,540,369.59	5,153,400.00	5,009,400.00
Depreciation and amortization	5,992,927.26	5,562,931.10	5,900,025.84	5,521,698.27
Loss on devaluation of inventories	475,916.28	23,384.25	-	-
Interest expenses	64,242.64	147,796.66	184,483.72	141,487.92

23. INCOME TAX EXPENSE

Corporate income tax for the years ended December 31, 2012 and 2011 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 the years and recorded the accrued portion as liabilities in the statements of financial position.

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

24. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2012, the Company and subsidiaries 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 financial consultant agreement in order to study business development plan. The service fee is stipulated in the agreement.
- From payment under a design of the plant's blueprint agreement in the amount of Baht 1.44 million.
- From payment under rental agreements for land and building with related parties in the amount of Baht 0.46 million per month, future minimum rental payments under non-cancellable operating leases are as follows (see Note 4).

Year	Unit : Million Baht
	Future minimum lease payments
Not more than 1 year	5.51
More than 1 year but not over 5 years	-
	<u>5.51</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.
- From payment under rental agreements for warehouse area with a company. The rental fee is stipulated in the agreement.
- 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 subsidiaries 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 the years ended December 31, 2012 and 2011 were classified as follows:

For the year ended December 31, 2012.

	Unit: Baht			
	Domestic sales	Export sales	Eliminate	Total
Net sales	375,839,498.77	493,399,366.82	(119,887,130.42)	749,351,735.17
Cost of sales	(267,949,032.36)	(364,751,595.88)	119,667,879.34	(513,032,748.90)
Gross profit	107,890,466.41	128,647,770.94	(219,251.08)	236,318,986.27
Other income				12,463,931.67
Selling and administrative expenses				(149,146,799.79)
Finance cost				(64,242.64)
Profit before income tax				99,571,875.51
Income tax expense				(24,963,956.47)
Profit for the year				74,607,919.04
Profit (loss) attributable to :				
Owners of the parent				74,793,869.46
Non-controlling interests				(185,950.42)
				74,607,919.04
Property, plant and equipment				95,876,528.51
Total assets in the consolidated financial statements				465,240,721.41

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 expense				92,954,452.18
Income tax expense				(27,215,211.88)
Profit for the year				65,739,240.30
Building and equipment				19,381,181.86
Total assets in the consolidated financial statements				417,525,011.03

26. PROMOTIONAL PRIVILEGES

UBIS PRIMATECH Co., Ltd. (“the subsidiary”) received a promotion certificate under the Investment Promotion Act B.E. 2520 for its business sealing compounds. The major privileges granted to the subsidiary are as follows:

1. Exemption from import duty on machinery as approved by the Board of Investment.
2. Exemption from corporate income tax on net profit derived from the operation of promoted businesses for a period of 8 years from the date operating income is first derived.
3. Exemption from income tax on net profit for dividends from the operation of promoted businesses through the promoted period.
4. Exemption from import duty for import raw material and necessary supply from overseas for manufacturing and export within one year from the first date of import.
5. Exemption from import duty for import goods from overseas and export within one year from the first date of import.
6. Other privileges as stated in the certificate.

Moreover, the subsidiary has to comply with the conditions stated in the certificate.

In the year 2012, the subsidiary did not have revenue from sale.

27. 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, 2012 and 2011 the Company had assets and liabilities in foreign currencies as follows:

Unit: Millions								
Currencies	Consolidated financial statements				Separate financial statements			
	2012		2011		2012		2011	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
US Dollars	1.17	0.86	0.76	0.75	2.44	0.86	1.68	0.75
Singapore Dollars	0.39	-	0.34	0.02	0.39	-	0.34	0.02
EURO	0.32	-	0.24	0.02	0.32	-	0.24	0.02

However, the Company had forward exchange contracts to hedge the exchange rate on the partial foreign trade accounts receivables. As at December 31, 2012, the Company had outstanding forward sold contracts for accounts receivables in the amount of USD 1.36 million, EURO 0.37 million and Singapore Dollars 0.32 million which have maturity date between January 2013 to July 2013.

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.

28. RECLASSIFICATION

The Company and its subsidiaries have reclassified certain accounts in the statement of financial position as at December 31, 2011 to conform with the presentation of the financial statements of this year consisted of:

Unit : Baht						
	Consolidated financial statements			Separate financial statements		
	Before		After	Before		After
	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification	Reclassification
Statements of financial position						
Trade and other payables	79,221,530.05	4,232,547.44	83,454,077.49	78,120,012.29	4,232,547.44	82,352,559.73
Other current liabilities	4,891,763.70	(4,232,547.44)	659,216.26	4,891,763.70	(4,232,547.44)	659,216.26

However, the reclassification did not have significant impact on the statement of financial position as at December 31, 2010.

29. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 27, 2013, the Board approved to propose for approval at the Ordinary General Meeting of Shareholders as following:

- a full year 2012 dividend payment at the rate of Baht 0.41 per share which consisted of interim dividend payment at the rate of Baht 0.09 per share, according to the Board of Directors' Meeting held on August 9, 2012 and this latest dividend payment at the rate of Baht 0.32 per share in the totaling amount of Baht 60.80 million, which determined to stock dividend at the rate of Baht 0.20 per share in the portion of 5 ordinary shares to 1 stock dividend and cash dividend at the rate of Baht 0.12 per share.
- the increase of registered capital of the Company from the previous registered capital of Baht 190,000,000 to Baht 228,000,000 by issuing new ordinary shares of 38,000,000 at the par value of Baht 1 per share.

30. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Company's Board of Directors on February 27, 2013.

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, 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 (Common Share 190,000,000 shares, Par Value Baht 1.00)
Founded year	17 June 1997
Subsidiary Company	Ubis All Co.,Ltd. Ubis Primatech Limited Vita International Trading (Guangzhou) Co., Ltd.
Investor Relations	Mr. Sawang Dhangwattanotai and Mr. Akrawin Boonmongkolras Tel: 0 2678 4222 ext 320 Fax: 0 2287 2018 Email: akrawin@ubisasia.com

1.2 References

Auditor	Mr. Udom Thanuratpong, C.P.A. No.8501 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	Mrs. Warisa Chaleekul, Sean (2010) Co., Ltd.. 44/555 Moo 10, Nawamin Road, Klong Kum, Bueng Kum, 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



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