

ANNUAL REPORT 2009

MODERNFORM GROUP PUBLIC COMPANY LIMITED



modernform

รายงานประจำปี 2552
บริษัท โมเดิร์นฟอร์มกรุ๊ป จำกัด (มหาชน)

modernform furniture shopping gallery



Modernform Furniture Shopping Gallery @ CDC

อาณาจักรแห่งนวัตกรรมดีไซน์ ตกแต่ง และไลฟ์สไตล์อันทันสมัยบนพื้นที่ 2,000 ตรม. ถนนเลียบทางด่วนเอกมัย-รามอินทรา สัมผัสประสบการณ์จากเฟอร์นิเจอร์สำนักงาน เฟอร์นิเจอร์บ้าน และเฟอร์นิเจอร์ชุดครัว ภายใต้แนวคิดของการอยู่อาศัยแบบคนเมือง ที่พร้อมสรรพทุกไลฟ์สไตล์ ที่สร้างบรรยากาศ และแรงบันดาลใจให้ทุกๆ วันเป็นวันแห่งความสุข ที่ชั้น 1 ของโชว์รูม

ชั้น 2 ของโชว์รูมได้นำความล้ำหน้าทางนวัตกรรม และเทคโนโลยีแห่งความสะอาดสบายหลากหลายรูปแบบ ด้วยคุณภาพของวัสดุอุปกรณ์และวัสดุตกแต่งชั้นนำระดับโลก เพื่อการออกแบบและตกแต่งภายใน และพบกับ Furniture Learning and Resources Center (FLR) ศูนย์การเรียนรู้เกี่ยวกับเฟอร์นิเจอร์แห่งแรกและแห่งเดียวในประเทศไทย ที่รวบรวมข้อมูล เทคนิค และวิธีการต่างๆ ที่เป็นนวัตกรรมทั้งการออกแบบ การเลือกใช้วัสดุอุปกรณ์ และระบบการผลิตเฟอร์นิเจอร์ ที่ช่วยให้เฟอร์นิเจอร์มีคุณภาพ ตลอดจนนิทรรศการงานดีไซน์ทั้งของบริษัทและจากต่างประเทศเพื่อผู้ที่รักและสนใจการออกแบบเฟอร์นิเจอร์

The realm of design innovation, decoration and modern lifestyle on the 2,000-square-meter area at Ekkamai - Ram Indra Road Experience the touch of office furniture, home furniture and kitchen furniture under the concept of urban living fully for all lifestyles creating the ambiance and inspiration to make everyday living a pleasure on the first floor of the Gallery.

The second floor leads to advancement in innovation and technology in living comforts in various forms and functions with world-class quality of materials and decorative items for interior designs. Find Furniture Learning and Resources Center (FLR), the first and only furniture learning center in Thailand, gathering information, techniques and innovation methods in regards to design, selection of materials and furniture production systems that permit high-quality furniture, and product design exhibitions from the Company's own creation and import sources for those who love and have passion in furniture designs.

Vision & Mission

We strive to create innovative ideas that inspire the art of living and quality work life

มุ่งมั่นสร้างสรรค์นวัตกรรมเพื่อเติมเต็มความสุขและคุณภาพชีวิตทั้งที่ทำงานและที่อยู่อาศัย

Our values

Aim for Excellence

Focus on customer satisfaction

Uphold integrity

Promote creativity and innovation

Strive for continuous learning

Succeed through collaboration

Share high entrepreneurial spirit

มุ่งมั่นสู่ความเป็นเลิศ

ตอบสนองความพึงพอใจของลูกค้า

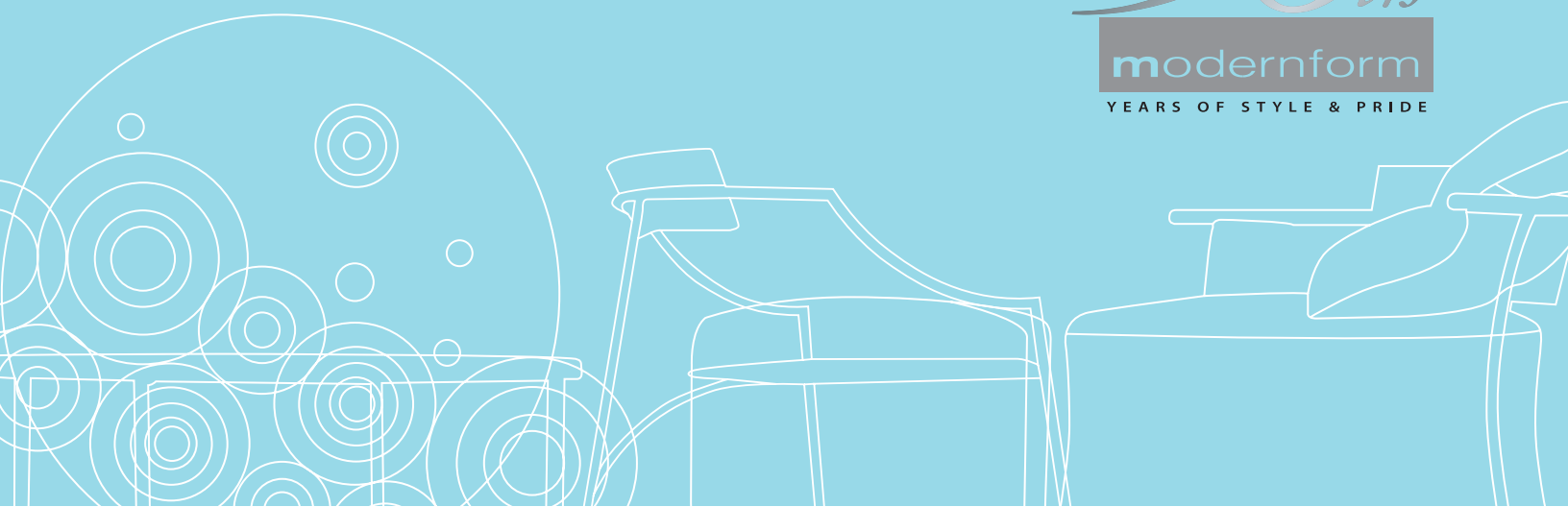
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ส่งเสริมความริเริ่มสร้างสรรค์และนวัตกรรม

เรียนรู้อย่างต่อเนื่อง

ร่วมกันทำงานเพื่อความสำเร็จ

มีส่วนร่วมเป็นเจ้าของ



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The year of 2009 appeared as the bitter economic time for Thailand and all countries around the world, slowing down the business sector from expansion and weakening consumption. In addition, Thailand continuously confronted domestic political conflicts, affecting investment and expenditures in both state and private sectors. It could be said that almost all industries have been affected from the above-mentioned problems. Meanwhile, in the last quarter of 2009, there were some signs of economic recovery, leaving 2010 better changes.

The Company necessarily performed operations with cautions under the mentioned situations in the previous year, slightly deteriorating 2009 performance. However, the Company was in a situation to generate profit and pay dividends constantly. In the meantime, the Company does not hold back to progress on product and business development for broader market coverage. This aimed at building up base for growth when the economy enters a period of recovery in the future.

In 2010, the economy is expected to register a recovery. The Company is ready to grow its business in parallel with the economic situations. With its strengths in production, sales, marketing and finance, the Company will have outstanding performance as it did in the past.

The Company operates for 30 years in 2010. Therefore, the management adjusts the Company’s vision to have objectives to cover a broader range of its businesses. Taking initiatives in innovation for consumers’ quality of life into consideration, the Company believes that all of our employees will dedicate themselves for Modernform’s growth and stay together for benefits of all in the society.

On behalf of the Company’s Board of Director and the Management Team, I would like to take this opportunity to thank all of our colleagues, customers, trade partners, shareholders and relevant parties who always trust and support the Company.


Mr. Chareon Usanachitt
Chairman


Mr. Thaksa Busayapoka
Chief Executive Director

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Thailand managed to have survived in the tough time of the economic crisis in 2009 in the aftermath of adverse factors arising within and outside the country throughout the year of 2008. The followings are some examples of Thailand's adverse factors: defaults of subprime mortgages in the United States that have triggered a global economic crisis; rising oil prices; more importantly, Thailand's political turmoil that directly affected the investor confidence. Amidst such negative factors, Thai economy recorded the sharpest contraction of 7.1% in the first quarter of 2009. However, the country witnessed a gradual recovery of the economic performance during the year to register a growth of 2.7% - 3.2% in the fourth quarter. With these, Thai economy was projected to contract only 3% for the whole year of 2009 which was better than expected at the beginning of the year.

Thai economic situations slid into less-than-expected economic slowdown as a result of the recovery of the global economy especially fast economic recoveries in China, India and South Korea, gradual economic recoveries in the United States and the Europe. Thanks to measures against the economic crisis to assist and recover the global economy provided by central governments in many countries. Thailand witnessed a reverse of Thai exports to capture a positive edge of growth again in the third quarter after contraction from the first quarter of 2008. Throughout the year of 2009, total export value contracted 15%. The improved situation of the country's unemployment resulted from a recovery of the export sector and better employment from the construction industry which received demand from the government's economic stimulus package. The government gave a budget approval for a total of 116,000 million baht in the first quarter in order to launch 18 stimulus measures to boost the economy. These measures included financial assistance to low-income earners to lessen adverse impacts from the economic downturn. Besides, the government approved a budget of 40,000 million baht, most of which were used for assisting the real estate industry which acted as an engine for the overall economic recovery. The detailed measures included renewal of tax credit, transfer fee, reduction of special business tax, reduction of mortgage fee, increase ceiling of tax deduction on interest until 28 March 2010. Such measures clearly enabled the real estate market to register a recovery after a bottom-out in the first quarter. In the second half of 2009, there were more launches of new projects with increased sales. In particular, condominium projects recorded 47.3% of total launched projects.

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Another factor that prevented the Thai economy from plunging as expected was the world's crude oil price which plummeted to approximately \$70 per barrel at the end of 2009 from the ceiling of \$147 per barrel in July 2008. Such sharp decrease in the oil price significantly assisted the inflation rate to stay at -0.8% in 2009. The highly important internal factor that directly affected Thailand's economic direction was the country's political situations, the government's stability, and the series of the political protests. In 2009, the political demonstrations and unrests became less severe and chaotic than those in the previous year. The Government led by Prime Minister Abhisit Vejjajiva led the Coalition Government comprising of the Democrat Party and other coalition parties to fight off obstacles and be in the office for a full year despite of several times of the government reshuffles.

As for this New Year, 2010, the Bank of Thailand estimated that Thai economy would make a continuous recovery with an expectation of the growth at 3.3%-5.3%. Thai economy is likely to be boosted from expansion of domestic consumption and growth of exports at 10.5% with the inflation rate in a range of 1.3%-2.3%. Construction materials and agricultural products are projected to register higher prices. Investment from the government sector would be a key engine for Thai economy to move on. The Stimulus Package is expected to include the investment of 1.43 trillion baht in a period of three (3) years from 2010 to 2012. This package focuses on developing Thailand to be able to compete with other countries in the world markets and grow with sustainability. The projects under this package include irrigation, construction of road and railroad, mass transport system, development of education levels, and development of tourism structure for tourism promotion. As for the property sector, the overall picture of the property market would likely experience better view from higher confidence of business operators and consumers with the new project value expected to increase 9.5% in 2010. Sales and credit extension would likely post better results than 2009 with an estimated increase of property prices by 10% due to increased construction materials. Higher competition is expected in the markets especially in the condominium market.

In 2010, the world economic recovery is likely to be fragile and uncertain, becoming a risk factor that would affect Thailand's economic situations. In particular, the United States still records high unemployment rate while several countries in the European Union has been hit hard by the mounting public debts. China, a major economic driver for this region, may experience a bubble burst that may give impacts on Thailand's exports. Thai baht has been appreciating against the U.S. dollar which tends to depreciate as a result of the U.S. government's large budget deficit. Another

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significant risk factor goes to uncertainty of the domestic political situation reflected from social conflicts that lead to the chronic political problems, division of people in the conflicts, and lack of hamonization. Such ongoing political problem may lead to serious incident like that in April 2009. This situation erodes investor confidence and slows down investment plans. If the problem at Mab Ta Phut industrial estate is not eased swiftly, this would likely deteriorate foreign investors confidence eventually. The adverse impacts may be broadened from the political problems and such policy if not corrected in good time and allowed to develop into chronic problems which may prevent Thailand from the recovery in time along with our neighboring countries.

Annual results from consolidated basis of the company in 2009 records totaled revenue of THB 2,396.4 million of which THB 2,214.2 million was from sales. Net profits of THB 302.3 million decreased by 21.2% year-on-year. Earnings per share were THB 3.74 baht which decreased a 18.7% and total asset were at THB 3,171.0 million which grew by 3.4% of the previous year.

Product Research and Development

In 2009, the Product Development Center performed its operations, as planned, in product development for standard products, products designed for projects, and new product groups for brands as described below.

To emphasize the leading position in office fumiture design, the center developed the new office products such as EXM4 President - an office work set for executives, AXIS - modern office desk system for modern work behavior, AGALICO - home entertainment unit to complete the home product group, Atrium - new and deluxe kitchen fumiture with hi-end fittings for fulfilling cooking pleasure.

As for the products designed for projects, the center developed custom-designed products for housing projects including Sansiri Group projects, PTT Group office projects and Siam Commercial Bank in order to meet the special customer demand. This yielded satisfactory results.

In addition, the center developed a new group of products to respond to the Company's policy to expand its business into new product groups such as bathroom products under the brand çBatique.é Batique consists of six styles of premium bathrooms with humidity resistance materials and soft-close technology for work smoothness. The latest, the center developed ready-made doors under the brand çreadydoré with innovative designs and materials. çreadydoré is a perfect alternative for architects and interior designers who demand difference.

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Aside from placing importance on design, the Company paid attention on filing an application of its designed products for patents. It was to protect its works from copying and build up customer confidence for their unique products that did not appear in other places, leading to higher value added to the products themselves. The Company has been selected from Department of Intellectual Property, Ministry of Commerce to receive IP Champion 2009 in the field of patents and petty patents.

Apart from its focus on the leading position in design, the Product Development Center concentrated on the quality control system. It intended to carry forward the MODERNFORM products to have quality comparable to that of the global furniture industry. Therefore, its product testing laboratory applied for and received ISO/IEC 17025: 2005 from Thai Industrial Standards Institute. This was the first testing laboratory in Thai furniture industry. Such standard allowed consumers to have more confidence in MODERNFORM chairs which passed ANSI/BIFMA testing from a standardized testing laboratory.

As for the plan in 2010, the Product Development Center plans to develop the management and design processes, one of structural innovation, in order to increase efficiency and integrate its system more efficiently. This is to accommodate increased work and always maintain the leading position in design, innovation and differentiation for customer satisfaction.

Production

In 2009, the Company recorded a decrease of approximately 20% in production due to decrease in sales. Through this, the production capacity was appropriately adjusted in order to maintain efficiency and control production costs to be competitive. In terms of product quality, to maintain the leading position in quality and provide the highest customer satisfaction, the Company established the successful Modernform Quality Project to improve quality of products including chairs, sofa, cabinets and tables.

In the year of 2010 when the economic situation is still uncertain, however, in the brighter picture, in the first quarter, the production has a plan to adopt the fast expansion of production to accommodate a large number of backlogs, and speedily develop its capability to satisfy fiercer-competition businesses and demand of customers in the more customized fashion.

Furthermore, the Company has been participating in the Productivity Improvement with Innovation Project which is promoted and supported by Department of Industrial Promotion.

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Marketing, Sales and Distribution

The economic slowdown since 2008 along with the domestic political turmoil led to slowdown in investment for business expansion and property market in the first half of the year in particular. The smaller number of new projects emerged. Some were postponed in construction. The middle to low market still moved on. Amidst high competition, several operators especially those with retail focus turned to emphasize on price reduction. The export market was not able to compete with foreign rivals due to lower production costs of the competitors especially those from China and Vietnam. Therefore, the Company had to make more adjustment through brand-building in the consumer market, build-up of premium-brand awareness among targeted groups, and focus on design, adding value. Besides, new product groups that have never been marketed before were introduced as a means to grow from new product groups. The Company focused on the project market as its main distribution channel with 70% share in sales and the retail at 30%. The project channel was likely to increase in sales as the retail market was sharply contracting as a result of decreasing purchase power of consumers. There was more opportunity for the project market thanks to expansion of hospital business, education and state agencies which were growing channels. The residential projects registered a slight slowdown. However, several projects turned to concentrate on the housing market and condominiums equipped with full set of furniture. This was a good opportunity for the Company to penetrate more into this market especially 2-3 million baht projects. Retail market experienced a greater slowdown due to shrinking market demand.

In addition, penetration into new segments was made through cby Modernformé after sub-brand in order to build up customer confidence for high-quality products from Modernform. This brought the market to more colorful life. The Company recorded income from Modernformüs three main brands: office furniture - Modernform Workplace, home furniture - Modernform Exclusive Living, and kitchen furniture - Modernform kitchen. The Company generated main income from the office furniture. Of total income, 50% came from the office furniture and the remaining 50% from a combination of the home and kitchen furniture. This was changed from the earlier ratio of 60:40. In the first half of the year, it has been largely affected from the poor economic and domestic political situations. The office furniture’s sales contracted after slowdown of investment in business expansion and began weathering better situation in the latter half of the year. Then, sales of the office furniture especially for mid-to large-sized projects resumed its busy periods, particularly in the power and financial sectors. Education institutes, hospitals and state

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agencies continued to witness continuous growth rates. There was an introduction of AXIS Set, new modern-designed office furniture system that responded to new working styles. This new product received positive responses from customers and interior designers.

The market still demanded home furniture, stimulated by tax measures of the government on the economy and property industry. The Company continuously penetrated the project works as currently property projects focused on sales complete with decorations, allowing the Company to expand along with. In the meantime, the competition became fiercer. The Company concentrated on tailoring development and design to meet demand of projects in terms of styles and limited budget prices as project owners were more careful on costs. Furthermore, the Company launched walk-in closets - Agalico Set whose function was expanded into working and entertaining areas for more perfection of usage, new bedroom - Michaela and Louvre, new sofa, and new sideboard.

The kitchen furniture registered a slowdown of 20% as did the office furniture in the first half of the year. This was attributable to slowdown of delivery as a result of lack of confidence in the economy. However, the Company moved on to develop and launches new collections of products. New kitchen furniture çAtriumé was marketed as the luxury innovative kitchen. Several types of innovations were applied to this collection. They included large-sized sliding doors equipped with the soft close system, built-in TV and electric oven.

This year, bathroom furniture çbathique by Modernformé was introduced in six designs. It was designed to be the luxury bathroom furniture to satisfy demand for luxurious bathrooms, leading to satisfactory results in sales.

In addition, a new advertisement campaign was launched through magazine media as a means to keep awareness of Modernform. TV advertisement was brought on air again. The 30-year logo for 30-year anniversary of business operations in 2010 was shown.

This year, the Company recorded 2,200 million baht in sales. Of total sales, 39% went to kitchen and home furniture, 36% for office furniture, 23% for material equipment and decorative items, and 2% for exports.

For the sales promotion activities, aside from Annual Sale held every year to provide return to customers and release inventory, the Company organized more marketing activities in order to stimulate customer purchases. These activities included çSofa Sensationé for introduction of new styles of Sofa, and çSmarter Livingé for demonstration of decoration of small rooms with multi-function furniture that suits a limited utilization space of a condominium

in 2009, the Company introduced a new group of products, including ready-made doors for home under the brand readydoré made of Eurolight Board from Australia. Its special quality is in producing a light door of 2.80-meter height, higher than a normal door without any bending, allowing reduction of waste and saving in door fittings. This type of doors is distributed with adjustable door frames designed specially for readydoré with a variety of surfaces as desired by customers.

In order to facilitate customers, the Company opened a new showroom at Crystal Park Design Center (CDC), Ekkamai-Ram Indra Road. Combined with two existing ones at Sukhumvit Road and Phuket province, the Company has a total of three showrooms.

In 2010, the Company continues to search for high-quality products and innovations, and expand its distribution channels in order to satisfy customer and market demand in facilitation and completeness of product choices. In addition, it concentrates on human resources development and improvement of organization structure for higher efficiency to suit each product category.

“ a—“ - II

In 2009, the Company further advanced its production process by using barcode for production to reduce data recording time, upgrading sales system into E-business to allow customers to order or inspect products through the Company's inter web, using Document Management to file and store documents to reduce paper usage and search time, and developing Internal Audit system for the Company's internal audit to manage and store data.

Furthermore, the Company enhanced its communication efficiency in both Intranet and Internet. This was done through downtime reduction and increased Virus protection efficiency in the computer network.

In 2010, the Company formulates an IT Development plan for the continuous and new systems in order to boost its work efficiency and set its foothold into the Digital Enterprise edge. The plan is as follows:

- Continuously develop in;
- HRIS (Human Resource Information System). HRIS is to increase the work efficiency in human resource through faster and more systematic human resource data administration system.

IT System Development

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new-generation employees into the development program of their administrative works, business-related knowledge and leadership. This is to prepare this group of employees to be ready to step into the executive level in the future. This project will be run continuously in order to support competent and good employees to have opportunities to be promoted to become the Company's key persons in the future.

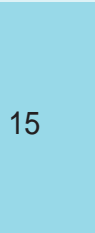
The Company introduced çGrid Works,é another type of management concepts, for 200 leader-level employees. Those who passed the course were expected to utilize the knowledge to succeed in developing both work administration and human resource management for their teams, prepare them to have participation and involvement that would lead to team spirit.

In the production and service line, the Company established the Skill Development Center for developing professionals in production and installation to the highest standard. This was essential to build up customer satisfaction. The center was set to gather knowledge pertinent to furniture work knowledge as search information for further study of new-generation workers and continuous skill development. Besides, the Kaizen projects were still carried on every year with employees recognizing its importance and role in improving production quality.

In improving employees' quality of life, the Company supports the formation various clubs according to their interests such as sport clubs, Yoo-Nai-Boon (Stay in Merit) club, Chee-Wit-Thee-Nue-Kwa (Life Beyond) club, photo club and travel club. The employees jointly managed and carried on activities voluntarily. These club activities assisted in having them work as a team, be responsible and relaxed as they involved in the activities they liked and developed relationship with colleagues and the Company.

With the economic slowdown, the Company chose çV Spirité as its Corporate Theme for the year of 2009, meaning both for victory and the employees' spirit. This focused on work dedication and spirit of every employee. With their teamworking and joint spirit, the Company stepped over the economic crisis in 2009 and is ready to succeed in the future.

For 2010, the anniversary year for three decades, the Company set its Corporate Theme as çDo it with Modernform passion.é This is in compliance with the Company's new vision with 2010 human resource development strategy that employs the corporate theme as a means to drive changes leading to the new vision for the whole organization.



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Corporate Social Responsibility Activities

The Company not only concentrated on operating its business to prosper with quality and sustainability, but also paid attention on taking part in social development through continuous support of public projects especially in education. It was aware of the importance of the education for youth development as the foundation of the country's development. Thus, the Company provided scholarships and promoted education through several projects. These projects included 25 MODERNFORM scholarships at 10,000 baht per scholarship which was held for the 15th consecutive year, the project for donation of student uniforms, education materials, skill books, desks, cabinets, book shelves in libraries, sport equipment, and equipment for vegetable farms within schools to poor schools in vicinities and the provinces. The Company provided training on furniture, design and fundamentals on furniture material usage for internationally-standardized furniture production, jointly formulated curriculum for the product design department, acted as advisors for thesis on furniture in state and private universities, accepted internships of furniture design department which was a part of universities' curriculum, allowed students to visit the Company's plants, showrooms and ISO/IEC 17025:2005-certified testing laboratory which was the first testing laboratory in Thailand's furniture industry. The Company set aside a part of income from sales of collection çThe Elegance of Simplicity throughout 2009 under the Designer Series Project to donate for Bangkok Art and Culture Center Foundation to support Thai designers.

Furthermore, the Company provided supports in other aspects. These included Children Day's activities in which the Company provided education materials, books and topcoats for a school in Chiang Mai province, support and assistance to education organization project in a school in Prachin Buri province, donation of utensils, kid toys, kids' ware for Bangpakong Disabled Child House and Home for Mentally and Physically Handicapped Babies, organization of blood donation for Thai Red Cross Society on a yearly basis, Phapa ceremony and Kathina ceremony.

General Information of Company

General Information of Company

Information of Company

Company Name : Modernform Group Public Company Limited (Modernform)
Major Activity : Manufacturer, Importer and Distributor of Knocked-Down Furniture
Registered Capital : 892,000,000 Baht
Paid-up capital : 832,353,720 Baht
Par value : 10 Baht
As at : 31st December, 2009
Head Office Location : 699 Srinakarindr Road, Kwang Suanluang, Khet Suanluang, Bangkok 10250
 Tel. 0-2722-8250, Fax. 0-2722-8382
 www.modernform.com
 E-mail : enquiry@modernform.com

Production Plant 1
 33/2, 33/5 Bangna-trad Highway, Tambon Bangchalong, Amphoe Bangplee, Samutprakam 10540
 Tel. 0-2337-0217-27
 Fax. 0-2337-0839

Production Plant A
 123 Bangkhuntien Road, Kwang Sa-Mae-Dam, Khet Bangkhuntien Bangkok 10150
 Tel. 0-2416-9802
 Fax. 0-2416-4683

Production Plant B
 12/80 Bangkhuntien Road, Kwang Ta-Kam, Khet Bangkhuntien, Bangkok 10150
 Tel. 0-2897-2201-4
 Fax. 0-2897-3739

Home Decorative Products
 1207-1213 Sukhumvit Road, Kwang North Klongton, Khet Wattana, Bangkok 10110
 Tel. 0-2391-4051-2
 Fax. 0-2381-1726

Head Office, Production Units and Branch

Company Name : Modernform Group Public Company Limited
Major Activity : Manufacturer, Importer and Distributor of Knocked-Down Furniture
Registered Capital : 892,000,000 Baht.
Paid-up capital : 832,353,720 Baht.
Par value : Bht.10
As at : 31st December, 2009
Head Office Location : 699 Srinakarindr Road, Kwang Suanluang, Khet Suanluang, Bangkok 10250
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 www.modernform.com
 E-mail : enquiry@modernform.com

Production Plants
Production 1
 33/2, 33/5 Bangna-trad Highway, Tambon Bangchalong, Amphoe Bangplee, Samutprakam 10540
 Tel. 0-2337-0217-27
 Fax. 0-2337-0839

Production 2
Plant A
 123 Bangkhuntien Road, Kwang Sa-Mae-Dam, Khet Bangkhuntien Bangkok 10150
 Tel. 0-2416-9802 Fax. 0-2416-4683

Plant B
 12/80 Bangkhuntien Road, Kwang Ta-Kam, Khet Bangkhuntien, Bangkok 10150
 Tel. 0-2897-2201-4 Fax. 0-2897-3739

Import Division
Home Decorative Products
 1207-1213 Sukhumvit Road, Kwang North Klongton, Khet Wattana, Bangkok 10110
 Tel. 0-2391-4051-2 Fax. 0-2381-1726

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Modernform's Showrooms and Distribution Outlets in Bangkok

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modernform
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Modernform is Dealer in the Regional

Chiang Mai, Northern Dealer

Chiangmai Modernform Ltd.,Part (Dealer)
 107/1-8 Chiangmai -Lampang Road, Tambon Patan,
 Amphoe Muang, Chaing Mai 50300
 Tel. (053) 212-222, (053) 258-127-9
 Fax. (053) 872-451
 Email : modernform@tananuwat.com

Chiang Mai, Northern Dealer

Chiangmai Modernform Ltd.,Part (Dealer)
 107/1-8 Chiangmai -Lampang Road, Tambon Patan,
 Amphoe Muang, Chaing Mai 50300
 Tel. (053) 212-222, (053) 258-127-9
 Fax. (053) 872-451
 Email : modernform@tananuwat.com

Khon Kaen, North-Eastern Dealer

Phum Modern Furniture Limited Partnership
 1/69-72 Mitrpap Road, Tambon Nai Muang,
 Amphoe Muang, Khonkaen 40000
 Tel. (043) 243-428-9
 Fax. (043) 243-430
 Email : phummodern@hotmail.com

Khon Kaen, North-Eastern Dealer

Phum Modern Furniture Limited Partnership
 1/69-72 Mitrpap Road, Tambon Nai Muang,
 Amphoe Muang, Khonkaen 40000
 Tel. (043) 243-428-9
 Fax. (043) 243-430
 Email : phummodern@hotmail.com

Udonthani, North-Eastern Dealer

Nanovation Co., Ltd.
 212-214 Prajak Road, Tambon Mak-Khang,
 Amphoe Muang, Udonthani 41000
 Tel. (042) 212-000, (042) 212-710-1 ext.405
 Fax. (042) 212-709
 Email : moderformudon@gmail.com

Udonthani, North-Eastern Dealer

Nanovation Co., Ltd.
 212-214 Prajak Road, Tambon Mak-Khang,
 Amphoe Muang, Udonthani 41000
 Tel. (042) 212-000, (042) 212-710 -1 ext.405
 Fax. (042) 212-709
 Email : moderformudon@gmail.com

Surat Thani, Southern Dealer

D F L Co., Ltd.
 140/1 M.2 Tambon Makhamtia
 Amphoe Muang, Suratthani 84000
 Tel. (077) 272-555, 288-788
 Fax. (077) 288-655
 Email : dfl.modernform@gmail.com

Surat Thani, Southern Dealer

D F L Co., Ltd.
 140/1 M.2 Tambon Makhamtia
 Amphoe Muang, Suratthani 84000
 Tel. (077) 272-555, 288-788
 Fax. (077) 288-655
 Email : dfl.modernform@gmail.com

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“- - - - -” 2617-2944-50 , “- - - - -” 0-2617-2682-4

(A) Share Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building
Rachadapisek Road, Klongtoey, Bangkok 10110.
Tel. 0-2229-2800

(B) Debenture holders

None

(C) Auditor

Ms. Rungnapa Lertsuwankul	CPA No.3516
Ms. Vissuta Jariyatanakom	CPA No.3853
Ms. Sumalee Reewarabandith	CPA No.3970

Ernts And Young Office Limited
193/136 - 137 Fl. 23 Lake Rachada Building,
Bangkok 10110
Tel. 0-2264-0777 Fax 0-2264-0790

(D) Solicitor

Sucharitkul and Associates Law Office Co., Ltd.
157/29 Soi Areesumphan 2, Phahonyothin Rd., Samsennai,
Phayathai, Bangkok 10400
Tel. 0-2617-2944-50 Fax. 0-2617-2682-4

Modernform Group Public Company Limited operates a comprehensive furniture business which produces office furniture Workplace, SOHO by Modernform, SOHO by Modernform residential Modernform Exclusive Living, Life by Modernform, Modernform Kitchen, outdoor furniture Xteria by Modernform and bathroom furniture bathique by Modernform. It domestically distributes these products through projects sales teams, company showroom network throughout the country, and authorized dealers in different regions; in addition to exporting them to foreign markets. Furthermore, the Company imports premium quality furniture Casabella by Modernform and furniture fittings and interior decorative products from Italy and the United States.

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There are 3 subsidiary companies under Modernform Group Public Company Limited; they are the following:

1. Modernform Tower Company Limited was founded in 1991 by Modernform Group Public Company Limited who invested 100 percent in the company. Presently, the Modernform Tower Company has a registered share capital of Baht 220 million, owns the title deed to the property of Modernform Toweré building on Srinakaran Road. The building is situated on a 3-0-35 rai plot, rises 28 floors, and has a net area of 26,000 square meters. The building was completed and fully operational on May of 1995 and served not only as the head office of the Modernform Group Public Company Limited, its subsidiary companies, and affiliated companies, but also a showroom for all lines of products. The remaining space was to be leased out as office space to non-related persons.

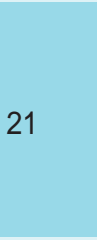
There are 3 subsidiary companies under Modernform Group Public Company Limited; they are the following:

2. Modernform Health and Care Co., Ltd. was incorporated on October 14, 2005 to manufacture, distribute, import, export as well as provide maintenance services to healthcare products for hospital, rehabilitation center and household uses. Modernform Group Public Company Limited holds 60 percent of baht 16 million of paid-up capital with a par value of Baht 10 per share. Modernform Health and Care Co., Ltd. is located at 699 Modernform Tower Srinakarindr Rd. Suan Luang Bangkok.

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3. Xteria Co., Ltd. was established in 2006 with the registered and paid-up capital of 30 million baht and par value of 10 baht per share. The Company manufactures and distributes outdoor furniture, decorative materials, designs architectural and landscaping works, supplies other construction and decorative materials, and provide garden designs. Modernform Group Public Company Limited holds 75% of total registered capital in July 2009, up from the previous holding of 30%. This is to strengthen Modernform's leading position in furniture business and utilize its resources at the optimal level. Xteria Company

3. Xteria Co., Ltd. was established in 2006 with the registered and paid-up capital of 30 million baht and par value of 10 baht per share. The Company manufactures and distributes outdoor furniture, decorative materials, designs architectural and landscaping works, supplies other construction and decorative materials, and provide garden designs. Modernform Group Public Company Limited holds 75% of total registered capital in July 2009, up from the previous holding of 30%. This is to strengthen Modernform's leading position in furniture business and utilize its resources at the optimal level. Xteria Company



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Limited owns three (3) subsidiaries and associated companies. They include Rafa Design Office Company Limited, Rafa Plus Architect Company Limited and Rafa Plus Management Company Limited. All of these companies operate architectural works.

The 3 subsidiary companies do not hold shares between or in each other in anyway.

የሥራዎች ዝርዝር

Revenue structure of different business groups

The revenue structure for the years 2007 to 2009 from the operations of the Company and its 3 subsidiary companies can be divided into 3 business groups.

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Product Range/Business Group	Operated by	% Shares	2552 / 2009		2551 / 2008		2550 / 2007	
			አ.ጠ. (Mil.Bht.)	%	አ.ጠ. (Mil.Bht.)	%	አ.ጠ. (Mil.Bht.)	%
Furniture Business	Modernform Group Public Company Limited	-	809	34	1,045	38	975	37
- Office furniture			790	33	885	32	827	31
- Residential furniture			34	1	100	4	68	3
- Export furniture			50	2	66	2	54	2
- Import furniture			351	15	369	13	350	13
- Furniture fittings			161	6	155	6	125	5
- Carpet tiles			12	1	-	-	-	-
- Outdoor furniture			-	-	-	-	-	-
Healthcare Furniture	Modernform Health & Care Co., Ltd.	60	55	2	56	2	47	2
Space rental and services	Modernform Tower Co., Ltd.	100	66	3	62	2	46	2
Architectural	Xteria Co., Ltd.	75	27	1	-	-	-	-
Miscellaneous*	-	-	41	2	16	1	34	5
ጠቅላላ (Total)			2,396	100	2,754	100	2,526	100

* የሥራዎች ዝርዝር ለዓመቱ 2552 ዓ.ም. ለሥራዎች ዝርዝር ለዓመቱ 2552 ዓ.ም. ለሥራዎች ዝርዝር ለዓመቱ 2552 ዓ.ም.
 * Outdoor furniture revenues started from July 1st 2009
 ** የሥራዎች ዝርዝር ለዓመቱ 2550-2552 ዓ.ም. ለሥራዎች ዝርዝር ለዓመቱ 2550-2552 ዓ.ም.
 ** Miscellaneous revenues of the Company and subsidiary companies includes showroom rental fees, and sales of raw material scraps.

የሥራዎች ዝርዝር

Business Objectives

የሥራዎች ዝርዝር ለዓመቱ 2550-2552 ዓ.ም. ለሥራዎች ዝርዝር ለዓመቱ 2550-2552 ዓ.ም. ለሥራዎች ዝርዝር ለዓመቱ 2550-2552 ዓ.ም.

The Company has its goal to continuously grow its business with sustainability and to strengthen the brand ምዕመፎሎ. Its vision is to create innovation in fulfilling happiness and wellness in work and living places through modern and high-quality office furniture, home furniture, and decorative materials. The Company aims to maintain the leading position in the premium to medium markets and fulfill customer demand and satisfaction in having products under the brand ምዕመፎሎ at home and in the offices through dedicated services before and after sales.

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In addition, the Company emphasizes on building up the brand çModernformé to be more than furniture. This is to strengthen its business through various directions including new businesses, new products and new ideas for product differentiation and higher added value. Aside from this, the Company joined hand with local and overseas alliances for an authorized distributor or distribution under licensing or collaboration for new brands. For example, the Company, in 2005, established Modernform Health and Care Company Limited to produce, import and distribute health furniture and products. In 2007, it jointly invested in Exterior Company Limited to produce and distribute outdoor furniture under the brand çXteria by Modernformé and design landscaping and architectural works. It allied with Cotto, the sanitaryware brand, under the brand çCotto Modernformé to develop and design bathroom furniture. In 2009, the Company acted as an authorized distributor for Stanley products, a U.S. leader in tools. It launched new products, Bathique by Modernform, premium-designed bathrooms in various styles, and the latest readydor by Modernform, ready-made door system in various styles through innovation advancement. Furthermore, the opening of more-than-2,000-square-meter Crystal Design Center was marked as the Concept Store for strategic location in building up the brand çModernform,é focusing on targeted designers and boosting sales volume.

Operation of each product division

As for the revenue of the Company and its subsidiaries in 2009, the major revenue of the Company has come from furniture business. Operations of each product division is stated below.

Furniture business

These are the main products of the Company and are divided in to 7 groups as follows:

Office Furniture Products

- Under the registered trademark çModernform Workplaceé, products include office desks, shelves, filing cabinets, office chairs, workstation partitions, meeting tables, reception tables, and reception chairs. A portion of Modernform Workplace’s consumer group includes architects, contractors, interior decorators, and developers who play a significant part in specifying and placing substantial amounts of orders throughout the year, especially at the beginning and end of each year. The government sector, hospitals and educational institutes are also another large consumer group, possessing a substantial budget in purchasing a significant volume of office furniture and equipment. Another group of consumers is individual customers or end users or SME company owners who desire quality products and services. Their orders are usually placed throughout the year, with high volume at the beginning and end of the year, and directly through showrooms.

Hi-Macs Stanley (Architectural Products) a -tj a -mY -o V&...
creadydoré

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...-j)Yô aôô â ...-taji oS&A a' „ çYc "Stô™
...a'ôf

z "«-ôjy "À" jtoô atôô a't A'Y' -o" . ç&c—

ai2552 ôjy "À" jtoô atôô a't A'Y' -o" . ç&c—
...-taji oS&A a' -a -t » „ ç - E' ...
...-j)Yô aôô â ...-taji oS&A a' „ çYc "Stô™
...a'ôf

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ôjy S, ° " μ "Ycôβ°Y' -ô' ° "

ç -Y'«-® " „À&Y' -ô' ° " "j" "tçâ ' S& (out source)
tæ& j' Product lines „Àâ-μ tō&æE' . ç&c-μ&° çE™a° —

material, furniture decorative trims and composite stones, as well as, sinks and faucets, basin, bathtub, composite marble Verona Stone and LG Hi-Macs solid surface, Stanley tools and architectural products such as door closer, hinge, latch, door handle and door knob for both wooden door and glass door, and auto doors. For a number of years, the Company has been the sole distributor of these high quality imported products in Thailand and in 2009 the company has launched new product time of doors creadydoré.

Interface carpet tiles The Interface Modernform Company Limited was established in a partnership with the Interface Inc. Company from the United States in 1994 to manufacture carpet tiles. The Modernform Group Public Company Limited is the sole distributor for Thailand, while the Interface Modernform Company is responsible for all foreign sales.

Situations of the Furniture Industry and Competition

In 2009, the furniture industry has been hit by the ongoing economic slowdown unavoidably. In particular, the office furniture joined the slowing pace with the private investment's slowdown especially foreign companies and the country's leading firms. The Company relied mainly on the state sectors and state enterprises which had budget for organizational renovation and expansion throughout the year of 2009. Home furniture continued to experience expansion along with the property market including condominiums in the urban areas and areas close to skytrain station scheduled to open and complete in the next one to three years. In addition, the government policies for promotion of tax measures on ownership transfer of land and property and maintaining of interest rates allowed the property market to expand, leading to expansion of the home furniture industry.

In the furniture market, there was high price competition in both retail and project sales. This intensified in the lower-end market where design or innovation was not the focal point. As for the retail market through showrooms, Sweden-based IKEA Company has declared its opening in large-sized shopping center of more-than-400,000-square-meter area in 2011, leading to higher competition in the market. There was competition for the project market where furniture design concepts for projects have been focused. Aside from that, quality assurance and punctual delivery and installation for the projects are emphasized.

In the year of 2010, the furniture market would likely confront fiercer competition after AFTA's tariff on furniture lowered to 0% which took effect from January 2010 onwards. The 0% rate would permit more foreign products to penetrate into Thai markets, piling up market barriers for business operators. However, simultaneously, the business operators would be able to source products from abroad to add their product lines in order to increase their competitiveness.



၂၀၁၅ ခုနှစ် ဇူလိုင်လ ၁ ရက်နေ့မှစ၍ အန္တရာယ်ကင်းရှင်းရေး အဖွဲ့အစည်းကို ဖွဲ့စည်းပေးခဲ့ပြီး အဖွဲ့ဝင်များကို အသိပေးခဲ့ပါသည်။ အဖွဲ့အစည်းသည် အန္တရာယ်ကင်းရှင်းရေး အစီအစဉ်များကို အကောင်အထည်ဖော်ဆောင်ရွက်ရန် အားထုတ်ဆောင်ရွက်ခဲ့ပါသည်။

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1. အန္တရာယ်ကင်းရှင်းရေး အစီအစဉ်

အဖွဲ့အစည်းသည် အန္တရာယ်ကင်းရှင်းရေး အစီအစဉ်များကို အကောင်အထည်ဖော်ဆောင်ရွက်ရန် အားထုတ်ဆောင်ရွက်ခဲ့ပါသည်။ အဖွဲ့အစည်းသည် အန္တရာယ်ကင်းရှင်းရေး အစီအစဉ်များကို အကောင်အထည်ဖော်ဆောင်ရွက်ရန် အားထုတ်ဆောင်ရွက်ခဲ့ပါသည်။

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အဖွဲ့အစည်းသည် အန္တရာယ်ကင်းရှင်းရေး အစီအစဉ်များကို အကောင်အထည်ဖော်ဆောင်ရွက်ရန် အားထုတ်ဆောင်ရွက်ခဲ့ပါသည်။ အဖွဲ့အစည်းသည် အန္တရာယ်ကင်းရှင်းရေး အစီအစဉ်များကို အကောင်အထည်ဖော်ဆောင်ရွက်ရန် အားထုတ်ဆောင်ရွက်ခဲ့ပါသည်။

The Board of Directors has appointed the Risk Management Committee since 2004, to assess both external and internal risks that may significantly affect the Company's business operations. Different factors, including economic, political, social, technological, and market situations, are consistently analyzed and assessed in order to determine the limitations and procedures in managing any existing risks. This is then relayed to the concerned executives and employees to implement in compliance with stipulated risk management policies. The implementation will be monitored to ensure the minimization of risks or contain any damage that should arise from the different risk factors in the company operation.

Last year, Thailand, as a whole, has been impacted from both domestic and global critical factors. The global financial downturn, problem of irreconcilable ideas of people in the country which eventually led to airport closure, political instability, oil price volatility and southern insurgency as well as natural disasters, all had put pressures on the outlook of business sectors. All these critical factors have been incorporated into our strategies and plans to ensure that we are prepared with risk mitigations and maintain growth according to our set business targets.

1. Business Risks

Thailand's economy started a recovery in late 2009 with expansion of domestic demand especially in the medium and premium markets, downward trend of interest rates, and responses to residential projects like condominiums. However, the export market still experienced contraction and investors continued to concern over the economic and political problems. It is expected that the overall economy would not make much improvement, leading the business operators to turn their interest toward the local markets.

In the meantime, in 2010 when AFTA and FTA comes into effect, the local business operators are required to adopt an adjustment path to be able to compete with existing local competitors, new domestic entries and foreign rivals. On the positive side, such competition stimulates and give life to the furniture market.

Thus, the Management draws out a core strategy for next-year growth by expanding into new segments for new products, decorative items, new-collection furniture with နေရာအသစ်များကို ဝင်ရောက်ဖွဲ့စည်းဆောင်ရွက်ခြင်းဖြစ်ပါသည်။

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after the sub-brand. Aside from being colorful for the market, the sub-brand will mitigate business risks related to the Company’s main brand by driving huge revenue of millions baht per year and penetrating new customers in the rising star state sector in 2010.

2. Financial Risks

Taking heavy toll on our economy and as a result from the effects of the global financial contraction, our company has set out policies to limit such impacts from the turmoil. We managed budgets and controlled costs with a great deal of caution. Our measures included maintaining low gearing, enhancing cash cycle turnaround to promote effectiveness and liquidity to cope with economic pressures.

2.1 Foreign currency exchange risk

The Company operates both import and export business. The Company and its subsidiary companies possess foreign exchange risks due to foreign denominated transactions. The Company and its subsidiary companies have prepared forward contracts for the purchase of foreign currencies to protect against exchange rate risks, in which the majority of these contracts have a period of not more than 1 year. The company and the subsidiary companies did not calculate the fair value into the forward contracts due to the short duration and insignificance of their value.

2.2 Credit Risks related to credit sales

Under the current economic situation, the Company set a policy on more careful credit extension in order to reduce default risks. The appropriateness for credit extension is considered. Customers are classified into two (2) groups: retail customers and project customers with a ratio of 30:70 at present who take risks arising from growth or contraction of the property business. The retail customers comprise of those with financial stability, being categorized as middle customers and up. Most purchases are done with cash with 30% deposit and the balance 70% after delivery and installation. The second - project customers consist of large-sized property project owners. This group may slow down or abolish their projects. Therefore, the Company set the criteria on credit extension for new customers carefully. It will review the credit amount and request for credit collateral, based on each customer’s financial statement analysis. For the existing customers, the Company coordinates with and monitors them closely in order to reduce risks and payment period.

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à «-YÏ° à°° o jÏtÏ âtÏâ tM«-YÏ° « æ-jÏ- “B È™-y.®. -Ïy° aËS“« ÆË à „À âi«-YÏ° à “tçâ°° μâa -t jÿ Ë“S“cÏB«-YÏ° tÀ à ËË Bμ“i “S“ ç“-â°°â jÏ μââa -t jÿ. -Òμ-“. °tâ Ë tβ μ“μâa -t jÿ · μâ ËB°° Ì-âi°â tçâ«-YÏ° tÏB YB È-“ Ë Ë°° μââ a -t jÿ, a j“ j°° „Àâ Ì-âjÏ” “®. °° μâ ÒB Ìÿ %â— à Y°°°â jÏ μââa -t jÿ Ò°°° È Ì-â-β— “°° a —S“ ââ àÀ “-tYÏ tæ-βæÏμâ°° tμ j°° a tμâ jÿ - “S“ ç“-‘ SâcÏB Ì-âjÏ%â· -ç -tY-«°— Ì-â°ââ° “ —“ Ë“-tβ μ“ ââ à tæËËËS«“jt ËB°°°° o-o« cÏBÏμ-“. °tâ È %âî S “È Yâ-

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tæËËËS«“jt ËBâ - SÏjæçtμÏ âBâ S«“jt Ì-â“- °°° ç-æ μââË Ì-â°°° Disaster Recovery plan ,Y-°° ” ÒBçâjÿ -Yt°âçâjÿ Ò°° “ È,Y-™,Storage Service °°°â°° “E” «j Bââ network tçi - Multiprotocol label Switching (MPLS) tæË,ÀâÏY S ËB°—° B“ Disaster Recovery Plan ÈB%â È tæËËËS«“jâ ÒYç-çÏB çâjÿ Ò°°° È Ì-â°°âμâËS -° j°° S«“jâ ÒYç-çÏB çâjÿ - - tS Òçâ-SÏjæçtμÏ à «j BââË -t jÿ «âYâ- ç°° „SÏjæçtμÏ à - - tS Òçâ-cÏBÏBâ Ò-ââa ÒYç-é tæâi %âμ“jæ .«âYâ°°° - “S«“j°Yt°Ë°-SÏjæçtμÏ à æ.». 2550

3. Risks on Raw Materials

The Company set a policy on 80% local high-quality raw materials. The local contents include panel board, leather, and cloth, being equivalent to 40% of total raw material costs. Their prices are moving along with the markets. Although the material prices increase sharply, there are a number of manufacturing plants. Therefore, the Company mitigates risks by comparing prices from several suppliers before ordering. In addition, with high volume of raw materials used, the Company wields bargaining power in negotiation with the manufacturing plants for the best conditions. It always monitors price movement.

In the year of 2010, it is expected that there will be small risks in fluctuation of raw material prices. The product costs are estimated to increase by no more than 5% next year. This is in accordance with the estimated inflation rate of 2-3%. With these, the Company will review the situation and make price adjustment as deem appropriate.

The fittings and supplies used in furniture production, such as finishing foil, hinges, drawer tracks, locks and other hardware items are mostly imported. Prices may fluctuate in response to foreign manufacturers or currency exchange rates, however, in recent periods such problems have not arisen as the Company imports its own fittings and supplies. As such, large order volumes placed enabled the Company to have high bargaining power and gain discounts from the foreign producers. Furthermore, the Company is aware of price changes several months in advance, allowing it sufficient time to adjust costs and prices accordingly.

4. Operational risk IT System Risk

To be cautious of events or disasters that could cause main IT backbone system failure, we have prepared the Disaster Recovery Plan by having data and information back-up offsite and usage of Storage Service from a reputable service provider. The network system that we use is Multiprotocol Label Switching (MPLS), to correspond with the works on Disaster Recovery Plan. All these efforts ensure the safety of our information and Network system. A formal written guideline on çSafeguarding our computer and network systemé has been distributed to in compliance with act B.E. 2550 of criminal acts for computer systems.

“-T0A9 10 “- . ° «-H4 μy“Sj 2552 («-record date 1a0a-1B a1° -A“30“)
List of top 10 major shareholders as of October 14, 2009 (The record Date for dividend payment)

“-T0A9 Name of Shareholders	® « À9 No. of shares	% c0B® « À9 H-j ¥ % of total shares
1. Mellon Bank, N.A.	8,125,110	9.76
2. “-æ0 æ“æ Mr.Por Papom	5,152,712	6.19
3. “- °... y-;çS- Mr.Thaksa Busayapoka	4,602,200	5.53
4. Morgan Stanley & Co. International PCL.	3,900,000	4.68
5. “-,- ‘ † 0B® BŞà Mr.Yothin Nemgchamnong	3,878,842	4.66
6. “B™y& ««-“†°...j Mrs.Chuleewan Vivaddhanakasem	3,775,084	4.53
7. “-†® ‘ 0y: “@µà Mr. Chareon Usanachitt	3,129,126	3.77
8. Fortis Global Custody Service N.V.	3,100,000	3.72
9. RBC Dexia Investor Services Trust	2,864,000	3.44
10. “-°«y‘† 0B® BŞà Mr.Kavivud Nemgchamnong	2,750,400	3.30

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- y™ - . æ 14 μy“Sj 2552 ® « 832,353,720 “ (83,235,372 À9)

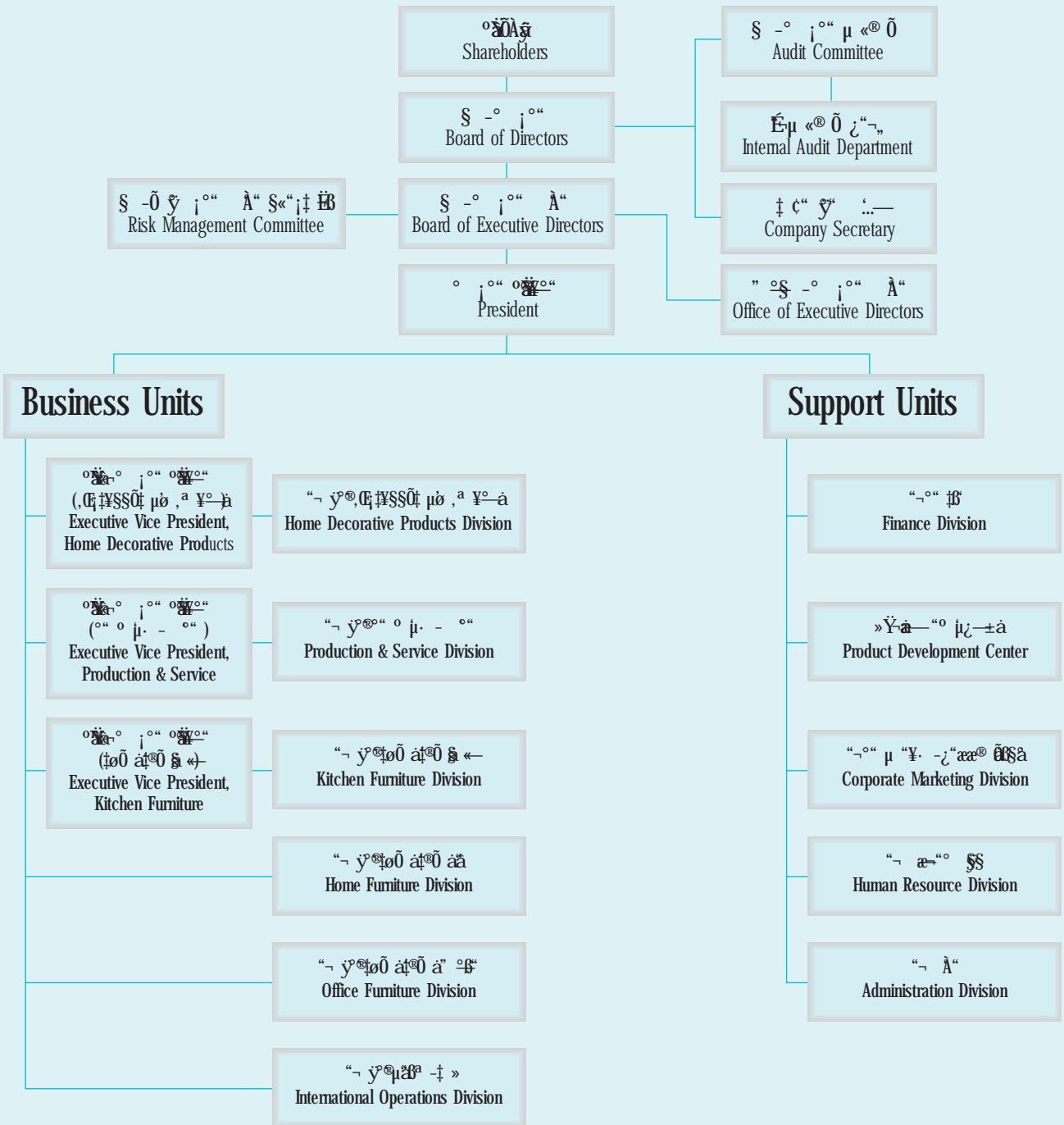
- Note :
- No. of shares includes shareholders in accordance with Section 258 as well
 - Paid-up capital as of October 14, 2009 total 832,353,720 baht (83,235,372,shares)

Management Structure

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 À“ ß“ †aī “- y°® (Business Unit) 6 “- . - “- — y
 (Support Unit) 5 “- „ °“ À“ “Y-“ ‘É a - ‘ ‘:“æ ° -™—
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In 2009, the Executive Director Committee still maintained the operational and management structure of 6 independent business units and 5 support units for a more efficient, clear-cut, and flexible chain of command.

“ßßß ßß“ À“ Ößsa
 Organization Chart



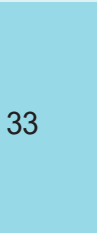
§ -° j°“ ‘...— «—È1 «“§j 2552	Board of Directors as of 31 December 2008
1. “-†® ‘ Öy. “®µµā** Mr. Chareon Usanachitt	a - “ ° j°“ Chairman
2. “-†™™™— j°“ § ÖB** Mr. Jajjai Dhammarunguang	ÖB ^a - “ ° j°“ Vice Chairman
3. “- °... ÿ-;çS- ** Mr. Thaksa Busayapoka	° j°“ Director
4. “-; - ‘ † ÈB®’ §ā* Mr. Yothin Nengchamngong	° j°“ Director
5. “- j°“»VÍ« °“ ** Mr. Somsak Vanikam	° j°“ Director
6. “- “™— ‘æ—«ßā* Mr. Thanachai Theerapatvong	° j°“ Ö - Independent Director
7. “- yµ’ j°“æ’ °...āy* Mr. Suchart Thammakitagkul	° j°“ Ö - Independent Director
8. “-»ÿj°...ā—°-j°“ -ā* Mr. Supparek Mallikamard	° j°“ Ö - Independent Director
9. “-°«ÿ† ÈB®’ §ā** Mr. Kavivud Nengchamngong	° j°“ Director
10. “-™—» æ“æ *** Mr. Chaiyot Papom	° j°“ Director
11. “-æ— Öy. “®µµā* Mr. Patana Usanachitt “ß j°“™µāßā Mrs.Somrak Chotibhongs	° j°“ °ÿ°“ President † ç“ y°“ ‘...— Company’s Secretary
Àj°“-†Àµy* ° j°“ Ö - -° j°“ µ «® Ö Independent Director and Audit Committee	
* ° j°“ Èi°ÿÀ“ Executive Director	
** ° j°“ Èi°ÿÀ“ Non - Executive Director	

Ö†À Ö®° Èwā”À ¥%â çâ ßS—çÖB ‘...Àj°“¥ È4 «ÿæ-
† ÈB -° j°“ . â -ßwā”À ¥,Àß -° j°“ ‘...—^a -° Ö ¥æ-
° j°“ Ö - (Independent Directors) 3 § ® « ÈÀ Ö†à
° j°“ Èi°ÿÀ“ (Executive Directors) . -° j°“ Èi°ÿÀ
†à i°ÿÀ“ (Non-Executive Directors) ¥-%â”À ¥ ‘-j°“ ¥ß-È
° j°“ Ö - Àj°“ -ß ° j°“ ç-° Ö Èwā”À ¥,Àß i°ÿÀ“ . -
µâßjÿy j°“ µ†“jçâ”À ¥çÖB -° j°“ °°-À ° æ-a -
µ “¥À ° æ-a -µ “¥À ° æ-aÀß -† %°- ¥ß-È
1. ÖÀßµ† È - 1 çÖB® « Àÿ È’ ÖÖ† -ß ÈÀ-¥çÖB ‘...—
‘...—È ‘...—àj À Ö µ’ §S È®jS«“jçy-à È ÈÀ-
«jÀÿ ÈÖ,¥-°ÿÈÈçÖB

In addition to the conditions as stipulated in Section 4 of the Company’s Articles of Association concerning directors, the Board of Directors comprising of 3 independent directors, whereas the rest are executive and non-executive directors. Relevant definitions are provided as follows:

Independent Directors: means outside directors who are not executives and shall have the following qualifications as prescribed by SEC and SET :

1. hold not more than 1% shares with voting of the Company, subsidiary or affiliate company or other juristic persons whose interest may be adversary to the Company. Shares belonging to the related persons are also counted.
2. is not or used to be executive director, employee, staff, advisers with regular monthly salary, or has been a person having the



- 2. %p#i À ÔtS-†ai ° j°“ À“ Ý°B æ °B“ È °...” Wâ— †B ÝÔ a -® À Ô°Ñ” “®S« SÿcÔB ...— ...—â. ...—à; À Ô j° Sÿ È®jS«“ jçY-â †«â. µâæâ®°µ” .À B°B° æj“ . æpââ° «â 2 ai
- 3. %p#i Sÿ ÈS«“ j jæ—â“B “-, Àµ À Ô, Y-°“ ÖY -† - µ“ j°ÆÀj“-., ... - Èi Y“j“ Y“ Sÿj æÈB . - Ý «i ÈSÿj cÔB ý cÔB°ÿ À“ °ÑÔÀÿ “-, À à °Ñ” “®S« Sÿ À Ô Sÿ È%â—° † Ô, À†ai °ÿ À“ À Ô°Ñ” “®S« Sÿ cÔB ...—À Ô ...—â.
- 4. %p#i S«“ j jæ—â“B ý°— ...— ...—â. ...—à; À Ô µ“ Sÿ È®jS«“ jçY-â. ... - È®†ai °“ çY«“ B°“ „™â «®“ “ Ô-âBÔ -
- 5. %p#i ° j°“ Wâ—° . µâÈÈæÈ†ai µ«- cÔB° j°“ cÔB ...—°ÑÔÀÿ “-, À à À Ô°ÑÔÀÿ È†ai °ÿ ÈcÔB°—°ÑÔÀÿ “-, À àB ...—
- 6. %p#i °— -ÔÈ, Y È, ÀS«“ j†ÀÔ-â†ai Ô -†°È°— °“ Y”† ‘B“ cÔB ...—

- authority to control the Company, subsidiary or affiliate of the Company, or other juristic persons whose interest may be adversary to the Company, unless a period of not less than 2 years has lapsed .
- 3. is not a person of direct next of kin or by marriage as being parents, spouse, brothers and sisters, or descendants, including spouse of descendants of the executive, major shareholder, a person having the supervisory authority, or a person who is being nominated to be an executive, or person having the supervisory authority of the Company or of the subsidiaries.
- 4. has no business relationship with the Company, the Company’s subsidiary or affiliate or other juristic person whose interest may be adversary to the Company in a manner that may prejudice independent decision making.
- 5. is not a director appointed to represent directors of the Company, major shareholders or shareholders who are related to the major shareholders.
- 6. has no other characteristics which may obstruct him from making independent opinions concerning the operation of the Company’s activities.

° j°“ À“ (Executive Directors) Àj“- B° j°“ È à †°ÈcÔB°—° À“ B“ a -® . -†ai ° j°“ °Ñ” “® B “ j °ÿæ— ...—

Executive Directors : means directors who manage the affairs of the Company on a regular basis or the directors having the power to bind upon the Company

° j°“ Wâ†ai °ÿ À“ (Non-Executive Directors) Àj“- B ° j°“ ®°ç“- Ô° Wâ†ai ° j°“ À“ À Ô° j°“ °ÿ Ô° “® B “ j°ÿæ— ...—%p#i °ÿ À“ À Ôæ °B“ a -® cÔB ...—, Y-® « ° j°“ Wâ†ai °ÿ À“ Ô°†ai %µ“ j Y-à cÔB†B B ý cÔB°ÑÔÀÿ µà° ÿ

Non-Executive Directors: means outside directors who are not executive directors or directors with power to bind upon the Company, and who are not executive nor regular employees of the Company. The number of non-executive directors may be determined according to the ratio of investment from each group of shareholders.

, Y-S -° j°“ †ai °ÿ® “SY† Ô°° j°“ ÈSÿ i ††Àj“- j %p#i °— -µÔÀâjµ“ j È”À Y%â°ÆÀj“-«âYâ— ...— jÀ™®°Y- -câ ÈS-# “YÀ — æ-àÀB† -† »°-, Y-æ® “®° «-→-à— a - °“ æS«jÀ “°À “-, Yâ S«“ j S«“ j “ j È†i a -,™ pã ý°cÔB ...—jS«“ j S«“ j†câ®, ý°cÔB ...— . -%p#i” Bµ” .À È° j°“ À Ô°ÿ À“ „ ý°È®jS«“ jçY-â “B° a -,™ â— ...—(Conflict of Interest) «j È®“ Ôj»† “ „À†æ-æÔ†æÈ†ai °µÀ à È” jS«“ j -Y™Ô %â-â†µÀ ÈjS«“ j†ai Ô° -, °“ µY-“ †æÈ† -,™ aÿYcÔB ...— -°ÑÔÀÿ Y- «j . à ”† ÔµÀ È-™ý “j-°ÑÔÀÿ æ Èj”† Ôâ -«cÔB Sÿ È, Y-j’ “-†Ô-Y È†æ-æÔ†æÈ†ai È-™ý°ÑÔÀÿ “j“ µY-®° “ † » Wâ—†æÈ† Ô°µÈ- j°“ µ“jÀ °†° ±â- -«°° µ“j Wâ”À Y %â câ ÈS-cÔB ...—È†ai «’ 1 share : 1 vote

The Company’s Board of Directors will make selection of persons with suitable qualification, and free from such proscribed characteristics as stipulated in the Public Company Act, by considering their perspective, skill, experience, and diversity of knowledge which will be beneficial to the Company’s business. The selection will also focus on their understanding of the Company’s business, and are not directors or executive of an enterprise whose interest may be in conflict with the Company. They should also devote their time adequately to perform their functions, and can make decision independently for the interest of the Company and the shareholders in general for the purpose of submitting their views to the general meeting of shareholders. Biography of those directors will be presented by the Company with adequate details so that the meeting may be able to make decision from the information so

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· -† 0° j° § À È Ì Ò Ì -††aì ÒBª - ° j° °Wâ
0° È†aì 0ÿ0° È - ° j° À ° j° À ° j°
0ÿ° § -° j° µ «® Ò † c° ŷ° ...-§ -0 ŷ° j°
0ÈÈ µ“ j ÌÁ jS«

...Àa“ - ŷ° j° ŷ° à Wªcª -° Ò jÀ -ÿ
Chairman Ì Ò DCP Ì Ò DAP Ì Ò Effective Audit Committee cÒB
“ ° j° ...-µ- Ò†À Ò®°S« j Ò°SªÒÀ B-ÒµªÈ Ò° ‘
†ªÀ cÈªBª0° µ‘È”À -° j° ...-W-† -° j° µ «® Ò
µ ÒY®° “ †-Èj™ j° . -, Bª° cÒB ...-†aÈÀª j° †cª,®
ŷ®° -° “†† ‘ B° cÒB ...-Wª° cÈÈ

- 0° “@À à ÈÒS -° j° ...-†aì YB-È-
- 1. a0° µÀ à È†aì µ“ j° ÈÀ j° -† a - °™ - µÀ -° a-a -
µ “YÀ -° a-a µ-ŷ° - Bª. -cÈ Bª cÒB ...-µ ÒY® jµ’
§ -° j° . -jµ’ È -™-ŷ°ªÒÀª Yª-S« j’ È µ-àŷ° µ
-0Y™ Ò -jY-«B- -°...° a -,-™ cÒB ...-cÒBªÒÀª
aÈ° cÒBÀ -°° °°-ŷY®°° È
- 2. °À Y«‘ -»-à » “B , -† -†a†ª j° - . -Bª -j° cÒB
...-
- 3. °°-ŷY· -µYµ j° °° a0° µB° cÒB È° À° Ò-àB jÈ jÒ
„À†aì µµ“ j° -† -†a†ª j° - . -° B° È”À Yª-È-àB j’
a - ‘ ŷ° a - ‘ ° †aÈªÈj° Yª “B†» ... °® ÒYªÀªª
°®° . -ª0° µÒ . È,ÀªªªÒÀª
- 4. „ÀS« j° ”S-µÈ° †aY†° - “ † » È”S- -®†aì µÈ°
µY’ „® B ŷ° À -° a-aÒB ...-µ“ j° cÈ Bª µ “YÀ -° a-a
· ÀBª -† »%°-
- 5. W,Àª’ - °° -™ °° “-B° “B° †B° . -°° Ò -™ È
S« j°†ªÈ ÒWª YµàB. - . YB B° -cÒB ...-Èªì® Bµ“ j
j°µ “ °° -™ È-ÒB, Y- Èª
- 6. W,Àª’ - S« Sŷç“- , Èª-BªÈ « j ÈYª „Àª° - « °° „
°° a -† j° S« j°†ª-BªÈ cÒB° S« Sŷç“- , . -°° µ «® Ò
ç“- , Èª - ‘ ŷ° a
- 7. W,Àª’ - À° S« j°† ÈB Èª j° - . -µYµ j° Ò-àB jÈ jÒ
- 8. · µBªS -0 ŷ° j° µàBÈ Wªª°àS -° j° À° § -
° j° µ «® Ò ° j° °®° § -0 ŷ° j° À° S« j
† ÈB- -§S ÒÈÈ µ“ jS« j°†aì †aÈ,Àª”† ‘ °®° cÒB ...-
ç“- ,µÀ° °°-ŷY®°° cÒB S -° j° § -° j° À°

provided to appoint directors in accordance with the procedures prescribed by the Company's Articles of Association based on a one share one vote.

The Board shall appoint from one of its members as Chairman of the Board and may appoint one or more directors as vice chairman. The Board shall also appoint Chairman of the Executive Board, executive directors, president, audit committees, Company secretary, and other committees as may be necessary.

The Company will also support all directors of the Company to attend the Chairman course or DCP or DAP or Effective Audit Committee courses administered by the Institute of Directors, in addition to providing them with data from various sources, such as guidelines for directors of listed companies, audit committee. Directors of the Company will also be given the opportunity to visit the Company's manufacturing sites so that they will have a complete perspective of the Company's operation and lines of business.

The powers and duties of the Company's Board of Directors are as follows:

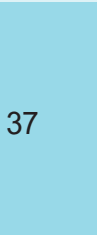
- 1. To comply with laws, Securities and Exchange Act, the objects and the articles of association of the Company, and the resolution of the Board of Directors and the shareholder meetings in good faith, with responsibility and are to preserve the interests of the Company and of the shareholders according to good corporate governance.
- 2. To determine the policy, direction, goal, and budget of the Company.
- 3. To consistently oversee and follow up the result of the performance of the executives so that the stipulated goal and policy are effectively and efficiently met in order to increase economic value to the enterprise and result in good return for the shareholders.
- 4. To treat information disclosure as significant and essential for decision making in security investment in the Company as set forth in the SET's regulations.
- 5. To maintain a reliable and proper accounting system, financial report and auditing to reflect the true position of the Company according to the generally accepted accounting system.
- 6. To maintain an adequate internal control, as well as an appraisal system to evaluate the sufficiency of the internal control and effectiveness of the internal auditing.
- 7. To maintain an appropriate risk management measure and make a consistent follow up.

Director and the President will select the appropriate agendas for the Board Of Directors Meeting, Directors may submit any additional matters to the agenda and make comments openly and independently at the meeting, whose opinions will be noted by the Company's secretary. Sufficient time will be allowed for debates and directors with related and/or conflict of interests will not attend or abstain from voting during the agenda involved. The minutes will hold up to 2-3 hours and will be made ready within 7 days from date of the meeting and will be kept at the Company's head office for examination by the directors and the related parties

In 2009 the Board of Directors held 6 meetings, 4 for standard meetings and 2 extraordinary meetings with 98% attendance of the total member of directors as the records follow:

Name	Number of Attendance	Remarks
1. Mr. Chareon Usanachitt	6/6	
2. Mr. Jajjai Dhammarunguang	6/6	
3. Mr. Thaksa Busayapoka	6/6	
4. Mr. Yothin Nengchamnong	6/6	
5. Mr. Somsak Varikam	6/6	
6. Mr. Thanachai Theerapatvong	5/6	Traveling aboard
7. Mr. Suchart Thammakitagkul	6/6	
8. Mr. Kavivud Nengchamnong	6/6	
9. Mr. Supparek Mallikamarl	6/6	
10. Mr. Chaiyot Papom	6/6	
11. Mr. Patana Usanachitt	6/6	

§ - ° i ° “ À “ «—B1 —“§i 2552	Board of Executive Directors as of 31 December 2009
1. “ - ° i ° “ À “ Mr. Thaksa Busayapoka	a - “ ° i ° “ À “ Chief Executive Director
2. “ - ° i ° “ À “ Mr. Jajjai Dhammarungruang	° i ° “ À “ Executive Director
3. “ - ° i ° “ À “ Mr. Yothin Nemgchamnong	° i ° “ À “ Executive Director
4. “ - ° i ° “ À “ Mr. Somsak Varikam	° i ° “ À “ Executive Director
5. “ - ° i ° “ À “ Mr. Patana Usanachitt	° i ° “ À “ Executive Director



§ - ° i ° “ À “ ... - ° i ° “ À “ ...
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 À “ B “ „Àa ...
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 1 ...
 3 ...
 1 ...
 3 ...

The Executive Board of Directors are appointed by the Board of Directors to transact such activities as designated so as to achieve the Company’s goals or plans as set out by the Board of Directors. The Executive Board of Directors are those directors with power to bind upon the Company as authorized by the resolution of the shareholders’ meeting. Presently, the Executive Board of Directors consists of 1 Chief Executive Director, 1 President and the rest as executive directors. The executive board holds meetings at least once a month. The powers and duties of the executive board of directors are as follows:

1. To manage the business in accordance with the objects, goal, guideline, policy, plan and budget of the Company as determined and assigned by the Board of Directors, as may be authorized by the Board of Directors of the Company.
2. To provide direction, strategies and plans to achieve Company’s objectives.
3. To organize and provide internal structure and operational procedures of the Company for highest efficiency purpose.
4. Periodically review operational outcomes to promptly take corrective actions to achieve company goals.
5. To look for new opportunity in business for submission to the Board of Directors for approval.
6. To review the procurement or disposal of the Company’s material property and to bind upon the Company with matters within the powers authorized by the Board of Directors.
7. To approve any transactions prior to submitting same to the Board of Directors
8. To appoint, remove, and terminate high ranking personnels.
9. To approve distribution of bonus and the amount of money for annual salary increase of the staff within the annual budget of the Company.

ÈÈÒ “@, °“ ¥”† ‘ °“ ¥B° àcâµâcÔBS -° j°“ À“ %âc j B° Ò jH“ -°“ „¥È ÈÈÒBÀ Ò SS ÈS« j c¥-â “B° a -, -TM â’ à %â¥-À ÒÒ“@jS« j c¥-â “B° a -, -TM â °... - ÒÈ,¥°— ‘...-À Ò ‘...-Ò-À Ò ‘...-àj

° j°“ °S“ S -° j°“ ‘...-†a j °S“ “ . µâµÈ ° j°“ °S“ ‘È°¥” Bµ” .À a° j°“ °S“ cÔB ‘...-¥ -† ‘-†a’-B .Àâ¥-« †aÈ,Àâ†« “†a’-BæÒ, °“ À“ ¥Y°“ ¥”† ‘ y°cÔB ‘...-À†a j µµ“ j «µ-y - BSaWâ”À ¥%â†aÈ äB j YSâ°“ Ñ ¥,µâ°aâÖAâ cÈµ BµÈS -° j°“ À“ . - a - “ ° j°“ À“ ,¥-S -° j°“ À“ @†a j °S“ -† j°“ °“ aØ’ µB° cÔB° j°“ °S“ †a j a -° yai «j ÈÈ”À ¥Sâ µÕ . cÔB° j°“ °S“ ,¥-Wâ”À ¥Ï” “@À à ÈÈ j°“ °S“ †a j BÈÈ

1. †a j °S“ À“ °“ . -S« S¥Y°“ ¥”† ‘ °“ ÈÈcÔB°— °“ À“ B° ÈcÔB ‘...-
2. ¥”† ‘ °“ „À†a j µµ“ j . « “B , - “ . ° B° . -B a -j“ Wâ-Ò jH“ °S -° j°“ ‘...-À ÒS -° j°“ À“ À Òa - “ ° j°“ À“ ç“-µâ a -j“ Wâ-° Ò jH“â
3. ¥”† ‘ °“ @B . µâµÈ, -°-â a ¥Ï° † °@B °”À ¥Ïµ-“Sâ@B „Àa”†A Á “B«-a -cÈB† jÏ SâµÕ . , -cÔBæ °B ÈÀ j ¥cÔB ‘...-Ï†A Ò°µ” .À a jH“Wâ-° Ò jH“ ° S -° j°“ À“
4. jÏ” “@Ï jH“ -jÏ Ò” “@BÏ jH“ † °@-†aÈÈ“ @¥-È¥-@B È æ-a’ . - °“ †aÈÈ -, -TM aÏB ‘...-« j ÈÈ jH“ ¥”† ‘ °“ “B° †B †aÈÈ y° j µâÈÈ cÔB ‘...-ç“- , B a -j“ . -«†B ÈÈ -° j°“ À ÒS -° j°“ À“ „Àâ” “@â
5. jÏ” “@Ï°S” ÈÈ-† ‘ a -°“» —° †aÈÈÀa° aØ’ µB° †a j µµ“ j , - “ . -° a -, -TM aÏB ‘...- . †aÈÈ°...-† ‘ ‘« -° “ ”B“ ç“- , ‘...-
6. jÏ” “@ - “ . - . ¥Bµ †a j µµ« ‘...-µâ SS ç“- Ò° „ °@“ ÈÈcÔB . -†a j a -, -TM µâ ‘...-
7. Ò jH“ . µâµÈ ÈÈ°...“¥â µâÈÈ È†a j µâ°“ ¥”† ‘ B°
8. aØ’ µâ à ÈÈÈ µ“ j Wâ-jÏ À j -°°S -° j°“ ‘...-À Ò S -° j°“ À“ À Òa - “ ° j°“ À“ †a j S “ÈÈ %

10. To see to it that the policy on corporate governance is appropriately carried out.
11. To perform any other duties as may be assigned by the Board of Directors.

The above powers do not extend to approval of any transaction which the directors themselves or other related parties may have interest in conflict with that of the Company or any subsidiary or affiliate of the Company.

The President (Managing Director) :

The President is appointed by the Board of Directors who will hold office as President of the Company only so that he will have sufficient time to manage the affairs and activities of the Company in accordance with the objectives of the Company and for the best benefit of the shareholders. The President is under direct command of and report to the Chief of the Executive Board and his performance will be evaluated by the Executive Board of Directors annually, including fixing his remuneration. The power of the President is set forth as follows:

1. To administer, manage, and control operations concerning the general management of the Company.
2. To follow directors policies, plans and budgets approved by the Board of Directors or the Executive Board of Directors or Chief Executive Director.
3. To hire, appoint, transfer, discharge, and lay off; determine wages, bestow awards, adjust monthly salaries, remunerations, and bonuses of all employees except those requiring approval from Board of Executive Directors.
4. To approve or transfer the power to approve the purchasing of assets and services that are beneficial to the Company, and financial transactions involved in business operations; all within the budget provided by the Board of Directors or Board of Executive Directors.
5. To issue orders, regulations announcement and memorandum in order to ensure operations align with Company’s policies and follow specific codes of conduct.
6. To represent the Company in business activities and transactions related and beneficial to the Company.
7. To appoint advisors in different fields as deemed necessary in operations.
8. To do any other functions as may be designated by the Board of Directors, or Board of Executive Directors, or Chief Executive Director.

15. a -†j' o ° a0' #B' c0BS -° i° μ «® Õ †a1 a -® ŷa1 †æE® "a -a ŷ: °æ° ° ¥"† ' °° μE0
16. " -b" c0BS -° i° μ «® Õ , ¥-μE0j cEi y0-æB E- μ' i E "YÀ ° æ-aÀB -† »%o-°"À ¥ , ¥-†a¥†°-%Ea " -b" a -®a†0B :...-
17. a0' μ° " ÕE, ¥μ' i E -° i° " :...-i Õ Àj " - . -S - ° i° μ «® Õ †ÀÁÕ

¥-, a1 2552 § -° i° μ «® Õ %Ea° a -™¥μ' j " -a° μ' «j 4 § E- «- -a†... Õ° 1 § E, ¥-° i° μ «® Õ ŷ ã %Ea †cã àj a -™¥ ŷ¥†a1 E- - 93 ¥B-E

14. To seek counsel from independent professionals from varying fields when deemed necessary on the expense of the Company.
15. To evaluate and assess the performance of the audit committee annually for possible improvement.
16. To prepare a report of the audit committee's activities as may be required by the SET's regulations as part of the Company's annual report.
17. To do any other functions as may be designated by the Board of Directors with consent of the audit committee.

In 2009, the Audit Committee held 4 standards meeting and 1 extraordinary meeting with 93% attendance of the member of directors as follows:

Name	Number of Attendance	Remarks
1. " - "™- 'æ-«B»á Mr. Thanachai Theerapatvong	4/5	μ¥ç " °E¥' " BμæB -† » Traveling aboard
2. " - ¥' μ' j 'æ' °...ây Mr. Suchart Thammavitagkul	5/5	-
3. " -»ŷf°...à -°-j" -á Mr. Supparek Mallikamarl	5/5	-

§ - Õ ŷ i° " À" S«" j† Eß § -° i° " %aμEß - Õ ŷ i° " À" S«" j† Eß i 2548 †æE À" S«" j† Eß -æ†a1 - E ¥- ÕBSa . - ¥-°E° i „ÀS Õ § ŷ ŷ° - « "B" E S«" j "S- E ÕBSa , ¥-S - Õ ŷ i° " À" S«" j† Eß - Õ ¥E-

1. " -™™™- j " E ÕB E °... "S - Õ ŷ i° " À" S«" j† Eß
2. " - °... ŷ- , çS- a - " Õ ŷ i° " À" S«" j† Eß
3. " -æ- Õj " @μá ° i° "
4. " -«- Õj " @μá ° i° "
5. " -° μμ' ŷ- , çS- ° i° "
6. " -° μμ' , ÕÃ " °E ° i° "

- " . -S«" j -°¥™ Õ c0BS -° i° " À" S«" j† Eß
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Risk Management Committee The Board of Directors has appointed the Risk Management Committee in 2005 to work on risks of corporate and activity levels covering all important operational functions. The Risk Management Committee which comprises of:

1. Mr.Jajjai Dhammanunguang Advisor
2. Mr.Thaksa Busayapoka Chairman
3. Mr.Patana Usanachitt Director
4. Mr.Watana Usanachitt Director
5. Mr.Kitti Busayapoka Director
6. Mr.Kookiat Orankit Director

Roles and duties of the Risk Management Company:

1. To review and determine the scope and policies in risk management.
2. To monitor the organization's significant risks, while improving the scope and procedures in identifying and assessing risks.
3. To assess and approve an appropriate risk management plan and ensure its practice throughout the organization.
4. To monitor significant strategic and operational risks.

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°“ a0' m' E EBBSa
- 4. mYm“jS«“jt EB “B° -y à -S«“jt EBVA °“ a0' m°“ E'S—
- 5. „AS“a °...“ S” . - „, °“ Y”t ‘ °“ A° S«“jt EB
- 6. B j . -° -mYLA“ A° S«“jt EBta1«— jõBSa ,Y-
„AaYS m -A °BS“j ”S-çõB°“ A° S«“jt EB
- 7. @Y”Sjõ°“ A° S«“jt EB a -õ Ya-çEjõ °“ Y”t ‘ B°
A °± ±à °“ a -tj'S«“jt EB . - . « “B°“ A° S«“jt EB
. -a -a jLAj a0y—
- 8. E° °S -° j°“ m «® õ t°E°-S«“jt EB E'S—taE
t°E°,-B°-°“ S« SÿZ“-„
- 9. “-B° mõS -° j°“ t°E°-S«“jt EB . -°“ @Y°“ S«“jt EB

- 5. To advise and recommend in the process of risk management.
- 6. To promote and encourage the adoption of risk management as a corporate culture by instilling in employees the importance of risk management.
- 7. To compile and continuously update a risk management handbook which includes information on the procedures in operation, steps in identifying risks, and guidelines to risk management.
- 8. To communicate significant risks to the Audit Committee to incorporate in internal control.
- 9. To report to the Board of Directors on significant risks and risk management measures.

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° j°“ :— . -°a °“ õ ja °ÿt c° y° :—Y,Y-
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t°a1%µ“jA °± ±àE“À Y%â æ . A ° æ-a -µ “YÀ ° æ-a
taE°-°YTMõ „, °“ Yÿ °® jçõBS -° j°“ :—,Y-°“À Y
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Company's Secretary

The Company's Board of Director appointed Mrs. Somrak Chotibhongs, Vice President Administration, to act as the Secretary to the Company. She has appropriate qualifications and experience as the Company's Secretary, and passed a training course on çThe Secretary to the Company,é No. 4/2003 organized by Thai Institute of Directors with all qualifications in compliance with the requirements of the Securities and Exchange Act. She oversees for the Board of Directorsû activities with the following duty and responsibilities.

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°õõAa . -°E°E°çõBµ“j°E-t° çã BS-a -°“»çõB
” °B° S -° j°“ °°-A ° æ-a -µ “YÀ ° æ-a . -
µ “YÀ ° æ-aAa -t »%°- . -@Y” , - “-°“ °°-Yÿ
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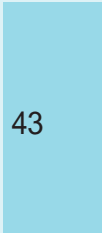
- 1. To perform duties with responsibility, care and honesty, as well as to comply to the law, objectives, articles of association, resolution of the Board and resolution of the shareholders.
- 2. To ensure that the Board of Directors comply with the laws on public company, stock exchange and various regulations stipulated by the SEC and SET and other related institutions.
- 3. Duties relating to good corporate governance by reporting information that is needed to be disclosed to the shareholders and other related parties according to the rules and regulations stipulated by the SEC and SET, and to prepare a policy on good corporate governance of the Company.
- 4. The meeting of the Board and of the shareholders by preparing correct and complete agenda and minutes of the Board's and the shareholders's meetings, within the time frame and have the same kept in good custody for reference and review.

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5. Sending report on conflict of interest of directors and other related persons to the Chairman of the Board and Chairman of the Audit Committee for their review within 7 days from the date the Company received such report.
6. To take care and keep in custody the Register of the Company, i.e. the Register of major Shareholders, Register of Directors and to communicate with the Registrar of Companies.
7. To take care and keep in custody of important documents, such as report of interests of directors, executives and minutes of the Board and shareholders meetings as well as the Company common seal.
8. To coordinate with, as well as to provide facilities to, the shareholders of the Company.

In the event the Company’s Secretary ceases to hold office as secretary or cannot perform the duty, the Board shall appoint a new Secretary within 90 days from the date the former Secretary vacated the office or could not perform the duty.



№- ы	Ө- ы	Сы«ы» «б» »...»	Ү-а «»	S« и ы-а	а - « а »б», - 5 а-а а б-	
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1. «-» ы «»	58	« а , « м , а » ы» я«-» - «š + š + š - а - а» « а , а » ы» RCP « 1/2000, DCP « 32/2003 . - DCP Re « 2/2006 « 06 10D	3.77	«» «» «» «» «» «» «» «» «» «» «» «»	а - « а » «» «» «» «» «» «» «» «» «» «»	«» «»
2. «-» «»	60	« а , « , а » ы» « —» « а » ы» « а «» «» «» «» «» «» « а , « м , а » ы» я«-» - «» «» , а - а» « а , а » ы» DCP « 38/2003 « 06 10D	2.12	«» «»	«» «»	«» «»
3. «-» «»	59	« а , « а » «» « а - «» «» «» «» «» «» «» «» «» « а , а » ы» DCP « 32/2003 « 06 10D	5.53	«» «»	«» «»	«» «»

Credentials of Directors and Executives

Name	Age	Education	% shares	Relationship	Employment Record		
					Period	Position	Company
1. Mr. Chareon Usanachitt	58	<ul style="list-style-type: none"> • BBA, University of Connecticut, U.S.A. • RCP 1/2000, DCP 32/2003 and DCP Re 2/2006 Program of IOD 	3.77	Brother of No.11 & No.12	2001 - present	Chairman	Modernform Group Public Company Limited
					1989 - present	Director/Executive Director	Modernform Tower Company Limited
					1994 - present	Director	Interface Modernform Company Limited
					1997 - present	Chairman	MFEFC Public Company Limited
					1992 - present	Chairman	Modernform Integration Services Company Limited
					1999 - present	Vice Chairman	Modernform Group Public Company Limited
					1989 - present	Executive Director	Modernform Tower Company Limited
					2005 - present	Executive Director	Modernform Health and Care Company Limited
					1994 - present	Executive Director	Thai Paspac Public Company Limited
					1997 - present	Director	MFEFC Public Company Limited
2. Mr. Jajjai Dhammanunguang	60	<ul style="list-style-type: none"> • Master of Management SASIN Graduate Institute of Business Administration, Chulalongkorn University • BBA, Memphis State University, U.S.A. • DCP 38/2003 Program of IOD 	2.12	Brother of No.14	2007 - present	Chairman/Executive Director	Xteta Company Limited
					2007 - present	Executive Director	Rafa Design Company Limited
					2007 - present	Executive Director	Rafa Plus Architect Company Limited
					2009 - present	Executive Director	Rafa Magement Company Limited
					2000 - present	Chief Executive Director	Modernform Group Public Company Limited
					1989 - present	Executive Director	Modernform Tower Company Limited
					1994 - present	Chairman/Executive Director	Thai Paspac Public Company Limited
					1994 - present	Director	Interface Modernform Company Limited
					1997 - present	Vice Chairman	MFEFC Public Company Limited
					2005 - present	Chairman/Executive Director	Modernform Health and Care Company Limited
3. Mr. Thaksa Busayapoka	59	<ul style="list-style-type: none"> • Bachelor of Accountancy, Chulalongkorn University • DCP 32/2003 Program of IOD 	5.53	Brother of No.13	2007 - present	Executive Director	Rafa Design Company Limited
					2007 - present	Executive Director	Rafa Plus Architect Company Limited
					2007 - present	Executive Director	Rafa Magement Company Limited
					2000 - present	Chief Executive Director	Modernform Group Public Company Limited
					1989 - present	Executive Director	Modernform Tower Company Limited
					1994 - present	Chairman/Executive Director	Thai Paspac Public Company Limited
					1994 - present	Director	Interface Modernform Company Limited
					1997 - present	Vice Chairman	MFEFC Public Company Limited
					2005 - present	Chairman/Executive Director	Modernform Health and Care Company Limited
					2007 - present	Executive Director	Xteta Company Limited

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					የሥነ-ልቦና ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ
4	“ግጥም” ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ	4.66	የሥነ-ልቦና ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ
5	“ግጥም” ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ	2.99	የሥነ-ልቦና ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ
6	“ግጥም” ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ	0.03	የሥነ-ልቦና ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ	የሥነ-ልቦና ማሳሰቢያ

Name	Age	Education	% shares	Relationship	Employment Record		
					Period	Position	Company
4. Mr.Yothin Nengchamrong	59	<ul style="list-style-type: none"> ë Master of Political Science, Ramkambang University ë Bachelor of Political Science, Ramkambang University ë DCP 35/2003 Program of IOD ë Capital Market Academy Leadership Program (CMA#7) 	4.66	Brother of No.8	1980 - present	Executive Director	Modernform Group Public Company Limited
					1989 - present	Executive Director	Modernform Tower Company Limited
					2008 - present	Chief Executive Director	Thai Plaspac Public Company Limited
					1997 - present	Director	MPEC Public Company Limited
					2004 - 2009	Independent Director	Nation Multimedia Group Public Company Limited
					2009 - present	Independent Director and Member of The Audit Committee	Nation Multimedia Group Public Company Limited
5. Mr.Somsak Vankam	59	<ul style="list-style-type: none"> ë BBA, Memphis State University, U.S.A. ë DCP Program 88/2003 of IOD 	2.99	-	1980 - present	Executive Director	Modernform Group Public Company Limited
					1989 - present	Chairman	Modernform Tower Company Limited
6. Mr.Thanachai Theerapatwong	64	<ul style="list-style-type: none"> ë Master of Political Science, Ramkambang University ë Bachelor of Political Science, Ramkambang University ë Chairman, DCP 45/2004 Program of IOD 	0.03	-	2003 - present	Independent Director & Chief of Audit Committee	Modernform Group Public Company Limited
					1976 - present	Chairman	Nation Multimedia Group Public Company Limited
					1987 - present	Executive Director	Nation Eduainment Co., Ltd.
					1991 - present	Executive Director	Yomiri-Nation Information Services Co., Ltd.
					1996 - present	Director	National International Co., Ltd.
					2000 - present	Director	Nation Digital Media Co., Ltd.
					2005 - present	Chairman	WPS (Thailand) Co., Ltd.
					2006 - present	Director	NML Co., Ltd.
					2007 - present	Director	Kyodo National Printing Service Co., Ltd.
					2008 - present	Director	Nation News Network Co., Ltd.

Name	Age	Education	% shares	Relationship	Employment Record		
					Period	Position	Company
7. Mr.Suchart Thammapitongkul	60	<ul style="list-style-type: none"> è Master of Law, Harvard Law School, U.S.A è Barister-at-law è Bachelor of Law, Chulalongkorn University è DCP 60/2005, DAP 27/2004 and Effective Audit Committee Program of IOD 	0.00	-	<ul style="list-style-type: none"> 1999 - present Independent Director & Audit Committee Director 2003 - present Independent Director & Audit Committee Director 2005 - present Independent Director & Audit Committee Director 2004 - present Independent Director & Chief Audit Committee 2004 - present Independent Director & Audit Committee Director 1970 - present Partner 1989 - Present Director 1986 - present Director 	<ul style="list-style-type: none"> Moderniform Group Public Company Limited MFECC Public Company Limited Unimint Engineering Public Company Limited T.C.Union Global Public Company Limited Unique Mining Services Public Company Limited Sommuk Sutee & Associates Bansathorn Company Limited Omic Co.,Ltd. 	
8. Mr.Kavivud Nengchamrong	55	<ul style="list-style-type: none"> è Master of Political Science, Ramkambang University è Bachelor of Political Science, Ramkambang University è Bachelor of economic, Sukhothai Thammathat University. è DAP 17/2004 Program of IOD 	3.30	Brother of No.4	<ul style="list-style-type: none"> 2004 - present Director 1987 - present Chairman 1986 - present Chairman 1987 - present Director 	<ul style="list-style-type: none"> Moderniform Group Public Company Limited Ocean Feed Co.,Ltd. K.B.S. Import-Export Co.,Ltd. Thamnakano Co.,Ltd. 	
9. Mr.Chaiyot Papom	35	<ul style="list-style-type: none"> è Bachelor of Marketing, Richmond University, England è DAP 5/2003 Program of IOD 	1.32	-	<ul style="list-style-type: none"> 2003 - present Director 2003 - present Managing Director 	<ul style="list-style-type: none"> Moderniform Group Public Company Limited Papomchai Garment Co.,Ltd. 	
10. Mr.Supparek Mallkamal	58	<ul style="list-style-type: none"> è Master of Architecture, Chulalongkorn University è Bachelor of Architecture, Chulalongkorn University è ACP 7/2005, DAP 29/2004 and QFR 5/2007 Program of IOD 	0.00	-	<ul style="list-style-type: none"> 2004 - present Independent Director & Audit Committee Director 1983 - present Managing Director 	<ul style="list-style-type: none"> Moderniform Group Public Company Limited Four Aces Consultant Co.,Ltd. 	

Name	Age	Education	% shares	Relationship	Employment Record		
					Period	Position	Company
11. Mr.Patana Usanachitt	50	ë Bachelor of Marketing, University of Nevada U.S.A. ë DCP 35/2003 and FND 4/2003 Program of IOD	1.06	Brother of No.1 & No.12	2001 - present	President	Moderniform Group Public Company Limited
					2005 - present	Executive Director	Moderniform Health and Care Company Limited
12. Mr.Watana Usanachitt	55	ë Bachelor of Pharmacology, Chiangmai University	0.61	Brother of No.1 & No.11	2003 - present	Executive Vice President	Moderniform Group Public Company Limited
13. Mr.Kitti Busayapoka	52	ë Bachelor of Economics, Kasetsart University	0.18	Brother of No.3	1999 - present	Executive Vice President	Moderniform Group Public Company Limited
14. Mr.Kookiat Orankit	48	ë Diploma, St.John College	0.02	Brother of No.2	2004 - present	Executive Vice President	Moderniform Group Public Company Limited
15. Mrs.Somrak Chothibhongs	59	ë Bachelor of Political Science, Chulalongkorn University ë CSP 4/2003 Program of IOD	0.00	-	1991 - present	Vice president, Administration	Moderniform Group Public Company Limited
					2002 - present	and Company Secretary	
16. Mrs.Sinnat Suemanotham	41	ë Bachelor of Accounting, Ramkhamhang University ë Master of Executive MBA in General Management. National Institute of Development Administration ë Chief Financial Officer Certification Program Class 10/2008 (Federation of Accounting Professions)	0.00	-	2007 - present	Senior accounting & Finance Manager	Moderniform Group Public Company Limited
					2006 - 2007	Chief Finance Officer	Body Shape Corporation Group Co., Ltd
					1998 - 2006	Senior accounting & Finance Manager	BHC Trading Co., Ltd.

Note : No. of shares includes shareholders in accordance with Section 258 as well.

No. of shares as on October 14, 2009. (Record Date for Interim Dividend Payment)

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Nomination of the Directors and Management

The Company’s Board of Directors is responsible for making selection of directors to replace those retired by rotation or in case any other vacancy, including independent directors, non-executive directors and directors from each major group of shareholders with general qualifications, in accordance with Public Company Act, Security Act, SET and SEC regulations, specifications qualifications, and independent Directors qualifications, by nominating persons with suitable qualifications, expertise and devotion to be directors of the Company. In order to build up a strong and efficient board of directors, each directors should not hold directorship in more than 5 companies. The nominated persons will be submitted to the general meeting for approval in accordance with the Articles of Association of the Company, that is to say, the resolution shall be approved by not less than half of the shareholders who attend the meeting and having the right to vote. The voting is on the one share one vote basis. Each shareholder shall cast all their votes to select one or more nominated persons as directors, the person receiving highest vote in descending order shall be appointed as directors equal to the stipulated number of directors of the Company. At each general meeting of shareholders, one third of directors shall vacate their office. The directors who have been longest in office shall retire. Any retiring director is eligible for reelection.

In case there is a vacancy among the directors other than a retirement by rotation, the Board shall elect director to fill the vacancy in the next Board of Directors Meeting. The resolution shall consists of votes of not less than three-fourth of the remaining Directors. To elected director shall be in office only for the rest of the terms of the resigned director.

The Board of Executive Directors will be responsible for the recruitment of qualified and experienced personnel for the management positions of each business units.

The Directors and Management Remunerations

The Company has not appointed a Remunerations Committee, as such the remunerations of the Directors and Audit Committee will be proposed by the Board of Executive Directors to the Company’s Board of Directors for determination which takes into consideration the responsibility of each Director, Company’s financial position, and the market rate. The rate is compatible with the current rate paid by listed companies in the same industry information of which was provided by the SET. The remunerations will be submitted by the Company’s Board of Directors for approval in the Shareholders Meeting. Remuneration of the Executive Board and the management

will be determined taking into consideration the remuneration paid by companies in the same industry. The annual assessment of the management will be based on the Company's performance as well as on each individual performance.

The Company's Board of Directors comprises of 11 members including 3 members of the Audit Committee. The quarterly remunerations kept at the last year rate is baht 45,000 for each director and Baht 60,000 for Chairman, and additional car allowance Baht 17,000 per month is paid for each Audit committee, and Baht 20,000 for Chairman of Audit committee, same as last year.

will be determined taking into consideration the remuneration paid by companies in the same industry. The annual assessment of the management will be based on the Company's performance as well as on each individual performance.

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Remunerations in Monetary Form	Modernform Group PCL Amount (Baht) as of December 31, 2009	Subsidiaries Amount (Baht) as of December 31, 2009
11 Director quarterly remuneration in 2009	2,040,000	-
Transportation monthly allowance (3 Audit Committee Directors)	648,000	-
Total	2,688,000	-

Executive Directors and Management remunerations are in the form of salaries, bonuses, and transportation allowances as follows:

Board of Executive Directors and Executives	As of 31 December 2009
Remuneration (Baht)	52,949,000
Persons	10

Other Remunerations

Employee provident fund The Company has contributed to the employee provident funds of executives as follows:

	As of 31 December 2009
Sum Contributed (Baht)	1,898,700
Persons	10

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attendance of shareholders meetings. Some examples are as the followings. The record date is scheduled on a date that is no more than two (2) months prior to a shareholders meeting. A shareholder is allowed to propose a meeting agenda according to the Company's principles and guidelines. A shareholder is eligible to submit any questions to the Board of Directors through the Company's website prior to the meeting date. An invitation letter is distributed to the shareholders at least seven (7) days prior to the meeting in order to provide an opportunity for them to study the meeting attachment before the meeting date. The shareholders meeting date, time and place are determined with consideration to the shareholders convenience. In the meeting, the shareholders are allowed to provide comments independently and jointly decide on the Company's important agenda.

In the year of 2009, the Company disseminated the invitation letter with agenda document for the shareholders on the Company's website on 20th March 2009, 34 days prior to the meeting date. The online dissemination was done before the delivery of the document to the shareholders in order to allow them to have sufficient time to study the meeting document for decision-making on the meeting day and to provide comments and questions through the Company's website beforehand starting from 20th March 2009. The Company's Secretary compiled and forwarded the comments and questions to the Board of Directors for complete responses on the meeting date.

The Company organized an Ordinary Shareholders Meeting at the Company's main Conference Room on 23rd April 2009, 10:30am. Thailand Securities Depository Company Limited, the Company's securities registrar, delivered the invitation letter with all necessary agenda documents on 8th April 2009, 15 days prior to the meeting date. The necessary agenda documents comprised of a copy of the minute of the previous meeting, an annual report, financial statements, a report of the auditors, a report on the Company's performance on the previous year, a dividend payment policy with 5-year comparison, brief profiles of the directors nominated, information on compensation to the directors, information on the Company's auditors and compensation, the Articles of Association regarding the shareholders meeting, Proxy Form - Form A and B that assign an independent director to be a proxy for a shareholders in a case that the shareholder is not able to attend a meeting. Each agenda consisted of the Board of Directors' comments, facts and reasons for consideration. The shareholders are able to make registration one (1) hour prior to the meeting. A total of 10 members of the Board of Directors attended the meeting. They included the Chairman of the Audit Committee, members of the Audit Committee, Vice President - Finance, the Company's auditors and the Company's Internal Audit Manager who performed the inspector's task on the voting for transparency and compliance with laws and the Company's Articles of Association. The meeting proceeded in accordance with

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the agenda order without any addition of other agenda. The ballot was performed with the shareholders casting their vote on each agenda in a respective order. The Chairman of the Board of Directors, who acted as the Chairman for the meeting, informed the shareholders the procedures of casting a vote and ballot collection prior to the voting. Simultaneously, the Chairman declared the number of the shareholders present in the meeting and the shareholders ineligible for voting as they might have a stake in an agenda. The shareholders were allowed to have equal rights to examine, review and comment the Company’s performance, and send questions and suggestions. The relevant committees answered the questions and comments as noted in the minutes of meeting accurately and completely. The minutes of meeting was complete within 14 days from the meeting date. The shareholders were able to have the minutes on the Company’s website for viewing and reference on 7th May 2009.

2. Equal treatments of shareholders

The Company establishes the policy and guidelines on the good governance for its shareholders with fair treatment. In matters other than that of the right of attending the general meeting, the right to vote, access to company’s information; financial statement, the business results, proposing additional meeting agenda, the right to nominate independent director as proxy and director nomination, we have specified other shareholder’s treatment guidelines to ensure fairness and equality amongst all of our shareholders. Avoiding conflicts of interests is one practice that we pay particularly close attention to. We set steps and processes to take care of businesses or transactions that may possibly have conflicts of interest present such as transactions between our companies or related companies with major shareholders or executives. In order to equally protect our customers’ benefits, we always treat transactions between related companies and associates at arm’s length basis. We ensure transparency between receivables or financing transactions between our own group companies and strictly adhere to guidelines set out by the SET and GAAP. Therefore, these details on related company transactions may be found in the notes to financial statement. Furthermore, the company has a specific policy on preventing executives and staff from abusive self-dealing by prohibiting disclosure of information to the public and has established a black-out period preventing director, executive and staff dealing with company shares and financial information 1 month before the release of the company’s financial statement. Company executives must also report changes in ownership of company stocks within 3 days to the stock exchange committee in compliance of rule 59 on Security Trading Commission Act 2535 A.D. During the past year, our executives and staff have strictly followed this rule. No breach of the rule was found and all transfers of ownership were properly reported.

3.1.1. 2010 年 1 月 1 日起，公司按照《公司法》、《证券法》、《上市公司治理准则》、《上市公司章程指引》、《上市公司信息披露管理办法》等法律法规及规范性文件的要求，结合公司实际情况，制定并不断完善了《公司章程》、《股东大会议事规则》、《董事会议事规则》、《监事会议事规则》、《独立董事工作制度》、《董事会秘书工作制度》、《关联交易管理制度》、《对外担保管理制度》、《募集资金管理制度》、《内幕信息知情人登记管理制度》、《信息披露管理制度》、《投资者关系管理制度》、《环境保护管理制度》、《安全生产管理制度》、《劳动用工管理制度》、《薪酬管理制度》、《绩效考核管理制度》、《内部审计管理制度》、《风险管理管理制度》、《合规管理制度》、《反舞弊管理制度》、《社会责任管理制度》等各项规章制度，形成了较为完善的法人治理结构。

3. 公司治理与规范

公司自成立以来，严格按照《公司法》、《证券法》、《上市公司治理准则》、《上市公司章程指引》、《上市公司信息披露管理办法》等法律法规及规范性文件的要求，结合公司实际情况，制定并不断完善了《公司章程》、《股东大会议事规则》、《董事会议事规则》、《监事会议事规则》、《独立董事工作制度》、《董事会秘书工作制度》、《关联交易管理制度》、《对外担保管理制度》、《募集资金管理制度》、《内幕信息知情人登记管理制度》、《信息披露管理制度》、《投资者关系管理制度》、《环境保护管理制度》、《安全生产管理制度》、《劳动用工管理制度》、《薪酬管理制度》、《绩效考核管理制度》、《内部审计管理制度》、《风险管理管理制度》、《合规管理制度》、《反舞弊管理制度》、《社会责任管理制度》等各项规章制度，形成了较为完善的法人治理结构。

3.1 股东大会

1. 股东大会是公司的最高权力机构，依法行使下列职权：
 - (1) 决定公司的经营方针和投资计划；
 - (2) 选举和更换非由职工代表担任的董事，决定有关董事的报酬事项；
 - (3) 选举和更换非由职工代表担任的监事，决定有关监事的报酬事项；
 - (4) 审议批准董事会的报告；
 - (5) 审议批准监事会的报告；
 - (6) 审议批准公司的年度财务预算方案、决算方案；
 - (7) 审议批准公司的利润分配方案和弥补亏损方案；
 - (8) 对公司增加或者减少注册资本作出决议；
 - (9) 对发行公司债券作出决议；
 - (10) 对公司合并、分立、解散、清算或者变更公司形式作出决议；
 - (11) 修改公司章程；
 - (12) 对公司聘用、解聘会计师事务所作出决议；
 - (13) 审议股权激励计划；
 - (14) 审议批准变更募集资金用途事项；
 - (15) 审议批准或变更重大资产重组方案；
 - (16) 审议批准或变更关联交易事项；
 - (17) 审议批准或变更对外担保事项；
 - (18) 审议批准或变更募集资金管理制度；
 - (19) 审议批准或变更投资者关系管理制度；
 - (20) 审议批准或变更环境保护管理制度；
 - (21) 审议批准或变更安全生产管理制度；
 - (22) 审议批准或变更劳动用工管理制度；
 - (23) 审议批准或变更薪酬管理制度；
 - (24) 审议批准或变更绩效考核管理制度；
 - (25) 审议批准或变更内部审计管理制度；
 - (26) 审议批准或变更风险管理管理制度；
 - (27) 审议批准或变更合规管理制度；
 - (28) 审议批准或变更反舞弊管理制度；
 - (29) 审议批准或变更社会责任管理制度；

3. Role of stakeholders

The Company is aware of rights of the stakeholders, apart from its shareholders. Therefore, it establishes the policy and guidelines on the good governance to appropriately treat stakeholding groups with fairness and honesty. In recognizing the rights of all groups of stakeholders and in support of good cooperation between the Company and various stakeholder groups, whether they are inside the Company, such as the management and staff of the Company or outside such as suppliers, competitors, creditors or other related enterprises, or the community, for the betterment of the Company's position in the long run, the Board of Directors has stipulated in writing the business ethics, the Management's Etiquettes and the Personnel's Etiquettes, and later to be recently updated in 2008, and communicated to all levels of executives and employees to comply with in order to ensure proper protection and treatment of all stakeholders's basic rights.

A. The Management's Etiquettes: This is designated for the management to respond to the shareholders, customers, employees, suppliers and creditors, competitors and the society in general as follows:

To shareholders

1. To perform their duties with honesty, transparency, fairness, to ensure that in making any decision or taking any action, due regard to the interests of shareholders has been taken.
2. To perform their duties in a professional manner, with knowledge, skill, ambition and care and to apply management knowledge and expertise in the operation of the Company's business.
3. To report the situation of the enterprise consistently completely and truthfully.
4. Not to acquire any benefits for themselves or other persons by using the inside information of the Company which has not yet been disclosed to the public.
5. Not to disclose any confidential information to any third party, especially the competitors.
6. Not to do anything which may cause any conflict of interest against the Company.

To employees

1. To pay fair remuneration to employees considering qualification, ability, and performance of employees.
2. Give priority to development of knowledge and ability of the employees by offering them all the opportunity regularly.
3. To avoid any unfair action which may cause mental pressure to the employees or may cause anxiety as to the security of their working position.

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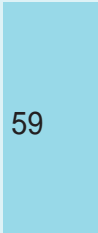
4. Cultivate sense of responsibility towards community and society among employees at all levels
5. To comply or cause to comply strictly with the laws and regulations of the regulatory body.

B. The PersonnelsûEtiquettes. Instill in the employeesûminds:

1. To perform their duties honestly, arduously and punctually.
2. To earnestly attend to all kinds of activities which will improve life quality and efficiency as well as help develop the Company to excellence according to Companyûs vision.
3. Do not abuse own power in seeking interests for self or others.
4. To keep confidential the customersû and the Companyû secrets.
5. To respect the rights of other employees in the Company.
6. Not to accuse the management or other employees without any proven fact.
7. To maintain and create unity among the staff. To work as a team and solve problems together.
8. To care for and assist in taking any action to preserve the working environment to make it clean, safe and enjoyable place to work.
9. Not to support or conceal any action of the staff or of the Company which is unlawful.
10. Refrain from any act which any cause damage to the companyû image and reputation.

4. Information disclosure and transparency

The Board of Directors places importance on the disclosure of essential information for decision-making of the shareholders or investors. Such information disclosure is established as the policy and guidelines on the good governance to oversee the information disclosure with accurateness, completeness, transparency, creditability and timeliness. The information shall be disclosed through easily accessible and trustworthy channels for broad acceptance of the shareholders or investors. This information includes annual reports, performance reports, the Companyû financial statements, the Company and its subsidiariesû consolidated financial statements. The financial statements shall contain accurate and complete information according to the Generally Accepted Accounting Principles with an appropriate accounting policy and constant practices. The essential information is substantiated



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shareholders and all other stakeholders. To ensure highest standards of governance, the company has initiated an internal control, internal audit, risk management, company secretary and appointed sub-committees for audits and appropriate risk management functions according to events and occasions that deem necessary. The sub-committees act as a filtering agent to enhance the effectiveness of our control and to ensure that the design of roles, powers and responsibilities in executive and management positions are separate from that of auditing roles. These key controls and business figures will be frequently assessed every quarter and will be reported in the board meeting, after the external auditor reviews our financial statements and such information has passed through the audit committee. The details of the board meeting and auditor’s opinions for 2009, are available in this annual report under the management section. The company also set out guidelines for directors to conduct annual self-evaluations in compliance with Securities Exchanges Commission guidelines.

For directors and management remuneration, the company has developed a policy to ensure that our compensation is in line with the industry, and to appropriately compensate them for their skills and knowledge. The board of directors has the responsibility to set out basic compensation for the directors and such remuneration schemes were proposed in the general shareholder meeting. As of executive directors and management remuneration, they will be considered from each executive member’s performance and the overall company operating results. Full details for directors compensation and remuneration may be found in the management section.

Furthermore, the board of directors has orchestrated good corporate governance and assigned the Audit Committee the responsibility to ensure an efficient and complete internal control covering its finance, operations, laws compliance, risk management and etc. to protect best interests of investors against fraud or other material breaches of control. The internal control department is assigned the responsibility of auditing and reviewing the efficiency of all operational systems ensuring absence of fraud and material misconduct. There have been regular evaluations under the 5 aspects of internal control every year. For 2009, the board of directors and audit committee have evaluated our internal control and found that we have sufficient basis to believe that we have sufficient control necessary in place details are disclosed under the internal control section.

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working unit properly. Employees widely acknowledge the organization's policy and main goal as a means to have common understanding among them, allow them to perform works efficiently, lead to achievement in administration. Furthermore, the Company pays high attention on the internal control in employees' ethics and quality of people, concentrating on self control together with the implementation control and creation of control environment for positive attitude to the internal control that enable both employees and executives to be aware of the internal control's benefits and lead to the continuous improvement. In addition, the Board also realizes the importance of integrity and ethics in how we conduct our business, so the formal written business ethics have been set out since 2002 and updated again in 2008 to communicate standards of professionalism and practices to all of our staffs. The code of conduct sets out guidelines of professionalism; conflicts of interests, integrity, handling sensitive information which all would lead our staff to always do the right thing and use the utmost of integrity in order to protect the benefits of our company and stakeholders. Adherence to their guidelines in their day-to-day activities is ensured by close follow-ups.

Risk Management

The Board of Directors established the Risk Management Committee in 2004. The Committee consists of high-ranked executives in related fields with specific roles, duty and responsibility. This is to manage risks systematically, take a full coverage of work processes that contain essential risks, follow the internal control of COSO - ERM in elements of risks such as risk identification, risk evaluation and response to risk. Both internal and external risk factors are focused from activity level to the organizational level. This aims at collaboration on arrangement of the specific, measurable, and practical work plan and objectives which accord to the Company's vision and mission and are communicated to the employees and executives to be aware of the importance of the risk management and the internal control in reducing damages that may arise and in containing risk at the acceptable level. The Company's Internal Control Department applies the risk management analytical concept for evaluation of the adequacy of the internal control, encourages self control within work units, and establishes work standards for better efficiency.

Implementation Control of the Management

The company set out operating instructions in writing to make sure that all employees have been provided with necessary guidance to work and coordinate under the same standards of practice in all departments i.e. finance, purchasing, sales. The guideline clearly states the level of checks and balances in asset management, segregated approval authority and performance evaluations. Authorization and approval limits are also clearly stipulated. There is a provision of a work implementation plan in line with the organization's policy and objectives under an appropriate timeframe, and a budget

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system with analysis and control of expenditure at an optimal level. There are clear guidelines of processes and treatment of transactions conducted with major shareholders, management teams, corporate executives and other related parties. There is also a specialized task force to study the positive and negative ramifications as well as the impacts of such transactions and then reports this information to members of the board for approvals. Approval decisions are then made based on considering benefits to the company by the group of the members that have no interest in such transactions. We employ arm's length principle in dealing with related party transactions. The audit and follow-up action on such transactions are also to be conducted to ensure that the deals were processed with transparency as guided by arm's length basis guidelines.

The Company reviews its policy and principles with top executives consistently. Besides, it supervises and monitors them to abide by the guidelines to ensure, based on the Company's Articles of Association, and appropriate control. In addition, the Internal Audit Department continues to concentrate on the Control Self-Assessment for continuous improvement of all units. This attempt is to improve management and operations constantly in order to mitigate risks and prevent malpractice that may arise.

Information Technology System and Communications

In 2009, the company's information - financial data and other company information, in both Thai and English were disclosed as precisely, transparently, reliably and in timely manner. We realize the importance of such data to be incorporated in decision-making process of our shareholders, investors, company's executives and all other stakeholders. We released our information through channels such as meeting, press conference, media packs, financial statements, annual report and form 56-1 filed with the SET commission, the company's website and other activities jointly with SET. We are confident of our transparency to the public and allow inquiries from public for dated information especially financial data and minutes of meetings. Control over the information technology system is highly focused in order to facilitate the implementation and administration. Access into information is controlled to be in line with the levels of work implementation assigned by the Company. Examination is performed to ensure that the input control, data interpretation, processing control, and output control are accurate, efficient and in time as designated by relevant rules and regulations. This is to allow for efficient management and decision-making.

Evaluation system

The Board of Executive Directors will continue to measure business results regularly by meeting with management teams at least 1-4 times/month and holding weekly meetings with the top

In 2009, Modernform Group Public Company Limited is not controlled or influenced by other businesses or related persons in any way. The Company and its subsidiaries had connected transactions, and significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies, and the Company has disclosed sufficient information on related transactions and connected transactions complied with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission to investors for use in investment decisions, as follows:

1. **Normal Business Transactions.** The Company recorded normal business transactions including purchase and selling transactions among the Company, its subsidiaries and affiliated companies that complied with conditions and requirements mutually agreed upon. They were summarized as the followings.

Related Person/Entity	Relation	Type of Transaction	Amount (million Baht)		Audit Committee Comments
			31 Dec 09	31 Dec 08	
MTC	MODERN holds 100 percent of the registered share capital of MTC and common directors, Mr.Chareon Usanachitt, Mr.Jajjai Dhanmanuang, Mr.Patana Usanachitt, Mr.Yothin Nengchamng and Mr.Somsak Vankam.	Trade accounts receivable Trade accounts payable	-	0.04	MTC purchased furniture from MODERN for office assets. The prices were reasonable with the following MODERN's clear pricing policy. Condition 1: In the case of a unique product model and design, which is not the standard product the Company produces for sale, pricing will be based on the production cost plus a 20 percent profit margin. Condition 2: In the case of a regular sales order, in which the product model or design is already on sale, pricing will be based on sales price to distributors plus a 30 percent discount from the standard wholesales price.

Related Person/Entity	Relation	Type of Transaction	Amount (million Baht)		Audit Committee Comments
			31 Dec 09	31 Dec 08	
XTR	MODERN holds 75 percent of the paid up capital of XTR and common directors, Mr.Thaksa Busayapoka and Mr.Jajjai Dhammanuang, with Ms.Sutheera Busayapoka daughter of Mr.Thaksa Busayapoka, acting as director of XTR and holds 1 percent of the registered and paid up capital of XTR	Sales of goods Trade account receivable Purchases of goods	11.7	0.9 0.2 -	MODERN and XTR recorded inter-related transactions as they had similar product category as furniture. The prices were reasonable at the market prices for the Company's major or regular customers.
MHC	MODERN holds 60 percent of the paid up capital of MHC and common directors, Mr.Thaksa Busayapoka, Mr.Jajjai Dhammanuang, and Mr.Patana Usarachitt with Mr.Nithi Nengchammong son of Mr.Yothin Nengchammong (Executive Director of MODERN) acting as MD of MHC and holds 20% of the registered and paid up capital of MHC	Sales of goods Trade accounts receivable Purchase of goods Trade accounts payable	1.7 0.1 0.3 0	2.4 0.3 3.0 0.3	MODERN and MHC recorded inter-related transactions due to their businesses relevant to furniture. The prices were reasonable with MODERN's clear pricing policy as mentioned above.
TPAC	MODERN holds 48 percent of the paid up capital of TPAC and common directors Mr.Thaksa Busayapoka, Mr. Jajjai Dhammanuang, and Mr.Yothin Nengchammong, with Mr.Theerawat Busayapoka, brother of Mr. Thaksa Busayapoka, acting as MD of TPAC and holds 8 percent of the registered and paid up capital of TPAC.	Sales of goods (chairs, sofa) Trade accounts receivable Purchases of goods Trade accounts payable	0.4 - 0.8 0.3	0.8 0.1 1.0 0.2	MODERN and TPAC recorded inter-related transactions due to their businesses relevant to furniture. The prices were reasonable with MODERN's clear pricing policy as mentioned above.

1.2.1.2. การอนุมัติการเชื่อมโยงธุรกรรม

คณะกรรมการบริษัทได้พิจารณาและอนุมัติการเชื่อมโยงธุรกรรมตามที่กล่าวถึงข้างต้นแล้ว โดยเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท และกรรมการบริษัทได้พิจารณาแล้วเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท และกรรมการบริษัทได้พิจารณาแล้วเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท

1.2.1.3. การอนุมัติการเชื่อมโยงธุรกรรม

คณะกรรมการบริษัทได้พิจารณาและอนุมัติการเชื่อมโยงธุรกรรมตามที่กล่าวถึงข้างต้นแล้ว โดยเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท และกรรมการบริษัทได้พิจารณาแล้วเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท และกรรมการบริษัทได้พิจารณาแล้วเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท

การอนุมัติการเชื่อมโยงธุรกรรมดังกล่าวเป็นไปตามที่คณะกรรมการบริษัทได้พิจารณาแล้วเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท และกรรมการบริษัทได้พิจารณาแล้วเห็นว่าธุรกรรมดังกล่าวเป็นประโยชน์ต่อบริษัทและสอดคล้องกับนโยบายของบริษัท

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Procedure for approving connected transactions

The Company's Board of Directors established the measures to prevent any conflict of interests. It outlined clear transaction procedures for its major shareholders, directors, executives or any persons relevant to the above-mentioned persons for reviewing any transactions that may have any conflict of interests arise to consider all transactions that may involve conflicts of interest, including related or connected transactions to ensure that they are in compliance with sound business ethics and meet the scrutiny of the Audit Committee for defined items. As well, the Board supervises all transactions to see that they meet the criteria of the stock Exchange Commission (SEC). Information disclosure on potential conflicts must be considered by the Board to ensure accurate and adequate disclosure. In additional, for any transactions in which directors, employees or related persons could derive personal benefit from entering into transactions with the company, the Board and employees are not permitted to participate in the approval of such transactions, and the price must be properly defined in a manner consistent with that offered on arm's length basis.

Comments of the Audit Committee

The Audit Committee reviewed the above-mentioned inter-related and related transactions that took place with account posting in 2009. It stated that the transactions complied with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission with disclosure of accurate and complete information. The normal business transactions were those with fair and appropriate pricing and conditions according to the market prices. This was similar to pricing for any unrelated persons or other business operations without any benefits among the Company, its subsidiaries, its associated companies, its joint ventures, its related companies and its shareholders. The transactions were approved by the Management or the Board of Directors prior to occurrence of the transactions.

As for the transactions of financial assistance, the Company extended credit and collaterals for its subsidiaries and associated companies at the minimum lending rate (MLR) plus 0.5% per annum. The interest rate was that the commercial banks charged their prime customers. The Company provided loan collateral for its subsidiaries in a proportion of its shareholding. This financial assistance allowed its subsidiaries to have borrowings at the rate and conditions according to the market or better when compared to the case without any collaterals or direct borrowing from other financial institutions.

Future connected transactions

All future connected transactions will be conducted as part of the normal course of business with neither special favors nor transfers of benefits between company and its subsidiaries or any connected person. The company will strictly comply with the regulations of SET and other regulatory authorities related to connected transactions, based on reasonableness, appropriateness and fairness, and for the utmost benefit of all shareholders and stakeholders, which is consistent with good corporate governance policies of the company.

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Business Overview

2009 was yet another challenging year with significant impacts on the furniture market from uncertain political climates, oil price volatility and a global financial crisis. Total furniture exports have sunk rapidly as a result of shrinking demands in Japan and USA, both of which face serious economic problems. Exporters must re-direct focus and adjust strategies locally with an emphasis towards project clients. Closely monitoring economic fundamentals and major trends, management has prepared to take on these challenges and plans ahead to strategically operate under these circumstances. Therefore, even though sluggish fundamental factors of the economy has impacted the outlook of the furniture industry, overall results of our group are still satisfactory as we still manage to operate at a profitable level. The Company continued to maintain its profitability and financial management capability. Although the overall businesses confronted obstacles in the previous year, the Company still recorded high liquidity. Market segments of home and kitchen furniture businesses yielded satisfactory results due to the growth of projects such as condominiums and homes from an uninterrupted increase in investment.

Below is a summarized business overview and business results from each sector/business product line.

1. Business Performance

1.1 Business performance of group company and subsidiaries from consolidated statements are explained and analyzed here:

- Net profit decreased from the year 2008 by 21.7%
- Sales and Income decreased from year 2008 13.0%. With sales strategies to work in partnership with clients, new market discovery and product innovation for long-term needs satisfaction; despite all the odds from consumption and investment slowdowns and the fact that the private sector slowed down its investment, such slowdown gave small impacts to the Company. The opening of a new showroom at the Crystal Design Center in late 2009 indicated the Company's capability as a leader in product innovation. In addition, the Company has been granted the first TISI standard in the product quality test in Thailand, building up consumer confidence in product quality of the Company's chair lines.

1.2 The operating performance of each business segment

The operating performance of each business segment according to the revenue structure is classified as the furniture business segment; rental and service business. Key details are presented below:

1.2.1 Furniture business

Although the Company generated lower income in 2009 than that in the previous year, with the product image as the quality products and modern office furniture, its major customers continued to place purchase orders constantly. Besides, it received orders from large-sized projects. It recorded more sales in home furniture in 2009 when compared to that in 2008 thanks to more investment of condominium projects especially high-end group. A part of income came from Xteria products brought into the home furniture group in mid-2009 to allow business synergy.

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The ratio of Costs of Goods Sold to Sales decreased from the year 2008 by 2.0%. This was attributable to the postponement of product delivery to project customers that made the Company shoulder burden of fixed costs, and giving a lower of gross profit margin.

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The Company booked lower expenditures in sales and administration by 5.41% from a year before as the Administration closely monitored and evaluated the situations with extra care on unnecessary expenses and improvement of the work system.

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The profit of Baht 202.6 million shown in the Company's profit and loss statement comprised of profit from normal business operation of Baht 150.7 million and dividend from subsidiaries of Baht 51.9 million.

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Return on equity

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The Company's performance indicated by its balance sheet and profit and loss statement of consolidated as of 31 December 2009 revealed a net profit of Baht 299.5 million; retained earnings brought forward of Baht 830.0 million; dividend were paid out as follow:

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Dividend from operating results in 2008 were paid at Baht 3.25 per share, less Baht 1.50 per share paid as interim dividend. Hence, a value of Baht 1.75 per share, and a total of Baht 140.3 million was paid to shareholders in May, 2009.

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of Directors No. 1/2010 held on February 25, 2010 passed a resolution to pay shareholders dividends from its 2009 operating performance at the rate of Baht 3.00 per share, less Baht 1.00 per share paid as interim dividend. Hence, a value of Baht 2.00 per share will be paid to shareholders as dividends. The matter will be proposed for approval at the Ordinary Meeting of Shareholders No.1/2010 on 28 April, 2010.

1.2.2 Rental and Service Business

- The majority of revenues were derived from the rental of office spaces and the provision of different services. Revenue in this aspect increased slightly while at the same time costs, selling, and operating costs also increased. The revenue increase was due to the full-year realization of rental from new tenant. Interest expenses, on the other hand, decreased by Baht 6.9 million.

- Profitability as shown in the 2008 Profit and Loss Statement is Baht 34 million.

1.2.3 Health and Care Furniture

This new line of business has required a moderate initial investment. Established by investing equity of a newly setup company in 2005 with a proportion of 60% of registered capital which was increased from Baht 8 million to Baht 16 million in 2007 in the amount of Baht 9 million.

In 2009, the Company recorded 55.6 million baht in sales, down 11.4% from the previous year. Its profit stood at 0.7 million baht. This was attributable to delay of product delivery that waited for the state budget.

This business has an opportunity for expansion as it is in the trend of changing consumer behavior especially Megatrends-based including health care and aging population trends.

1.2.4 Outdoor Furniture and Landscape Exterior Design Business

This business is new with moderate size of investment. The Company acquired a 30% stake of total registered capital of 30 million baht in a company that was established in late 2006. The latter performs trade and manufacture outdoor furniture, decorative materials, architectural design, landscape design, drawing, decoration and supply of other construction and decorative items. In mid-2009, the Company acquired an additional 45% stake in Xteria Company Limited, increasing the former's holding to 75%. The Company made the payment for additional stake by its working

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manufacturers or currency exchange rates; however, in the past, such problems have not presented major obstacles. This is because the Company imports such items itself in large order volumes enabling the Company to gain discounts from the foreign producers. Furthermore, the Company is aware of any price changes several months in advance, allowing it sufficient time to adjust its costs and prices accordingly.

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3.2 Other variables under the control of the Company which could potentially affect operating performance or financial status are not expected to significantly impact its operations or financial status.

3.3 Uncontrollable Variables

3.3.1 The liberalization of trade has both positive and negative impact. On the plus side, liberalization will encourage foreign investors to invest locally, leading to an increased demand for furniture. However, at the same time, competition within the industry will intensify, spurring the Company to retain its competitive edge at all times.

3.3.2 Fluctuations in the currency exchange rate - since the Company has repaid all of its foreign currency denominated loans, exchange rate risks are now reduced to normal business trading associated with import and export trades.

3.3.3 The country's economic situation in 2010 is projected to grow at a rate of 3.5%-5% despite of negative factors including the global economic slowdown and fluctuating oil price. One key factor that affects the country's economic situation goes to the domestic political conflicts that likely lessen such economic growth estimation's possibility to 85% (based on the Bank of Thailand's analysis) that will likely affect the country's growth. Meanwhile, with the continuous state economic stimulus measures for the property sector and furniture industry combined with the horizontal business expansion policy, its concentration on niche market, tightening policy on financial disciplines and focus on gradual growth, the Company is confident that it is capable to increase sales and generate higher profit in the year of 2010.

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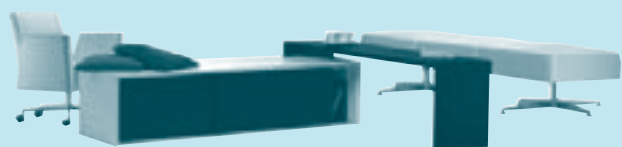
Financial Ratios (The Company Only)

			2552 2009	2551 2008	2550 2007	
Öµ“ à ç“æß Öß						
LIQUIDITY RATIO						
Öµ“ à ç“æß Öß	(ð ã)	Current ratio	(Times)	2.7	2.8	2.6
Öµ“ à ç“æß ÖßÀjÿÄ	(ð ã)	Quick ratio	(Times)	1.3	1.2	1.3
Öµ“ à ç“æß Öß° -- ðß ¥	(ð ã)	Cash from operating ratio	(Times)	0.6	0.3	0.6
Öµ“ à ÀjÿÄ«- ÿÄ È° Şä	(ð ã)	Receivable turnover ratio	(Times)	4.4	5.0	4.3
--ð« “ð°ÄÄ ð° È	(«-)	Collection days	(Days)	81.0	68.0	84.0
Öµ“ à ÀjÿÄ«- ‘ŞäßÄÄ Ö	(ð ã)	Inventory turnover	(Times)	2.7	3.0	3.0
--ð« “ç“- ‘Şä° È	(«-)	Average number of days sales	(Days)	134.0	115.0	120.0
Öµ“ à ÀjÿÄ«- ð°Ä È	(ð ã)	Account payable turnover	(Times)	6.1	7.0	6.1
--ð« “TM” -Ä È	(«-)	Payment days	(Days)	59.0	52.0	59.0
Cash Cycle	(«-)	Cash Cycle	(Days)	156.0	132.0	145.0
Öµ“ à · ¥ß«“j “j“ , °“ À“°%”						
PROFITABILITY RATIO						
Öµ“°%çÈâ	(%)	Gross profit margin	(%)	36.2	38.2	37.0
Öµ“°%ÿ ‘	(%)	Return on total income	(%)	8.8	10.3	9.8
Öµ“° µÖ · °äÖÀÿ	(%)	Return on equity	(%)	9.8	13.2	11.8
Öµ“ à · ¥ß° - ‘ ç“æ, °“ ¥”ð ‘ ðß						
EFFICIENCY RATIO						
Öµ“° µÖ · °° ‘ æ-ä	(%)	Return on total assets	(%)	7.8	10.5	9.2
Öµ“° µÖ · °° ‘ æ-ä“«	(%)	Return on fixed assets	(%)	83.2	101.6	91.1
Öµ“° ÀjÿçÖß ‘ æ-ä	(ð ã)	Assets turnover	(Times)	0.9	1.0	0.9
Öµ“ à «ß “-Ää,- “- “ß“ ðß						
FINANCIAL POLICY RATIO						
Öµ“ à À È µÄ à çÖß°äÖÀÿ	(ð ã)	Debt to Equity ratio	(Times)	0.3	0.2	0.3
Öµ“ à Ş«“j “j“ TM” -ÿÖð È	(ð ã)	Interest payment ratio	(Times)	243.9	102.9	102.0
Öµ“° °ß-ðß a₁°	(%)	Dividend Payment	(%)	123.2	96.9	102.6

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Financial Ratios (Consolidation)

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		2552 2009	2551 2008	2550 2007		
Õµ“ à ç“æ§ Æß		LIQUIDITY RATIO				
Õµ“ à ç“æ§ Æß	(† à)	Current ratio	(Times)	2.5	2.6	2.5
Õµ“ à ç“æ§ ÆßÀjÿ† Á	(† à)	Quick ratio	(Times)	1.2	1.1	1.2
Õµ“ à ç“æ§ Æß° -· †ß ¥	(† à)	Cash from operating ratio	(Times)	0.7	0.4	0.7
Õµ“ à Àjÿ†«-ÿ ÿÀ È° Sâ	(† à)	Receivable turnover ratio	(Times)	4.4	5.0	4.3
-·-†« “†°ÀÀ †° È	(«-)	Collection days	(Days)	81.0	68.0	83.0
Õµ“ à Àjÿ†«-ÿ ‘Sâß†À Õ	(† à)	Inventory turnover	(Times)	2.7	3.0	3.0
-·-†« “ç“-ÿ ‘Sâ†° È	(«-)	Average number of days sales	(Days)	133.0	117.0	121.0
Õµ“ à Àjÿ†«-ÿ †°À È	(† à)	Account payable turnover	(Times)	6.1	7.0	6.2
-·-†« “TM” -À È	(«-)	Payment days	(Days)	59.0	51.0	58.0
Cash Cycle	(«-)	Cash Cycle	(Days)	155.0	133.0	147.0
Õµ“ à · ¥ß«“j “j” „ °“ À“°%°		PROFITABILITY RATIO				
Õµ“°%°çÈ†à	(%)	Gross profit margin	(%)	36.4	38.2	37.2
Õµ“°%°®°°“ ¥”† ‘ß“	(%)	Operating profit	(%)	6.7	11.4	9.2
Õµ“ à †ß ¥µË°“ °°%°	(%)	Quality of earnings	(%)	280.8	78.8	198.6
Õµ“°%°ÿ ‘	(%)	Return on total income	(%)	11.9	13.3	11.6
Õµ“° µÕ · °ÛÀÿ	(%)	Return on equity	(%)	11.8	15.4	12.9
Õµ“ à · ¥ß° - ‘ ç“æ, °“ ¥”† ‘ß“		EFFICIENCY RATIO				
Õµ“° µÕ · ®°° ‘ æ-à	(%)	Return on total assets	(%)	9.6	12.5	10.1
Õµ“° µÕ · ®°° ‘ æ-à“«	(%)	Return on fixed assets	(%)	47.4	54.1	43.4
Õµ“°“ ÀjÿçÕß ‘ æ-à	(† à)	Assets turnover	(Times)	0.8	0.9	0.9
Õµ“ à «†\$ -Àà,- “- “ß“ †ß		FINANCIAL POLICY RATIO				
Õµ“ à À È µË à çÕß°ÛÀÿ	(† à)	Debt to Equity ratio	(Times)	0.2	0.2	0.2
Õµ“ à §«“j “j” TM” -¥Õ°† È	(† à)	Interest payment ratio	(Times)	238.0	106.2	94.8
Õµ“ à §«“j “j” TM” -ç“ -°ÿæ—	(† à)	Cash coverage	(Times)	1.5	0.7	1.4
Õµ“°“ ®â-†ß° a1°	(%)	Dividend Payment	(%)	83.4	70.7	83.0



- รายงานคณะกรรมการตรวจสอบ
Audit Committee Report
- รายงานความรับผิดชอบของคณะกรรมการต่อรายงานทางการเงิน
Report of the Board of Directors' Responsibilities for Financial Statements
- รายงานของผู้นับบัญชีรับอนุญาต
Report of Independent Auditor

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... - äi° ö° ä° S y: -i° a - °° ä° a° B° . -°° Ä° ÖBSA %AO° μÄ ä E° iCÖ tμ S«i -°Y™Ö E° -° i“ ...-ä
iÖ Äi“-„ÄA”-Yÿ . -μ“ i° E μ-S -° i“ μ «® Ö © —E3 ,Y-, ai 2552 i“ a -™S -° i“ μ « Ö «i 5 S E ,Y-S -
° i“ μ «® Ö y ä tca äi a -™S Y ai ä - 93 E ä a -™Y äi° -ö° Ä° -Y-Y° E° μ «® Ö ç“ . -°° ä° -™CÖB ...°°
a -™S E° cÖB y ai E° °° a° μB° . -S«i tÄÄCÖBS -° i“ μ «® Ö i° - °S— y%äE

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° ä t ÖS -° i“ ... tae ä° “ Ö y t° i S«i tÄÄ™ä “-B° “ B°° B° “-°° E E° , -B°—Ä°äB ...°° —°—ä . - ...-ä i
“°° E° ä° Ä° YS«i çY-ä “ B° a - ,™ ä . -°° t y t° -cäi Y° E i “ - °S—%äE” c EÖ -äBS ä YüÖ μ i E° i S«i ; a ä
t™E Ö° äCÖB äi Y° “ B°° B° t ai %μ “ i i μ “ . -Ä °° -™ E-ÖB E° «i E° μ “ °° -™C a a y 2550 E° BS—™ E° μ a
«—Ei i° “ Si 2551 . - 2552 t ai μ ä i° “ ä äi E ä ä ä μ . - - “ . « “ B°° ä i Ä° , Ä° Y a - ,™ ä a ... E E° °° B° y° —
YB° ä° ää °° μ «® Ö . - Ö “ . -„ÄS«i tÄÄ™Ö -ä° μ i t E° %° °° ä° -™ Ö y° μ E i Ö° .

2. °° “ “-°° t° E° , -B S -° i“ μ «® Ö %ä° “ Ö “ „ÄS«i tÄÄ™Ö . -t y t° -cäi Y° . -°° a° μ°° „ “-°°
-Ä°äB° — “-°° t° E° c Ö° — . - “-°° t° E° , -B°—Ä°äB ...°° —°—ä . - ...-ä i E° ® “ „ Ä° Y S«i çY-ä “ B° a - ,™ ä —
...°° ä t ÖS -° i“ tae Ö° y t° E° ä , Ä° t ai “-°° ® B “ B°° S ä° t ai y° °° μ E° , Y- ... ä° ä° a° μB° i , °-° . -t y t° -
cäi Y° i Ä° °° ± äÖB μ “ YÄ °° ä-a ä ä t° »°°

3. °° S« S y ç “- , S -° i“ μ «® Ö %ä i Ö ä i “-°° S -° i“ ...-ä a -°Y™Ö °° -Yÿ „ Ä° E° Ä° “ Y , Ä° ä -
S« S y ç “- , Ö-äB i a - ‘ ç “ ä . -t a - ä° , Y-S Ö S y Y ä ä a B °° B° -™ °° a° μB° °° Y t° °° , Ä° t ai %μ “ i° Ä° i “-°° ä e e
· -Y , Ä° ä° %°° “ μ «® Ö . -°° ä y y E° a - ‘ ç “ ä t a - ä° , °° a a ä° °° . -Yÿ t° y c Ö° ä° ä a . - ‘ ä-a ÖB ...-Ö-ä i Ö
t ä , Ä° Y Ä° ä B° “ i “ μ «® Ö . - a -t i° YS« S y c ÖB y - B° %ä-μ i t ÖB , Ä° ä° c E° (Control Self Assessment) tae Y , Ö°° E t° Y
S« i t E° . -a° μB° %ä ; t a ä i “- . -μ i - °° S« S y ç “- , E° Ä° Y ä , Y- , ai 2552 S -° i“ ...-S -° i“ μ «® Ö
%ä -t i° a - ‘ ç “ ä . -S«i t a - ä° c Ö° “ S« S y ç “- , μ i ÖBS a - Ö° °° S« S y ç “- , 5 ä μ i . « “ B i μ “ COSO . -μ i
· « “ B C Ö B μ “ YÄ °° ä-a ä ä t° »°° . ä t Ä° ä ... t° - °° S« S y ç “- , t a - ä° t Ä° i “- i “- t° -Y μ i “-B° YS«i t ÄÄ
t° E° °° a -t i° a - ‘ ç “ ä - °° S« S y ç “- , ç “- , μ ä c ä° S« S y ç “- , “-B° a -® ai ä

4. °° Ö “ °° °° -Yÿ °°° E° S -° i“ ...-ä a -° BS«i “ S -c Ö° °° °° -Yÿ °°° E° . -%ä°° ä —°°
°°° -Yÿ °°° E° -ä t ai - . -μ ä t E° , Y-%äE” t ai S ä Ö° °° °° -Yÿ °°° E° CÖB ... t ai ° —E3 . ä . -%ä S -° Y Ä°
· - E° μ «® Ö ç “- , ç “- , μ ä °°° -Yÿ CÖBS -° i“ μ «® Ö t ai ° Y °Y™Ö , °° °°° -Yÿ . -%ä°° a -t i° °° a° μB° i
 , °-°°° -Yÿ °°° t ai a -® y ai , Y-%äE” -°°° -„Ä° c ä° a° μB° i Ä° °° °°° -Yÿ °°° E° , “-B° a -® ai E° ä

5. °° a° μB° i° Ä° i “- . -t t° “ B°° E E° c Ö° B S -° i“ μ «® Ö %ä°° . - Ö “ °° a° μB° i° Ä° i “- ä Y ä
Ä° °° ä-a μ “ YÄ °° ä-a ä ä t° »°° t ä° Ä° ä° Y c Ö B μ “ YÄ °° ä-a . - °° S -° i“ °°° Ä° °° ä-a μ “ YÄ °° ä-a . -
° Ä° i “- Ö E° E E° c Ö° B -y° c ÖB ...- ä t Ä° ä ...-ä°° a° μB° i° Ä° i “- . -t t° E E° c Ö° B -äB YüÖB

6. °° °°° -Yÿ B° μ «® Ö ç “- , S -° i“ μ «® Ö %ä°° “ . - Ö y t° °° B° μ «® Ö ç “- , a -® ai 2553 μ i° - « °°
Ä° S«i t E° Ö “ °°° a° μB° CÖB E° μ «® Ö ç “- , Y μ i “ , Y-„ÄS” . - . -μ Y μ i°° Y t° °° . °° μ i “-B° °°°
μ «® Ö , a -t Y Ä° E° -° S -t a ä° ä , Ä° Y °° °°° -Yÿ °°° E° . -i°° S« S y ç “- , t a - ä° Ö°°° E° ä° y μB° a -i° a -® ai CÖB
E° μ «® Ö ç “- , E° f Ö i j i “ CÖB S°° t a E° — y . - ä i , Ä° ä °° B° E° μ «® Ö ç “- , %ä —“ «™™ ä Ö -ä B μ ä t E°
· -S«i t a - ä° t Ä° i “- i CÖB μ —°° BS . - ä°° μ Ö Y °° Ä° Y Y™ Y Y° °° a° μB° (KPI) CÖB E° μ «® Ö ç “- ,

The Audit Committee comprising of 3 independent directors qualified with financial and management experiences and appointed by the Board of Directors, has performed its duties within the scope of responsibilities assigned by the Board of Directors according to good governance and the Audit Committee's Charter. There were 5 meetings during the year whereby the Committee meeting attendance was at 93%. The first meeting was held in conjunction with top executives, the internal auditor and external auditors. A summary of Audit Committee report and committee opinions are as follows.

1. The committee has reviewed the quarterly financial statement and year-end financial statement of 2009 before obtaining approval of the board. The committee has the opinion that the financial statement, report of related transactions and disclosure of conflict of interests and other significant information have all been disclosed in transparency, leading to true and fair financial statements as governed by accounting standards and general accepted accounting principal year 2007, applicable since 1 January 2008 and 2009. In addition, the committee has provided feedback and guidelines to each working unit to further development of company benefits. Therefore, all financial statements were audited and given non-qualitative comments from independent auditors.

2. As to related transactions report, the committee has considered, reviewed and approved information being presented for inter-company transactions and related transactions between subsidiaries and affiliated companies. All transactions that could have potential conflict of interests, have been approved by the committee on its merits and arm's length treatment according guidelines set out by Security Exchange of Thailand.

3. As for assessment of Internal Control, the committee was appointed by the board of directors to ensure the efficiency of internal control and instill good governance throughout the organization covering financial statements, operations, accounting and finances to follow regulatory requirements. The check-and-balance mechanism to oversee interests of shareholders and company's assets was also established. The recent directions of the committee are to set-out guidelines and mechanisms to allow self-control assessment in order to reduce operational risks and to achieve operation targets. In 2009, the committee together with the board of directors has assessed effectiveness and sufficiency of internal control system in 5 areas under the standard of COSO and Security Exchange of Thailand guidelines. The result is satisfactory; the company has an internal control system that is sufficient and appropriate. A detailed report of opinions provided to internal control was also summarized under the topic of Internal Control in this annual report.

4. The committee realizes the importance of having good governance and has instilled and developed good governance in systematic ways with the Volume 3 Handbook. Responsibilities to direct and motivate good governance conducts within each part rests upon executives as well as the internal audit department to assess and provide feedback to the Committee. The assessment report is disclosed under the topic of Good Governance Operations within this annual report.

5. The committee has reviewed and has the opinion that the company has met all the regulatory requirements from a listed company standpoint in this industry. The review and audit of security exchange laws, Security and Exchange Commission of Thailand, and other related laws on the company's businesses, have been completed. And when measured against regulatory requirements, our company has complied with all.

6. Supervision of Internal Audit: the Audit Committee reviewed and approved the internal audit plan in 2010, based on the risk management procedures and review of performance of the Internal Audit Department on the quarterly basis. The Committee provides suggestion and monitors implementation of corrective measures, according to the audit report, in significant issues in order to create good governance and substantiated internal audit. In addition, the Committee approved the annual budget of the Internal Audit Department for

human resource training and seminar as a means to promote and support the internal auditors to advance their professional continuously, to have sufficient workforce and resources, and determine key performance indicators (KPI) of the Internal Audit Department.

7. The committee appointed an external auditor for 2009 and approved the audit fee. The assessments of auditing operations in the last fiscal year was satisfactory and ensures that the auditors met requirements set forth by the Security Exchange Commission of Thailand. The committee has requested for approval from the board to appoint Miss Rungnapa Lertsuwankul CPA no. 3516 and Miss Wissuta Jariyathanakom CPA no. 3853, or Miss Sumalee Reevarabundiit CPA no. 3970 of Emst and Young Company Limited as auditors for 2009 with an audit fee of 1,430,000 Baht.

8. In 2009, the Audit Committee performed their duty carefully and independently, giving open and fair comments for the Company's optimal benefits without any limitation of information received, resources and cooperation from executives of every unit. Based on the review and monitoring within the scope of the above-mentioned matter, it could be concluded that the Company had the overall picture of the internal audit, administration and governance with transparency and substantiated efficiency. Information and transactions that were significant were disclosed according to the relevant rules and regulations. The Company strictly followed the required mechanism and procedures.



Mr. Tanachai Theerapatvong
Chairman of Audit Committee

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Summary Report of Directors' Responsibilities to Financial Statements

As directors of Modernform Group Public Company Limited, we fully acknowledged our duties and responsibilities as being directors of a listed company in the Stock Exchange of Thailand to ensure that both the company-only financial statement and the consolidated financial statement of Modernform Group Public Company Limited and its subsidiaries as well as all financial information are accurately presented and reflect fair standing of the company. Financial statements are prepared according to Thai Generally Accepted Accounting Principles (GAAP) in application of correct accounting policies with precision and care. We have ensured that all applicable financial and accounting methods necessary for public and investors to estimate financial standing of the company are being disclosed transparently.

Further to this point, the Board of Directors has appointed the Audit Committee who are all independent directors responsible for all quality assurance aspects of financial reporting and internal control in addition to establishing reasonable confidence in fairness and accuracy of financial accounting of the company as a whole. The Audit Committee takes ownership in ensuring that all ledger recordings are accurate and truly reflect value of company's assets, to learn from exceptions found and to prevent fraud or other misconducts that would jeopardize the company's standing altogether. The Audit Committee comments are also presented in this annual report.

The Board finds that internal control system of the company is satisfactory and provide reasonable confidence in fairness and accuracy of both the company-only financial statement and the consolidated financial statement of the Modernform Group Plc and its subsidiaries for the financial year-end 31 December 2009. The statements were also independently reviewed and audited by external independent auditors to ensure that it was prepared according to Thai Generally Accepted Accounting Principles (GAAP). External auditor comments are also presented here.



Mr. Chareon Usanachitt
Chairman



Mr. Thaksa Busayapoka
Chief Executive Director

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cæf®WâÖ μB μ «® Ö μ“j μ “ °“ Ö —™ È-ÖB ÈB È”À ¥,Àçæf®WâÖB«B·° · -aØ μB †æÖ,ÀçS«j†™ÈÈ-Ö-ãBj†Àμy «ã °“ †B · ¥BçãjY ÈμÖçã È BÖ †aì “ - ”S-À Ö%à° μ «® Ö «j B°“ „™ã °“ ¥ Ö À °— a -Ö “-°“ ÈÈ †aì® « †B · -°“ †a†°-cãjY, B °“ †B °“ a -†j’ S«j†Àj“- jçÖBà °° —™ È®“ „™a -a -j“ °“ †°È°—“°“ “B°“ †B Èì “ - ”S—ÈÑÀ“ †aì°Ñ°¥”cÈ μ ÖY® °“ a -†j’ BS«j†Àj“- jçÖB°“ · ¥B “-°“ È† Ö, B °“ †B,¥- «j cæf®Wâ™È «ã μ «® Ö ¥B°-ã·a -°Ö °—“-B” cÖB°ÑÖ —™ÖÈ È ã B, « S· ° „Àçã y Èì†° ±ã-ã†Àj“- j, °“ · ¥BS«j†ÀÁçÖB cæf®Wâ

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**Report of Independent Auditor
To the Shareholders of Modernform Group Public Company Limited**

I have audited the accompanying consolidated balance sheets of Modernform Group Public Company Limited and its subsidiaries as at 31 December 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of Modernform Group Public Company Limited for the same years. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of one subsidiary and three associates for the year ended 31 December 2009 (2008: three associates), as discussed in Note 10 and Note 11.5 to the financial statements, respectively. The financial statements of the subsidiary and associates were audited by other auditors whose reports, which have been furnished to me, expressed unqualified opinions. My opinion insofar as it relates to the amounts of the various transactions of those subsidiary and associates included in the consolidated financial statements, is based solely on these auditors' reports.

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

In my opinion, based on my audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Modernform Group Public Company Limited and its subsidiaries and of Modernform Group Public Company Limited as at 31 December 2009 and 2008, the results of their operations, and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited
Bangkok: 25 February 2010

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BALANCE SHEETS

Modernform Group Public Company Limited and its Subsidiaries
 Balance Sheet as at 31 December 2009 and 2008

MODERNFORM GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 AS AT 31 DECEMBER 2009 AND 2008

(Unit: Baht)

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	À j " - À µ ý Note	฿ °° ฿ « j Consolidate financial statements		฿ °° ฿ † ° æ " - ° ° ° ° Separate financial statements	
		2552 2009	2551 2008	2552 2009	2551 2008
Assets					
Current assets					
Cash and cash equivalents	7	265,665,784	130,479,725	251,594,076	130,303,170
Trade accounts receivable - net	6, 8	497,287,795	465,062,626	474,502,663	452,311,711
Inventories - net	9	748,871,099	829,397,242	728,429,008	812,490,394
Other current assets					
Prepayments		21,834,557	14,583,972	20,923,544	14,046,658
Others	6	18,827,177	18,893,099	14,215,356	16,350,955
Total other current assets		40,661,734	33,477,071	35,138,900	30,397,613
Total current assets		1,552,486,412	1,458,416,664	1,489,664,647	1,425,502,888
Non-current assets					
Investments in subsidiaries	10	-	-	249,299,059	229,499,059
Investments in associates	11	732,002,866	678,661,015	318,835,760	327,835,760
Long-term investments in equity securities	12	19,587,138	13,406,909	19,587,138	13,406,909
Long-term loans and accrued interest receivable from related party	6	-	-	148,815,566	215,356,544
Property, plant and equipment - net	13	800,306,326	839,923,640	292,360,349	301,146,152
Leasehold rights - net	14	17,964,976	37,090,117	17,964,976	37,090,117
Intangible assets - net	15	5,295,338	6,812,072	5,062,682	6,783,674
Goodwill	10, 16	10,167,312	-	-	-
Other non-current assets - net	6, 17	33,244,191	31,181,755	45,067,163	43,180,144
Total non-current assets		1,618,568,147	1,607,075,508	1,096,992,693	1,174,298,359
Total assets		3,171,054,559	3,065,492,172	2,586,657,340	2,599,801,247

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

MODERNFORM GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
AS AT 31 DECEMBER 2009 AND 2008

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(฿ ๕: “)/(Unit: Baht)

	฿ “-๕μ๕ Note	฿ “ ๕ “j Consolidate financial statements		฿ “ ๕ “๕-๑๑ Separate financial statements	
		2552 2009	2551 2008	2552 2009	2551 2008
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Liabilities and shareholders’ equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	18	24,879,914	57,358,479	15,118,683	45,085,355
Trade accounts payable	6	259,602,053	220,365,846	244,509,501	216,231,801
Other current liabilities					
Customer deposits	6	196,027,278	137,725,805	174,288,712	118,603,527
Accrued expenses		31,002,899	30,745,272	26,601,761	28,207,643
Corporate income tax payable		36,976,114	40,861,866	31,215,770	36,662,707
Others	6	64,519,720	63,715,278	60,479,216	61,297,955
Total other current liabilities		328,526,011	273,048,221	292,585,459	244,771,832
Total current liabilities		613,007,978	550,772,546	552,213,643	506,088,988
Total liabilities		613,007,978	550,772,546	552,213,643	506,088,988

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

(฿ : “)/(Unit: Baht)

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		2552	2551	2552	2551
฿ ๒๒ «๒	฿ ๒๒ «๒	2009	2008	2009	2008
๒๐๐๘ ๒๐๐๘	Shareholders' equity				
๒๐๐๘ ๒๐๐๘	Share capital				
๒๐๐๘ ๒๐๐๘	Registered				
๒๐๐๘ ๒๐๐๘ ๒๐๐๘ ๒๐๐๘ ๒๐๐๘	89,200,000 ordinary shares of Baht 10 each	892,000,000	892,000,000	892,000,000	892,000,000
๒๐๐๘ ๒๐๐๘	Issued and paid-up				
๒๐๐๘ ๒๐๐๘ ๒๐๐๘ ๒๐๐๘ ๒๐๐๘	83,235,372 ordinary shares of Baht 10 each	832,353,720	832,353,720	832,353,720	832,353,720
๒๐๐๘ ๒๐๐๘	Share premium	733,566,600	733,566,600	733,566,600	733,566,600
๒๐๐๘ ๒๐๐๘	Others surplus	34,438,774	35,816,815	-	-
๒๐๐๘ ๒๐๐๘	Unrealised loss				
๒๐๐๘ ๒๐๐๘ ๒๐๐๘ ๒๐๐๘ ๒๐๐๘	Revaluation deficit on changes in value of investments	(6,835,419)	(13,015,648)	(6,835,419)	(13,015,648)
๒๐๐๘ ๒๐๐๘	Retained earnings				
๒๐๐๘ ๒๐๐๘	Appropriated				
๒๐๐๘ ๒๐๐๘	Statutory reserve	90,000,000	90,000,000	90,000,000	90,000,000
๒๐๐๘ ๒๐๐๘	Others	92,635,582	44,853,349	92,635,582	44,853,349
๒๐๐๘ ๒๐๐๘	Unappropriated	861,456,526	829,989,759	385,358,796	450,807,587
๒๐๐๘ ๒๐๐๘	Treasury stocks	(92,635,582)	(44,853,349)	(92,635,582)	(44,853,349)
๒๐๐๘ ๒๐๐๘	Equity attributable to the Company's shareholders	2,544,980,201	2,508,711,246	2,034,443,697	2,093,712,259
๒๐๐๘ ๒๐๐๘	Minority interests - equity attributable to minority shareholders of subsidiaries	13,066,380	6,008,380	-	-
๒๐๐๘ ๒๐๐๘	Total shareholders' equity	2,558,046,581	2,514,719,626	2,034,443,697	2,093,712,259
๒๐๐๘ ๒๐๐๘	Total liabilities and shareholders' equity	3,171,054,559	3,065,492,172	2,586,657,340	2,599,801,247

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

INCOME STATEMENTS

MODERNFORM GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Unit: Baht)

	Note	Consolidate financial statements		Separate financial statements	
		2009	2008	2009	2008
Revenues					
Sales	6	2,264,173,062	2,676,435,407	2,208,035,477	2,619,067,923
Other income					
Rental income	6	67,152,921	65,450,599	1,272,169	2,489,352
Service income		24,117,493	-	-	-
Gain on sales of leasehold rights	14	11,193,046	-	11,193,046	-
Interest income	6	748,075	5,202,425	12,726,951	24,039,032
Others	6	28,992,853	7,240,732	28,936,034	12,673,377
		132,204,388	77,893,756	54,128,200	39,201,761
Dividend received from investments in associates	6, 11	-	-	51,862,654	43,491,838
Total revenues		2,396,377,450	2,754,329,163	2,314,026,331	2,701,761,522
Expenses					
Cost of sales	6	1,441,627,640	1,652,921,404	1,408,570,406	1,618,755,888
Cost of services		13,094,044	-	-	-
Selling expenses	6	445,802,629	454,057,371	463,262,989	479,351,187
Administrative expenses	6	170,455,571	188,904,257	126,118,879	150,826,899
Management benefit expenses		57,608,750	63,808,900	55,880,750	62,524,900
Other expenses	6	6,572,653	12,634,225	3,945,696	12,010,532
Total expenses		2,135,161,287	2,372,326,157	2,057,778,720	2,323,469,406
Income before share of income from investments in associates, finance cost and corporate income tax		261,216,163	382,003,006	256,247,611	378,292,116
Share of income from investments in associates	11.2	111,089,783	115,464,078	-	-
Income before finance cost and corporate income tax		372,305,946	497,467,084	256,247,611	378,292,116
Finance cost		(5,248,074)	(13,909,696)	(4,293,684)	(12,306,802)
Income before corporate income tax		367,057,872	483,557,388	251,953,927	365,985,314
Corporate income tax		(64,766,016)	(99,735,008)	(49,346,062)	(86,845,990)
Net income for the year		302,291,856	383,822,380	202,607,865	279,139,324
Net income attributable to:					
Equity holders of the parent		299,523,423	382,510,630	202,607,865	279,139,324
Minority interests of the subsidiaries		2,768,433	1,311,750	-	-
		302,291,856	383,822,380		
Earnings per share	22				
Basic earnings per share					
Net income attributable to equity holders of the parent		3.74	4.60	2.53	3.36
Weighted average number of ordinary shares (thousand shares)		80,138	83,235	80,138	83,235

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

MODERNFORM GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(A ð: ")/(Unit: Baht)

Modernform Group Public Company Limited and its subsidiaries	Consolidated financial statements					Minority interests attributable to minority shareholders of subsidiaries	Total				
	Issued and paid-up share capital	Share premium	Surplus	Revaluation surplus on changes in value of investments	Statutory reserve			Unappropriated Other	Treasury stock		
Balance as at 31 December 2007	840,533,720	733,566,600	35,816,815	(1,775,360)	92,910,002	28,418,670	751,937,455	(28,418,670)	2,452,809,212	4,098,630	2,457,505,842
Expense recognised directly in equity:	-	-	-	(11,240,288)	-	-	-	-	(11,240,288)	-	(11,240,288)
Investment in available-for-sale securities	-	-	-	(11,240,288)	-	-	-	-	(11,240,288)	-	(11,240,288)
Loss recognised in shareholders' equity	-	-	-	-	-	-	382,510,630	-	382,510,630	1,311,750	383,822,380
Net expense recognised directly in equity	-	-	-	-	-	-	382,510,630	-	382,510,630	1,311,750	383,822,380
Net income for the year	-	-	-	(11,240,288)	-	-	-	-	371,270,342	1,311,750	372,582,092
Total income (expense) for the year	-	-	-	(11,240,288)	-	-	-	-	(270,514,959)	-	(270,514,959)
Dividend paid	-	-	-	-	(2,910,002)	-	-	-	-	-	-
Reversal of statutory reserve of dissolved subsidiary	-	-	-	-	-	-	-	-	-	-	-
Increase in treasury stocks	-	-	-	-	-	-	-	-	-	-	-
Treasury stocks reserve	-	-	-	-	-	-	-	(44,853,349)	-	-	(44,853,349)
Decrease in treasury stocks	-	-	-	-	-	-	-	(20,418,670)	-	-	-
Reversal of treasury stock reserve	(8,000,000)	-	-	-	-	-	-	(28,418,670)	-	-	-
Balance as at 31 December 2008	832,533,720	733,566,600	35,816,815	(13,015,948)	90,000,000	44,853,349	829,989,759	(44,853,349)	2,508,711,246	6,008,380	2,514,719,626
Balance as at 31 December 2008	832,533,720	733,566,600	35,816,815	(13,015,948)	90,000,000	44,853,349	829,989,759	(44,853,349)	2,508,711,246	6,008,380	2,514,719,626
Income (expense) recognised directly in equity:	-	-	-	-	-	-	-	-	-	-	-
Investment in available-for-sale securities	-	-	-	-	-	-	-	-	-	-	-
Gain recognised in shareholders' equity	-	-	-	-	-	-	-	-	-	-	-
Investment in associated company	-	-	-	-	-	-	-	-	-	-	-
Deficit from the devaluation of investments in associated company	-	-	-	-	-	-	-	-	-	-	-
Net income (expense) recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-	-
Total income (expense) for the year	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Increase in treasury stocks	-	-	-	-	-	-	-	-	-	-	-
Treasury stocks reserve	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Acquisition of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Dividend paid to minority interest by subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2009	832,533,720	733,566,600	34,438,774	(6,835,419)	90,000,000	92,635,582	861,456,526	(92,635,582)	2,544,980,201	13,068,380	2,558,048,581

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

STATEMENTS OF CASH FLOWS

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 "A a... j... a... j... a... a... j... a... a... j... a... a... 2552 . - 2551

MODERNFORM GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Unit: Baht)

	Consolidate financial statements		Separate financial statements	
	2552 2009	2551 2008	2552 2009	2551 2008
° .. j... a... a... j... a... a... j... a... a... j... a... a...	Cash flows from operating activities			
°% y... a... j... a... a... j... a... a... j... a... a...	367,057,872	483,557,388	251,953,927	365,985,314
“-“ a... j... a... a... j... a... a... j... a... a...				
†a j... a... j... a... a... j... a... a... j... a... a...				
°% y... a... j... a... a... j... a... a... j... a... a...				
§a... a... j... a... a... j... a... a... j... a... a...	105,495,829	104,256,041	72,032,241	71,171,899
§a... a... j... a... a... j... a... a... j... a... a...	(1,156,832)	7,261,865	1,155,881	7,261,865
§a... a... j... a... a... j... a... a... j... a... a...	(1,486,653)	10,958,342	(1,883,287)	11,147,204
°% y... a... j... a... a... j... a... a... j... a... a...	(777,659)	(316,151)	(777,659)	(280,505)
°% y... a... j... a... a... j... a... a... j... a... a...	(11,193,046)	-	(11,193,046)	-
µ... a... j... a... a... j... a... a... j... a... a...	704,253	1,011,310	704,253	1,011,310
µ... a... j... a... a... j... a... a... j... a... a...	-	26,966	-	-
°% y... a... j... a... a... j... a... a... j... a... a...	-	-	-	(395,987)
°% y... a... j... a... a... j... a... a... j... a... a...	-	-	-	(913,086)
è... a... j... a... a... j... a... a... j... a... a...	(111,089,783)	(115,464,078)	-	-
“... a... j... a... a... j... a... a... j... a... a...	-	-	(51,862,654)	(43,491,838)
“§... a... j... a... a... j... a... a... j... a... a...	2,000,000	-	-	-
“... a... j... a... a... j... a... a... j... a... a...	(748,075)	(5,202,425)	(12,726,951)	(24,039,032)
§a... a... j... a... a... j... a... a... j... a... a...	2,106,015	3,318,118	1,581,503	2,469,854
°% y... a... j... a... a... j... a... a... j... a... a...	350,911,921	489,407,376	248,984,208	389,926,998
°% y... a... j... a... a... j... a... a... j... a... a...	(27,135,765)	12,613,487	(23,346,833)	18,389,851
°% y... a... j... a... a... j... a... a... j... a... a...	91,083,288	(78,983,505)	85,944,673	(81,176,261)
°% y... a... j... a... a... j... a... a... j... a... a...	(4,177,812)	(4,545,114)	(4,801,162)	(12,516,096)
°% y... a... j... a... a... j... a... a... j... a... a...	(1,108,599)	5,209,727	(1,887,019)	12,542,741
°% y... a... j... a... a... j... a... a... j... a... a...	36,263,205	(27,327,087)	27,803,167	(32,612,363)
°% y... a... j... a... a... j... a... a... j... a... a...	55,424,368	(43,550,995)	53,011,641	(41,135,029)
°% y... a... j... a... a... j... a... a... j... a... a...	501,260,606	352,823,889	385,708,675	253,419,841
°% y... a... j... a... a... j... a... a... j... a... a...	(2,083,897)	(3,211,612)	(1,559,385)	(2,361,952)
°% y... a... j... a... a... j... a... a... j... a... a...	(69,200,262)	(109,546,737)	(54,792,999)	(100,991,719)
°% y... a... j... a... a... j... a... a... j... a... a...	429,976,447	240,065,540	329,356,291	150,066,170

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MODERNFORM GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

Modernform Group Public Company Limited (the Company)
is a public company incorporated and domiciled in Thailand.
The Company is principally engaged in the manufacture and distribution of home and office furniture and its registered address is 699 Srinakarindr Rd., Suan Luang, Bangkok. The Company has a total of 5 branches located in Bangkok and other provinces.

1. General information

Modernform Group Public Company Limited (the Company) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of home and office furniture and its registered address is 699 Srinakarindr Rd., Suan Luang, Bangkok. The Company has a total of 5 branches located in Bangkok and other provinces.

1. General information

Modernform Group Public Company Limited (the Company) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of home and office furniture and its registered address is 699 Srinakarindr Rd., Suan Luang, Bangkok. The Company has a total of 5 branches located in Bangkok and other provinces.

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2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543. The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements. The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company (the Company) and the following subsidiary companies (the subsidiaries):

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company (the Company) and the following subsidiary companies (the subsidiaries):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Assets as a percentage to the consolidated total assets as at 31 December		Revenues as a percentage to the consolidated total revenues for the year ended 31 December	
			2552/2009	2551/2008	2552/2009	2551/2008	2552/2009	2551/2008
			Percent	Percent	Percent	Percent	Percent	Percent

Held by the Company

Modernform Tower Company Limited	Rental office space	Thailand	100	100	16.02	17.58	2.67	2.24
Modernform Health & Care Company Limited	Health & Care product manufacturing	Thailand	60	60	1.39	1.13	2.24	2.19
Xteria Company Limited	Manufacturing furniture and interior design	Thailand	75	-	1.0	-	1.53	-

Company name	Nature of business	Country of incorporation	Percentage of indirect shareholding	
			2552/2009 Percent	2551/2008 Percent
Held by Xteria Company Limited				
Rafa Plus Architect Company Limited	Architectural engineering design	Thailand	75	-
Rafa Design Office Company Limited	Landscape architecture design	Thailand	75	-
Rafa Management Company Limited	Construction management services	Thailand	30	-

During 2009, the Company acquired an additional 1.35 million ordinary shares of Xteria Company Limited or a total of Baht 10.8 million. As a result, the Company's percentage shareholding in that company has increased from 30 percent to 75 percent. The Company has therefore regarded this company as a subsidiary company since July 2009, as discussed in note 10 to the financial statements.

On 20 November 2009, Xteria Company Limited acquired 40 percent shareholding of the registered and paid-up shares of Rafa Management Company Limited. Because Xteria Company Limited has the authority to set financial and operations policies to generate benefit from the activities of this company, consolidated financial statements will be prepared.

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

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

d) Outstanding balances between the Company and the subsidiary companies, intercompany transactions, investment balance in the Company's books and share capital of the subsidiary companies and profit included in the end of year balance of inventories are eliminated from the consolidated financial statements.

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

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

2007 24 40 TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 is not relevant to the business of the Company, while TAS 24 (revised 2007) and TAS 40 will not have any significant impact on the financial statements for the year in which it is initially applied.

4. 4.1 Revenue recognition

4.1 Revenue recognition

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

Rendering of rental and services
 Rental and related services income of units in office building are recognised when services have been rendered on an accrual basis.

Rendering of architectural design services
 Architectural design services income are recognised when services have been rendered taking into account the stage of completion by the contract.

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of rental and services

Rental and related services income of units in office building are recognised when services have been rendered on an accrual basis.

Rendering of architectural design services

Architectural design services income are recognised when services have been rendered taking into account the stage of completion by the contract.

Interest income

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

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4.4 Inventories

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

Trade finished goods are valued at the lower of cost
(first-in, first-out) and net realisable value.

Raw materials are valued at the lower of average cost
and net realisable value and are charged to production
costs whenever consumed.

4.5 Investments

a) Investments in available-for-sale securities are stated at
fair value. Changes in the carrying amounts of securities
are recorded as separate items in shareholders' equity
until the securities are sold, when the changes are
then included in determining income.

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

c) Investments in subsidiaries and associates are
accounted for in the separate financial statements
using the cost method.

The fair value of marketable securities is based on the
latest bid price of the last working day of the year as quoted
on the Stock Exchange of Thailand. The fair value of unit
trusts is determined from their net asset value.

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

4.6 Property, plant and equipment / Depreciation

Land is stated at cost. Building and equipment are
stated at cost less accumulated depreciation and allowance
for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by
reference to their costs on the straight-line basis over the
following estimated useful lives:

- Land improvement - 15 years and 20 years
Buildings - 20 years and 30 years
Building improvement - 5 years, 15 years and 20 years
Leasehold improvement - 3 years, 5 years and 10 years
Machinery - 5 years and 10 years

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4.7 ‘ a-âpâj«»

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Motor vehicles - 5 years
 Other equipment - 5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

4.7 Intangible assets

Intangible assets acquired in a business combination are recognised at fair value on the date of acquisition. Other required intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

A summary of the intangible asset with finite useful lives is as follow:

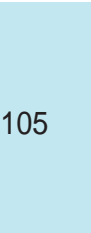
	Useful lives
Computer software	5 years

4.8 Goodwill

Goodwill is initially measured at cost, which is the excess of the cost of the business combination over the Company’s share in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company’s cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit



À°S“¥«ä;ÿSä Æ“¥«ä®%â-S µË° «ä;ÿSäµ“ j —™cÖB
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6. “-°“ ÿ°—°“ ÈÈcÖB—

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their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

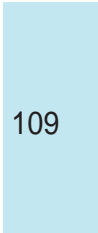
The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

6. Related party transactions

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

(À æ: ä “)/(Unit: Million Baht)

	B °“ †B «j Consolidated financial statements		B °“ †B †æ“-°®“ Separate financial statements		, - “-°“ òÀ ¥ “S“ Transfer pricing policy
	2552/2009	2551/2008	2552/2009	2551/2008	
“-°“ ÿ°— :.-ã- (µYÖÖ°®°B °“ †B «j. ®) Transactions with subsidiaries: (Eliminated from the consolidated financial statements)					
c“- ‘ Sâ Sales of goods	-	-	1.8	2.4	“S“ ° B°—“S“µ “¥ Close market price
Sâ °“ — Services income	-	-	0.9	1.1	“S“µ“ j — Contract price
Sâ™yâ — Rental income	-	-	0.8	0.8	“S“µ“ j — Contract price
¥Ö† ÈÈ— Interest income	-	-	12.0	18.9	Öµ-¥Ö† ÈÈÈÈ “À -#° ÿ(MLR) «° Æ- 0.50 µâa; i MLR plus 0.50% per annum
ÈÈ‘ Sâ Purchases of goods	-	-	11.7	3.0	“S“ ° B°—“S“µ “¥ Close market price
Sâ™yâ- Sâ °“ ÈÈcÖB— Rental expenses and related service fees	-	-	46.3	52.1	µ“ “Èµµ - 400 “ µâ¥Ö “À -™cäÿ (2551 : µ“ “Èµµ - 380 “ - 400 “ µâ¥Ö “À -™cäÿ) Baht 400 per square meter per month for showroom (2008: Baht 380 and Baht 400 per square meter per month for showroom) µ“ “Èµµ - a - j “ 300 “ µâ¥Ö “À -™cäÿ “ °B“ Baht 300 per square meter per month for office unit.



(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2552/2009	2551/2008	2552/2009	2551/2008	
Transactions with associates:					
Sales of goods	0.8	2.4	0.8	2.4	Close market price
Services of income	2.5	3.0	2.5	3.0	Contract price
Dividend income	51.9	43.5	51.9	43.5	As declared
Rental income and related service fees	13.3	14.4	0.2	0.4	Baht 110 to Baht 400 per square meter per month for office unit
Purchases of goods	123.7	112.5	123.7	112.5	Close market price
Purchases of equipment	2.4	0.4	2.4	0.4	Close market price

(À ¸: “)/(Unit: Baht)

Consolidate financial statements Separate financial statements
2552 2551 2552 2551
2009 2008 2009 2008

Customer deposits

Associates:

Modemform Integration Services Company Limited
MFEC Public Company Limited
M.I.S. Outsourcing Company Limited
Rafa Plus Architect Limited
Xteria Company Limited

Customer deposits

Associates:

Modemform Integration Services Company Limited
MFEC Public Company Limited
M.I.S. Outsourcing Company Limited
Rafa Plus Architect Limited
Xteria Company Limited

Table with 4 columns: 2552 2009, 2551 2008, 2552 2009, 2551 2008. Rows include Modemform Integration Services Company Limited, MFEC Public Company Limited, M.I.S. Outsourcing Company Limited, Rafa Plus Architect Limited, Xteria Company Limited, and Total.

Other current liabilities - others

Subsidiaries:

Modemform Tower Company Limited
Modemform Health & Care Company Limited

Other current liabilities - others

Subsidiaries:

Modemform Tower Company Limited
Modemform Health & Care Company Limited

Table with 4 columns: 2552 2009, 2551 2008, 2552 2009, 2551 2008. Rows include Modemform Tower Company Limited, Modemform Health & Care Company Limited, Associates (Modemform Integration Services Company Limited, M.I.S. Outsourcing Company Limited), and Total.

During 2009, movements of long-term loans and accrued interest receivable from related party was as follow:

During 2009, movements of long-term loans and accrued interest receivable from related party was as follow:

(À ¸: “)/(Unit: Baht)

Table with 7 columns: Balance as at 1 January 2552 2009, Increase, Decrease, Balance as at 31 December 2552 2009, Interest charging policy, Repayment schedule. Row: Modemform Tower Company Limited.

On 6 May 2009, the Company and Modernform Tower Company Limited (a subsidiary) jointly entered into the amended loan agreement to expand the term of repayment of principal and interest. The term of repayment of principal and interest has been extended from 2010 to 2012.

On 6 May 2009, the Company and Modernform Tower Company Limited (a subsidiary) jointly entered into the amended loan agreement to expand the term of repayment of principal and interest. The term of repayment of principal and interest has been extended from 2010 to 2012.

Directors and management's remuneration

In 2009 the Company and its subsidiaries paid salaries, bonus, meeting allowance and gratuities to their directors and management totaling Baht 57.6 million (The Company only: Baht 55.9 million) (2008: Baht 63.8 million, The Company only: Baht 62.5 million).

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 27.2 to the financial statements.

Shareholders

In 2009, the Company and its subsidiaries paid salaries, bonus, meeting allowance and gratuities to their directors and management totaling Baht 57.6 million (The Company only: Baht 55.9 million) (2008: Baht 63.8 million, The Company only: Baht 62.5 million).

Shareholders

The Company has outstanding guarantee obligations with its related parties, as described in Note 27.2 to the financial statements.

7. Cash and cash equivalents

7. Cash and cash equivalents

(Unit: Baht)

	Consolidate financial statements		Separate financial statements	
	2552	2551	2552	2551
	2009	2008	2009	2008
Cash on hand	463,485	508,818	416,656	430,818
Deposits with banks	265,202,299	129,970,907	251,177,420	129,872,352
Total	265,665,784	130,479,725	251,594,076	130,303,170

8. Trade accounts receivable

8. Trade accounts receivable

The balances of trade accounts receivable as at 31 December 2009 and 2008, aged on the basis of due date, are summarised below.

(Unit: Baht)

	Consolidate financial statements		Separate financial statements	
	2552	2551	2552	2551
	2009	2008	2009	2008
Age of receivables				
Not yet due and past due				
Up to 3 months	398,678,497	333,910,593	379,832,146	324,027,699
3 - 6 months	31,989,858	91,685,671	30,625,079	91,394,933
6 - 12 months	56,846,940	35,982,497	55,654,131	33,796,190
Over 12 months	44,391,875	36,594,059	42,657,382	36,203,083
Total	531,907,170	498,172,820	508,768,738	485,421,905
Less: Allowance for doubtful accounts	(34,619,375)	(33,110,194)	(34,266,075)	(33,110,194)
Trade accounts receivable - net	497,287,795	465,062,626	474,502,663	452,311,711

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9. Inventories

(Á ᅓ: “)/(Unit: Baht)

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		ᅑ ᅒ ᅓ ᅒ/Consolidated financial statements					
		“ᅓ ᅒ Cost		ᅓᅓᅓᅓ ᅒ ᅓᅓᅓᅓ ᅒ ᅓᅓᅓᅓ ᅒ Allowance of diminution in value of inventory - stock obsolescence		‘ᅓᅓᅓᅓ ᅒ - ᅒ’ Inventory - net	
		2552/2009	2551/2008	2552/2009	2551/2008	2552/2009	2551/2008
ᅓᅓ ᅒᅓ ᅒᅓ	Finished goods	449,011,153	510,042,759	(20,230,504)	(16,006,933)	428,780,649	494,035,826
ᅑ ᅒ ᅓᅓᅓ	Work in process	81,597,187	89,814,928	(14,530,400)	(13,352,201)	67,066,787	76,462,727
ᅑ ᅒ	Raw materials	187,477,425	201,540,078	(25,905,300)	(32,793,723)	161,572,125	168,746,355
ᅓᅓ ᅒᅓᅓ	Goods for showroom	60,483,652	55,259,369	-	-	60,483,652	55,259,369
ᅓᅓ ᅒᅓ ᅓᅓ ᅒ	Goods in transit	27,940,513	31,577,243	-	-	27,940,513	31,577,243
ᅑ ᅒᅓ	Other supplies	3,027,373	3,315,722	-	-	3,027,373	3,315,722
ᅑ	Total	809,537,303	891,550,099	(60,666,204)	(62,152,857)	748,871,099	829,397,242

(Á ᅓ: “)/(Unit: Baht)

		ᅑ ᅒ ᅓ ᅒ ᅒ ᅒ /Separately financial statements					
		“ᅓ ᅒ Cost		ᅓᅓᅓᅓ ᅒ ᅓᅓᅓᅓ ᅒ ᅓᅓᅓᅓ ᅒ Allowance of diminution in value of inventory - stock obsolescence		‘ᅓᅓᅓᅓ ᅒ - ᅒ’ Inventory - net	
		2552/2009	2551/2008	2552/2009	2551/2008	2552/2009	2551/2008
ᅓᅓ ᅒᅓ ᅒᅓ	Finished goods	437,007,158	498,085,751	(19,337,921)	(15,510,983)	417,669,237	482,574,768
ᅑ ᅒ ᅓᅓᅓ	Work in process	81,484,125	89,814,928	(14,530,400)	(13,352,202)	66,953,725	76,462,726
ᅑ ᅒ	Raw materials	187,477,425	201,540,078	(25,905,300)	(32,793,723)	161,572,125	168,746,355
ᅓᅓ ᅒᅓᅓ	Goods for showroom	57,356,661	52,601,189	-	-	57,356,661	52,601,189
ᅓᅓ ᅒᅓ ᅓᅓ ᅒ	Goods in transit	21,849,887	28,789,634	-	-	21,849,887	28,789,634
ᅑ ᅒᅓ	Other supplies	3,027,373	3,315,722	-	-	3,027,373	3,315,722
ᅑ	Total	788,202,629	874,147,302	(59,773,621)	(61,656,908)	728,429,008	812,490,394

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 “- -†Ö-¥¥B È

10. **Investments in subsidiaries**

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

ชื่อบริษัท Company's name	ชำระขึ้น Paid-up capital		ส่วนถือหุ้น Shareholding percentage		มูลค่า Cost	
	2552/2009	2551/2008	2552/2009	2551/2008	2552/2009	2551/2008
	ล้านบาท	ล้านบาท	เปอร์เซ็นต์	เปอร์เซ็นต์	ล้านบาท	ล้านบาท
บริษัท โมเดิร์นทาวเวอร์ จำกัด Modemform Tower Company Limited	220	220	100	100	219,899	219,899
บริษัท โมเดิร์นทาวเวอร์ เฮลท์ แอนด์ แคร์ จำกัด Modemform Health & Care Company Limited	16	16	60	60	9,600	9,600
บริษัท เซเรีย จำกัด Xteria Company Limited	30	-	75	-	19,800	-
รวม Total					249,299	229,499

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บริษัท โมเดิร์นทาวเวอร์ จำกัด “i È ¥BÖ-ÑB ° “ ฿ †“e-“°“ i’ “- -†Ö-¥¥B È

บริษัท เซเรีย จำกัด “i È ¥BÖ-ÑB ° “ ฿ †“e-“°“ i’ “- -†Ö-¥¥B È

The financial statements of Xteria Company Limited, which are included in the consolidated financial statements for the year ended 31 December 2009 present total assets and total revenues amounting to Baht 31.8 million and Baht 38.4 million, respectively. The financial statements of the subsidiary were reviewed by other auditor.

Significant events of investment in subsidiary during 2009 are as follows:

Xteria Company Limited

On 15 June 2009, a meeting of the Company's Board of Directors approved the purchase of 1.35 million ordinary shares of Xteria Company Limited from the former shareholders, at a price of Baht 8 per share, totaling Baht 10.8 million (The Company calculated the share price based on the net asset value of Xteria Company Limited as at 30 April 2009 which the share price was approximately Baht 6.0 per share, plus the sum of payment that the Company paid for the expected future economic benefits from such investments amounting to Baht 2 per share). The Company's shareholding proportion in this company has thus increased from 30 percent to 75 percent of the registered and paid-up share capital. The Company has regarded Xteria Company Limited as its subsidiary from July 2009 onward.

The net asset values of Xteria Company Limited as at the investment date are as follow:

(À ¤: ¤—)/(Unit: Thousand Baht)

‘ ¤=à	Assets	
‘ ¤=à jÿt«-‘	Current asset	17,293
‘ ¤=à jÿt«-‘	Non-current assets	12,720
«j ‘ ¤=à	Total assets	<u>30,013</u>
À È	Liabilities	
À È A jÿt«-‘	Current liabilities	15,238
«j À È	Total liabilities	<u>15,238</u>
«j ‘ ¤=àÿ ‘	Net asset value	14,775
¥-à °“ ß jÿcÕß ‘...-e (ã- -)	The Company’s investment portion (percent)	45
‘ ¤=àÿ ‘ ¥-à °“ ß jÿcÕß ‘...-e	Net asset attributable to Company’s investment	<u>6,648</u>
à cÕß “S” È Èÿ“à ‘ ¤=àÿ ‘	Excess of purchase price over net asset value	
à t°‘ cÕß “S” ÿ Èÿ“à jÿSà ‘ ¤=àÿ ‘	Excess of cost of investment over net asset value of	
cÕßß ß ÿ, ‘...-ã-	investment in a subsidiary	2,152
à cÕß “S” È Èÿ“à ‘ ¤=àÿ ‘ —t°i Sà, È-ã-	Excess of purchase price over net asset value recorded as expenses	<u>2,000</u>
“S” È	Purchase price	10,800
À°: ß ¥cÕß ‘...-ã-	Less: Cash of subsidiary company	(1,982)
ß ¥cÕß ÿ tæÈ È ‘...-ã-	Net cash paid for purchase of subsidiary company	<u>8,818</u>

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- t j È—È20 æf»®“ - 2552 ‘...-t°‘ àt ‘ °¥%ãß ÿ
 „ Àã “j-cÕß ‘...-e ß —j t t°i à à®°¥-, ¥-à
 ã- - 40 cÕß ÿÿ -t ‘ -™’ - à «j t°i ß È-È
 400,000 “

- On 20 November 2009, Xteria Company Limited acquired 40 percent of the registered ordinary shares of Rafa Management Company Limited, for a total of Baht 400,000.

11. บริษัทในเครือ

11.1 รายละเอียดบริษัทในเครือ

11. Investments in associates

11.1 Details of associates:

(หน่วย: ล้านบาท) / (Unit: Thousand Baht)

ชื่อบริษัท	ลักษณะธุรกิจ	ประเทศที่จดทะเบียน	งบการเงินรวม/Consolidated financial statements				มูลค่าตามวิธีคิดต้นทุน	
			ส่วนแบ่งถือหุ้น		ราคาซื้อ/ต้นทุน		มูลค่าตามวิธีคิดต้นทุน	
			2552/2009	2551/2008	2552/2009	2551/2008	2552/2009	2551/2008
		เปอร์เซ็นต์	เปอร์เซ็นต์	ล้านบาท	ล้านบาท	ล้านบาท	ล้านบาท	
Thai Plaspac Public Company Limited	Packaging manufacturing	Thailand	48	48	118,172	118,172	212,133	176,508
Interface Modemform Company Limited	Carpet production for local and overseas sales	Thailand	30	30	60,000	60,000	296,891	269,402
MFEC Public Company Limited	IT professional service and system integration service	Thailand	30	31	140,664	140,664	222,979	226,087
Xteria Company Limited	Manufacturing furniture and interior design	Thailand	-	30	-	9,000	-	6,664
รวม					318,836	327,836	732,003	678,661

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(หน่วย: ล้านบาท) / (Unit: Thousand Baht)

ชื่อบริษัท	ลักษณะธุรกิจ	ประเทศที่จดทะเบียน	งบการเงินเฉพาะตัว/Separate financial statements				มูลค่าตามวิธีคิดต้นทุน	
			ส่วนแบ่งถือหุ้น		ราคาซื้อ/ต้นทุน		มูลค่าตามวิธีคิดต้นทุน	
			2552/2009	2551/2008	2552/2009	2551/2008	2552/2009	2551/2008
		เปอร์เซ็นต์	เปอร์เซ็นต์	ล้านบาท	ล้านบาท	ล้านบาท	ล้านบาท	
Thai Plaspac Public Company Limited	Packaging manufacturing	Thailand	48	48	118,172	118,172		
Interface Modemform Company Limited	Carpet production for local and overseas sales	Thailand	30	30	60,000	60,000		
MFEC Public Company Limited	IT professional service and system integration service	Thailand	31	31	140,664	140,664		
Xteria Company Limited	Manufacturing furniture and interior design	Thailand	-	30	-	9,000		
รวม					318,836	327,836		



11.4 คัดกรองข้อมูลบริษัทที่
 คัดกรองข้อมูลบริษัทที่
 , ทรัพย์สิน

11.4 Summarised financial information of associates
 Financial information of the associated companies is summarised below:

(Unit: Million Baht)

Company name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Net income (loss) for the year ended 31 December	
	2552	2551	2552	2551	2552	2551	2552	2551	2552	2551
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Thai Plaspac Public Company Limited	100	100	733.8	674.2	321.1	332.3	974.5	957.5	110.8	73.6
Interface Modemform Company Limited	200	200	1,253.0	1,175.4	243.9	271.8	1,393.6	1,889.0	91.3	133.8
MFEC Public Company Limited	244	235	2,019.5	1,760.8	1,277.0	1,039.5	2,713.3	2,472.3	102.8	149.5
Xteria Company Limited	-	30	-	33.6	-	11.7	-	46.4	-	(4.6)

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11.5 บริษัทที่
 บริษัทที่
 บริษัทที่

11.5 Associates financial statements - audited by other auditors

Investments in associates and share of income/loss from investments in associates as included in the consolidated financial statements for the years ended 31 December 2009 and 2008 were determined based on the associates financial statements, which were audited by other auditors as follows:

(Unit: Thousand Baht)

Company name	Investments in associated		Share of income (loss) from investments in associates	
	Carrying amount based on equity method as at 31 December		for the year ended 31 December	
	2552	2551	2552	2551
	2009	2008	2009	2008
Interface Modemform Company Limited	296,891	269,402	27,490	36,588
MFEC Public Company Limited	222,979	226,087	30,932	45,408
Xteria Company Limited	-	6,664	-	(1,449)
Total	519,870	502,153	58,422	80,547

11.6 11.6 Significant events of investments in associates

11.6 Significant events of investments in associates

Significant events regarding the investments in associates during 2009 are as follows:

- During the current year, the warrant holders of MFEC Public Company Limited (MFEC-W1) and (ESOP-W1) exercised their right to convert warrants to ordinary shares of MFEC Public Company Limited. As a result, the Company's shareholding in this company decreased from 30.90 percent to 29.79 percent and the value of the Company's investment in associate under equity method decreased of Baht 1.4 million. The Company recorded the deficit as the part of Others surplusé in the balance sheet.
- On 23 April 2009, the Annual General Meeting of the Shareholders of Thai Plaspac Public Company Limited approved an annual dividend payment of Baht 0.40 per share from its income for the year 2008 to the shareholders. The dividend is to be paid in May 2009. During the current period, the Company has already received dividend in full amount.
- On 24 April 2009, the Annual General Meeting of the Shareholders of MFEC Public Company Limited approved an annual dividend payment of Baht 0.45 per share from its income for the year 2008 to the shareholders. The dividend is to be paid in May 2009. During the current period, the Company has already received dividend in full amount.

12. 12. Long-term investments in equity securities

12. Long-term investments in equity securities

(À à: ")/(Unit: Baht)

		B °° B «j. - B °° B t°æ“-°°° Consolidated financial statements and Separate financial statements	
		2552/2009	2551/2008
À ° æ-áÖ-	Available-for-sale securities:		
“S“ ý	Cost	26,422,557	26,422,557
À°-ç“ý - j	Less: Accumulated loss on sale of available-for-sale securities	(6,835,419)	(13,015,648)
«j	Total	19,587,138	13,406,909

13. ทรัพย์สินและเครื่องมือ
13. Property, plant and equipment

(หน่วย: บาท) / (Unit: Baht)

งบการเงินรวม / Consolidated financial statements									
	ที่ดินและ สิ่งปลูกสร้าง Improvement	อาคาร Buildings	อาคาร ปรับปรุง Building and leasehold improvement	เครื่อง จักร Machinery	เฟอร์นิเจอร์ และ อุปกรณ์ Furniture and equipment	ยานยนต์ - รถ Vehicles	อสังหาริมทรัพย์ ใน ระหว่าง ก่อสร้าง Construction in progress	อื่น ๆ Others	รวม Total
ต้นทุน									
Cost:									
31 ธันวาคม 2551	170,444,968	1,000,605,422	239,130,908	332,477,093	149,604,442	61,827,188	448,500	70,006,784	2,024,545,305
31 ธันวาคม 2008									
เพิ่ม	1,143,401	-	5,564,316	8,455,066	5,891,776	4,942,359	28,704,566	3,218,000	57,919,484
เพิ่ม	3,736,495	-	24,509,288	-	1,116,357	350,000	-	714,518	30,426,658
โอนเข้า	-	-	-	(723,000)	(1,213,793)	(3,688,499)	-	(856,335)	(6,481,627)
DISPOSALS	-	-	-	-	(362,453)	(350,000)	(28,521,978)	(1,192,227)	(30,426,658)
โอนออก	-	-	(5,090,422)	-	(3,979,610)	-	(375,288)	(34,605)	(9,479,925)
โอนออก	-	-	2,344,722	104,000	5,179,842	1,925,232	-	45,318	9,599,114
Acquisition of subsidiary during the year									
31 ธันวาคม 2552	175,324,864	1,000,605,422	266,458,812	340,313,159	156,236,561	65,006,280	255,800	71,901,453	2,076,102,351
31 ธันวาคม 2009									
ค่าเสื่อมราคาสะสม									
Accumulated depreciation:									
31 ธันวาคม 2551	6,462,120	510,096,577	166,935,457	283,948,207	114,770,500	49,322,128	-	53,086,676	1,184,621,665
31 ธันวาคม 2008									
ค่าเสื่อมราคา	1,640,818	36,084,038	21,663,722	16,026,858	13,248,357	5,081,595	-	6,145,756	99,891,144
ค่าเสื่อมราคา	-	-	-	(722,994)	(1,028,262)	(3,688,489)	-	(826,544)	(6,266,289)
ค่าเสื่อมราคา	-	-	(4,982,781)	-	(3,792,891)	-	-	-	(8,775,672)
ค่าเสื่อมราคา	-	-	1,415,458	33,792	3,332,879	1,523,308	-	19,740	6,325,177
Acquisition of subsidiary during the year									
31 ธันวาคม 2552	8,102,938	546,180,615	185,031,856	299,285,863	126,530,583	52,238,542	-	58,425,628	1,275,796,025
31 ธันวาคม 2009									
มูลค่าสุทธิ									
Net book value:									
31 ธันวาคม 2551	163,982,848	490,508,845	72,195,451	48,528,886	34,833,942	12,505,060	448,500	16,920,108	839,923,640
31 ธันวาคม 2008									
31 ธันวาคม 2552	167,221,926	454,424,807	81,426,956	41,027,296	29,705,978	12,767,738	255,800	13,475,825	800,306,326
31 ธันวาคม 2009									
ค่าเสื่อมราคา									
Depreciation for the year									
2551 (51.6 ล้านบาท รวมอยู่ในต้นทุนการผลิต และ ค่าเสื่อมราคาในขายและบริหาร)									98,640,500
2008 (Baht 51.6 million included in manufacturing cost, and the balance in selling and administrative expenses)									
2552 (54.7 ล้านบาท รวมอยู่ในต้นทุนการผลิต และ ค่าเสื่อมราคาในขายและบริหาร)									99,891,144
2009 (Baht 54.7 million included in manufacturing cost, and the balance in selling and administrative expenses)									



«—É31 —«Şj 2552 ...—œ - ...—ãjõ“Ş”
 · -õÿ° « À È ÈÿŞã Õj “Ş“Àjÿ. à µã, ðã Õ-ÿ
 “Ş” jçõß ‘ æ-ÿß-ãjõ “Ş” a -j“ 528 ã “
 (2551: 479 ã “) (†œ“-cõß ...—œ 526 ã “ 2551:
 477 ã “)

...—œã” È æ ãj È È ÿ ÆjijÿŞã ÿ µ“j —™ «—É
 31 —«Şj 2552 «j È Èÿ « 22.2 ã “ (2551: 19.2
 ã “) %œÿ® Õß%ã—“Ş” · ÀÀ È ÆãÕŞÈ -°-À È
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 ÆjijÿŞã ÿ µ“j —™ «—É31 —«Şj 2552 «j È Èÿ
 ® « 512.4 ã “ (2551: 544.5 ã “) %ã—“Ş”
 †æÕŞÈ -°-†ß † °†° —™ “Ş” · -«ß†ß’ †™Ècõß
 ...—œ - ...—ã. ÀÀ È

As at 31 December 2009, certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 528 million (2008: Baht 479 million) (The Company only: Baht 526 million, 2008: Baht 477 million).

The Company has mortgaged land with structures thereon with a bank with a total net book value as at 31 December 2009 of Baht 22.2 million (2008: Baht 19.2 million) to secure against the indebtedness of the Company to this bank.

In addition, a subsidiary company has mortgaged land with structures thereon with a bank with a total net book value as at 31 December 2009 of Baht 512.4 million (2008: Baht 544.5 million) to secure bank overdrafts and credit facilities granted to the Company and its subsidiary company.

14. ‘ °“ †™ã

14. Leasehold rights

(À æ: “)/(Unit: Baht)

ß °“ †ß «j. -
 ß °“ †ß †œ“-°œ“
**Consolidated financial statements
 and Separate financial statements**

	Cost	
“Ş” ÿ		
31 —«Şj 2551	31 December 2008	91,360,441
®À ã	Disposals	(35,143,432)
31 —«Şj 2552	31 December 2009	56,217,009
Şãµ®À ã - j	Accumulated amortisation	
31 —«Şj 2551	31 December 2008	54,270,324
Şãµ®À ã ”À -ãj	Amortisation for the year	3,215,383
Şãµ®À ã ”À -à ÈÀ ã	Amortisation on disposals	(19,233,674)
31 —«Şj 2552	31 December 2009	38,252,033
jÿŞã ÿ µ“j —™	Net book value	
31 —«Şj 2551	31 December 2008	37,090,117
31 —«Şj 2552	31 December 2009	17,964,976
Şãµ®À ã Èjõ-ãß °%œ“ÿ ÿ ”À -ãj	Amortisation expenses included in the income statement for the year	
2551	2008	3,310,596
2552	2009	3,215,383

15. အနုပညာပစ္စည်းများ

အနုပညာပစ္စည်းများ ဤဇယားတွင် ဖော်ပြထားပါသည်။

15. Intangible assets

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

(Unit: Baht)

		Consolidate financial statements	Separate financial statements
	Cost		
31 December 2008	31 December 2008	22,131,777	22,086,310
Additions	Additions	605,850	635,956
Acquisition of subsidiary during the year	Acquisition of subsidiary during the year	328,800	-
31 December 2009	31 December 2009	23,066,427	22,722,266
	Accumulated amortisation		
31 December 2008	31 December 2008	15,319,705	15,302,636
Amortisation for the year	Amortisation for the year	2,389,302	2,356,948
Amortisation on disposals	Amortisation on disposals	62,082	-
31 December 2009	31 December 2009	17,771,089	17,659,584
	Net book value		
31 December 2008	31 December 2008	6,812,072	6,783,674
31 December 2009	31 December 2009	5,295,338	5,062,682
	Amortisation expenses included in the income statement for the year		
2008	2008	2,304,945	2,298,677
2009	2009	2,389,302	2,356,948

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16. Goodwill

16. Goodwill

(Unit: Thousand Baht)

		Consolidated financial statements	
		2552/2009	2551/2008
Xteria Company Limited	Xteria Company Limited	2,151,220	-
Rafa Design Office Company Limited	Rafa Design Office Company Limited	6,458,494	-
(100 percent shareholding by Xteria Company Limited)	(100 percent shareholding by Xteria Company Limited)		
Rafa Plus Architect Limited	Rafa Plus Architect Limited	1,557,598	-
(100 percent shareholding by Xteria Company Limited)	(100 percent shareholding by Xteria Company Limited)		
Total	Total	10,167,312	-

During 2009 the Company considered an impairment of goodwill arising from the additional investment in Xteria Company Limited (a subsidiary). The subsidiary had an operating profit, and the type of product, which is outdoor furniture, provides opportunities for expansion and synergies with the core business. In addition, subsidiaries of Xteria Company Limited that operate a design and decoration business provides further business expansion opportunities that could generate a range of benefits for the Company.

During 2009 the Company considered an impairment of goodwill arising from the additional investment in Xteria Company Limited (a subsidiary). The subsidiary had an operating profit, and the type of product, which is outdoor furniture, provides opportunities for expansion and synergies with the core business. In addition, subsidiaries of Xteria Company Limited that operate a design and decoration business provides further business expansion opportunities that could generate a range of benefits for the Company.

17. อื่นๆ (Other non-current assets)

17. Other non-current assets

(Unit: Baht)

	Consolidate financial statements		Separate financial statements	
	2552	2551	2552	2551
	2009	2008	2009	2008
Other receivables	35,615,040	35,615,040	35,615,040	35,615,040
Less: Allowance for doubtful accounts	(19,259,512)	(19,259,512)	(19,259,512)	(19,259,512)
Other receivables - net	16,355,528	16,355,528	16,355,528	16,355,528
Deposits	16,888,663	14,826,227	28,711,635	26,824,616
Total	33,244,191	31,181,755	45,067,163	43,180,144

18. ทางการเงิน (Bank overdrafts and short-term loans from financial institutions)

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

(Unit: Baht)

	Consolidate financial statements		Separate financial statements	
	2552	2551	2552	2551
	2009	2008	2009	2008
Bank overdrafts	7,199,625	17,338,186	438,394	11,435,645
Liabilities under trust receipts	14,680,289	37,020,293	14,680,289	33,649,710
Short-term loans from financial institutions	3,000,000	3,000,000	-	-
Total	24,879,914	57,358,479	15,118,683	45,085,355

Bank overdrafts and certain loans are secured by the mortgage of land with structures thereon of the Company and its subsidiary company, as discussed in Note 13 to the financial statements.

Bank overdrafts and certain loans are secured by the mortgage of land with structures thereon of the Company and its subsidiary company, as discussed in Note 13 to the financial statements.

Subsidiary

As at 31 December 2009 and 2008, the outstanding loan of Baht 3.0 million obtained by a subsidiary company from a local bank which carries interest at 3.00 percent per annum (2008: 5.70 percent per annum) and is to be repaid in February 2010. This loan is guaranteed by the Company and by the directors of the subsidiary.

19. อื่นๆ (Others surplus)

19. Others surplus

In 2003, the Stock Exchange of Thailand approved the application of MFEC Public Company Limited, an associated company, to list its ordinary shares as securities. Such company subsequently raised additional share capital by means of the sale of shares through a public offering on the Stock Exchange of Thailand. As a result of this, the value of the Company's

In 2003, the Stock Exchange of Thailand approved the application of MFEC Public Company Limited, an associated company, to list its ordinary shares as securities. Such company subsequently raised additional share capital by means of the sale of shares through a public offering on the Stock Exchange of Thailand. As a result of this, the value of the Company's

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 t00 0 ‘ ‘0°Y-(jA“TM) (MFEC-W1) . - (ESOP-W1) %Aa ‘
 ‘0A8 “i-c0B ‘...-0A’ t00 0 ‘ ‘0°Y-(jA“TM) ”.AaYsaib’
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 -t ‘ ‘ μ “Y t0A t0 %0 tæE tæE 0c“-Àa° a —TM E00 „
 “S“ E’ °«a1 Ysa E “%â °“ tæE y E” „AaYsaib’ B y,
 ‘...YB° 3kμ“j«’ à %Aa ‘ tæE tæE a -j“ 3 à “ ‘...-æ
 %â—° à tæE E0a —TM ç à t° y0Ee „ B Yy

20. ” 0Bμ“j°AÀj“-

ç “-„μâ —μE0Bj“μ “ 116 .À8æ - “TM —μ’ ‘...-
 jA“TM 0°Yæ.». 2535 ‘...-0jYB° °%0 y a _0° a1 à À E
 %A8 j y” 0Bp a0°«â 0 - 5 ç0B°%0 y a _0° a1 à À E
 ç“Y y - j°j“ (a1) 0° «â y” 0B E j 0° « %p a0° «â 0 -
 10 ç0B y0y -t ‘ ‘ ” 0Bμ“j°AÀj“-YB° 3k%â a j“ ”%
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21. Sâ, TM0y “j °... -

“-° Sâ, TM0y . a1μ“j °... -a -°0 Ya “-° Sâ, TM0y E
 ”S—YBμ0E E

investment in that company increased by approximately Baht 33 million. The Company recorded the gain as çOthers surplusé in the balance sheet.

During the current year, the warrant holders of MFEC Public Company Limited (MFEC-W1) and (ESOP-W1) exercised their right to convert warrants to ordinary shares of MFEC Public Company Limited. As a result, the value of the Company’s investment in associate under equity method decreased of Baht 1.4 million. The Company recorded the deficit as the part of çOther surplusé in the balance sheet, as discussed in Note 11.6 to the financial statements.

In 2005 the Market for Alternative Investment (MAI) approved the application of Thai Paspac Public Company Limited, an associated company, to list its ordinary shares as securities. Such company subsequently raised additional share capital by means of a public offering of shares on the MAI. As a result of the listing, the value of the Company’s investment in that company increased by approximately Baht 3 million, with the Company recording the gain as çOthers surplusé in the balance sheet.

20. Statutory reserve

Pursuant to Section 116 of 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 income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

21. Expenses by nature

Significant expenses by nature are as follows:

		B °“ tB’ «j		B °“ tB’ tçæ“-°0°“	
		Consolidate financial statements		Separate financial statements	
		2552	2551	2552	2551
		2009	2008	2009	2008
tB’ t0 . -Sâ B -° a -„TM 0E0Bæ °B“	Salary and wages and other employee benefits	543,381,793	565,360,907	522,719,107	551,460,952
Sâ tEj “S“	Depreciation	99,891,144	98,640,500	66,459,910	65,562,626
Sâ Y0A a-	Amortisation expenses	5,604,685	5,615,541	5,572,331	5,609,273
Sâ TM0a	Rental expenses	16,461,940	17,855,887	34,948,251	36,578,874
«μy . -«Ytç a 0B, TM0a	Raw materials and consumables used	542,879,064	656,772,002	542,879,064	656,643,069
°“ t a E . a B, ‘Sâ tç A y -B“ -À«æB”	Changes in inventories of finished goods and work in progress	(69,249,347)	(49,215,171)	(69,409,396)	(54,093,716)

(À à: “)/(Unit: Baht)

22. ๐%μ&A&S

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 ๐ « †& E &B E&A ° c&O&A&S " j- &-O&O&-&S -&A&B&A&i(, &- y '
 ๐&A&S " j- &-O&S E&O, &- :..-e&μ j E &A, A j " &-†&A&μ&S -&O
 B ๐ " †& c&A 23)

23. &S " j- &-O&S

22. Earnings per share

Basic earnings per share is calculated by dividing the net income for the year by the weighted average number of ordinary shares in issue during the year (net from treasury stocks held by the Company, as discussed in Note 23 to the financial statements).

23. Treasury stocks

		B ๐ " †& « j . - B ๐ " †& †&A&-๐&๐" Consolidated financial statements and Separate financial statements	
		2552/2009	2551/2008
๐ « &S y (&S)	Number of shares (shares)	3,235,300	1,632,300
"S†&E&S - (")	Average price per share (Baht)	28.63	27.48

23.1 S B ๐ " &-O&S †&E&E A " " B ๐ " †& S E&E
 †&E&E-†&O a&f» ๐ " 2551 E&-T&S -๐ j ๐ " :..-e
 j j μ O y μ S B ๐ " &-O&S †&E&E A " " B ๐ " †& S E&E, &- j '
 " &-†&O&-Y&B-E
 ๐) « †&B' N&Y E&E, T&A ๐ " &-O&S 200 a " "
 c) ๐ " « &S E&E O&S 8,323,537 &S j S&A E " % &S - 10
 " A O&S†&A i &- - 10 c&O&A&S " j- E&A &-%&a &
 E&A-¥
 S) :..-e &-O&S Y&B ° &A, μ " &A ° - a&-a&A&A -† » ๐ -
 , &-† O &-E ๐ ๐ &-O&S†&A i ๐ " E&A " S " &S E&E S
 . μ a S E&E ๐ % †& A - 115 c&O&B " S " a&Y c&O&A&S†&A ° E
 5 « - " ๐ " ๐ A « - " ๐ " &-E μ a S E
 B) &-†&A " E &-O&S μ E μ a - E 25 a&f» ๐ " 2551 B
 « - E 24 a&f... j " S j 2552
 ๐) &-†&A " ๐ A &-&S E&E S μ E μ a - E 25 a&f» ๐ " &-
 2552 B « - E 24 a&f... j " S j 2555 (j " &-A B-6 †&O - μ a
 « - E 24 a&f... j " S j 2555 (j " &-A B-6 †&O - μ a
 « - E 24 a&f... j " S j 2555 (j " &-A B-6 †&O - μ a
 ๐ A &-&S y E&E S , μ " &A ° - a&-a&A&A -† » ๐ -
 , &-† O c " &-μ a - T&M E&E S :..-e j , " &- , ๐ "
 ๐ A &-&S E&E S ๐ " μ &A &-&S E&E S . -๐ " ¥ y , &-
 „ &A†&A μ μ " j ° E - « B † &B ๐ " A &A ° †& ± a - « '
 ๐ " « &A&-๐ " &-O&S ๐ " ๐ A &-&S . -๐ " μ &A &-
 E&E S a&». 2544 :..-e " A ¥ " S " ๐ A &-&S E&E S

23.1 The second share repurchase program for the purpose of financial management
 On 10 November 2008, a meeting of the Board of Directors of the Company approved the second share repurchase program for the purpose of financial management. The details are as follows:
 a) The maximum amount for repurchasing the shares is Baht 200 million.
 b) A total of 8,323,537 shares are available for repurchase with par value of Baht 10 per share, equivalent to 10 percent of the total paid-up capital.
 c) These shares are to be repurchased on the Stock Exchange of Thailand by offering to general shareholders. The repurchase price must not exceed 115% of the weighted average closing price over the latest 5 trading days.
 d) The repurchase period is from 25 November 2008 to 24 May 2009.
 e) Any shares bought back are to be resold on the Stock Exchange of Thailand by offering to general public, during the period from 25 November 2009 to 24 May 2012 (after 6 months but not more than 3 years after the completion date of the share repurchase scheme). Resale of shares, cancellations of the repurchased shares and reductions of share capital are to conform to the 2001 Ministerial Regulations on the principle and procedures for the repurchase and resale of shares. The determination of the resale price will not be lower

(À ¢: ¢ “)/(Unit: Million Baht)

	ÿ°¸õ à¸õ à		ÿ°¸¸ã		ÿ°¸¸°.		°° ÿ°¸°°		ß °° ¸° «¸	
	Furniture business		Rental and service business		Architectural design business		Elimination of inter-segment		Consolidation	
	2552 2009	2551 2008	2552 2009	2551 2008	2552 2009	2551 2008	2552 2009	2551 2008	2552 2009	2551 2008
“¸°°¸° ¸° ¸°										
Revenues from external customers										
- „ ¸° ¸°	2,230	2,577	67	66	24	-	-	-	2,321	2,643
- Domestic										
- ÿ°¸° ¸°	34	99	-	-	-	-	-	-	34	99
- Foreign										
“¸°¸°¸° ¸°	13	5	48	51	-	-	(61)	(56)	-	-
Intersegment revenues										
“¸°¸°¸°	2,277	2,681	115	117	24	-	(61)	(56)	2,355	2,742
Total revenues										
°°°°°° ÿ°¸° ¸°	107	215	46	49	5	-	(3)	6	155	270
Segment income										
“¸°¸°¸° ¸°¸°¸° ¸°										
Unallocated income and expenses:										
“¸°¸°¸°									41	12
Other income										
¸° ¸°°°°°¸° ÿ°									111	116
„ ¸°¸°¸°										
Share of income from investments in associates										
Share of loss from investment in associated company										
¸°¸°¸° ¸°¸° ¸°									(5)	(14)
Finance cost										
°°°° ÿ°									302	384
Net income										

129

(À ¢: ¢ “)/(Unit: Million Baht)

	ÿ°¸õ à¸õ à		ÿ°¸¸ã		ÿ°¸¸°.		°° ÿ°¸°°		ß °° ¸° «¸	
	Furniture business		Rental and service business		Architectural design business		Elimination of inter-segment		Consolidation	
	2552 2009	2551 2008	2552 2009	2551 2008	2552 2009	2551 2008	2552 2009	2551 2008	2552 2009	2551 2008
ÿ°¸°¸°										
¸° ¸°¸° ¸°¸°	294	304	513	545	2	-	(9)	(9)	800	840
Property, plant and equipment - net										
¸°¸°¸° ¸°									2,371	2,225
Unallocated assets										
«¸° ¸°¸°									3,171	3,065
Total assets										

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 È ¤%â À j “-Àµÿ -Õ ß °° ð çâ 6

25. °Öß ý ” Öß ÈTMæ

...- - ...-TM -æ °ß“ ÇÖß ...- - ...-TMæ j
 °-TMÈ-Öß ý ” Öß ÈTMæçÈµ“ jæ - “TM -µ°Öß ý ” Öß
 ð ÈTMæ æ.». 2530, ¥- ...- -æ °ß“ @TM j
 ð çâ Öß ýTM “-ÿÖ „ Öµ-“ ã - 5 ÇÖßÿ ÿÖ °Öß ý ” Öß
 ð ÈTMæ È À “, ¥- ...-À ° æ-TM° °Öß ý ‘, °æTM¥- -
 @TM„Àâ°æ °ß“ ð ðæ °ß“ ÈÖ°TM°ß“ µ“ j -ð ð «TMæ-
 °Öß ýçÖß ...- „ -À«âTMâ 2552 ...- - ...-TMæ j
 ð j °Öß ýTMæ « ð 12.4 ã “ (2551: 12.1 ã “)

Transfer prices between business segments are as set out in Note 6 to the financial statements.

25. Provident fund

The Company, subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules. During the year 2009, the Company and its subsidiaries contributed Baht 12.4 million (2008: Baht 12.1 million) to the fund.

26. ð á°

26. Dividends

(À ¤: “)/(Unit: Baht)

ð á° Dividends	Õ ýµ¥ Approved by	ð á° @ TM Total dividends	ð á° @ TM µ TM ã TM Dividend per share
ð á° a - TM á “À - TM á 2550 Final dividends for 2007	È - TM ý “ j - TM Ö TM ã TM ð - TM Ë3 ð j...“ - 2551 Annual General Meeting of the shareholders on 23 April 2008	145,661,901	1.75
ð á° -À«â° “À - TM á 2551 Interim dividends for 2008 « j ð á° “À - TM á 2551	È - TM ýS - ° j° “ ...-æ ð ð - TM Ë3 ° -“ - 2551 Board of Directorsü meeting on 30 September 2008	124,853,058	1.50
Total dividends for 2008		270,514,959	3.25
ð á° a - TM á “À - TM á 2551 Final dividends for 2008	È - TM ý “ j - TM Ö TM ã TM ð - TM Ë3 ð j...“ - 2552 Annual General Meeting of the shareholders on 23 April 2009	140,274,351	1.75
ð á° -À«â° “À - TM á 2552 Interim dividends for 2009 « j ð á° “À - TM á 2552	È - TM ýS - ° j° “ ...-æ ð ð - TM Ë3 ° -“ - 2552 Board of Directorsü meeting on 23 September 2009	80,000,072	1.00
Total dividends for 2009		220,274,423	2.75

...-æ ð ð á° „Àâ°ãTMãTM “ j -À ßÀ°ãTM “ j -S “ È
 %ð ‘ ‘ -ð á°

The dividends are to be paid to shareholders after deduction of the shares of treasury stocks which have no right to received dividend.

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27.1 ç “ -°ÿæ -°È° -“ “TMæTM ð “ ß
 ...- - ...-TMæ “ - “TMæ - °° Õ“S“
 ” °ß“ . -TMæÿ - °° ÕÈ È Õ -çÖß -“ j’ -ð -“
 , ¥-ð ÈTM - j “ 1 ß 30 á «-Ë1 «-S j 2552 ...-æ
 . - ...-TMæ j “ « ð çÈÈ ðTMæ „ Õ “Sµ ÈÈç “ -µâ
 -“ “TMæTM ð “ ¥ß È

27. Commitment and contingent liabilities

27.1 Operating lease commitments

The Company and its subsidiaries have entered into several agreements in respect of leases of offices and showrooms. The terms of the agreements are generally between 1 to 30 years. As at 31 December 2009, future minimum rentals and service charges payables were as follows:

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 ... - ...
 ...

its subsidiaries do not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivable as stated in the balance sheet.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to their cash at banks, loans to, bank overdrafts and short-term borrowings. However, since most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2009 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	B “ B « i / Consolidated financial statements				
	Öμ-“YÖ°† ÈSB È “ “ 1 a† Fixed interest rates within 1 year	Öμ-“YÖ°† È “ “ È B μ“ i “S“ μ “Y Floating Interest rate	μ“† Öμ-“YÖ°† È Non-interest bearing	« i Total	Öμ-“YÖ°† È “ “ È Average interest rate (Æ - μÆ†) (Percent per annum)
Æ-à-“B“ B / Financial Assets					
μ“ Y. - “ “ “ † “ † μ“ Y Cash and cash equivalents	20	241,467	24,179	265,666	0.25 - 0.75
À È “B“ B / Financial liabilities					
μ“ † “ “ “ “ μ“ “ “ “ “ μ“ Bank overdrafts and short-term loans from financial institutions	3,000	21,880	-	24,880	2.71 - 7.50

«—É31 «—Sj 2552 ‘..æ - ‘...—Û—j’ — “‘Û—‘—j’ μ “ μâá - † » ãÀ ãËÀ Õ ¥ß-È

Foreign exchange contracts outstanding as at 31 December 2009 are summarised.

Currencies	i000	B o“ ðß «j. -ß o“ ðß †“æ“-o“» Consolidated and Separate financial statements	
		«—ÉË o”À ¥μ“j —“ “Û—‘—j’ μ “μâá - † » “Û—‘—j’ μ “μâá - † » ãÀ ãÀ ã(—æ“«—Ëß ¥y)	Period to Maturity (from balance sheet date)
Y/EUR	128	48.0850 - 48.3750	1 †Û /month
†À ã À-Ûj o“/USD	50	34.7300	1 †Û /month

28.2 jËËËË j cÛßß Ûj Õ “ß“ ðß

† Ûß“o“ ‘ æ-à -À È “ß“ ðß ‘ ã „À ãÛß ‘..æ . - ‘...—Û—j’ ã - †Û - -Û È. - j Õμ—YÛ† È. ã †S-ß-Ûμ—YÛ† È μ “¥ ‘..æ - ‘...—Û—j’ -j “ jËËËË j cÛßß ‘ æ-à -À È “ß“ ðß „° †S-ß— jËËËË j —M È ¥ß, ß ¥y

jËËËË j Àj “- ß “ « ðß ‘ËËË -o“ -μ° ß . o†a È ‘ æ-à „ç - ÈËËË È-jS«j Õ ËËË - †μÀ, o“ . o†a È . - “j” μË Õß “S“o—Û—j’ ã ã † Õ ‘..æ - ‘...—Û—j’ ã † ÕËËËË— «‘ o“ o”À ¥jËËËËË -ËË j cÛßß -o“ -cÛßß Ûj Õ “ß“ ðß jËËËË j ã o”À ¥“o“ “S“ μ “¥ ã ¥ À Õ”À ¥çËËËËË ±ã “¥jËËË Ëj”- j

28.2 Fair values of financial instruments

Since the majority of the financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

29. “ À “æ“ y

«μË - ßËà o“ À “æ“ y ÈS-cÛßß ‘..æ - ‘...—Û—j’ o“ “ËËË ß ãß “ß“ ðß Ëj”- j. -o“ ¥” ß%ã ËËËËË “j” “j” „ o“ ¥”† y“Û-ãμÛ Ûß μ“jß ¥y «—É31 «—Sj 2552 ° ËË ‘..—jÛμ— ã À È μË ã ã—0.24:1 (2551: 0.22:1) . - ‘..æjÛμ— ã ã ã— 0.27:1 (2551: 0.24:1)

29. Capital management

The primary objectives of the Company and its subsidiaries capital management are to ensure that they have an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2009, the Group's debt-to-equity ratio was 0.24:1 (2008: 0.22:1) and the Company's was 0.27:1 (2008: 0.24:1).

30. †ÀμËË ã—À ß—Ëß o“ ðß

μ“jμ È -MËS -° j“o“ ‘..æjÛ—È25 °yÛæ-à 2553 %ãjμÛ jËËËË Õ“ “æ-ðß a1° ”À —o%a1 2552 „ Õμ—ÀË - 3 “ ,¥- ‘..æjÛ—j’ a1° -À«ãß“ “ß ã . ã, †Û μËSj 2552 „ Õμ—ÀË - 1.00 “ ‘..æ”† Õ jμ È -MËS -° j“o“ ‘..æjÛ—ãçãμã È -MËS ÕËËË ãËËËË jËËËËË

30. Subsequent events

On 25 February 2010, a meeting of the Company's Board of Directors passed a resolution to approve the proposal of a dividend of Baht 3 per share in respect of the 2009 earnings. The Company paid an interim dividend of Baht 1.00 per share in October 2009. The Company will propose the resolutions of the above meeting of the Board of Directors for approval by the Annual General Meeting of the shareholders.



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2 Fold : กิตติภัทร์ สุขมลสันต์



Mauros : เขมฤกษ์ เกษมสันต์ ณ อยุธยา



Bliss : ดุลยพล ศรีจันทร์



Neo Romantic : ชินกานู อธิชาชนบดี และ ภารดี เสนียังค์ ณ อยุธยา

เพื่อต่อยอดภาพลักษณ์ของ Modernform ตลอด 3 ทศวรรษแห่งการสร้างสรรคงานดีไซน์ และการให้การสนับสนุนวงการดีไซน์ของประเทศไทยโดยตลอด โมเดิร์นฟอร์มได้จัดโครงการ Designer Series ต่อเนื่องเป็นปีที่ 2 โดยได้รับเกียรติจาก 5 ดีไซน์เนอร์รุ่นใหม่ ที่เคยเป็นผู้ชนะเลิศรางวัลจากการประกวดออกแบบเฟอร์นิเจอร์จากโครงการ Modernform Design Contest ทั้ง 5 ท่าน มาร่วมสร้างปรากฏการณ์งานดีไซน์ออกแบบเฟอร์นิเจอร์คอลเลคชั่นใหม่ ภายใต้ Theme The Design Journey ซึ่งเปรียบเสมือนการเดินทางออกไปหาประสบการณ์ของดีไซเนอร์แต่ละคน โดยได้นำความสามารถ ไอเดียที่มีอยู่ บวกกับประสบการณ์ที่ผ่านมาในชีวิต มาผลิตผลงานชิ้นสำคัญ

ชมคอลเลคชั่นชิ้นพิเศษชุดนี้ได้ที่โมเดิร์นฟอร์มเฟอร์นิเจอร์ ซอปปิงแกลเลอรี ศรีนครินทร์ และ คริสตัล ดีไซน์ เซ็นเตอร์

To enhance the image of Modernform throughout the past three centuries of creating design works and thorough support of the country's design circle, Modernform is organizing the Designer Series Project for the second consecutive year. It is an honor to have five new-generation designers who won the Modernform Design Contest to create new collection of furniture design works under the theme of "The Design Journey." This represents a journey of each designer to search for his own experience combined with his personal capability and ideas to create his masterpiece.

Experience this special collection at Modernform Furniture Shopping Gallery, Srinakharin and Crystal Design Center

