



Unique Mining Services Public Company Limited

Annual Report 2009



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Financial Highlights

		2007	2008	2009
Financial Results				
Total Assets	(Baht Million)	1,459.82	2,553.45	3,048.25
Total Liabilities	(Baht Million)	761.34	1,728.40	2,152.87
Total Equities	(Baht Million)	698.48	825.06	895.38
Sales Revenue	(Baht Million)	2,438.13	3,411.97	2,597.46
Total Revenue	(Baht Million)	2,479.94	3,447.53	2,643.22
Gross Profit	(Baht Million)	750.95	1,053.55	530.11
Net Profit	(Baht Million)	360.95	402.94	88.31
Financial Ratios				
Gross Profit Margin	(Percentage)	30.80	30.88	20.56
Net Profit Margin	(Percentage)	14.55	11.69	3.34
Return on Average Equities	(Percentage)	63.47	52.91	10.20
Return on Average Assets	(Percentage)	31.15	20.08	3.15
Earnings per Share*	Baht	2.58	2.72	0.58
Book Value per Share*	Baht	4.99	5.47	5.89

*par value to Baht 0.50 per share

Message from The Chairman



2009 will be long remembered as a year in which the global economy was in a deep and unpredictable recession. Through the concerted efforts of governments around the world, the global recession was not as severe as originally feared. Towards the third and fourth quarters of 2009, we saw the first signs of economic recovery.

Against this backdrop, the Thai economy went into recession, with -2.3% economic activity projected by the Bank of Thailand. The negative growth led to falls in demand in a variety of businesses, including real estate, electronic components automobiles and tourism.

Due to the lower coal demand by Thai industry, Unique Mining Services Public Company Limited ("UMS") reported revenues of Baht 2,643.22 million in 2009, which were 23.33% decreased from 2008. Net profit in 2009 equalled Baht 88.31 million, or a 78.08% decrease from 2008. Large coal users, particularly the cement companies, significantly decreased their coal demand, and since these users were major contributors to our revenues for the past two years, our results suffered. UMS changed its marketing plan to offer more products to small to medium-

sized clients but was unable to replace the revenues from those major clients.

The number of clients in 2009 increased a little. From 2005 to 2007, we saw a rapid growth of small and medium-sized clients that changed from oil-fired boilers to coal-fired boilers, which were more efficient. In 2009, clients who were interested in changing from oil-fired boilers to coal-fired boilers were lower, because many stopped their investments due to the economic uncertainty. Moreover, the price of fuel oil dropped to Baht 9.55 per litre; therefore, the conversion to coal-fired boilers became less attractive. However, with the recent increase of the oil price to USD 80 per barrel and some signs of economic recovery, we expect market demand to grow in the second half of 2010.

Our gross profit margin decreased from 30.88% in 2008 to 20.56% in 2009. First, coal prices continually decreased throughout the year. Second, many new competitors tried to compete with us by cutting prices. Third, we had booked freight contracts for 2009 coal deliveries at a very high rate, whereas the spot freight rates in 2009 have slumped. High freight rates ran through February 2010. Our policy will be to charter vessels in the spot market only. From a combination of factors, UMS reported its worst year since it was listed five years ago. With emerging signs of economic recovery in 2010, we believe that clients will return to purchase more coal from our company.

The balance sheet showed a significant inventory increase from Baht 964.24 million at the end of 2008 to Baht 1,546.54 million at the end of 2009. UMS committed to import one million tonnes of coal in 2009, but sales were well below budget. UMS is in the final stages of commissioning its coal granular project to reduce the inventory levels. In the next few years, we do not expect to make high investments.

In 2009, coal accounted for 19% of Thailand's energy consumption. It remains small compared to the country's other energy sources, which are mainly oil and natural gas. However, Thailand has a policy to diversify its energy sources. For the past five years, coal usage has grown at an average of 16% per year. More industries are using coal, as most of it is from Indonesia with very low sulphur content and within the pollution control standards of the government. Indonesian coal is obviously different from the lignite used by EGAT's Mae Moh Power Plant in Lampang province, which contains a lot more sulphur content. When you compare coal prices versus its heating value, the steam produced by coal is up to 70 % cheaper than fuel oil. Therefore, we have seen an increase in coal use by small and medium-sized industries, including food and beverages, textiles, and paper),

UMS has developed continuously in order to be competitive in this market. Our strength comes from our staff, many of whom have knowledge and experience in the local coal industry for more than 15 years. We, moreover, can achieve lower transportation costs than competitors as our warehouses in Samutsakorn and Ayudhya are close to our clients' plants. Both warehouses also have their own river jetties, which can give better performance in terms of logistics.

Coal prices in the first half of 2009 fell as low as USD 61.50 per metric tonne. However, they increased to USD 80 per metric tonne by the end of 2009. It is believed that the economy in 2010 will be better, and this should support higher coal prices. Coal prices will be supported by the increasing demand from China and India, which have good growth rates, while we have not seen any significant increase in the supply side due to the lack of infrastructure development to serve the increasing demand of coal transportation.

While we have a lot of strengths, many new competitors have started to enter the market. Since late 2009, Thoresen Thai Agencies Public Company Limited ("TTA") became the major shareholder with an ownership of 89.55%. This development will surely strengthen UMS in terms of business and financial capabilities, which should allow UMS to improve its competitive advantage in the future. TTA can help support UMS in sourcing coal and shipping it into Thailand. Moreover, we are trying to increase the utilisation of our existing 12 lighters by increasing return cargoes.

UMS has continually improved and developed in many ways and will continue to do so in the future. We expect to bring in professional staff with experiences in different business areas to work with existing experienced staff of UMS to create a more vibrant company, which should benefit all shareholders in the long term.

On behalf of UMS, I would like to thank our clients and stakeholders who have supported the company and the management team and all employees for their efforts to drive performance amidst the challenging economic circumstances.

A handwritten signature in blue ink, appearing to read "M.L. Chandchutha Chandratat", with a long horizontal flourish extending to the right.

M.L. Chandchutha Chandratat

Message from the Managing Director

Dear Shareholders, customers, employees, partners and friends

The year 2009 was another challenging year for company's management and operation. The world's economic crisis throughout the world was not only had major impact to decrease production capacity in industrial sector, it was also had massive fluctuation in price of coal and freight rate. However, company had plan in advance and has been monitoring closely possible impacts in order to adopt company's management procedure through difficult year efficiently. On our vision, Company has cost saving plans which are suitable to encounter with economic crisis and decrease huge investment project. The results were shown to support company's growth and revenue in satisfy level. In term of customer base, company has more than 450 clients covering many small and medium sized customers especially in food and beverage industry as well as textile industry which have minor impact owing to these all companies are necessary for people living. On the other hand, revenue of our major customers in cement industry has been decreasing in this year but the trend show it would be recovered in 2010 due mainly to positive factors from large infrastructure project of government spending and higher demand in property sector.

Last year, company did not have policies to invest in large fixed assets but we concentrate on maintenance our machineries and equipments in good condition to produce great and sustainable results. During the year 2008-2009, company invested huge budget to support future growth. Both warehouses and jetties which are located in Samutsakhon and Ayutthaya help company to improve logistic cost and increase competitiveness. Company is going to utilize these infrastructures to provide competitive advantages over its competitors in the long run without huge investment in year ahead.

Currently, there is increasing of competitions in coal distribution business in Thailand by new comers with large capital fund as well as small and medium enterprises. Therefore, company is necessary to adopt competitive strategy in order to develop opportunity of competitiveness by focusing on new alliance that is specialized on coal business and shipping related services. To complete all purposes, company succeeded in business consolidation with alliance which has potential to provide such successes. Thoresen Thai Agencies Plc. (TTA) is one of the leading integrated maritime business groups that have experience in dry-bulk shipping services. At the end of year 2009, TTA became major shareholders with 89.55% stake of paid-up capital.

Business synergies from consolidation will strengthen capital and enhances potential of competitiveness to both of company and TTA. TTA has listed on The Stock Exchange of Thailand which has strong financial status. The benefit that company will receive from new shareholding structure including alternative opportunities to import coal from Philippines that TTA already entered the coal business to serve the demand of various industrial customers in Thailand more than only importing coal from Indonesian suppliers as well as company also utilizes TTA's expertise and experience through dry-bulk shipping service. Therefore, advantages from consolidation will decrease cost of coal and freight fee to enhance potential of competitiveness in coal market. In addition, company can reduce investment budget in coal mine and vessel.

Lastly, on behalf of Unique Mining Services Plc, I wish to express thank to our customers and our partner for there continually supports. I wish to thank the management team and our employees for dedication and hard work to operate all results has been achieved to the company.



A stylized handwritten signature in dark ink, consisting of a large, flowing 'C' followed by several loops and a long horizontal stroke.

Mr. Chaiwat Cruecha - Em



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Board of Directors



M.L. Chandchutha Chandratat
Chairman of the Board
of Directors
Age : 43 Years



Mr. Chaiwat Cruecha-EM
Managing Director
Age : 50 Years

Education

- M.B.A. from the University of California at Berkeley, USA
- B.S. (magna cum laude) in Economics from the University of Minnesota, USA

Directorship training program

- Directors Certification Program (DCP 70/2006) by the Thai Institute of Directors Association

Period on Board (since listed company)

- From October 2009 to Present

Working Experience

- Morgan Stanley Dean Witter Asia (Singapore) Pte. Ltd.
- Bangkok Bank Plc.
- Bank of America in San Francisco (U.S.A.), Hong Kong and Bangkok

Positions in other companies

- **Listed companies**
 - President & Chief Executive Officer of Thoresen Thai Agencies Plc.
 - Chairman of Mermaid Maritime Plc. (listed in the Singapore Exchange Securities Trading Ltd.)
 - Chairman of Unique Mining Services Plc.
- **Non - listed companies**
 - Director
 - UMS Coalbriquette Co., Ltd.
 - UMS Lighter Co., Ltd.
 - UMS Transport Co., Ltd.
 - UMS Port Services Co., Ltd.
 - subsidiaries of Thoresen Group

Positions in companies which business may be competed with the Company - none -

Number of shares held in the Company (as at January 7, 2010)
- none -

Meeting attendance for year 2009 (being director since October 2009)

- 2 of 2 Board Meetings

Education

- Master of Engineering, (Environmental Engineering) Chulalongkorn University
- Bachelor of Engineering (Chemical Engineering) King Mongkut's University of Technology Thonburi

Directorship training program

- Directors Certification Program (DCP) 41/2004, Thai Institute of Directors (IOD)
- Finance for Non-Finance Director 9/2004, Thai Institute of Directors (IOD)
- The Organizational Risk Management Program 2005, Sasin Graduate Institute of Business Administration of Chulalongkorn University and Listed Companies Association
- Finishing Leadership Development Program following the Sufficiency Economy Philosophy, Class 1, National Defence College

Period on Board (since listed company)

- 2004 - Present

Working Experience

- Marketing Manager, Unique Gas and Petrochemicals Pcl.
- Manager, Policetec Co., Ltd.
- Engineer, Ministry of Industry

Positions in other companies

- **Listed companies** - none -
- **Non - listed companies**
 - Managing Director
 - UMS Coalbriquette Co., Ltd.
 - UMS Lighter Co., Ltd.
 - UMS Transport Co., Ltd.
 - UMS Port Services Co., Ltd.

Positions in companies which business may be competed with the Company - none -

Number of shares held in the Company (as at January 7, 2010)

- Ordinary shares 4,000,000 share (2.63%)

Meeting attendance for year 2009

- 8 of 8 Board Meetings

Mrs. Thitima Rungkwansirroj**Director****Age : 48 Years****Mrs. Penroong Suwannakudt****Director****Age : 46 Years****Education**

- Master's Degree of Science in Accounting from Thammasat University

Directorship training program

- Directors Accreditation Program (DAP 66/2007) by the Thai Institute of Directors Association

Period on Board (since listed company)

- From October 2009 to Present

Working Experience

- Head of Equity Investment Division of Siam Commercial Bank Plc.
- Group Chief Financial Officer of GMM Grammy Plc
- Chief Financial Officer or senior finance and accounting positions of
 - KGI Securities (Thailand) Plc.
 - The East Asiatic (Thailand) Plc.
 - First Asia Securities Plc.

Positions in other companies

- **Listed companies**

- Executive Vice President, Group Finance and Accounting of Thoresen Thai Agencies Plc.

- **Non - listed companies**

Director

- UMS Coalbriquette Co., Ltd.
- UMS Lighter Co., Ltd.
- UMS Transport Co., Ltd.
- UMS Port Services Co., Ltd.
- Athene Holdings Ltd.

Positions in companies which business may be competed with the Company - none -

Number of shares held in the Company (as at January 7, 2010)

- none -

Meeting attendance for year 2009 (being director since October 2009)

- 2 of 2 Board Meetings

Education

- Diploma in Human Resources Management from Sasin Graduate Institute of Business Administration of Chulalongkorn University

- BA in Social Work from Thammasart University

Directorship training program - none -**Period on Board (since listed company)**

- From October 2009 to Present

Working Experience

- Head of Human Resources, Consumer Banking in Standard Chartered Bank (Thai) Pcl.
- Country Personnel Manager at Bank of America, Thailand

Positions in other companies

- **Listed companies**

- Vice President, Group Human Resources of Thoresen Thai Agencies Plc.

- **Non - listed companies**

Director

- UMS Coalbriquette Co., Ltd.
- UMS Lighter Co., Ltd.
- UMS Transport Co., Ltd.
- UMS Port Services Co., Ltd.
- Athene Holdings Ltd.

Positions in companies which business may be competed with the Company - none -

Number of shares held in the Company (as at January 7, 2010)

- none -

Meeting attendance for year 2009 (being director since October 2009)

- 2 of 2 Board Meetings



Mr. Pongsak Angsupun
Chairman of the Audit Committee
Independent Director
Age : 72



Mr. Natthaphon Lilawatthanun
Member of the Audit Committee
Independent Director
Age : 51

Education

- Master of Commerce, University of Canterbury, New Zealand
- Bachelor of Economic, Thammasat University

Directorship training program

- Directors Accreditation Program (DAP) 10/2004, Thai Institute of Directors (IOD)

Period on Board (since listed company)

- 2004 - Present

Working Experience

- Director, BOI of Sydney and New York
- Deputy Secretary General, Office of the Board of Investment
- Director and Chairman of the Audit Committee, Siam City Bank Pcl.
- Member of the Government's Audit Committee – Ministry of Interior

Positions in other companies

- **Listed companies**
 Director and Chairman of the Audit Committee
 - Unimit Engineering Pcl.
 - Rojana Industrial Park Pcl.
 - Siam Steel Service Center Pcl.
 - T.C.J. Asia Pcl.
- **Non - listed companies**
 Director
 - Sara Group Co., Ltd.
 - D - Jig Co., Ltd.

Positions in companies which business may be competed with the Company - none -

Number of shares held in the Company (as at January 7, 2010)

- none -

Meeting attendance for year 2009

- 8 of 8 Board Meetings

Education

- Master of Business Administration, Chulalongkorn University
- Master of Economic Development, National Institute of Development Administration (NIDA)

Directorship training program

- Directors Accreditation Program (DAP) 10/2004, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 3/2004, Thai Institute of Directors (IOD)

Period on Board (since listed company)

- 2004 - Present

Working Experience

- Advisor to the Minister of Technology and Science
- Advisor to the Minister of Defence

Positions in other companies

- **Listed companies**
 - Audit Committee and Independent Director, Unimit Engineering Pcl.
- **Non - listed companies**
 - Managing Director, Excellent Business Management Co., Ltd
 - Managing Director, Excellent Education and Training Co., Ltd
 - Director and The Audit Committee, Q.T.C. Transformer Co., Ltd

Positions in companies which business may be competed with the Company - none -

Number of shares held in the Company (as at January 7, 2010)

- none -

Meeting attendance for year 2009

- 8 of 8 Board Meetings



Mr. Suchart Thammapiatagkul
Member of the Audit Committee
Independent Director
Age : 60

Education

- LL.B. Chulalongkorn University, Thailand (1973)
- BARRISTER-AT-LAW, Thai Bar Association (1974)
- LL.M. Harvard Law School, USA. (1978)

Directorship training program

- Director Certification Program (DCP) 60/2005, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) 61/2005, Thai Institute of Directors (IOD)

Period on Board (since listed company)

- 2004 - Present

Working Experience

- Member of the Board of Legal Education Standard, Faculty of Law, Assumption University
- Member of the National Economic & Social Advisory Council (NESAC)
- Vice President for Policy and Planning, Lawyers Council of Thailand
- Vice President for Academic Affairs, Lawyers Council of Thailand
- Vice Chairman, Legal Aid Committee, Lawyers Council of Thailand
- Dean of the Faculty of Law, Assumption University
- President of The Intellectual Property Association of Thailand
- Subcommittee for Foreign Affairs, Thai Bar Association
- Member of the Board of Intellectual Property Law Improvement and Development, Ministry of Commerce
- Subcommittee for Consideration of Thailand's Commitments on Intellectual Property Matters according to Last Protocol of the Uruguay Round Negotiation
- Subcommittee for Consideration of Thailand's Commitments on Copyright according to the Last Protocol of the Uruguay Round Negotiation
- Member of the Trademark Board, Department of Intellectual Property, Ministry of Commerce

Positions in other companies

• Listed companies

- Independent Director and Member of the Audit Committee
- Modernform Group Plc.
- MFEC Plc.
- Unimit Engineering Plc.

• Non - listed companies

- Vice President for Policy and Planning, Lawyers Council of Thailand
- Executive Director of the Institute of Advanced Legal Profession, Lawyers Council of Thailand
- Executive Director of the Institute of Advocacy Training, Lawyers Council of Thailand
- Council, Thai Bar Association
- Deputy Secretary General of the Institute of Legal Education, Thai Bar Association
- Professor of Business Law, Faculty of Business Administration, National Institute of Development and Administration (NIDA)
- Part Time Lecturer, Faculty of Law, Chulalongkorn University
- President, Thailand Group of Asian Patent Attorneys Association (APAA)
- Council and Country Head, ASEAN Intellectual Property Association (ASEAN IPA)

Positions in companies which business may be competed with the Company - none -

Number of shares held in the Company (as at January 7, 2010)

- none -

Meeting attendance for year 2009

- 8 of 8 Board Meetings

Company's Information

Company's Name	Unique Mining Services Public Company Limited
Head Office	36/83 P.S. Tower Bld., 24 th Fl., Soi. Sukhumvit 21, Sukhumvit Road., Klongtoey Nua, Wattana, Bangkok 10110
Warehouses	1. Chaimongkol Warehouse 20, Moo 2, Chaimongkol (Baan Bo), Muang, Samutsakhon 74000 2. Suansom Warehouse Moo 5, Suansom, Ban Paew, Samutsakhon 74120 3. Nakornlaung Warehouse 108, Moo 2, Klongsakae, Nakornlaung, Ayudhaya 13260
Company Registration No.	0107574700099
Registered Capital	Baht 105,000,000
Paid-up Capital	Baht 75,986,771.50 (Common Stock 151,973,543 units) *par value to Baht 0.50 per share
Telephone No.	(+662) 664-1701-8
Fax No.	(+662) 664-1700, (+662) 259-2467
Homepage	www.umspcl.com

Securities Registrar

Company's Name	Thailand Securities Depository (TSD)
Head Office	CAPITAL MARKET ACADEMY BUILDING 2/7 Moo 4, (North Park Project) Vibhavadi-Rangsit Road, Tung Song Hong, Laksi, Bangkok 10210 Thailand
Telephone No.	(+662) 596-9000
Fax No.	(+662) 359-1259

Auditor

Auditor's Name	Miss Chantira Wongsri-Udomporn Certified Public Accountant, Registration No. 4996
Company's Name	Dharmniti Auditing Company Limited
Head Office	267/1 Pracharat sai 1 Road, Bangsue, Bangkok 10800
Telephone No.	(+662) 587-8080
Fax No.	(+662) 586-0301

Nature of The Business

The company is engaged in importing superior quality coal with medium calorific value which creates low environmental impacts. The company imports coal from Indonesia for distribution to several domestic industries, especially, manufacturers in Bangkok, and nearby provinces. The main target industries in the medium and small sized industries are the food and beverage industries, pulp and paper industries and textile industries. Our company's coal import strategies have been adapted to match the engineering specification of the boiler of each client. Moreover, the company also participates in the coal procurement auctions of the cement and power generation industries as well.

Business Goals

The company aims to be the leader in the domestic coal distributor for medium and small sized manufacturers. Our company selects good coal specifications coupled with reduced environmental impacts while matching each customer's requirement. Our company targets revenue growth of at least 30 percent annually by encouraging the move by customers to change from fuel-oil based energy to coal-based energy. Our company's coal based energy solutions present a lower cost production base than does fuel-oil based processes. We see it as imperative that we give our clients truthful knowledge and understanding about the application of coal as the lower cost fuel option which also provides enhanced environmental properties to their industrial applications. In addition, we have a policy to diversify risk of revenue structure by supplying several industries in the small and medium sized industrial customers without depending on large sized industrial customers alone. We believe that this will mitigate risk from any industry which may have negative impact from the business cycle.

Production and Service

Coal is a fossil fuel which has vast reserves. Sources of coal are from more than 100 countries around the world. Therefore, supply of coal is a certainty, resulting in lower prices relative to other fuels, especially natural gas and fuel oil. Coal is a solid fuel consisting mostly of carbon and has a black or brownish-black color. The properties of coal can be classified as shown in below table.

Type	Calorific Value (kcal/kg.)***	Moisture (%)*	Ash (%)*	Sulphur (%)
Anthracite	6,500 - 8,000	5 - 8	5-12	0.1-1.0
Bituminous	5,500 - 6,500	8 - 15	1-12	0.1-1.5**
Sub-bituminous	4,500 - 5,500	24 - 30	1-10	0.1-1.5**
Lignite	3,000 - 4,000	30 - 38	15-20	2.0-5.0

* Percentage by weight

** 1% of sulphur would produce sulphur dioxide approximately 500 ppm. (According to company's bituminous and sub-bituminous coals)

*** Calorific value is the heating or energy value of the fuel per kilogram of weight.

From the table, the highest rank of coal quality (heating, moisture and sulphur) is Anthracite, followed by Bituminous, Sub-Bituminous and Lignite respectively. However, our company imports only Bituminous and Sub-Bituminous as these are good quality coal, moderate calorific value, suitable level of ash and moisture and low sulfur compared with fuel-oil (fuel-oil has sulfur about 0.1-3.0 percent) which decreases the air pollution. The company imports mostly Sub-bituminous and sometimes Bituminous according to spot order of large customers since the cost of Bituminous coal is expensive. The company does not import Anthracite since its cost is very costly, and it is better suited to other applications therefore, the company does not have a marketing plan for this grade of coal in this market. However, Lignite is the lowest rank in quality and has a high sulphur content, affecting to environment, so it is not in widespread use in Thailand.

The allowable air quality standard emitted from smoke stacks is determined by Ministry of Industry which stipulates that sulphur dioxide limit must not exceed 700 ppm (part per million). Nevertheless, imported coal of UMS provides sulfur dioxide less than 100 ppm. Therefore, coal from UMS is not a major cause of pollution. Please refer to the standard of Ministry of industry.

Summary of three fuels comparison

Topic	Coal	Fuel Oil	Natural Gas
Cost of fuel	low	high	medium
Boiler investment	high	medium	low
Difficulty of operation	high	medium	low
Maintenance cost	high	medium	low
Environmental impact	low-high*	low-medium*	low

* Depending on quality of coal or fuel oil,

Source: UMS

Our company was granted four promotional privileges from The Board of Investment (BOI) which are summarized as follows:

Privileges

Certificate No.	1532(2)/2549	1192(2)/2551	1499(2)/2551	1047(2)/2552
• Type of Business	Transport commodities for lighter and vessel, Type 7.1	Coal Briquette, Type 1.16	Marine transportation, Type 7.2	Transport commodities for lighter and vessel, Type 7.1
• Tax exemption for imported machine	Refer to BOI committee approval	Refer to BOI committee approval	Refer to BOI committee approval	Refer to BOI committee approval
• Corporate Tax Exempt on entity's net income deriving from business operation not over percentage of 100 of investment capital (excluding land value and working capital within 8 years which starts from the first date of income occur).	Start : May 24, 2006 Expire : May 23, 2014	Start : Aug 14, 2007 Expire : Aug13, 2015	Start : Oct 31, 2007 Expire : Oct 30, 2015	Start : Jun 16, 2008 Expire : Jun 15, 2016
• Dividend received from the company under BOI Privilege is not included into tax calculation to pay for corporate tax throughout BOI Privilege period of the company.	Start : May 24, 2006 Expire : May 23, 2014	Start : Aug 14, 2007 Expire : Aug13, 2015	Start : Oct 31, 2007 Expire : Oct 30, 2015	Start : Jun 16, 2008 Expire : Jun 15, 2016

Competition and Industry Outlook

• Competition

Thailand coal distributor business has approximately 20 operators. The company's main competitors in large sized industries are Banpu Public Company Limited and Lanna Resources Public Company Limited, and there are approximately 15-20 competitors in the area of medium and small sized companies which company is the leader in this segmentation. Company tries to increase small and medium sized customers to avoid cost competition.

Item	Quantity (Million tonnes)		Growth (%)
	2008	2009	
Lignite Consumption	18.53	17.85	-3.7
Electricity Generation (EGAT)	16.41	15.82	-3.73
Industry	2.12	2.03	-4.4
Coal Consumption	15.98	15.67	-1.9
Electricity Generation (SPP and IPP)	5.05	5.12	+1.37
Industry	10.93	10.55	-3.6
Total Demand	34.51	33.52	-2.9

Source: Energy Policy and Planning Office, Ministry of Energy

• Industry Outlook

- Coal and Lignite Consumption

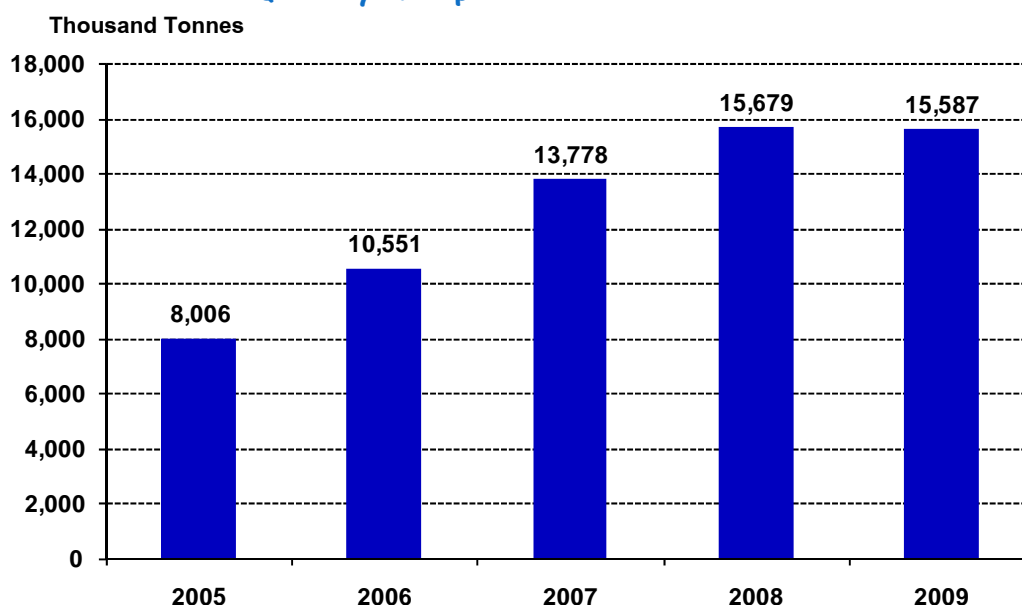
In 2009, coal and lignite consumption was approximately 33.52 million tonnes a decreased of 2.9 percent from approximately 34.51 million tonnes in 2008. Lignite consumption of 15.82 million tonnes in 2009 was used by Electricity Generating Authority of Thailand (EGAT). The remaining 2.03 million tonnes was consumed by industrial sectors including cement, paper and food industry. Lignite consumption in the industrial sector was decreased because of a decrease in domestic supply from Lanna Resources Public Company Limited which halted its operation. Imported coal in 2009 was recorded at 15.67 million tonnes, a decreased of 1.9 percent divided into the industrial sector consumption of 10.55 million tonnes and the remaining 5.12 million tonnes was consumed by electricity generation sector (SPP and IPP).

The major advantage of coal compared with fuel oil is that it can reduce production costs considerably, thus our company presents it as a customer base expansion strategy. Many customers tend to change from fuel oil to coal in order to reduce their production costs and enhance their competitiveness in the long-term. In 2007, fuel oil consumption was 3,287 million litres. In 2009 and 2010, fuel oil consumption was expected to decline to 2,644 and to 2,501 million liters respectively. Fuel oil consumption tends to decrease due mainly to its higher price compared to than natural gas and coal. The average fuel oil price in 2009 was Baht 13.99 per litre. (Source: www.eppo.go.th), consequently, the market value in 2009 and 2010 is estimated at Baht 36,990 and 34,989 million respectively.

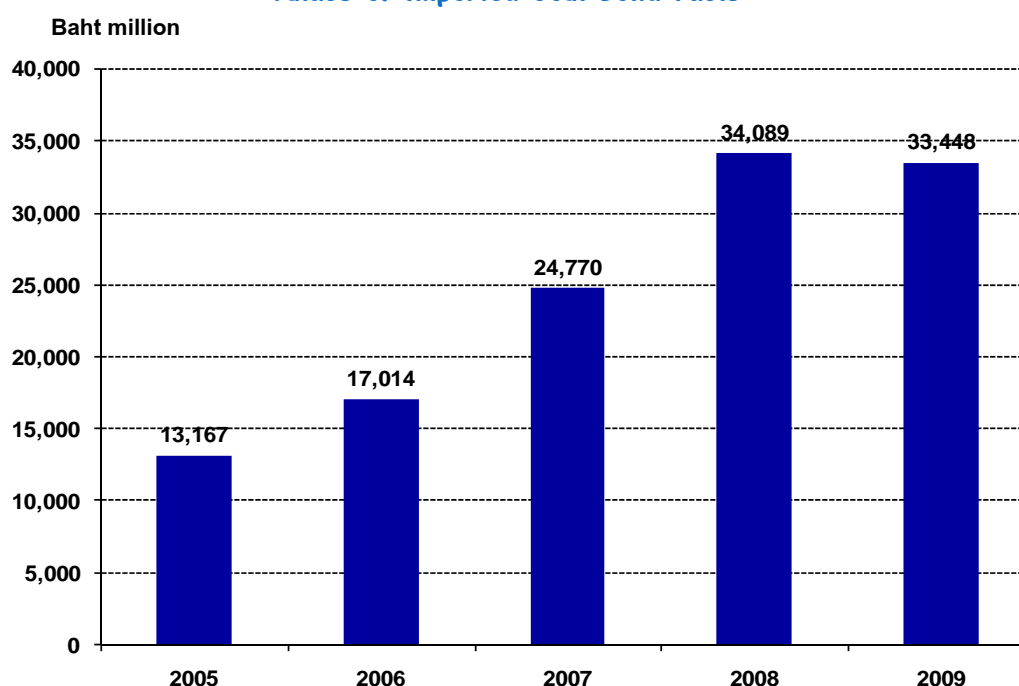
This translates to a coal market value of approximately Baht 12,947 and 12,246 million respectively (assuming that the coal price is lower than fuel oil by 65%). In 2009, coal sales revenue of our company was approximately Baht 2,600 million. Therefore, company still has plenty of room in the market for persuading to these customers to change from fuel oil to coal due largely to the advantage of substantial energy cost reduction.

The imported volume of coal solid fuels tended to increase from 2005 to 2009. The imported volume was 8,006, 10,551, 13,778 15,679 and 15,587 thousand tonnes respectively. Meanwhile, the imported value was Baht 13,167, 17,014, 24,770 34,089 and 33,448 million respectively.

Quantity of Imported Coal Solid Fuels



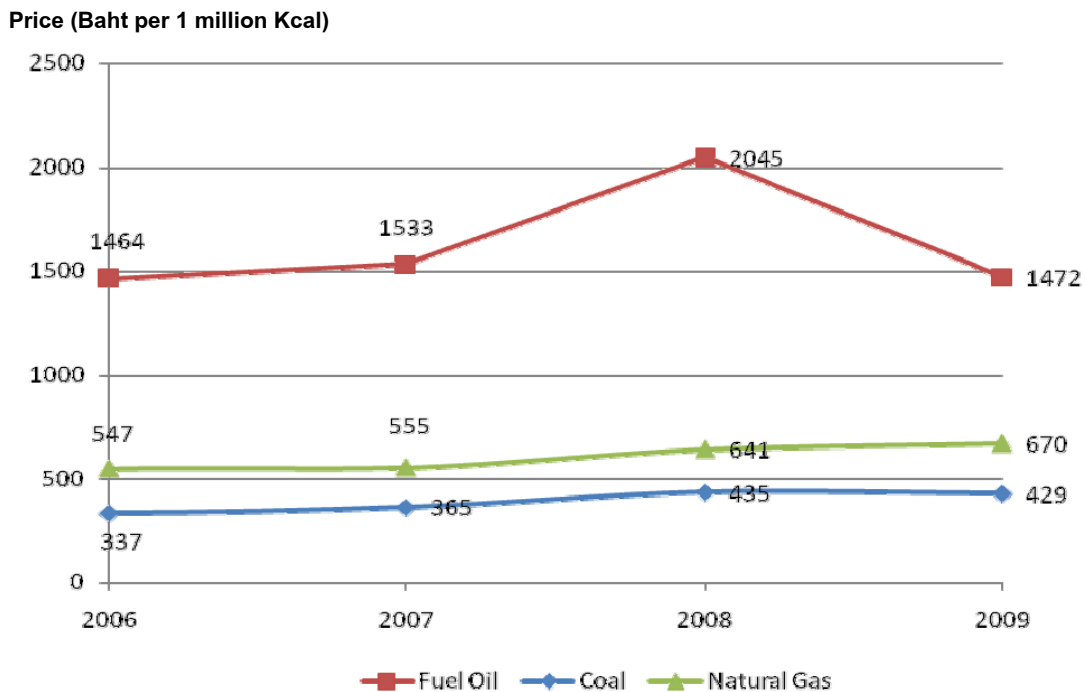
Values of Imported Coal Solid Fuels



Source: Energy policy and planning office, Thailand

Based on demand data which was described earlier, the coal business outlook is very positive. Amongst high competition, production cost control is a key success factor, therefore, coal consumption tends to be more popular used instead of fuel oil which is more expensive and has an increasing price trend. Thus, there is a great opportunity for the company to expand customer base considerably.

Three fuels price comparison



Source: www.eppo.go.th, www.dmf.go.th and UMS

The coal price per unit of heating value was lower than fuel oil and natural gas (price of coal, fuel oil and natural gas exclude transportation cost) Therefore, the company can expand the market continuously by this outstanding point.

- **New product development**

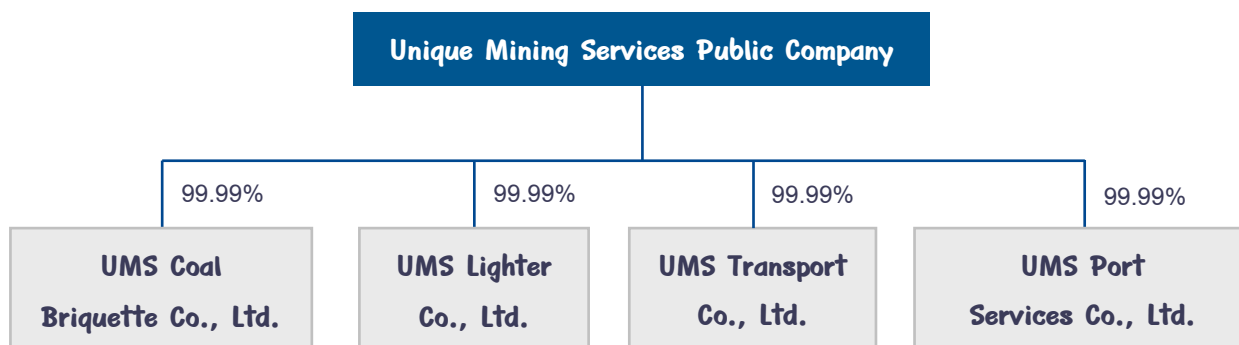
UMS has established a research and development department since the beginning of 2007 to study various coal applications in many industries. The briquette project which was an example of a research and development project is developed to use with stoker coal fired boiler with higher efficiency and increase calorific value as well.

Moreover, research and development department is developing a Coal Gasification Project, the process by which coal will be transformed to gas phase, in order to substitute for Liquefied Petroleum Gas (LPG) or Natural Gas for Vehicles (NGV) which used in ceramic and glass industries. Both gases are more expensive than coal in terms of heating value per unit.

Our Research and development department has a policy to study coal applications from foreign countries to apply with domestic industries continually.

Company Structure

Unique Mining Services Public Company Limited (UMS) imports good quality coal, which has a medium calorific value and less negative impact to environment. Target groups of customers are food and beverages industry, pulp and paper industry, cement industry and textile industry. Company's strategies are tailor-made based upon imported coal that is matched to the engineering specification of each factory's boiler. Currently, the company has four wholly owned subsidiaries as follows:



- **UMS Coal Briquette Company Limited**

was established on October 20, 2006 to produce coal briquettes which have a higher value added component.

- **UMS Lighter Company Limited**

was established on January 24, 2007 to operate marine transportation by lighter which has capacity of 500-2,500 ton.

- **UMS Transportation Company Limited**

was established on January 24, 2007 to operate land transportation by truck.

- **UMS Port Services Company Limited**

was established on October 22, 2008 to operate jetty business at Nakornluang district, Ayudhya

1. Risk from volatile cost of goods sold

The major factors which affect costs of goods sold are the coal price, freight rates and currency exchange rates which depend upon world market rates. Thus, the price volatility of these factors will directly impact the cost of goods sold. If the coal price and freight rates are increased whilst exchange rate is depreciated, the cost of goods sold will increase.

The price of coal and freight rates in the world move due to changes in demand and supply. The company has closely monitored the coal price and freight rates in order to manage its cost of goods sold more efficiently.

As the company imports coal from Indonesia and distributes it to the domestic industries, about 90 percent of the cost of goods sold is denominated in USD currency while all of its revenue is in local currency. Thus; the company is exposed to foreign exchange risk. When the Thai Baht depreciates, its cost of imported raw material will be higher. However, the company reduces the foreign currency risk by using forward contracts for all costs of imports; therefore, this policy considerably mitigates foreign exchange rate risk.

2. Risk from reliance on a major supplier

Currently, the company imports coal from Indonesia, one of the top three largest coal exporters in the world. If a major supplier cancels delivery of coal to our company, this will affect to our company. However, our main supplier is a major coal miner/distributor in Indonesia and has an excellent reputation and healthy financial status. In addition, this coal mining company is one of the top five in terms of production capacity and is able to produce superior quality per customer requirements. Our principal supplier has sufficient reserves of coal for the company for more than 25 years. Moreover, its production capacity is approximately 14,000,000 tons per year. In addition this supplier continues to continuously explore new coal deposits for increasing its future coal reserve quantity. Additionally the quantity of coal supplied to our company accounted for only 2-3% of their capacity. This ensures that our company has stability in procuring coal to supply to our clients for the foreseeable future.

Nevertheless, according to policy, our company has a plan to seek additional suppliers to mitigate risk from reliance in case of a major supplier difficulty. This will afford protection against cessation of our business operation. In 2009, company successfully signed new contracts with several other coal miners which accounted for 75% of our total imports. Another 25% still comes from the major supplier. As a result, our company has less risk from depending major supplier. In the future, company has policy to diversify the imported coal minor/distributor from various suppliers to reduce risk of dependence of any suppliers.

3. Risk from new competitors

Since UMS business is coal trading which requires less investment in terms of equipment and machinery, there is an opportunity for new comers to enter the business, especially when there are only a few existing players in this market. Currently, many new competitors has entered coal distribution market, as a result, gross margin is narrowed. Therefore; the company has set key strategies to differentiate its products from other competitors. The company's management has utilized its extensive experience and know-how to screen and improve the quality of coal to match each type of boiler used in each industry as well as our ability to promptly give advice to our customers on technical and other services related enquiries.

At present, the company screens and improves coal quality to be optimal to each type of boiler used by small and medium sized manufacturers in order to ensure the highest efficiency and reduce the cost of production. Such an approach was well received by our customers. Moreover, with a large customer base, the company could import large volume of coal through large-scale-vessel and pay lower freight rates than by importing using smaller vessels. This is another barrier to entry for the new players who should require large amount of working capital up-front in order to compete with the company.

4. Risk from substitute products and market expansion

Generally, primary energy resources being used by domestic industries can be classified into 3 types including fuel oil, natural gas, and coal. Whilst, fuel oil was the most popular choice among manufacturing companies due to its availability and ease of use (ease of maintenance) natural gas has mostly been used in power plants due to its lower cost compared to bunker oil. Coal is still not in widespread use due to the lack of the knowledge and correct understanding by the user.

Historically coal has a distinguished advantage in terms of cost over other sources of energy. Manufacturers require some capital investment to change their boiler from fuel oil to coal-fired. If all factors are considered including, the cost of fuel, operating expenses and maintenance cost, the manufacturers will break-even in 9-24 months. In the current situation, where cost of production becomes increasingly crucial for every industry, many companies have turned their attention to coal as an alternative source of energy. Besides, coal reserves are found in over 100 countries worldwide and are more abundant than other fuel sources which have enhanced coal's stability as a world source of energy. Therefore; the company expects that demand for coal will soar in the near future.

5. Risk from environmental impact

Coal is classified into many types including Anthracite, Bituminous, Sub bituminous, and Lignite. When coal is combusted, the oxygen in the air will react with coal and generate sulphur dioxide. This action might cause chronic lung conditions whilst dust from coal might cause allergies. While Lignite normally generates more polluted gas, the other types of coals with superior quality are more environmentally friendly.

Currently, the company imports bituminous and Sub-bituminous coal types which have superior quality and generates low sulphur (sulphur content is in range 0.1-1.5% while sulfur content in fuel oil is in range 0.1-3.0%) Thus; good quality coal creates less environmental impact to the environment. In addition, the company has a closed storage system which complies with the government regulations and the company manages particulate dispersion cautiously. Specifically, it has managed to reduce particulate dispersion by covering coal stockyard with plastic sheet, spraying water, building high fences around the warehouse, planting pine trees and covering plastic sheet around truck to prevent coal falling to the pavement. These actions can prevent environmental impact from company's operation.

Major Shareholders

Top ten major shareholders as of January 7, 2010 were shown in below table. (par value is 0.50 baht per share)

Shareholders' List	Number of Shares	Proportion (%)
1. Athene Holding Co., Ltd.	136,083,041	89.54
2. Mr. Chaiwat Cruecha-Em	4,000,000	2.63
3. Mr.Paisarn Tiyananich	500,000	0.33
4. Thai NVDR Company Limited	474,966	0.31
5. Mr. Wirat Banyongkhanan	324,400	0.21
6. Ms. Rattana Maleenon	200,000	0.13
7. Mr. Nitat sumitt	200,000	0.13
8. Mr. Sangchai Wasunthara	200,000	0.13
9. Mr. Pinich Tatsanapirom	176,500	0.12
10. Mr. Wasin Dolruedej	160,000	0.11
Other shareholders	9,654,636	6.36
Total	151,973,543	100.00

Source: Thailand Securities Depository Company Limited

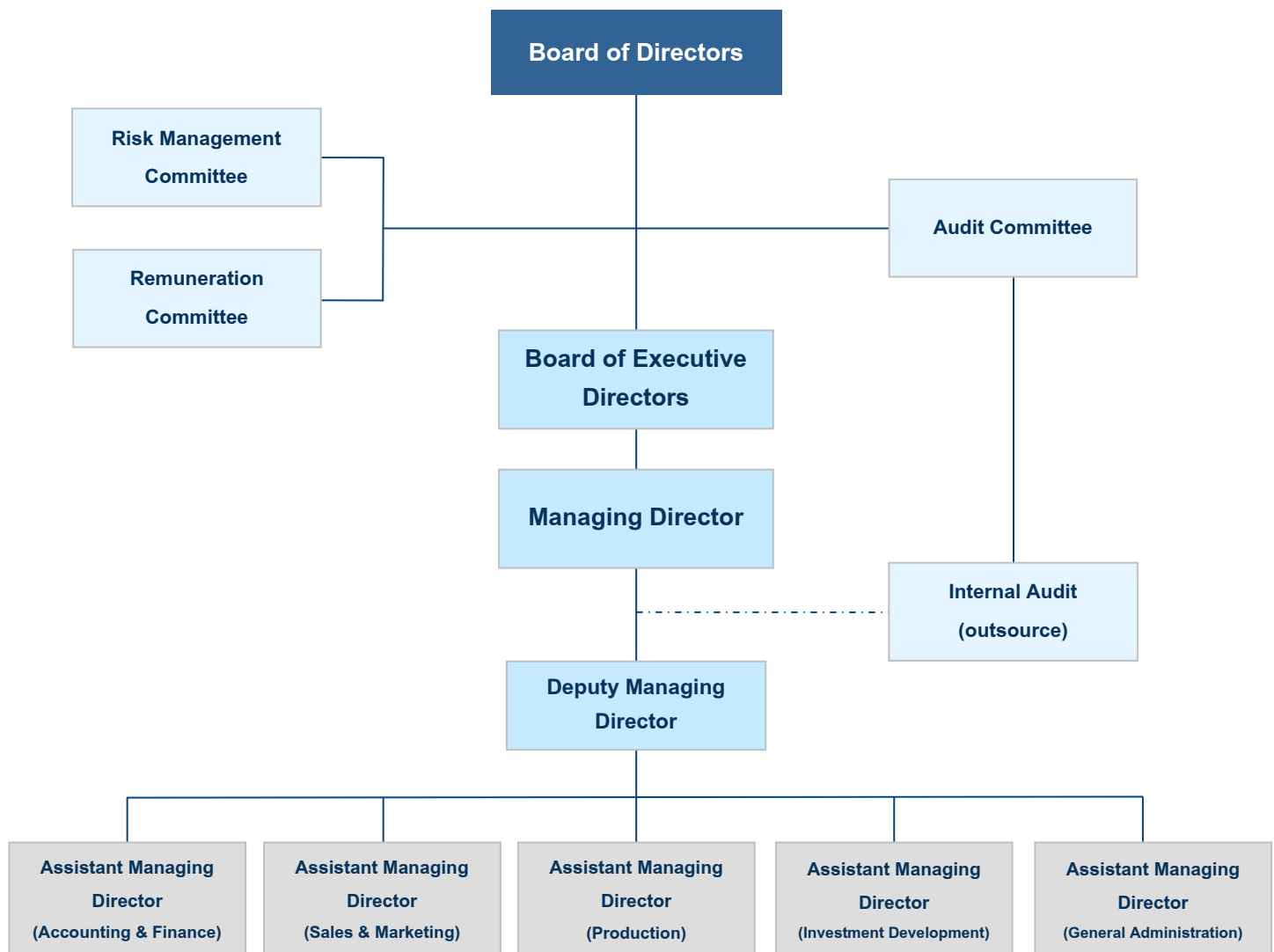
Dividend Payment Policy

The company has dividend payment policy not less than 40% of net profit after tax and legal reserve deduction. However it must be approved on the shareholders' meeting, except that the company needs to expand business.

Management Structure

Organizational Chart

As at December 31, 2009



The management structure of the company is consisted of five committees including The Board of Directors, Board of Executive Directors, Audit Committee, Risk Management Committee and Remuneration Committee. Details of which are as follows:

1. The Board of Directors

The Board of Directors consists of 7 directors as follows:

- | | | |
|----|------------------------------|---|
| 1. | M.L. Chandchutha Chandratat | Chairman |
| 2. | Mr. Chaiwat Cruecha-Em | Director / Managing Director |
| 3. | Mrs. Thitima Rungkwansiroj | Director |
| 4. | Mrs. Penroong Suwannakudt | Director |
| 5. | Mr. Pongsak Angsupun | Chairman of Audit committee/ Independent Director |
| 6. | Mr. Suchart Thammapitagkul | Audit Committee/ Independent Director |
| 7. | Mr. Natthaphon Lilawatthanun | Audit Committee/ Independent Director |

Remark : * With effective from October 23, 2009 onward

- M.L. Chandchutha Chandratat as an Chairman to replace Mr. Phaibul Chalermaphayakorn
- Mrs. Thitima Rungkwansiroj as an Chairman to replace Mr. Pongchalerm Chalermaphayakorn and
- Mrs. Penroong Suwannakudt as an Chairman to replace Mr. Pongrapee Cruecha-Em

Authorized directors to sign on behalf of the company are Mr. Chaiwat Cruecha-Em or M.L. Chandchutha Chandratat or Mrs. Thitima Rungkwansiroj or Mrs. Penroong Suwannakudt. Two of four committees need to countersign and affix the company's seal. Miss Charatsri Thainthipsiri is in charge of company secretary.

Duties and Responsibilities of the Board of Directors are as follows:

1. Authority and responsibility according to the Public Company Act and other related laws which are authorities and duties of Directors or Board of Directors of public company.
2. Authority and responsibility according to the articles of association of company which are defined to be of the Board of Directors.
3. Consider long term business plan, budget and annual investment plan.
4. Consider annual financial statements.
5. Consider annual salary adjustment budget, employees' bonus budget, managements' welfare, directors' remuneration and dividend payment to shareholders.
6. Establish management structure, appoint management, managing director and other committees as appropriate.
7. Supervise and manage company's performance in accordance with laws, company's objectives and articles of association as well as shareholders' resolutions.

If committees or connected persons are related to the transaction that may create any conflict of interest with company, the related committees are not permitted to vote on that transaction.

Besides the resolution of the Board of Directors, a three-quarter (3/4) vote of eligible shareholders present at the meeting is required to approve the following events:

- The sale or transfer of the whole or important parts of the business.
- The purchase or acceptance of transfer to other companies or private companies.
- The signing, amending or terminating of contracts with respect to the leasing of the whole or important parts of the business, the assignment of the management of the business of the company to other persons or business merger/acquisition with the purpose of profit and loss sharing.
- The amendment of memorandum of association or articles of association.
- The increase and decrease in capital, debenture issuance, merger/acquisition and wind up the company.

2. Board of Executive Directors

The Board of Executive Directors consists of 4 directors as follows:

1. Mr. Chaiwat Cruecha-em Managing Director
2. M.L. Chandchutha Chandratat Executive Director
3. Mrs. Thitima Rungkwansiroj Executive Director
4. Mrs. Penroong Suwannakudt Executive Director

Remark : * With effective from October 23, 2009 onward

- M.L. Chandchutha Chandratat as an Chairman to replace Mr. Phaibul Chalermasaphayakorn
- Mrs. Thitima Rungkwansiroj as an Chairman to replace Mr. Pongchalerm Chalermasaphayakorn and
- Mrs. Penroong Suwannakudt as an Chairman to replace Mr. Pongrapee Cruecha-Em

Duties and Responsibilities of the Board of Executive Directors are as follows:

1. Define the policy, direction and operate the business according to the company policy.
2. Conduct the business strategies.
3. Conduct investment strategies and fund raising plans according to the company policy.
4. Authority to employ, appoint, dismiss, approve an employment rate, adjust salary and present the reward or bonus to person who employs as assistant managing director or higher position.
5. Determine the employees' welfare and remuneration according to company situation under effective law.
6. Consider the meeting agendas before requesting the approval from The Board of Directors.
7. Consider, approve investment projects, acquire and dispose fixed assets, and sign the commercial agreements according to the general company's transactions. Nevertheless, such transactions must be complied with laws and regulation which pass the approval of The Board of Directors.

All above approvals from the Board of Executive Directors, however, do not include the approvals of Executive Directors who have conflict of interest, as well as important transactions which need to request the approval from shareholders regarding to the purchase or disposal the company's important assets according to The Stock Exchange of Thailand laws and regulations.

3. Audit Committee

The audit committee consists of 3 directors as follows:

- | | | | |
|----|----------------|----------------|-----------------------------|
| 1. | Mr. Pongsak | Angsupun | Chairman of Audit committee |
| 2. | Mr. Suchart | Thammapitagkul | Audit Committee |
| 3. | Mr. Natthaphon | Lilawatthanun | Audit Committee |

Duties and Responsibilities of Audit Committee are as follows:

1. Review company's financial reports accurately and adequately.
2. Review company's internal control and internal audit sufficiently and efficiently. Consider the independence of internal audit department and approve the appointment, change or retire head of internal audit department or other departments which are responsible for internal audit.
3. Review the company to complies with SEC and SET rules and regulations, and laws concerning the Company's business
4. Consider and propose for the appointment of the company's auditor who is independent with the company. Moreover, they shall propose the auditor fee and attend the meeting with auditor without management at least 1 time per year.
5. Consider connected transactions and conflicts of interest according to laws and regulations of SET to ensure the reasonableness and create most benefit to company.
6. Prepare Audit Committee report to disclose in the company annual report. Such report must be signed by chairman of audit committee and consists of the following
 - (A) Opinions regarding the correctness, completeness and reliability of company's financial reports
 - (B) Opinions regarding the sufficiency of company's internal control system
 - (C) Opinions regarding the compliance with SET rules and regulations, and laws concerning the Company's business
 - (D) Opinions regarding the auditors qualification
 - (E) Opinions regarding the connected transactions
 - (F) Total attendance of audit committees and the attendance of each audit committee
 - (G) Opinions or notices regarding audit committee perform according to the charter
 - (H) Any transactions which shareholders or investors should know under duties and responsibilities assigned by the Board of Directors.
7. Any other matters assigned by the Board of Directors which approved by audit committee

Audit committee terms

Terms of audit committee are three years. Audit committee members who are retired by rotation could be re-elected. In the case of an audit committee position which is vacant with any reasons except by retired by rotation, The Board of Directors could appoint anyone who has complete qualifications to be an audit committee member to fulfill the rest position. Terms of such position are those remaining for the period of the substituted audit committee.

4. Risk Management Committee

Risk management committee consists of 3 directors as follows:

- | | | | |
|----|----------------|-----------------|---------------------------------------|
| 1. | Mr. Suchart | Thammapitagkul | Chairman of Risk Management Committee |
| 2. | Mr. Pongsak | Angsupun | Director |
| 3. | Mr. Natthaphon | Lilawatthananun | Director |

Duties and Responsibilities of Risk Management Committee are as follows:

1. Establish policy and risk management framework to present to Board of Directors.
2. Consider problems or risk factors that may occur.
3. Evaluate and approve risk management plans
4. Report risks and risk management plans to Board of Directors
5. Risks involving with objectives and performance overview of company
6. Operational risks of each departments
7. Disclosure risks both internal and external organization
8. Compliance risks regarding to other laws, rules and regulations

5. Remuneration Committee

Remuneration Committee consists of 3 directors as follows:

- | | | | |
|----|----------------|-----------------|------------------------------------|
| 1. | Mr. Natthaphon | Lilawatthananun | Chairman of Remuneration Committee |
| 2. | Mr. Pongsak | Angsupun | Director |
| 3. | Mr. Suchart | Thammapitagkul | Director |

Remuneration Committee is responsible for propose the remuneration recommendations to the Board of Directors to approve or propose to shareholders case by case.

Duties and Responsibilities of Remuneration Committee are as follows:

1. Propose remuneration procedure and any benefits to Board of Directors or subcommittee who are appointed by Board of Directors.
2. Propose remuneration procedure and any benefits to managing director and management by considering duties and responsibility as well as company performance.
3. Propose remuneration policy and any benefits to employees.
4. Consider overall budget regarding to salary adjustment and annual bonus as well as other benefit and compensation of company's employees.
5. Any other matters assigned by the Board of Directors.

To ensure that Remuneration Committee performs their duties and responsibilities efficiently, procedures are as follows:

1. According to their responsibilities and authorities, remuneration committee could request additional information and documents from management by invite the meeting.
2. Remuneration Committee may appoint advisors or pay any expenses regarding to their responsibility. Such expenses are responsible by company.

6. Management

Management of company consists of 8 persons as follows:

- | | | | |
|----|---------------|-------------------|--|
| 1. | Mr. Chaiwat | Cruecha-Em | Managing Director |
| 2. | Mr. Pongrapee | Cruecha-Em | Deputy Managing Director |
| 3. | Ms. Bussara | Thongtongtip | Assistant Managing Director – Accounting Department and Acting
Assistant Managing Director – General Administration |
| 4. | Mr. Charnyuth | Thanomvet | Assistant Managing Director – Production Department |
| 5. | Mr. Suchart | Chinpriuedthiwong | Acting Assistant Managing Director – Sales and Marketing Department |
| 6. | Mr. Piya | Tanthanaphiphat | Acting Assistant Managing Director – Investment Development Department |
| 7. | Mr. Boonyong | Tiencheeva | Finance Manager |
| 8. | Ms. Sukalya | Kongdech | Accounting Manager |

Duties and Responsibilities of Managing Director are as follows:

1. Determine the significant issues of company, mission, objectives, policy, overall operating performance, production, customer relationship and any responsibility to Board of Directors.
2. Approve the normal operational transactions within budget of Baht 1 million.
3. Consider fund raising issues and present to Executive Board.
4. Hire, appoint, dismiss as well as determine salary and bonus to the employees who rank below assistant to managing director position.
5. Act and represent the company to the outside related business and benefit to company.
6. Approve and appoint any advisors regarding to the necessity issues for business operation.
7. Perform the general administration of company.
8. Any other matters assigned by the Board of Directors and Executive Board.

All above approvals from Managing Director, however, do not include the approvals of Managing Director who may have a conflict of interest, as well as important transactions which need to request the approval from shareholders regarding to the purchase or dispose the company's important assets according to The Stock Exchange of Thailand laws and regulations

Qualification of management

The management certifies that they have ethics, capability, and considerable experience, are honest and careful to protect the benefits of company. They have the intention to operate business continuously. Moreover, they understand and response to public as well as they don't have any prohibit qualifications according to Kor. Jor 12/2543 of SEC regarding to the permission and approval to sell new securities.

7. Directors and management nomination

The company does not appoint nomination committee to select directors and management, however, the company designs the procedure and criteria to appoint directors as follows:

The Board of Directors will responsible for nominate and select the candidates with suitable qualifications and experience. Otherwise, highly experienced major shareholders may be candidates. However, new committee nomination must pass the Board of Directors meeting approval with audit committee.

In addition, the appointment of directors must pass the shareholders' resolution according to company's articles of association. Under the articles of association, directors who shall be appointed by shareholders must meet under the following criteria and procedures:

- (A) Each shareholder has one vote per share held
- (B) Each shareholder exercises all votes applicable under (a) in electing one or more persons as directors, but can't allocate only part of his or her votes to any nominee.
- (C) Candidates with the most votes are to be appointed as directors according to the number required. If more candidates receive equal votes than the number of directors required, the chairman must cast a vote to decide who is appointed.

At every annual general meeting, one-third of the directors or if this number is not a multiple of three, then the number nearest to one-third must retire from company. The names of directors to retire during the first and second year after the company was listed are to be drawn. For subsequent years, the directors with the longest terms must retire. Directors who are retired by rotation could be re-elected.

8. Compensation of directors and management

8.1 Money compensation

Compensation of the Board of Directors

Name		Position	2008		2009	
			Compensation (Baht/year)	Allowance (Baht/year)	Compensation (Baht/year)	Allowance (Baht/year)
Mr.Phaibul	Chalermasaphayakorn	Chairman	252,000	105,000	126,000	70,000
Mr. Chaiwat	Cruecha-Em	Managing Director	252,000	140,000	126,000	70,000
Mr. Pongchalerm	Chalermasaphayakorn	Director	252,000	140,000	126,000	70,000
Mr. Pongrapee	Cruecha-Em	Director	252,000	140,000	252,000	140,000
Mr. Pongsak	Angsupun	Independent Director	300,000	140,000	300,000	140,000
Mr. Suchart	Thammapitagkul	Independent Director	300,000	140,000	300,000	140,000
Mr. Natthaphon	Lilawatthanun	Independent Director	300,000	140,000	300,000	140,000
M.L. Chandchutha	Chandrata*	Chairman			126,000	70,000
Mrs. Thitima	Rungkwansiroj*	Director			126,000	70,000
Mrs. Penroong	Suwannakudt *	Director			126,000	70,000
Total			1,908,000	945,000	1,908,000	980,000

Remark : * With effective from October 23, 2009 onward

- M.L. Chandchutha Chandrata as an Chairman to replace Mr. Phaibul Chalermasaphayakorn
- Mrs. Thitima Rungkwansiroj as an Chairman to replace Mr. Pongchalerm Chalermasaphayakorn and
- Mrs. Penroong Suwannakudt as an Chairman to replace Mr. Pongrapee Cruecha-Em

8.2 Money Compensation of Management

Salary and bonus of seven managements (exclude Accounting Manager and Finance Manager) in 2009 was totaled Baht 14,497,959.34

8.3 Other compensation

The company has established provident fund for employees, under the condition to pay at 5, 7 and 10 percent of their revenue. In 2009, seven managements received total Baht 795,564 from this fund.

9. Corporate Governance

Principles of corporate governance and ethics

The company is committed to the good corporate governance principles in compliance with the guidelines of The Stock Exchange of Thailand and divided to five sections. The principles of good corporate governance will increase trust and long term competition with other companies. The details are as follows:

Group 1: Rights of Shareholders

The company values the importance of shareholders' right, therefore, the company assures that company's shareholders shall have the same basic right, namely rights to buy, sell, or transfer shares, rights to obtain adequate information, rights to participate and vote in the shareholders' meeting on significant issues and rights to share in the profits of the company. The details are as follows:

- (1) The company sends meeting notices in advance containing details of the agenda and related appendices together with the opinions of the Board of Directors, proxy forms determined by the Ministry of Commerce, a list of all Independent Directors, and a map showing the meeting venue. These notices also contain details about the documents which each shareholder needs to bring to the meeting, together with Company regulations on the meeting and voting procedures. In addition, shareholders may view information about each meeting agenda on the Company's website before receiving the notice by mail. The company allows registration of shareholders at least an hour prior to each meeting.
- (2) Before each meeting, the Chairman explains clearly how ballots are cast and counted under the Article of Association of the company. The company keeps its count of shareholders who have not yet voted on any agenda and shows ballots-counting summaries throughout the process. The Company will ask shareholder volunteers to witness ballot counts for greater transparency. To protect the rights of shareholders, the Company conducts balloting for each agenda separately.
- (3) The chairman allocates a suitable period of time for the meeting, conducts each meeting suitably and transparently, allowing through expression of views and queries before each ballot round and summarizes meeting resolutions on each agenda.
- (4) The meeting gives shareholders who come late a chance to vote on agenda still under consideration and not voted.
- (5) All directors attend each shareholder meeting. Directors are required to address relevant questions and concerns, posed by shareholders (if any).

- (6) The Company regularly disseminates information to shareholders via The Stock Exchange of Thailand's channel, media and publications, including its website.
- (7) The Company sets up a channel of minor shareholders to contact directly via E-mail addresses. Apart from these channels, minor shareholders can directly contact the Company's secretary or the investor relations unit.
- (8) The Company explicitly discloses shareholding structure in affiliated and subsidiary companies, therefore, shareholders feel confident of transparent management structure that are allowed to scrutiny.
- (9) The Company conducts its business efficiently for the sustainable growth of the Company and optimum returns to shareholders.

Group 2: Equality Treatment of Shareholders

The company values and treats all shareholders fairly through the following actions:

- (1) Allowing each shareholder to propose agenda for consideration at shareholders' meeting ahead of the actual meeting date, announced to all investors via The Stock Exchange of Thailand's news portal and Company's website in advance. Moreover, criteria for agenda proposals and screening processes are clearly defined on the corporate website.
- (2) Allowing each shareholder to propose director nominee who must meet the qualifications of Company's directorship and must have given their consent so that the Company may process further via the Nominating Committee. The Company announces the director nominee proposal and the criteria for such nomination to all investors via The Stock Exchange of Thailand's news portal and Company's website ahead of the shareholders' meeting. At the Meeting, each director nominee is voted on individually.
- (3) Convening the meeting in sequence of agenda as specified in the notice and not adding agenda without notifying shareholders in advance, so that shareholders may have enough time for data assessment before making their decisions.
- (4) Providing shareholders with a list of all Independent Directors on the proxy forms that can decide balloting directors, to encourage them to dictate how they need to vote. These proxy forms serve as an option to appoint Independent Directors as their proxies, and a choice over which Independent Directors to entrust their views.
- (5) Encouraging shareholders to use ballots. "Voting tickets" provided for each significant agenda are collected at the meeting and then added up the pre-cast votes before announcing the resolution to the meeting. For transparency and reference, the company will file all voting tickets bearing witnesses' signatures.
- (6) Recording the minutes accurately and completely for sending it to The Stock Exchange of Thailand and the Securities and Exchange Commission within 14 days after the meeting. The minutes will also be posted on corporate website.
- (7) Establishing the Board of Directors' measurements to control the usage and prevent the misuse of internal information (insider trading) for personal benefit of concerned persons, including the Board of Directors, executives and staff in related department (including spouses and minor child of concerned persons).

In addition, if the Board of Directors or executives sell or buy the company shares, they are required to report the shareholdings to The Securities and Exchange Commission (SEC) within a 3 working day period for public disclosure.

Group 3: The Roles of Stakeholders

The company commits responsibilities for all stakeholders to ensure sustainable mutual benefits, providing that the corporate administration or business operations of the company shall not have an impact on the rights of stakeholders or create damage to stakeholders. If damage occurs, the company determines the appropriate measures to benefit every party

- **Shareholders:** Besides the basic rights of shareholders and the rights stipulated by the laws and the company's article of association, such as rights to attend the shareholders' meetings and vote at the meeting, rights to freely express opinions at the shareholders' meetings, and rights to receive an appropriate return. The company gives shareholders the right, as the owner of the company, to make suggestions and comments on the company's affairs through the independent directors. Each comment and suggestion will be carefully considered and presented to the Board of Directors.
- **Employees:** The Company believes that employees are the most valuable assets. The company always develops competence of every employee to support business expansion plan. Furthermore, the company treats its employees in such a way that they feel happy to perform their assigned tasks, improve working environment to ensure safe, modern and healthy welfare appropriately.
- **Trading partners:** The Company purchases products and services according to commercial terms including perform the contracts with partners fairly.
- **Creditors:** The Company considers the conditions with all creditors appropriately subject to economic situation and complies with loans agreements.
- **Customers:** The Company takes care and responses to all customers by providing standard quality products as well as keeps their confidential data. In addition, the company set up customer relationship department to receive feedback, suggestions and opinions from customers.
- **Competitors:** Competitors will be treated fairly under normal competitive term and without any illegal practices to destroy them.
- **Communities:** The Company is responsible to environment of community and society. The company complies with related rules and regulations to protect stakeholders' right fairly.
- **Independent Auditor:** The Company cooperates with independent auditors to disclose information correctly and transparently.
- **Society:** The company continuously organizes activities to improve quality of communities such as environment, education and create jobs in community. (The Project detail is in the CSR Annual Report 2009)

Group 4: Information Disclosure and Transparency

Information disclosure represents an important principle of good corporate governance. The company pays close attention to the information that needs to be disseminated to The Stock Exchange of Thailand and shareholders, particularly for its accuracy, adequacy, timeliness, and equitable treatment. The company will disclose information at www.umsplc.com, or contact to Mr.Piya Thanthanaphiphat, Acting Assistant Managing Director of Investment Development Department. He is responsible for answer the questions. The Company has clear procedure for information disclosure to The Stock Exchange of Thailand under ordinary and urgent circumstances.

Disclosed information consists of financial and non-financial information. The disclosure, particularly the reviewed/audited financial statements, is essentially accurate under generally accepted accounting principles. The reviewed/audited financial statements have also been endorsed by the Audit Committee and the Board of Directors before disclosure to shareholders. The Board of Directors also discloses the responsibility of financial report in the annual report. The company has disclosed connected transactions, management discussions and analysis, and CG report in the annual report and Form 56-1.

All disclosed information as well as information made public to shareholders and investors disseminates in both Thai and English including company's annual report, Form 56-1, quarterly presentations and press releases. In addition, corporate website always has been regularly updated. Hence, interested persons are convenient and attain the best usefulness for investment.

The company always valued the accuracy, completeness, timeliness, and transparency of information disclosure and is committed to its best practices.

Group 5: Responsibilities of the Board of Directors

(1) Structure

a. Composition

The Board of Directors consists of 7 Directors, which is considered suitable for the business. The composition of the Board of Directors is as follows:

- Four executive directors who have conflict of interest.
- Three independent directors with no conflict of interest, no relationship and not representative of major shareholders.

The company has three non-executive directors which are accounted for 43%. Thus, the company has balance of power for non-management director. Three non-executive directors have the grateful qualifications in accordance with The Stock Exchange of Thailand's guidelines of audit committee.

b. Definition of Terms and Number of Companies Where Directors Can Serve

The Board of Directors consists of 7 members, 3 of them were independent directors which was accounted more than one-third of all directors set by The Stock Exchange of Thailand. The independent directors shall serve a term of office of three years. The director who has completed his/her terms, one-third directors with the longest terms must retire. Directors who are retired by rotation could be re-elected.

Moreover, The Board of Directors also agreed for the issue of the number of companies where directors can serve to be one important key in considering for appointing the director. In addition, the company where each director serves has disclosed in attachment 1 of Form 56-1, annual report and corporate website.

c. Qualifications of Independent Director

The Independent Director shall consist of at least one-third of all director or not always less than three persons. The qualifications of independent director in accordance with rules and regulations of SEC are as follows.

- 1) holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- 2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
- 3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary company;

- 4) neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- 5) neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- 6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- 7) not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;
- 8) not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;
- 9) not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

d. Aggregation or Segregation of Position

The Chairman and the Managing Director is always not the same person. The Chairman is elected by the Board of Directors, whereas the Managing Director comes from nomination. The Chairman is the leader and contributes significant decision-making of the company's policy which is the result from The Board of Directors' meeting which is considered and determined goals with management. The chairman shall ensure that The Board of Directors meetings proceed efficiently and effectively. During each meeting all Directors are urged to actively participate such as raise essential questions, meeting, recommend, supervise and support management through managing director

regularly. But the chairman shall not interfere to routine work which is responsible by managing director. Managing Director is head of management team. The Board of Directors authorizes managing director or acting or representative to sign on behalf of company. Managing Director authorizes management team according to specified authorities efficiently and clearly. Hence, there is a clear distinction between the roles of The Board of Directors and the Management .

e. Company Secretary

The Company has appointed a corporate secretary. The roles and responsibilities are the following.

- Handle and keep documents
 - Registration of Directors
 - Meeting notices, minute of The Board of Directors, and corporate annual report
 - Appointment of Shareholders Meeting and minute of Shareholders Meeting.
 - Record of connected transactions which report by directors or management.
- Communicate with shareholders and ensuring that they are properly taken care of.
- Communicating with related regulatory agencies.

(2) Sub-committees

The Board of Directors has appointed sub-committees to handle specific aspects. Their qualifications and responsibilities have been defines in their respective charters. A majority of their members are Independent Directors, and also is the Chairman of each sub-committee, except the Risk Management Committee. The Chairman does not belong to any sub-committee. The sub-committees are regularly report their findings to The Board of Directors.

Currently, the company has appointed three sub-committees, namely (1) Audit Committee, (2) Remuneration Committee and (3) Risk Management Committee. Their member names, responsibilities, and report of each sub-committee are described in item 3 and 4 respectively.

(3) Business Ethics

The Board of Directors stipulated the business ethics in good corporate governance principles by conducting equitable treatment, transparency, auditable, and respect to the rights of all stakeholders which will create confidence and acceptance of efficient performance and transparency of company. The code of conducts consists of eight principles:

- Conflicts of interest
- Responsibility to shareholders
- Responsibility to employees
- Responsibility to customers
- Responsibility to trading partners:
- Responsibility to competitors
- Responsibility to society and communities
- Follow-up the action

(4) Conflicts of Interest

The company has policy to protect conflicts of interest which define the measurement to avoid any conflict and interest for personal benefit. The procedure for directors and employees are as follows:

- 1) Prohibit Directors, Management and employees bring inside information of company to use for their personal stock trading or use inside information to operate business which compete with the company or related business.
- 2) Avoid doing personal transaction related to the company which may cause conflict of interest.
- 3) If the company has any transactions which are beneficial to the company, the company shall treat such transaction on arm length basis. Directors and employees which have conflicts of interest shall not approve such transactions.
- 4) If the company has related transaction to Shareholders, Directors, Managements or related persons, the appointed Audit Committee shall approve on such transactions.

Connected transactions must be considered by The Board of Directors for reasonableness of the transactions and the Audit Committee shall approve the disclosure in the annual report and Form 56-1.

(5) The Board of Directors' Meeting

The meeting date of the Board of Directors has been specified in advance for each year while clear meeting agenda has been determined quarterly. Other agendas are jointly decided by the Chairman and Managing Director as necessary. However, each director may propose matters which they consider materially. In 2009, The Board of Directors convened on every third Friday of the month totally 8 times. The Board of Directors always received an invitation, draft minute of meeting and complete supporting documents for consideration ahead of each meeting.

An ordinary The Board of Director's meeting last approximately two hours. The Company's secretary always attend the meeting, record minute of meeting and keep document files of meeting correctly and completely. The company's secretary also advises the Board of Directors regarding related rules and regulations.

The minutes of meeting of the Board of Director's meeting covers all important issues and the resolutions were unanimously approved. The discussion and opinion of directors were clearly recorded. All documents were systematically filed under tight security. Generally, all directors attended every meeting except for legitimate reasons for absence. If he knows in advance, he will send an apology letter to the Chairman when they could not attend a meeting. Record of the Board of Directors' attendance in 2009 was as follows.

Director's Name		Attendance/Total Meetings (times)		Remark
		2008	2009	
1. Mr. Phaibul	Chalermasaphayakorn	4/6	6/6	Resigned on October 23 rd , 2009
2. Mr. Chaiwat	Cruecha-em	6/6	8/8	
3. Mr. Pongchalerm	Chalermasaphayakorn	6/6	6/6	Resigned on October 23 rd , 2009
4. Mr. Pongrapee	Cruecha-em	6/6	6/6	Resigned on October 23 rd , 2009
5. Mr. Pongsak	Aungsupan	6/6	8/8	
6. Mr. Nattaphol	Leelawattananan	6/6	8/8	
7. Mr. Suchart	Thammapitakkul	6/6	8/8	
M.L. Chandchutha	Chandratat	-	2/2	Joined on October 23 rd , 2009
Mrs. Thitima	Rungkwansiroj	-	2/2	Joined on October 23 rd , 2009
Mrs. Penroong	Suwannakudt	-	2/2	Joined on October 23 rd , 2009

Sub-committees Meeting of 2009

Year 2009		Sub-committees				Remark
		Board of Executive Directors	Audit Committee	Risk Management Committee	Remuneration and Nomination Committee	
1. Mr. Phaibul	Chalermasaphayakorn	10/10	-	-	-	Resigned on October 23 rd , 2009
2. Mr. Chaiwat	Cruecha-em	12/12	-	-	-	
3. Mr. Pongchalerm	Chalermasaphayakorn	9/10	-	-	-	Resigned on October 23 rd , 2009
4. Mr. Pongrapee	Cruecha-em	10/10	-	-	-	Resigned on October 23 rd , 2009
5. Mr. Pongsak	Aungsupan	-	5/5	3/3	2/2	
6. Mr. Nattaphol	Leelawattananan	-	5/5	3/3	2/2	
7. Mr. Suchart	Thammapitakkul	-	5/5	3/3	2/2	
M.L. Chandchutha	Chandratat	2/2	-	-	-	Joined on October 23 rd , 2009
Mrs. Thitima	Rungkwansiroj	2/2	-	-	-	Joined on October 23 rd , 2009
Mrs. Penroong	Suwannakudt	2/2	-	-	-	Joined on October 23 rd , 2009

(6) Compensation of Directors and Executives

(a) Directors' Compensation

The 2009 Annual General Shareholders' Meeting approved Directors and sub-committees' remuneration, taking into account the company's business, size, performance as well as the duties and responsibilities of The Board of Directors and sub-committees. The Directors' and sub-committees' remuneration packages for 2009 were equal to 2008. The details are as follows;

- Annual compensation: Directors who administrate the business of Baht 252,000/person/year, and independent committee of Baht 300,000/person/year
- Allowance of Baht 35,000 /person/meeting, paid only for those who attend the meeting.

Compensation was shown in item 8.1

(b) Compensation Policy for Subsidiaries' Board Members

The subsidiaries or joint venture company which the company invests directly or indirectly comply with the business condition are treated as Company assets in line with legal criteria or investment conditions. As a rule, the boards of these companies are kept minimum, for instance, the Managing Director and senior management executive directly responsible for the success of such project according to company's policies and strategies. Therefore, Managing Director and executives as director of subsidiaries are not entitled to extra compensation except allowance because it is considered as routine work which is clearly specify in good corporate governance principles of company as well.

(c) Managing Director's Compensation

The Managing Director's compensation is determined clearly and transparently decided by the Chairman. Consideration is based on duties and responsibilities, linked to the Company financial results and annual performance evaluation.

(d) Executives' Compensation

Managing Director will consider compensation of each executive appropriately for increasing salary of executives. Consideration is based on individual performance and company's financial results. In addition, performance compared with goals of each department was considered as well.

The company disclosed total compensation in Form 56-1. Besides, holding securities, warrant of individual were also disclosed transparently to support company's good corporate governance principles.

(7) Development of directors and executives

The Board of Directors regularly improve themselves by attending seminar, courses and meetings organized by the Institute of Directors of Thailand (IOD), The Stock Exchange of Thailand, and SEC, and bring such knowledge to develop company further.

(7) Awards of 2009

- IR Excellence Awards
- Receiving a "Very Good" rating from the IOD for its Corporate Governance Practices and AGM Assessment.

(9) Personnel

As of Dec 31, 2009, the company and subsidiaries had total 392 employees, consisting of 86 persons at head office, 214 persons at plant and 92 persons at subsidiaries which were divided to each department as follows:

Department	31 December 2008	31 December 2009
1. Administration	12	9
2. Finance and Accounting	27	20
3. Sales and Marketing	12	12
4. Manufacturing	209	191
5. Business Development	2	3
6. General Administration	51	65
7. UMS Lighter Company Limited	25	18
8. UMS Transport Company Limited	47	47
9. UMS Port Service	-	9
10. UMS Coal Briquette	-	18
Total	385	392

Compensation of the company and subsidiaries' employee in 2008 and 2009 was divided as follows:

Unit (Baht Thousand)

Compensation	2008	2009
Salary	54,358.79	62,764.84
Bonus	14,899.29	15,298.63
Provident Fund and Social Security	4,065.87	9,291.73
Total	73,323.96	87,355.20

In addition, company didn't have any labor dispute in last three years.

(10) Staff Development Policy

To enhance the competitiveness of company and employee for readiness of investment expansion and being the leader of coal business, the company has improved the staff training system by developing Competency - Based Training and Development. The training is organized both in in-house and outside training and will be trained to all staff levels and executives. The training courses with both local and foreign institution were special technique, safety, health, environment, information technology, English language and administration. The example of seminars were Driving Corporate Social Responsibility of company, How to apply household account, Investment knowledge, Efficient Performance Evaluation, Efficient Teaching and Follow-up System,

Connected Transaction

The company had transaction with related companies which may have conflict of interests implications in 2008 and 2009 as follows:

Related Company	Affiliation	Types of Transaction	Total Amount 2008 (Baht)	Total Amount 2009 (Baht)	Balance as of December 31, 2009 (Baht)
P.A.P. Insurance Brokers Co., Ltd.	Mr. Phaibul Chalermaphayakorn is director	Insurance expense	1,882,000	373,289	-

Necessity and Reasonableness

P.A.P. Insurance Brokers Co., Ltd. has engaged in the insurance broker business. In 2007 and 2008, the insurance transactions were truck insurance, pickup truck insurance and marine transportation insurance. Our company compared overall insurance conditions such as sum insured, premium rate and other items stated in terms and conditions with other insurance brokers. Finally, our company concluded that P.A.P. Insurance Brokers Co., Ltd. provided the best offers which are considered to be reasonable transactions.

Management Discussion and Analysis

Total revenues in 2008 and 2009 were recorded at Baht 3,447.53 and 2,643.25 million respectively or a decrease of 23.33 percent. Net profit in 2008 and 2009 were Baht 402.94 and 88.31 million or a decrease of 78.08 percent. Coal consumption was decreased due mainly to cement and pulp and paper industry have been decreasing demand of production. On the other hand, other industrial sectors such as foods and beverages industry as well as textiles industry which were industries generated major revenue had no essential impact because all of them are necessary to people living.

Overall past performance

A. Revenue

Revenues from coal sales in 2008 and 2009 were 3,411.97 Baht and 2,597.46 million respectively. The 23.87% fall in sales mainly resulted from a significant drop of sales volume to large sized customers, including those in the cement and pulp & paper industries. However, the Company's sales rose to its medium and small sized customers, comprising of companies in foods & beverages and textiles industries. Nevertheless, the increase in sales to the customers could not compensate for the substantial fall in sales for the large sized customers.

B. Cost of goods sold

Major components of cost of goods sold consist of coal and freight charges. Cost of goods sold in 2008 and 2009 were Baht 2,358.42 and 2,063.36 million or 69.12 and 79.43 percent of sales revenue respectively. The ratio of cost of goods sold to sales revenue changed significantly because the company contracted freight rate at a higher market rate. Coal price trend in 2009 was decreased compared with 2008. Moreover, company also had more competitors in coal distribution business.

C. Selling and administrative expenses

Selling and administrative expenses in 2008 and 2009 were Baht 401.86 and 325.36 million or 11.66 and 12.31 percent of total revenue respectively. The ratio of selling and administrative expenses to total sales was slightly increased due to company and its subsidiaries had fixed administration expense such as personnel expense and depreciation which were fixed in high proportion while revenue was decreased. Nonetheless, company had policy to reduce some selling and administration expenses which help company for well controlling expenses.

As of December 31, 2008, the Company recognized loss incurred on decline in value of ending inventories in the amount of Baht 92.27 million because of having impact on decrease in market value of coals. In the quarter 1 and 2/2009, the Company reversed the allowance for net realizable value in the amount of Baht 28.65 million by decreasing cost of good sold for the sold coal which was sold at the lower priced than cost. In the quarter 3/2009, the market value of the coal was increasing so the company reversed the allowance for net realizable value in the amount of Baht 63.62 million by decreasing administrative expense for the nine-month period ended September 30, 2009. In year 2009, the Company provided a provision for declining value of slow moving coal. The Company's management expected that the coal will be sold within 2 years at least. The provision basis was considered from average cost discounted with discount rate of financial cost of the Company. The Company recorded a provision for declining value of the coal in the amount of Baht 130.51 million as an expense in statement of income for the year ended December 31, 2009.

Moreover, interest expense in 2008 and 2009 were Baht 44.51 and 61.89 million or 1.29 and 2.34 percent of total revenue respectively since company increased loan to imported coal and invested in fixed assets.

D. Profit

Gross profit margin in 2008 and 2009 were 30.88 and 20.56 percent respectively. Gross profit margin fell due to the company contracted freight at a higher market rate. Coal price trend in 2009 was decreased compared with 2008. Moreover,

company also had more competitors in coal distribution business. Operating profit margin in 2008 and 2009 were 17.10 and 6.85 percent respectively. Finally, net profit margins in 2008 and 2009 were 11.69 and 3.34 percent respectively.

E. Return on Equity

Return on Equity in 2008 and 2009 were 52.91 and 10.20 percent respectively. The company paid dividend in 2008 of 1.25 Baht per share or 46.80 percent of net profit. In 2009, the company omitted to pay dividend to reserve cash for investment.

Financial Status

- **Assets**

Total assets at the end of years 2008 and 2009 were Baht 2,553.45 and 3,175.67 million respectively. At the end of year 2008 and 2009, most of them are current assets stood at Baht 1,591.40 and 2,076.52 million or 62.32 and 68.12 percent of total assets respectively. Current assets increased due mainly to increasing in inventory.

Non current assets at the end of year 2008 and 2009 were Baht 962.06 and 971.73 million respectively which at the end of year 2009 were land, buildings and equipments stood at Baht 962.91 million. The major increase was due mainly to construction of warehouse at Suansom sub district in Samutsakhon province and warehouse at Nakornluang Ayuthaya province and investment in lighters.

- **Quality of assets**

Account receivables –net

Account receivables-net at end of year 2008 and 2009 were Baht 396.71 and 341.60 million respectively. Company expanded target customers of coal market continuously. Days' account receivables of 2008 and 2009 were 42 and 52 days respectively, controlled in line with credit policy which was generally set at 45 days.

Inventory –net

Inventory-net at the end of year 2008 and 2009 were Baht 964.24 and 1,546.54 million respectively. Days' sales in inventory of 2008 and 2009 were 105 and 219 days respectively. Coal inventory remained high due to company had contracted imported quantity meanwhile coal demand was decreased because of economic crisis. As a result, company had high level of inventory. However, those contracts will be expired in first quarter of 2010. Therefore, coal stock levels would be decreased in 2010 because company has policy to release inventory for sale.

- **Liquidity**

Liquidity ratio in 2008 and 2009 were 1.00 and 1.34 times respectively while company's quick ratio in 2008 and 2009 were 0.36 and 0.28 times respectively. Liquidity ratios were at the medium level because of high coal stock inventory. However, if company could sell coal inventory as expected, liquidity ratio will be improved.

- **Optimum capital structure**

At the end of year 2008 and 2009 debt to equity ratio stood at 2.09 and 2.40 times respectively. This ratio increased due primarily to borrowing for importing and stocking coal and investment in fixed assets.



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Report of The Audit Committee

Dear Shareholders of Unique Mining Services Public Company Limited

The Audit Committee were includes,

Mr. Pongsak	Angsupun	Chairman of Audit Committee
Mr. Suchart	Thammapitagkul	Audit Committee
Mr. Natthaphon	Lilawatthananun	Audit Committee

With respect to the scope of duties and responsibilities granted by the Board of Directors in the fiscal year ended on December 31, 2009, the Audit Committee held five meetings. All audit committee attended all the meeting (one meeting held without management) to cooperate with related managements, auditors and internal auditors to consider the following matters;

- Reviewing the Company's both quarterly and annually financial statements before submitting to the Board of Directors to ensure that the Company's financial statements are fairly correct as well as providing recommendations and solutions for maximum benefit of the Company.
- Planning for internal audit of the year 2010 is conducted which prioritized by risk level and emphasize on effective and efficient compliance. Beside, the internal audit system is developed continuously to sustain good internal control system.
- Proposing principles of good corporate governance and reviewing the Company's compliance with the laws and regulations of Securities Exchange and Commission, The Stock Exchange of Thailand and the laws relating to the Company's business.
- Considering the appointment and remuneration of auditors. The appointed auditors include Mr. Kajornkheat Arunpairojchanakul Certificated Public Accountant No. 3445 Mr. Chanchai Chaiprasit Certificated Public Accountant No. 3760 and Ms. Nuttaporn Punudom Certificated Public Accountant No. 3430 of PricewaterhouseCoopers ABAS Company Limited to be auditor of the Company for the fiscal year 2010. This appointment will be proposed to the Board of Directors to get the approval from shareholders' meeting.

(Pongsak Angsupun)

Chairman of the audit committee

Report of The Auditor

To The Shareholders and Board of Directors of
Unique Mining Services Public Company Limited and its Subsidiaries

I have audited the consolidated balance sheet of Unique Mining Services Public Company Limited and its Subsidiaries as at December 31, 2009 and 2008, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended and the balance sheet of Unique Mining Services Public Company Limited as at December 31, 2009 and 2008, and the related statement of income, changes in shareholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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 provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Unique Mining Services Public Company Limited and its Subsidiaries as at December 31, 2009 and 2008, and the consolidated results of their operations, the consolidated changes in their shareholders' equity and their consolidated cash flows for the years then ended, and the financial position of Unique Mining Services Public Company Limited as at December 31, 2009 and 2008, and the results of its operations, the changes in its shareholders' equity and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to Note 30.1 and 30.2 to the financial statement regarding during the year 2009 the retrospective adjustment made by the Company in the 2008 financial statement, included for comparative purposes, in respect of error correction of income tax calculation for the year ended December 31, 2008. Because it was missing in complying with tax exemption of investment in fixed assets in accordance with the royal decree no.460 of Code of Revenue. And in the year end of 2009, the Company and its subsidiaries have chosen to early adopt new accounting standards of the Draft TAS "Employee Benefits". As the changes in accounting policy of employee benefits, the Company and its subsidiaries have applied the retrospective application to the 2008 financial statement for comparative purpose.



(Miss Chantra Wongsri - Udomporn)

Certified Public Accountant Registration No. 4996

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 13, 2009
2009/122/8906

BALANCE SHEETS

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2009 AND 2008

ASSETS

		Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
			(Restated)		(Restated)
Note					
Current assets					
Cash and cash equivalents	4	88,331,591.66	180,170,726.25	57,736,685.36	144,735,888.20
Trade accounts receivable, net	5	341,600,888.60	396,711,598.81	338,221,842.13	392,625,308.95
Short-term loan to related party	24	-	-	18,215,620.63	2,000,000.00
Inventories, net	6	1,546,542,969.56	964,238,520.46	1,548,974,033.88	966,158,922.75
Other current assets	7	100,048,671.72	50,276,297.85	95,010,676.95	56,277,420.06
Total current assets		2,076,524,121.54	1,591,397,143.37	2,058,158,858.95	1,561,797,539.96
Non-current assets					
Investment by using the cost method	8	-	-	111,000,000.00	111,000,000.00
Land building and equipment, net	9	962,905,593.28	949,720,522.85	762,167,594.74	738,823,524.92
Improvement and temporary building on leasehold land, net	10	720,327.56	1,680,770.33	720,327.56	1,680,770.33
Other non-current assets					
Non-operated assets, net	11	2,709,000.00	2,709,000.00	2,709,000.00	2,709,000.00
Others	12	5,392,470.74	7,945,018.49	4,862,672.24	7,642,194.92
Total non-current assets		971,727,391.58	962,055,311.67	881,459,594.54	861,855,490.17
TOTAL ASSETS		3,048,251,513.12	2,553,452,455.04	2,939,618,453.49	2,423,653,030.13

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

BALANCE SHEETS (CONT.)**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****AS AT DECEMBER 31, 2009 AND 2008****LIABILITIES AND SHAREHOLDERS' EQUITY**

		Baht			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Note		(Restated)		(Restated)
Current liabilities					
Bank overdraft and short-term loans					
from financial institutions	13	1,311,410,506.52	1,384,412,861.32	1,309,162,168.45	1,384,412,673.89
Trade accounts payable		66,047,191.80	23,887,857.30	53,726,695.59	2,824,747.14
Current portion of long-term loans					
from financial institutions	15	85,140,000.00	12,082,000.00	66,660,000.00	1,302,000.00
Current portion of liabilities under financial leases	16	6,946,070.38	6,520,165.10	2,043,214.71	1,923,604.80
Current portion of liabilities under hire-purchase					
contracts	17	7,155,124.42	4,762,203.93	1,001,830.56	801,095.58
Accrued expenses		26,862,856.62	44,687,697.91	37,119,490.88	57,271,112.70
Accrued income tax	30.1	48,835.14	51,629,171.13	-	51,629,171.13
Subscription received	21	72,268.56	8,621,299.99	72,268.56	8,621,299.99
Provision for retirement benefits	3.12	6,415,166.83	4,646,160.26	5,714,417.30	4,311,563.75
Other current liabilities		36,022,936.19	44,752,175.90	33,921,454.50	44,670,715.78
Total current liabilities		<u>1,546,120,956.46</u>	<u>1,586,001,592.84</u>	<u>1,509,421,540.55</u>	<u>1,557,767,984.76</u>
Non-current liabilities					
Long-term loan from financial institutions, net	15	586,243,000.00	104,220,000.00	506,663,000.00	-
Liabilities under financial leases, net	16	6,626,566.66	13,572,637.22	2,137,660.97	4,180,875.77
Liabilities under hire-purchase contracts, net	17	13,878,245.97	14,127,715.52	1,580,580.04	1,797,391.36
Total non-current liabilities		<u>606,747,812.63</u>	<u>131,920,352.74</u>	<u>510,381,241.01</u>	<u>5,978,267.13</u>
TOTAL LIABILITIES		<u>2,152,868,769.09</u>	<u>1,717,921,945.58</u>	<u>2,019,802,781.56</u>	<u>1,563,746,251.89</u>

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

BALANCE SHEETS (CONT.)**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****AS AT DECEMBER 31, 2009 AND 2008****LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)**

		Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
			(Restated)		(Restated)
		Note			
Shareholders' equity					
Share capital	18, 33				
Authorized share capital					
210,000,000 ordinary shares, Baht 0.50 each					
		105,000,000.00	105,000,000.00	105,000,000.00	105,000,000.00
Issued and fully paid-up share capital					
151,964,985 ordinary shares, Baht 0.50 each		75,982,492.50		75,982,492.50	
150,837,851 ordinary shares, Baht 0.50 each			75,418,925.50		75,418,925.50
Additional paid-up capital					
Premium on share capital		229,561,429.34	220,607,475.53	229,561,429.34	220,607,475.53
Retained earnings					
Appropriated					
Legal reserve	19, 20	10,500,000.00	7,251,405.00	10,500,000.00	7,251,405.00
Unappropriated		579,338,822.19	532,252,703.43	603,771,750.09	556,628,972.21
TOTAL SHAREHOLDERS' EQUITY		895,382,744.03	835,530,509.46	919,815,671.93	859,906,778.24
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,048,251,513.12	2,553,452,455.04	2,939,618,453.49	2,423,653,030.13

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

STATEMENTS OF INCOME

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Note	Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008 (Restated)	2009	2008 (Restated)
Revenues					
Sales		2,597,460,660.42	3,411,966,488.34	2,597,460,660.42	3,411,966,488.34
Service income		20,430,418.19	12,670,250.80	-	-
Gain on disposal of fixed assets		20,888.84	-	20,888.84	15,138,060.03
Gain on exchange rate		9,441,834.50	1,288,824.64	9,441,834.50	1,288,824.64
Other income		15,867,267.09	21,600,654.99	14,278,458.06	22,251,731.76
Total revenues		2,643,221,069.04	3,447,526,218.77	2,621,201,841.82	3,450,645,104.77
Expenses					
Cost of sales		2,063,355,164.24	2,358,416,135.18	2,069,882,409.55	2,367,199,416.57
Cost of service		9,736,321.36	11,271,613.14	-	-
Loss on disposal of fixed assets		-	221,291.92	-	-
Selling expenses		123,180,359.32	174,291,417.80	126,819,060.27	176,649,169.26
Administrative expenses		179,717,164.94	205,695,152.69	165,677,042.73	194,822,567.28
Management benefit expenses	1(d)	20,695,698.90	21,878,290.77	20,597,698.90	21,762,290.77
Retirement benefits	3.18(b)	1,769,006.57	1,288,692.25	1,402,853.55	1,113,799.98
Loss on decline in value of ending inventories (reversal)	6	66,889,693.74	92,272,400.94	66,889,693.74	92,272,400.94
Total expenses		2,465,343,409.07	2,865,334,994.69	2,451,268,758.74	2,853,819,644.80
Profit before finance costs and income tax		177,877,659.97	582,191,224.08	169,933,083.08	596,825,459.97
Finance costs		61,885,771.69	44,512,098.85	53,949,390.27	42,704,713.91
Profit before income tax		115,991,888.28	537,679,125.23	115,983,692.81	554,120,746.06
Income tax		27,683,651.27	120,909,074.07	27,618,796.68	120,119,196.47
Net profit		88,308,237.01	416,770,051.16	88,364,896.13	434,001,549.59
Profit attribution					
Shareholders' equity of the parent company		88,308,237.01	416,770,051.16	88,364,896.13	434,001,549.59
Minority interest		-	-	-	-
		88,308,237.01	416,770,051.16	88,364,896.13	434,001,549.59
Basic earnings per share (Baht per share)	22				
Net profit					
Shareholders' equity of the parent company		0.58	2.81	0.58	2.93
Minority interest		-	-	-	-
		0.58	2.81	0.58	2.93
Diluted earnings per share (Baht per share)	22				
Net profit					
Shareholders' equity of the parent company		0.50	2.22	0.50	2.31

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Consolidated financial statements (Baht)							
		Shareholders' equity of the parent company				Minority Interests	Total
	Note	Ordinary shares, issued and paid-up	Premium on share capital	Retained earnings		Total	(Restated)
				Appropriated legal reserve	Unappropriated		
Beginning balance, as at							
January 1, 2009		75,418,925.50	220,607,475.53	7,251,405.00	521,777,488.31	825,055,294.34	- 825,055,294.34
Correction error of previous							
financial statements	30.1	-	-	-	15,121,375.38	15,121,375.38	- 15,121,375.38
Correction of changes in accounting							
policy of employee benefits	30.2	-	-	-	(4,646,160.26)	(4,646,160.26)	- (4,646,160.26)
Beginning balance as restated		75,418,925.50	220,607,475.53	7,251,405.00	532,252,703.43	835,530,509.46	- 835,530,509.46
Increase in share capital from							
warrant conversion		563,567.00	-	-	-	563,567.00	- 563,567.00
Premium on share capital		-	8,953,953.81	-	-	8,953,953.81	- 8,953,953.81
Net profit for the period		-	-	-	88,308,237.01	88,308,237.01	- 88,308,237.01
Legal reserve	20	-	-	3,248,595.00	(3,248,595.00)	-	- -
Dividend paid	20	-	-	-	(37,973,523.25)	(37,973,523.25)	- (37,973,523.25)
Ending balance, as at							
December 31, 2009		75,982,492.50	229,561,429.34	10,500,000.00	579,338,822.19	895,382,744.03	- 895,382,744.03
Beginning balance, as at							
January 1, 2008		70,000,000.00	134,230,000.00	7,000,000.00	486,934,054.77	698,164,054.77	- 698,164,054.77
Accumulative effect of the change							
in accounting policy		-	-	-	320,746.51	320,746.51	- 320,746.51
Correction of changes in accounting							
policy of employee benefits	30.2	-	-	-	(3,357,468.01)	(3,357,468.01)	- (3,357,468.01)
Balance as restated		70,000,000.00	134,230,000.00	7,000,000.00	483,897,333.27	695,127,333.27	- 695,127,333.27
Increase in share capital from							
warrant conversion		5,418,925.50	-	-	-	5,418,925.50	- 5,418,925.50
Premium on share capital		-	86,377,475.53	-	-	86,377,475.53	- 86,377,475.53
Net profit for the period		-	-	-	416,770,051.16	416,770,051.16	- 416,770,051.16
Legal reserve	20	-	-	251,405.00	(251,405.00)	-	- -
Dividend paid	20	-	-	-	(368,163,276.00)	(368,163,276.00)	- (368,163,276.00)
Ending balance, as at							
December 31, 2008		75,418,925.50	220,607,475.53	7,251,405.00	532,252,703.43	835,530,509.46	- 835,530,509.46

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Separate financial statements (Baht)								
		Shareholders' equity of the parent company				Minority Interests	Total	
	Note	Ordinary shares, issued and paid-up	Premium on share capital	Retained earnings		Total	(Restated)	
				Appropriated legal reserve	Unappropriated			
Beginning balance, as at								
January 1, 2009		75,418,925.50	220,607,475.53	7,251,405.00	545,819,160.58	849,096,966.61	-	849,096,966.61
Correction error of previous financial statements	30.1	-	-	-	15,121,375.38	15,121,375.38	-	15,121,375.38
Correction of changes in accounting policy of employee benefits	30.2	-	-	-	(4,311,563.75)	(4,311,563.75)	-	(4,311,563.75)
Beginning balance as restated		75,418,925.50	220,607,475.53	7,251,405.00	556,628,972.21	859,906,778.24	-	859,906,778.24
Increase in share capital from warrant conversion		563,567.00	-	-	-	563,567.00	-	563,567.00
Premium on share capital		-	8,953,953.81	-	-	8,953,953.81	-	8,953,953.81
Net profit for the period		-	-	-	88,364,896.13	88,364,896.13	-	88,364,896.13
Legal reserve	20	-	-	3,248,595.00	(3,248,595.00)	-	-	-
Dividend paid	20	-	-	-	(37,973,523.25)	(37,973,523.25)	-	(37,973,523.25)
Ending balance, as at								
December 31, 2009		75,982,492.50	229,561,429.34	10,500,000.00	603,771,750.09	919,815,671.93	-	919,815,671.93
Beginning balance, as at								
January 1, 2008		70,000,000.00	134,230,000.00	7,000,000.00	493,919,120.88	705,149,120.88	-	705,149,120.88
Accumulative effect of the change in accounting policy		-	-	-	320,746.51	320,746.51	-	320,746.51
Correction of changes in accounting policy of employee benefits	30.2	-	-	-	(3,197,763.77)	(3,197,763.77)	-	(3,197,763.77)
Balance as restated		70,000,000.00	134,230,000.00	7,000,000.00	491,042,103.62	702,272,103.62	-	702,272,103.62
Increase in share capital from warrant conversion		5,418,925.50	-	-	-	5,418,925.50	-	5,418,925.50
Premium on share capital		-	86,377,475.53	-	-	86,377,475.53	-	86,377,475.53
Net profit for the period		-	-	-	434,001,549.59	434,001,549.59	-	434,001,549.59
Legal reserve	20	-	-	251,405.00	(251,405.00)	-	-	-
Dividend paid	20	-	-	-	(368,163,276.00)	(368,163,276.00)	-	(368,163,276.00)
Ending balance, as at								
December 31, 2008		75,418,925.50	220,607,475.53	7,251,405.00	556,628,972.21	859,906,778.24	-	859,906,778.24

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

STATEMENTS OF CASH FLOWS

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
		(Restated)		(Restated)
Cash flows from operating activities				
Net profit	88,308,237.01	416,770,051.16	88,364,896.13	434,001,549.59
Reconciliations of net income to net cash provided by (used in) operating activities:				
Depreciation	71,361,112.14	42,218,049.00	50,318,763.57	30,666,776.65
Allowance for doubtful	(11,763,314.04)	33,927,483.78	(9,785,257.74)	29,944,434.64
Loss on physical losing stock	-	740,895.46	-	740,895.46
Allowance for net realizable value of goods (reversed)	38,235,901.55	92,272,400.94	38,235,901.55	92,272,400.94
Amortization of intangible asset	1,846,364.29	929,777.98	1,711,339.22	871,682.70
Gains (loss) on disposal of fixed assets	(20,888.84)	221,291.92	(20,888.84)	(15,138,060.03)
Unrealized (gain) loss on exchange rate	(508,084.82)	(1,763,992.19)	(508,084.82)	(1,763,992.19)
Retirement benefits	1,769,006.57	1,288,692.25	1,402,853.55	1,113,799.98
Interest income	(675,980.26)	(1,979,855.65)	(926,190.13)	(3,072,834.50)
Interest expense	61,885,771.69	44,512,098.85	53,949,390.27	42,704,713.91
Income tax expense	27,683,651.27	120,909,074.07	27,618,796.68	120,119,196.47
Net profit provided by operating activities				
before changes in operating assets and liabilities	278,121,776.56	750,045,967.57	250,361,519.44	732,460,563.62
(Increase) decrease in operating assets				
Trade accounts receivable	47,220,161.82	1,785,714.69	46,684,789.89	5,142,089.61
Inventories	(620,540,350.65)	(642,156,812.79)	(621,051,012.68)	(643,257,530.57)
Other current assets	(30,675,895.07)	(72,536,998.77)	(19,109,500.50)	(75,413,228.90)
Other non-current assets	1,160,183.46	3,074,681.40	1,196,183.46	1,600,187.40
Increase (decrease) in operating liabilities				
Trade accounts payable	41,954,018.77	10,156,621.93	50,696,632.72	1,940,075.21
Accrued expenses	(14,945,633.39)	(3,496,863.72)	(17,424,253.21)	1,078,214.57
Other current liabilities	(8,729,239.71)	11,153,834.53	(13,323,750.89)	9,733,338.39

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

STATEMENTS OF CASH FLOWS

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
		(Restated)		(Restated)
Cash generated from operating activities	(306,434,978.21)	58,026,144.84	(321,969,391.77)	33,283,709.33
Interest income received	675,980.26	1,979,855.65	823,474.39	3,070,621.39
Income tax paid	(81,281,093.24)	(127,948,959.74)	(81,265,073.79)	(127,159,082.14)
Net cash provided by (used in) operating activities	(387,040,091.19)	(67,942,959.25)	(402,410,991.17)	(90,804,751.42)
Cash flows from investing activities				
Cash paid for subscription in subsidiary	-	-	-	(76,000,000.00)
Cash paid for short term loans to related parties	-	-	(16,215,620.63)	(112,500,000.00)
Cash received from short term loans to related parties	-	-	-	110,500,000.00
Cash paid for purchase of fixed assets	(75,182,318.42)	(488,716,221.19)	(71,738,593.70)	(319,703,143.41)
Proceeds from disposal of fixed assets	34,357.46	84,669.82	29,091.92	19,617,380.07
(Increase) in intangible assets	(454,000.00)	(2,939,120.00)	(128,000.00)	(2,742,842.25)
Net cash provided by (used in) investing activities	(75,601,960.96)	(491,570,671.37)	(88,053,122.41)	(380,828,605.59)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loan from financial institutions	(69,714,464.64)	847,217,706.98	(71,962,615.28)	847,217,519.55
Cash received from long-term loans from institutions	604,543,000.00	119,543,000.00	604,543,000.00	4,543,000.00
Payment of long-term loans	(49,462,000.00)	(10,483,000.00)	(32,522,000.00)	(10,483,000.00)
Payment of liabilities under financial leases	(6,520,165.28)	(5,772,625.10)	(1,923,604.89)	(1,471,975.06)
Payment of liabilities under hire-purchase contracts	(6,273,439.06)	(2,136,242.70)	(988,076.34)	(602,075.21)
Payment of cash dividend	(37,973,523.25)	(368,163,276.00)	(37,973,523.25)	(368,163,276.00)
Cash received from subscription received	72,268.56	8,621,299.99	72,268.56	8,621,299.99
Cash received from exercise warrants	896,220.82	49,057,551.03	896,220.82	49,057,551.03
Interest expense paid	(64,764,979.59)	(38,812,158.68)	(56,676,758.88)	(37,004,773.74)
Net cash provided by (used in) financing activities	370,802,917.56	599,072,255.52	403,464,910.74	491,714,270.56

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

STATEMENTS OF CASH FLOWS

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
		(Restated)		(Restated)
Net increase (decrease) in cash and cash equivalents, net	(91,839,134.59)	39,558,624.90	(86,999,202.84)	20,080,913.55
Cash and cash equivalents - beginning of the period	180,170,726.25	140,612,101.35	144,735,888.20	124,654,974.65
Cash and cash equivalents - ending of the period	88,331,591.66	180,170,726.25	57,736,685.36	144,735,888.20

Supplemental disclosure of cash flows information :-

1. During the years ended December 31, 2009, the Company and the subsidiary acquired fixed asset by means of hire-purchase contracts in consolidated and separate financial statements in the amount of Baht 8,416,890.00 and Baht 972,000.00.
2. During the years ended December 31, 2008, the Company and the subsidiary acquired fixed asset by means of lease agreement in consolidated and separate financial statements in the amount of Baht 3,240,081.67 and Baht 2,760,163.58 and by means of hire-purchase contracts in consolidated and separate financial statements in the amount of Baht 20,408,600.00 and Baht 2,583,000.00.
3. Interest expenses that were captured as borrowing cost for the year ended December 31, 2009 in the amount of Baht 1,053,256.75.

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

NOTES TO FINANCIAL STATEMENTS

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited company on March 17, 1994.

According to the 1st and 2nd extraordinary shareholders' meetings held on January 14, 2004 and January 30, 2004, respectively, the shareholders unanimously approved to change the Company's status to be the public company limited. On February 17, 2004, the Company had registered the above resolution with the Ministry of Commerce.

The address of its registered office is as follows:

- Head office : 36/83 P.S. Tower Floor 24th Soi Sukhumvit 21 (Asoke), Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110, Thailand.
- Branch offices are as follows :
 - 1) 20 Moo 2, Tambol Chaimongkol, Amphur Muang Samutsakorn, Samutsakorn 74000, Thailand.
 - 2) 88/8-9 Moo 5, Tambol Suansom, Amphur Baanpaew, Sumutsakorn, 74120, Thailand.
 - 3) 108 Moo 2, Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya, 13260, Thailand.

(b) Nature of the Company's operations

The principal business operations of the Company is sale of coal for domestic industrial usages.

The subsidiaries's business that are closely relate to the Company's main business are producing and selling coalbriquette, transportation by truck and barge conveyance, and port services.

(c) Employees

As at December 31, 2009 and 2008, the Company hires 412 employees and 385 employees, respectively.

(d) Management benefit expenses

Management benefit expenses represents the benefits paid to the Company's management such as salaries and related benefit including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the manager level.

(e) Supplemental disclosure of expenses information by nature

Supplemental disclosure of expenses information by nature for the years ended December 31, 2009 and 2008 are as follows:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008 (Restated)	2009	2008 (Restated)
Depreciation charges and amortized expense	73,207,476.43	43,147,826.98	52,030,102.79	31,538,459.35
Staff cost	85,298,697.35	81,128,416.43	68,258,281.93	70,011,964.75
Management benefit expenses	20,695,698.90	21,878,290.77	20,597,698.90	21,762,290.77
Retirement benefits	1,769,006.57	1,288,692.25	1,402,853.55	1,113,799.98

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for limited company, 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 such financial statements in Thai language.

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

2.2 Adoption of new accounting standards during the year

2.2.1 The Federation of Accounting Professions (FAP) has issued Notification No. 12/2552 dated May 15, 2009, regarding the renumbering of Thai Accounting Standards to be the same as International Accounting Standards.

2.2.2 The Federation of Accounting Professions (FAP) has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standards and accounting treatment guidance as follows.

a) Accounting standards, financial reporting standards and accounting treatment guidance which are effective for the fiscal year beginning on or after January 1, 2009.

- 1) Framework for the Preparation and Presentation of Financial Statements (revised 2007)
- 2) TAS 36 Impairment of Assets (revised 2007)
- 3) TFRS5 Non-current Assets Held for Sale and Discontinued Operations (revised 2007)
- 4) Accounting Treatment Guidance for Leasehold Right
- 5) Accounting Treatment Guidance for Business Combination under Common Control

The management of the Company has assessed the effect of these accounting standards, financial reporting standards and accounting treatment guidance and believes that they will not have any significant impact on the financial statements for the current year.

b) Accounting standards which are not effective for the current year.

- 1) TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (effective on January 1, 2012)
- 2) TAS 24 Related Party Disclosures (revised 2007) (effective on January 1, 2011)
- 3) TAS 40 Investment Property (effective on January 1, 2011)

The management of the Company is still evaluating the effect of these accounting standards to the financial statements for the year in which they are initially applied.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

2.3 Principles of consolidation of financial statements

2.3.1 The accompanying interim consolidated financial statements include the accounts of Unique Mining Services Public Company Limited and the following subsidiaries are owned directly and indirectly by the Company :-

	Registered share capital (million Baht)		Percentage of Holding by direct and indirect way		Nature of Business
	2009	2008	2009	2008	
UMS Coalbriquette Co., Ltd.	20	20	100.00	100.00	Producing and Selling Coalbriquette
UMS Lighter Co., Ltd.	70	70	100.00	100.00	Ship transportation service
UMS Transportation Co., Ltd.	18	18	100.00	100.00	Truck transportation service
UMS Port Services Co., Ltd.	18	18	100.00	100.00	Port service

2.3.2 The acquisition of subsidiaries are recorded by Purchase Method.

2.3.3 Significant intercompany transactions between the Company and subsidiaries have been eliminated.

2.3.4 The consolidated financial statements are prepared by using uniform accounting policies for like transaction and other event in similar circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue and expenses

The Company and its subsidiary recognizes the revenues on sales upon delivery of goods to the customers.

The Company and its subsidiary recognizes the revenue on transportation service upon delivery completed and on the accrual basis.

The Company and its subsidiary recognized other income and expenses on the accrual basis.

3.2 Allowance for doubtful accounts

The Company and its subsidiary provide allowance for doubtful account equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on historical collection experience and a review of the current status of the existing receivables.

3.3 Inventories

Inventories are presented on the balance sheet at the lower of cost or net realizable value, cost being determined on the average basis.

The Company review and recognize the provision for physical losing stock in respect of actual checking result.

3.4 Depreciation and amortization

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation.

Except, barges and trucks are stated at cost less residual value and accumulated depreciation.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

Depreciation and amortization is calculated on the straight-line method over the estimated useful life of the assets as follows:

• Land	No depreciation
• Leasehold land improvement	3 years and 10 years (per land lease agreements)
• Temporary building	3 years (per land lease agreements)
• Equipment	5 Years
• Vehicles	5 Years
• Barge	5-10 Years
• Office equipment	5 Years
• Computer equipment	5 Years

3.5 Capitalization of borrowing costs

The Company and subsidiaries capitalize borrowing cost incurred from loan, especially used for the construction of barges, are booked as cost of assets until the assets are ready for their intended use.

3.6 Investments

Long-term investment is stated at cost, net of allowance for impairment (if any) for the Company's financial statement.

The Company recognizes loss from impairment (if any) of the investments into profit and loss statement.

3.7 Assets not used in operation

Assets not used in operation are presented on the balance sheet at the lower of cost or net realizable value. In case of the situation shows the asset will be impaired. The company will present the value after provision and present loss from provision impairment in statement of income.

3.8 Deferred interest

The Company and its subsidiary amortizes deferred interest on hire-purchase contracts and on financial lease agreements by the effective interest rate basis.

3.9 Intangible assets

Intangible assets are stated at cost less accumulated amortization. Amortization of intangible assets is calculated by referring to their cost on the straight-line basis over the following estimated useful lives:-

Computer software 5 years

3.10 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the balance sheet dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

As to forward exchange contract obligations that are in Baht currency for hedging against exchange rate risk of the liabilities denominated in foreign currency, the Company recognizes by using the forward exchange rate in the contract. The premium or discount from the purchase of forward exchange contract is recognized as an income or expense by the straight-line method over the life of the contract.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

Liabilities under forward exchange contracts outstanding on the balance sheet date which are amounts in foreign currency to be received from the bank on the specified date will be adjusted to Baht, using the exchange rate announced by Bank of Thailand as the reference rate. The difference arising from this adjustment is recognized as an income or expense in the full amount.

Forward exchange contracts outstanding at the balance sheet date are presented as net transaction under account "Forward exchange contracts receivable/payable".

3.11 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.12 Using of Accounting Estimation

Preparation of financial statements in conformity with generally accepted accounting principles in Thailand requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Employee benefits

The Company and subsidiaries have a commitment to pay benefits to employees on retirement. The present value of employee benefit liabilities recognised in the balance sheet is determined on an actuarial basis utilizing various assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate, the rate of salary inflation, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid.

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2009	2008	2009	2008
Discount rate	4.50%	4.50%	4.50%	4.50%
Future salary increases	6.00%	6.00%	6.00%	6.00%
Mortality rate	0.01%	0.01%	0.01%	0.01%
Resignation rate	0 - 50%	0 - 50%	0 - 25%	0 - 25%

The resignation is more likely to decline with age.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

3.13 Finance lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations in proportion to the capital balances outstanding.

Deferred interest is amortized by the effective rate over the period of lease agreements.

3.14 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.15 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institution with an original maturity of 3 months or less and excluded cash at banks which are used for guarantee.

3.16 Income tax

Corporate income tax is calculated from net income for the periods adjusted by the items defined under the Revenue Code as taxable or non-taxable income and expense at the rate of 20% per annum, since 2005 to 2009 (5 years).

3.17 Financial instruments

The Company and its subsidiary have no policy to speculate in or engage in the trading of any financial derivative instruments.

3.18 Employee benefits

(a) Provident Fund

The Company and its subsidiary registered provident fund scheme together with their employees under Provident Fund Act. B.E. 2530. The Company and its subsidiary contributed to the fund as the same rate of the employees on monthly basis. The employees will be refunded upon termination in accordance with the rules of the fund.

(b) Retirement benefits

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on age and years of service.

The liability of retirement benefits is recognized in the consolidated and company's balance sheet using the present value of the obligations at the balance sheet date and past service costs. The retirement benefit is calculated annually by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statements of income.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

3.19 Earning per share

Basis earnings per share is determined by dividing net earnings (loss) for the year by the weighted average number of ordinary shares held by outsiders and outstanding during the year.

3.20 Impairment of assets

The Company and its subsidiary review the impairment of assets whenever events indicate that the carrying value of an asset exceeds its realizable value which is determined by an asset's net selling price and its value in use whichever is higher. The value in use is derived from the management's estimates and assumptions.

In case of the asset's carrying value is exceed its realizable value, the impairment loss on the asset will be recognized as an expenses in the period impaired under the income statement. The Company and its subsidiary will reverse the said impairment loss when there are indications that the value of the asset is no longer impaired or declining in the amount of impairment.

3.21 Capitalization of the borrowing cost

The Company and its subsidiary capitalizes the borrowing cost on loans obtained to finance the construction of the factory building and machines or part of the cost of assets. The capitalization of the borrowing cost will be ceased upon the completion of construction.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:-

		Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Cash on hand		450,124.98	141,029.66	425,023.53	68,991.16
Deposits at financial institutions	- current accounts	16,263,286.94	6,058,686.98	17,411,924.78	14,114,097.24
	- savings accounts	71,618,179.74	173,971,009.61	39,899,737.05	130,552,799.80
		<u>88,331,591.66</u>	<u>180,170,726.25</u>	<u>57,736,685.36</u>	<u>144,735,888.20</u>

5. TRADE ACCOUNTS RECEIVABLE, NET

Trade accounts receivable, net consisted of:-

		Baht			
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
Note receivable		24,118,351.59	12,370,214.27	24,118,351.59	12,370,214.27
Trade accounts receivable		327,689,006.62	387,496,646.15	324,138,088.69	383,410,356.29
<u>Less</u> allowance for doubtful accounts		<u>(10,206,469.61)</u>	<u>(3,155,261.61)</u>	<u>(10,034,598.15)</u>	<u>(3,155,261.61)</u>
Net		<u>341,600,888.60</u>	<u>396,711,598.81</u>	<u>338,221,842.13</u>	<u>392,625,308.95</u>

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

Trade accounts receivable classified by ages of accounts as follow:-

	Consolidated financial statements			
	2009		2008	
	Accounts	Baht	Accounts	Baht
Under 3 months	181	317,691,254.45	164	385,028,532.91
Over 3 month to 6 months	2	715,141.37	2	273,527.68
Over 6 month to 12 months	6	6,794,818.12	-	-
Over 12 months	5	2,487,792.68	3	2,194,585.56
Total		<u>327,689,006.62</u>		<u>387,496,646.15</u>

	Separate financial statements			
	2009		2008	
	Accounts	Baht	Accounts	Baht
Under 3 months	170	314,312,207.98	156	381,019,782.41
Over 3 month to 6 months	2	715,141.37	1	195,988.32
Over 6 month to 12 months	6	6,794,818.12	-	-
Over 12 months	3	2,315,921.22	3	2,194,585.56
Total		<u>324,138,088.69</u>		<u>383,410,356.29</u>

6. INVENTORIES, NET

Inventories, net consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Coal	1,677,051,272.05	1,056,510,921.40	1,679,482,336.37	1,058,431,323.69
Less allowance for physical losing stock	-	-	-	-
allowance for net realizable value				
of goods	<u>(130,508,302.49)</u>	<u>(92,272,400.94)</u>	<u>(130,508,302.49)</u>	<u>(92,272,400.94)</u>
Net	<u>1,546,542,969.56</u>	<u>964,238,520.46</u>	<u>1,548,974,033.88</u>	<u>966,158,922.75</u>

Allowance for net realizable value is changed during the year as follows :-

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Beginning balance	92,272,400.94	-	92,272,400.94	-
Additional during the year	130,508,302.49	92,272,400.94	130,508,302.49	92,272,400.94
Deduction during the year	<u>(92,272,400.94)</u>	<u>-</u>	<u>(92,272,400.94)</u>	<u>-</u>
Ending balance	<u>130,508,302.49</u>	<u>92,272,400.94</u>	<u>130,508,302.49</u>	<u>92,272,400.94</u>

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

As at December 31, 2008, the Company recognized loss incurred on decline in value of ending inventories in the amount of Baht 92.27 million because of having impact on decrease in market value of coals.

In the quarter 1 and 2/2009, the Company reversed the allowance for net realizable value in the amount of Baht 28.65 million by decreasing cost of good sold for the sold coal which was sold at the lower price than cost. In the quarter 3/2009, the market value of the coal was increasing so the company reversed the allowance for net realizable value in the amount of Baht 63.62 million by decreasing administrative expense for the nine-month period ended September 30, 2009.

In year 2009, the Company provided a provision for declining value of slow moving coal. The Company's management expected that the coal will be sold within 2 years at least. The provision basis was considered from average cost discounted with discount rate of financial cost of the Company. The Company recorded a provision for declining value of the coal in the amount of Baht 130.51 million as an expense in statement of income for the year ended December 31, 2009.

The Company has conducted the physical count of coals at the period end at December 31, 2009 and 2008. The Company has adjusted the book balance of coal to be the actual balance in respect of the checking result. Therefore, the coals stock do not need to adjust an allowance for physical losing damages.

7. OTHER CURRENT ASSETS

Other current assets consist of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Revenue Department receivable	62,371,495.17	23,550,475.10	61,771,522.06	22,950,501.99
Supplies	9,953,800.37	3,850,224.60	8,225,156.78	3,277,331.25
Accrued income	21,188,449.81	14,661,259.94	21,188,449.81	14,661,259.94
Other receivable (note 27)	10,701,305.01	30,355,167.44	8,868,183.63	26,372,118.30
Less allowance for doubtful account	(10,701,305.01)	(30,355,167.44)	(8,868,183.63)	(26,372,118.30)
Other receivable, net	-	-	-	-
Other current assets	6,534,926.37	8,214,338.21	3,825,548.30	15,388,326.88
	<u>100,048,671.72</u>	<u>50,276,297.85</u>	<u>95,010,676.95</u>	<u>56,277,420.06</u>

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

8. INVESTMENTS IN SUBSIDIARY COMPANY – COST METHOD

Subsidiary Companies	Type of business	Type of relationship	Separate financial statements							
			Percentage of Ownership (%)		(Thousand Baht)					
					At Cost				Equity method	
					Paid up shares		Amount			
			2009	2008	2009	2008	2009	2008	2009	2008
UMS Coalbriquette Co., Ltd.	Sale of coalbriquette	Shareholder	100	100	5,000	5,000	5,000	5,000	3,582	4,878
UMS Lighter Co., Ltd.	Boat conveyance	Shareholder	100	100	70,000	70,000	70,000	70,000	66,172	70,176
					0	0				
UMS Transport Co., Ltd.	Road transport	Shareholder	100	100	18,000	18,000	18,000	18,000	9,868	11,408
					0	0				
UMS Port Services Co., Ltd.	Port service	Shareholder	100	100	18,000	18,000	18,000	18,000	25,657	17,886
					0	0				
							<u>111,000</u>	<u>111,000</u>	<u>105,279</u>	<u>104,348</u>

Investment in subsidiary company is common stock in UMS Coalbriquette Company Limited which comprise of 2 million shares, 10 Baht per share in the amount of Baht 20.00 million. As at December 31, 2009 and 2008, the Company has fully paid for investment in ordinary share of its subsidiary of Baht 5 million.

Investment in subsidiary namely, UMS Lighter Co., Ltd. comprises of 7 million shares, 10 Baht per share in the amount of Baht 70 million. As at December 31, 2009 and 2008, the Company has fully paid for this investment in subsidiary's share capital of Baht 70 million.

Investment in subsidiary namely, UMS Transportation Co., Ltd. comprises of 1.8 million shares, 10 Baht per share in the amount of Baht 18 million. As at December 31, 2009 and 2008, the Company has fully paid for this investment in subsidiary's share capital of Baht 18 million.

Investment in subsidiary namely, UMS Port Services Co., Ltd. comprised of 1.8 million shares, 10 Baht per share in the amount of Baht 18 million. As at December 31, 2009 and 2008, the Company has fully paid for this investment in subsidiary's share capital of Baht 18 million.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

9. PROPERTY PLANT AND EQUIPMENT, NET

Property plant and equipment, net consisted of:-

	Baht			
	Consolidated financial statements			
	Balance per book	Movement during the period		Balance per book
	as at Dec. 31, 2008	Additions	Deduction	as at Dec. 31, 2009
<u>At cost</u>				
Land	298,118,459.12	-	-	298,118,459.12
Land of condominium	832,464.86	-	-	832,464.86
Land improvement	10,384,540.33	3,559,213.81	-	13,943,754.14
Condominium	1,323,535.14	-	-	1,323,535.14
Warehouse's office building	14,681,670.73	182,284.47	-	14,863,955.20
Warehouse and port	218,202,973.26	26,354,083.56	-	244,557,056.82
Vehicles	79,959,532.34	11,173,875.00	-	91,133,407.34
Machine	142,738,524.34	28,145,270.46	-	170,883,794.80
Equipment	96,388,764.32	13,791,593.92	(137,769.25)	110,042,588.99
Barge	120,168,966.56	64,219,995.50	-	184,388,962.06
Warehouse and port in progress	160,334.47	21,425,848.51	(21,586,182.98)	-
Machine in progress	-	32,277,460.78	(32,277,460.78)	-
Equipment in progress	-	1,928,277.60	(1,928,277.60)	-
Barge in progress	63,051,660.97	892,606.64	(63,897,386.47)	46,881.14
Land improvement in progress	-	2,262,620.81	(2,262,620.81)	-
Vehicles in progress	720,210.00	107,000.00	(827,210.00)	-
Total	1,046,731,636.44	206,320,131.06	(122,916,907.89)	1,130,134,859.61
<u>Accumulated depreciation</u>				
Land improvement	(91,151.35)	(612,596.38)	-	(703,747.73)
Condominium	(254,191.33)	(66,176.80)	-	(320,368.13)
Warehouse's office building	(837,246.27)	(870,670.08)	-	(1,707,916.35)
Warehouse and port	(4,466,386.98)	(11,600,647.09)	-	(16,067,034.07)
Vehicles	(39,356,931.08)	(9,620,267.56)	-	(48,977,198.64)
Machine	(13,182,356.13)	(15,019,042.02)	-	(28,201,398.15)
Equipment	(33,520,489.20)	(18,617,059.24)	124,300.63	(52,013,247.81)
Barge	(5,302,361.25)	(13,935,994.20)	-	(19,238,355.45)
Total	(97,011,113.59)	(70,342,453.37)	124,300.63	(167,229,266.33)
Net	949,720,522.85			962,905,593.28
Capitalization of the borrowing cost	-			1,053,256.75
				%
Capitalization rate of borrowing cost (per annum)				4.26

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

	Baht			
	Separate financial statements			
	Balance per book	Movement during the period		Balance per book
	as at Dec. 31, 2008	Additions	Deduction	as at Dec. 31, 2009
<u>At cost</u>				
Land	298,118,459.12	-	-	298,118,459.12
Land of condominium	832,464.86	-	-	832,464.86
Land improvement	10,384,540.33	3,559,213.81	-	13,943,754.14
Condominium	1,323,535.14	-	-	1,323,535.14
Warehouse's office building	14,521,670.73	-	-	14,521,670.73
Warehouse and port	218,202,973.26	26,354,083.56	-	244,557,056.82
Vehicles	17,226,094.40	1,221,775.00	-	18,447,869.40
Machine	142,738,524.34	28,145,270.46	-	170,883,794.80
Equipment	92,378,178.72	13,372,034.87	(132,169.25)	105,618,044.34
Warehouse and port in progress	-	21,403,898.51	(21,403,898.51)	-
Machine in progress	-	32,277,460.78	(32,277,460.78)	-
Equipment in progress	-	1,928,277.60	(1,928,277.60)	-
Land improvement in progress	-	2,262,620.81	(2,262,620.81)	-
Total	795,726,440.90	130,524,635.4	(58,004,426.95)	868,246,649.35
		0		
<u>Accumulated depreciation</u>				
Land improvement	(91,151.35)	(612,596.38)	-	(703,747.73)
Condominium	(254,191.33)	(66,176.80)	-	(320,368.13)
Warehouse's office building	(814,746.24)	(759,083.49)	-	(1,573,829.73)
Warehouse and port	(4,466,386.98)	(11,600,647.09)	-	(16,067,034.07)
Vehicles	(5,286,501.26)	(3,466,871.57)	-	(8,753,372.83)
Machine	(13,182,356.13)	(15,019,042.02)	-	(28,201,398.15)
Equipment	(32,807,582.69)	(17,775,687.45)	123,966.17	(50,459,303.97)
Total	(56,902,915.98)	(49,300,104.80)	123,966.17	(106,079,054.61)
Net	738,823,524.92			762,167,594.74
Capitalization of the borrowing cost	-			1,053,256.75
				%
Capitalization rate of borrowing cost (per annum)				4.26

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

The Company makes use of its land in operating, as follow:

- 1) Land where locates at Suansom District, Baanpaew, Samutsakorn for the specific use of coal's site which consisted of warehouse, port and office building. The land consisted of 7 tile deeds, 71-1-91 rai in area. The cost of land including developing land surface charge are amount of Baht 99.7 million.

The Company's land and construction in progress on the land where locates at Suansom District amounting to its book value of Baht 241 million, were mortgaged to the bank overdrafts and long-term loan (Note 14) in the total credit line of Baht 200 million.

- 2) Altogether 14 title deeds of lands, 112-0-17 rai in Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya province are used for the coal warehouse and port. The land plot has a cost price of Baht 200 million.

The partial land and construction on the land, book value of Baht 229 million, were mortgaged to the long-term loan from a local bank in the total credit line of Baht 240 million. (Note 14)

During the quarter 3/2008, the Company disposed 29 vehicles on fair value to a subsidiary company and it had cost in the amount of Baht 31.36 million. The Company has gain on disposal of vehicles in the amount of Baht 15.40 million.

As at December 31, 2009 and 2008, the Company had building, vehicle, machinery and equipment which were fully depreciated but still in uses. The assets amounted at cost of Baht 33.23 million and Baht 20.86 million, respectively.

As at December 31, 2009 and 2008, the barges of a subsidiary company, book value of Baht 177.34 million and Baht 177.34 million, respectively are mortgaged to the bank overdraft and long-term loan (Note 14) in total credit line of Baht 125 million.

10. IMPROVEMENT AND TEMPORARY BUILDING ON LEASEHOLD LAND, NET

Improvement and temporary building on leasehold land, net consisted of:-

	Baht			
	Consolidated financial statements			
	Balance per book	Movement during the period		Balance per book
	as at Dec. 31, 2008	Additions	Deduction	as at Dec. 31, 2009
<u>At cost</u>				
Leasehold land improvement	7,442,661.83	58,216.00	-	7,500,877.83
Temporary building	10,513,111.87	-	-	10,513,111.87
Total	17,955,773.70	58,216.00	-	18,013,989.70
<u>Accumulated depreciation</u>				
Leasehold land improvement	(6,091,842.26)	(877,223.53)	-	(6,969,065.79)
Temporary building	(10,183,161.11)	(141,435.24)	-	(10,324,596.35)
Total	(16,275,003.37)	(1,018,658.77)	-	(17,293,662.14)
Net	1,680,770.33			720,327.56

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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	Baht			
	Separate financial statements			
	Balance per book	Movement during the period		Balance per book
	as at Dec. 31, 2008	Additions	Deduction	as at Dec. 31, 2009
<u>At cost</u>				
Leasehold land improvement	7,442,661.83	58,216.00	-	7,500,877.83
Temporary building	10,513,111.87	-	-	10,513,111.87
Total	17,955,773.70	58,216.00	-	18,013,989.70
<u>Accumulated depreciation</u>				
Leasehold land improvement	(6,091,842.26)	(877,223.53)	-	(6,969,065.79)
Temporary building	(10,183,161.11)	(141,435.24)	-	(10,324,596.35)
Total	(16,275,003.37)	(1,018,658.77)	-	(17,293,662.14)
Net	1,680,770.33			720,327.56

The Company has entered into lease agreements of land for constructing of coal storages, as follow :-

- 1) The land lease agreement for land plot 21-1-86.7 rai in Tambol Chaimongkol, Samutsakorn has a lease term of 3 years from March 1, 2006 - February 28, 2009; land plot 13-3-70 rai has a lease term of 10 years from January 1, 2002 - December 31, 2011; and land plot 10 rai has a lease term of 3 years from October 1, 2006 - September 30, 2009.
- 2) The land lease agreement for land plot 38-2-72 rai in Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya province has a lease term of 3 years from May 22, 2007 - May 31, 2010.

11. NON-OPERATED ASSETS

Non-operated assets consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Land at cost	4,724,212.00	4,724,212.00	4,724,212.00	4,724,212.00
<u>Less</u> impairment loss	(2,015,212.00)	(2,015,212.00)	(2,015,212.00)	(2,015,212.00)
Net	2,709,000.00	2,709,000.00	2,709,000.00	2,709,000.00

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Non-operated assets are unoccupied of the three units of lands where locate at Rachabury province, Thailand. The land space is 22-2-30 Rai and its cost amounting to Baht 4.72 million. The lands have been acquired since 1998 due to land's entrance through into the land had been blocked by others lands nearby, therefore the Company could not manage the land to be business usefulness. Since 1998, the Company had sued the land owner to claim the right to unblocked the land gateway in accordance with the undecided case number 2239/1998. On November 29, 2004, the legal case had been settled in respect of the decided case number 1065/2004. The court had allowed the Company to open the road through the lands nearby with paying the money of Baht 500,000 to compensate to a convict but not allowed to construct both of an electric system and waste-water gate system. As a result, the Company has been being to defene against the court solution.

On September 23, 2008, the Appeal Court had judged the Company not to repay for the land owner but not to restrict the land owner to claim the repayment from the Company because it is a different issue. If the land owner received the repayment, the land owner has to allow the Company to construct both of an electric system and waste-water gate system.

The Company hired a local independent appraiser namely; Chartered Surveyors (Thailand) Ltd. to appraise the value of its non-operating land by Market Comparison Approach on the date of July 6, 2006, the value was appraised in the amount of Baht 2.71 million which is under than the carrying value of Baht 2.02 million. The Company recognized the declining value of Baht 2.02 million as the impairment loss of such land under the income statement for the year ended December 31, 2006.

12. OTHER NON-CURRENT ASSETS – OTHERS

Other non-current assets - others consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Others deposit	2,177,698.79	3,379,441.17	2,135,698.79	3,373,441.17
Software, net	3,168,217.72	3,815,577.32	2,680,419.22	3,518,753.75
Prepaid rental fee	46,554.23	750,000.00	46,554.23	750,000.00
	<u>5,392,470.74</u>	<u>7,945,018.49</u>	<u>4,862,672.24</u>	<u>7,642,194.92</u>

13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Short-term loans from financial institutions consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Bank overdrafts	2,248,338.07	187.43	-	-
Trust receipts	1,279,162,168.45	1,384,412,673.89	1,279,162,168.45	1,384,412,673.89
Short-term loans	30,000,000.00	-	30,000,000.00	-
Total	<u>1,311,410,506.52</u>	<u>1,384,412,861.32</u>	<u>1,309,162,168.45</u>	<u>1,384,412,673.89</u>

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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As at December 31, 2009 and 2008, short-term loans from financial institute as mentioned above are derived under the credit facilities in the note to financial statement no. 14. Addition, the said short-term loans are not pledged by any property or guaranteed by the directors of the company.

14.CREDIT FACILITIES

The Company and subsidiaries have credit facilities with local banks, in total amount of Baht 5,550 million and USD 15 million. In total amount of Baht 5,425 million for the Company and USD 15 million. The details are below:

- 14.1 Bank overdraft with four banks in limit totalling amount of Baht 28 million for the Company and of Baht 5 million for a subsidiary.
- 14.2 Forward contracts with nine banks in limit totalling amount of Baht 1,884 million, USD 8.5 million.
- 14.3 Letter of credit and trust receipt with nine banks in limit totalling amount of Baht 2,159 million, USD 4.5 million.
- 14.4 Promissory note with two banks in limit totalling amount of Baht 100 million.
- 14.5 Credit line of working capital for preserving of energy project in the amounting of Baht 4 million.
- 14.6 Long-term loans with three banks in limit totalling amount of Baht 640 million (as at December 31, 2008 of 200 million Baht) for the Company and its subsidiaries, and of Baht 120 million for subsidiaries.
- 14.7 Letter of guarantee with a bank in limit totalling amount of Baht 5 million.

Bank overdrafts, forward contracts, letter of credit and trust receipt, promissory note and letter of guarantee were clean loans.

Long-term loan credit line in total of Baht 440 million guaranteed by lands with constructions.
(See Note 9)

The credit facilities of a subsidiary company are guaranteed by its barges with the mortgage totalling amount of Baht 125 million and the compensation of insurance is given to a bank.

15.LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Long-term loans from financial institutions	671,383,000.00	116,302,000.00	573,323,000.00	1,302,000.00
<u>Less</u> portion due within one year	<u>(85,140,000.00)</u>	<u>(12,082,000.00)</u>	<u>(66,660,000.00)</u>	<u>(1,302,000.00)</u>
Net	<u>586,243,000.00</u>	<u>104,220,000.00</u>	<u>506,663,000.00</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

15.1 On September 28, 2007, the Company obtained a loan in working capital for preserving of energy project from a domestic bank of Baht 4 million to built a moisture reduction machine (Rotary Drum Dryer). This project is the co-project between a bank with government (Department of Alternative Energy Development and Efficiency). The Company has to pay monthly interest at the rate of 4% per annum and principle repayment of Baht 170,000 per month within 2 years since the date of first withdrawal of loan. The Company has fully repaid the loan to the bank within August 31, 2009.

15.2 On July 7, 2008, a subsidiary company entered into a long term loan contract with a local commercial bank to construct and supply for barges in credit limit of Baht 120 million and received the money in the amount of Baht 115.0 million on July 16 and September 30, 2008. The subsidiary has to repay principle in the amount of Baht 1.54 million for each time and the first repayment will be started after complete 7 months from the first received. The subsidiary has to repay all debt under the contract within 7 years since the first received and has to pay the interest every month with the rate as below :-

Year	Rate
1 - 2	MLR - 1.25% per annum
3 up	MLR - 1.00% per annum

The long-term loans of a subsidiary are guaranteed by its barges with the mortgage totalling amount of Baht 12.5 million.

15.3 On January 14, 2009, the Company entered into a long-term loan agreement with a local bank to construct for coal warehouse in credit limit of Baht 200 million. The Company has already taken out the loan in fully limit. Such loan has repayment term of 60 monthly installments after the first taking out date by the 1st to 59th installment in the amount of Baht 3.33 million and the 60th installment in the amount of Baht 3.53 million, and monthly interest at the rate of MLR-1.25% per annum.

The Company has taken the partial land and construction where locate at Tambol Suansom, Amphur Baanpaew, Samutsakorn province to guarantee in the total of credit limit.

15.4 On February 20, 2009, the Company entered into a long-term loan agreement with a local bank to construct for coal warehouse and port project in credit limit of Baht 240 million. The Company has already taken out the loan in the amount of Baht 200 million.

Such loan has been free from of the repayment period for 13 months since the first taking out date, repayment term within 72 monthly installments, and monthly interest at the rate of sum total of reference rate with MARGIN per annum. The Company has taken the partial land and construction where locate at Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya province to guarantee in the total of credit limit.

15.5 On March 11, 2009, the Company obtained the loan in Machine Fund project from a local bank in the amount of Baht 4.54 million. Such loan has repayment term of 3 years after the first taking out date by monthly installment of Baht 0.13 million, and interest at the rate of MLR-2.5% per annum.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

15.6 On September 25, 2009, the Company entered into a long - term loan agreement with a local bank to repay short - term loan and working capital in credit limit of Baht 200 million. The Company has already taken out the loan in fully limit. The loan has repayment term of 5 monthly installments in amount of Baht 40 million. The first installment shall be starting from April 2011 and monthly interest at the rate of MLR - 1.35% per annum. The long - term loan is a clean loan.

The long-term above are undertaking in the total credit facilities mentioned in Note 14.

16.LIABILITIES UNDER FINANCIAL LEASES CONTRACTS

Liabilities under financial lease contracts consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Financial lease	14,465,670.62	22,088,174.78	4,471,900.05	6,728,053.17
<u>Less</u> deferred interest	(893,033.58)	(1,995,372.46)	(291,024.37)	(623,572.60)
	13,572,637.04	20,092,802.32	4,180,875.68	6,104,480.57
<u>Less</u> current portion due within one year	(6,946,070.38)	(6,520,165.10)	(2,043,214.71)	(1,923,604.80)
Financial lease, net	<u>6,626,566.66</u>	<u>13,572,637.22</u>	<u>2,137,660.97</u>	<u>4,180,875.77</u>

	Baht					
	Consolidated financial statements					
	2009			2008		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
1 -5 years	6,626,566.66	216,599.80	6,843,166.46	13,572,637.22	893,033.47	14,465,670.69
Over 5 years	-	-	-	-	-	-
Total	<u>6,626,566.66</u>	<u>216,599.80</u>	<u>6,843,166.46</u>	<u>13,572,637.22</u>	<u>893,033.47</u>	<u>14,465,670.69</u>

	Baht					
	Separated financial statements					
	2009			2008		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
1 -5 years	2,137,660.97	78,085.96	2,215,746.93	4,180,875.77	291,024.28	4,471,900.05
Over 5 years	-	-	-	-	-	-
Total	<u>2,137,660.97</u>	<u>78,085.96</u>	<u>2,215,746.93</u>	<u>4,180,875.77</u>	<u>291,024.28</u>	<u>4,471,900.05</u>

16.1 On August 21, 2007, the Company has entered into a financial lease contract with a local company to purchase vehicle on the value amount of Baht 5,200,000.00 (excluded interest) be comprised of the term of 48 monthly installments and repaid per month of Baht 123,317.76, the first installment starting from September 25, 2007 and the final installment at September 25, 2011.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 2,000,000.00 at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

- 16.2 On September 29, 2007, the subsidiary has entered into seven financial lease contracts with a local company to purchase vehicles on the value amount of Baht 1,888,000.00 per each contract (excluded interest) be comprised of the terms of 48 monthly installments and repaid per month of Baht 44,773.83 per each contract, the first installment starting from November 25, 2007, and the final installment at November 25, 2011.

Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 441,121.50 per each contract at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

- 16.3 On October 1, 2007, the subsidiary has entered into three financial lease contracts with a local company to purchase vehicle on the value amount of Baht 1,728,000.00 per each contract (excluded interest) be comprised of the term of 48 monthly installments and repaid per month of Baht 40,979.44, the first installment starting from December 25, 2007 and the final installment at December 25, 2011.

Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 403,738.32 per each contract at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

- 16.4 On January 9, 2008, the subsidiary has entered into a financial lease contracts with a local company to purchase vehicle on the value amount of Baht 408,800.00 per each contract (excluded interest) be comprised of the term of 48 monthly installments and repaid per month of Baht 10,840.79, the first installment starting from February 25, 2008 and the final installment at February 25, 2012.

Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 109,532.71 per each contract at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

- 16.5 On May 22, 2008, the Company has entered into two financial lease contract with a local company to purchase vehicle on the value amount of Baht 1,278,504.67 (excluded interest) be comprised of the term of 48 monthly installments and repaid per month of Baht 32,347.50, the first installment starting from August 5, 2008 and the final installment at August 5, 2012.

Under the terms of leases referred to above, the Company shall have the right to purchase assets at the price of Baht 342,000.00 at the expiration date of the leases and the Company shall have to comply with certain conditions and restrictions as specified in this leases.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

17. LIABILITIES UNDER HIRE-PURCHASE CONTRACTS

Liabilities under hire-purchase contracts consisted of:-

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Hire-purchase contract - vehicles	23,772,731.00	22,423,300.87	2,798,202.00	2,866,943.87
<u>Less</u> deferred interest	(2,739,360.61)	(3,533,381.42)	(215,791.40)	(268,456.93)
	21,033,370.39	18,889,919.45	2,582,410.60	2,598,486.94
<u>Less</u> portion due within one year	(7,155,124.42)	(4,762,203.93)	(1,001,830.56)	(801,095.58)
	<u>13,878,245.97</u>	<u>14,127,715.52</u>	<u>1,580,580.04</u>	<u>1,797,391.36</u>

	Baht					
	Consolidated financial statements					
	2009			2008		
	Principal	Deterred interest	Net	Principal	Deterred interest	Net
1 -5 years	13,878,245.97	1,153,481.03	15,031,727.00	14,127,715.52	1,901,259.48	16,028,975.00
Over 5 years	-	-	-	-	-	-
Total	<u>13,878,245.97</u>	<u>1,153,481.03</u>	<u>15,031,727.00</u>	<u>14,127,715.52</u>	<u>1,901,259.48</u>	<u>16,028,975.00</u>

	Baht					
	Separate financial statements					
	2009			2008		
	Principal	Deterred interest	Net	Principal	Deterred interest	Net
1 -5 years	1,580,580.04	83,549.96	1,664,130.00	1,797,391.36	132,814.64	1,930,206.00
Over 5 years	-	-	-	-	-	-
Total	<u>1,580,580.04</u>	<u>83,549.96</u>	<u>1,664,130.00</u>	<u>1,797,391.36</u>	<u>132,814.64</u>	<u>1,930,206.00</u>

On July 14, 2008, a subsidiary company had entered into 30 vehicle hire-purchase contracts with a local company. The contracts is comprised of the terms of 48 monthly installments. The first installment started August 26, 2008 and the final installment will be on August 26, 2012 as detail follow :-

	Contract price (not include interest)	Number of contract	Hire-purchase value	Installment/month/contract
1.	600,000.00	3	1,800,000.00	15,350.00
2.	880,000.00	4	3,520,000.00	22,514.00
3.	1,040,000.00	7	7,280,000.00	26,607.00
4.	303,999.00	7	2,127,993.00	7,778.00
5.	264,001.00	7	1,848,007.00	6,754.00
6.	624,800.00	2	1,249,600.00	15,360.00
		<u>30</u>	<u>17,825,600.00</u>	

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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On January 23, 2009, a subsidiary company had entered into 4 vehicle hire-purchase contracts with a local company. The contracts is comprised of the terms of 48 monthly installments. The first installment started March 1, 2009 and the final installment will be on March 1, 2013 as detail follow :-

	<u>Contract price (not include interest)</u>	<u>Number of contract</u>	<u>Hire-purchase value</u>	<u>Installment/month/contract</u>
1.	1,926,451.20	2	3,852,902.40	46,347.00
2.	1,314,493.80	2	2,628,987.60	31,625.00
		4	6,481,890.00	

On April 22, 2009, a subsidiary company had entered into 2 vehicle hire-purchase contracts with a local company. The contracts is comprised of the terms of 48 monthly installments. The first installment started June 1, 2009 and the final installment will be on June 1, 2013 as detail follow :-

	<u>Contract price (not include interest)</u>	<u>Number of contract</u>	<u>Hire-purchase value</u>	<u>Installment/month/contract</u>
1.	481,500.00	2	963,000.00	11,584.00
		2	963,000.00	

The ownership on the assets purchased under hire-purchase contracts will be transferred to the Company when the last installment has been paid.

18.SHARE CAPITAL

At the ordinary meeting for the year 2007 held on March 30, 2007 the shareholders unanimously approved to reduce its share par value from 1 Baht each to be 0.50 Baht each. This caused the Company's registered shares increased to 140,000,000 share from the former 70,000,000 shares, and also approved to increase its share capital from the amounting of Baht 70 million to Baht 105 million. The increasing shares had been registered with the Commercial Department on April 11, 2007. The increased ordinary shares capital of Baht 35 million at 0.50 Baht each by 70 million shares are distributed to the existing shareholder by offering warrant for buying them by the following conditions. 1) at the offering ratio by 2 existing share per 1 warrant, 2) at the exercise price of Baht 8.50 per 1 warrant, which may change later according to the exercise terms under part 3 of the prospectus 3) at the exercise rate by 1 warrant per 1 common shares, 4) issuing date and offering of warrant: on the date of November 6, 2007, and 5) identifying the first exercise date on December 28, 2007. In case, the existing shareholders had exercised all their right on the said warrant, then it will cause common shares increased in proximately at 70 million shares.

The Company has derived the approval for offering warrant of 70 million units and common stock of the company to bear to the said warrant to its existing shareholders from Securities and Exchange Commission and Stock Exchange of Thailand in accordance with the letter of Sec. Gor. 2193/2550 dated October 5, 2007.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

Reconciliation in the number of ordinary shares table

	Shares			
	Consolidated		The Company Only	
	2009	2008	2009	2008
<u>Registered ordinary shares</u>				
Number of ordinary shares at the beginning of the periods	210,000,000	210,000,000	210,000,000	210,000,000
Increase in number of ordinary shares due to reserve for exercise of warrants	-	-	-	-
Number of ordinary shares at the end of the periods	210,000,000	210,000,000	210,000,000	210,000,000
<u>Issued and paid-up share capital</u>				
Number of ordinary shares at the beginning of the periods	150,837,851	140,000,000	150,837,851	140,000,000
Increase in number of ordinary shares due to exercise of warrants	1,127,134	10,837,851	1,127,134	10,837,851
Number of ordinary shares at the end of the periods	151,964,985	150,837,851	151,964,985	150,837,851

Reconciliation of the number of warrants

	Units
The beginning number as at November 6, 2007	70,000,000
<u>Less</u> cumulative exercised warrants (see Note 21)	(11,964,985)
Ending number as at December 31, 2009, not yet exercised	58,035,015

The warrants exercised into ordinary shares was registered with the Department of Business Development, Ministry of Commerce, on January 11, 2008. (see Note 21)

The unpaid registered ordinary shares that were reserved for the exercise of warrants to purchase ordinary shares.

19.LEGAL RESERVE

Under the provision of the civil and commercial code, the Company is required to set aside as statutory reserve at least 5% of its net income at each dividend declaration until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

20.APPROPRIATION OF RETAINED EARNINGS

For the year ended December 31, 2009

At the ordinary meeting for the year 2009 held on April 20, 2009, the shareholders unanimously approved to pay dividend from the operating results ended December 31, 2008 in the amount of Baht 37,973,523.25 appropriated for 151,894,093 shares of Baht 0.25 each, be paid on May 20, 2009 and approved to appropriate the legal reserve in the amount of Baht 3,248,595.00.

For the year ended December 31, 2008

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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At the ordinary meeting for the year 2008 held on March 7, 2008, the shareholders unanimously approved to pay dividend from the operating results ended December 31, 2007 in the amount of Baht 217,542,000.00 appropriated for 145,028,000.00 shares of Baht 1.50 each, be paid on March 20, 2008 and approved to appropriate the legal reserve in the amount of Baht 251,405.00.

At the board of directors meeting, no. 4/2008 on August 11, 2008, the board of directors unanimously approved to pay interim dividend from the operating results for the six-month period in the amount of Baht 150,621,276.00 appropriated for 150,621,276 shares of Baht 1.00 each, be paid on September 11, 2008.

21. WARRANTS

Movements of the Company's warrants (See Note 18) during the periods are as follows :-

Warrant	Units			
	Number of warrants outstanding as at December 31, 2008	Number of warrants exercised during the period	Number of warrants expired during the period	Number of warrants outstanding as at December 31, 2009
UMS-W1	59,162,149	(1,127,134)	-	58,035,015
	59,162,149	(1,127,134)	-	58,035,015

The Company's warrants have been exercised during the period are as follows :-

Time/Year	Number of common stock exercised during the period (share)	Baht/share	Amount (million Baht)	Premium on share Capital (million Baht)	Subscription received (million Baht)	Date of registered
1/2007	5,028,100	0.50	2.51	40.22	42.73	January 11, 2008
2/2008	987,107	0.50	0.50	7.84	8.34	April 10, 2008
3/2008	4,606,069	0.50	2.30	36.59	38.89	July 9, 2008
4/2008	216,575	0.50	0.11	1.72	1.83	October 7, 2008
5/2009	1,056,242	0.50	0.53	8.39	8.92	January 13, 2009
6/2009	-	-	-	-	-	-
7/2009	55,284	0.50	0.03	0.44	0.47	July 10, 2009
8/2009	15,608	0.50	0.01	0.12	0.13	October 26, 2009
	11,964,985		5.99	95.32	101.31	

Amount of subscription received which has not yet been registered capital increasing in period of receiving has been recorded "subscription received" under current liabilities. On December 31, 2009, the number of common stock exercised in time 9th were 8,558 shares, from the number of warrant of 8,500 units, the Company received the amount of exercise of Baht 72,268.56 as at December 31, 2009. Capital increasing from exercise was registered on January 6, 2010, thus issued and fully paid-up share capital increased from Baht 75,982,492.50 to Baht 75,986,771.50.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

22. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the years by the weighted average number of ordinary shares in issued and paid-up during the years.

Diluted earnings per share is computed by dividing net profit for the years by the aggregate amount of the weighted average number of ordinary shares issued during the years and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares for the years ended December 31, 2009 and 2008 as follows :

	Consolidated financial statements		Separate financial statements	
	2009	2008 (Restated)	2009	2008 (Restated)
Net profit for the period (Baht)				
Net profit	88,308,237.01	416,770,051.16	88,364,896.13	434,001,549.59
Weighted average number of ordinary shares (shares)	151,925,896	148,148,363	151,925,896	148,148,363
Weighted average number of ordinary shares under warrants (shares)				
- UMS-W1	58,074,104	61,851,637	58,074,104	61,851,637
Number of ordinary shares that would have been issued at fair value* (shares)				
- UMS-W1	(33,398,504)	(21,933,205)	(33,398,504)	(21,933,205)
Weighted average number of ordinary shares plus effect of assumed conversion (shares)	176,601,496	188,066,795	176,601,496	188,066,795
Basic earnings per share (Baht per share)				
Net profit	0.58	2.81	0.58	2.93
Diluted earnings per share (Baht per share)				
Net profit	0.50	2.22	0.50	2.31

* Fair value of a common stock that is carried to calculate for dilutive rate on number of common stock from exercised warrants is captured from average of daily closed price of common stock through the years ended at December 31, 2009 and 2008. The said averaged fair value is of Baht 14.78 and Baht 23.97, respectively.

23. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Risks relating to significant financial instruments held by the company and its risk management policy are summarized as follows.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and notes accounts receivable.

The Company's prudent credit policy and its diversified customer. The maximum credit risk exposure is equal to the book value of accounts receivable in the balance sheet.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the company's operations and its cash flows. The Company's exposure to interest rate risk relates primarily to short-term loans from financial institution, long-term loans and liability under debt restructuring agreement with a floating interest rate.

Liquidity risk

Liquidity risk, or funding risk, is the risk that the Company and its subsidiaries will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to their fair value.

The Company's financial assets comprises of cash, deposits at financial institutions, accounts receivable and inventories which are liquid and able to sell at close to their fair value when the Company wishes to raise fund.

Foreign currency risk

The Company's exposure to foreign currency risk relates to its trust receipts in US dollars. For the period, the Company primarily utilizes forward exchange contracts with maturity of less than one year to hedge exchange rate risk relating to the repayment of the trust receipts.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

Forward exchange contracts outstanding on December 31, 2009 are summarized below,

		Foreign Currency	Amount	Exchange rates fixed Baht / USD	Maturity
Trust accounts	receipts	USD	500,000.00	34.18590	January 8, 2010
		USD	500,000.00	34.15650	January 11, 2010
		USD	503,829.40	34.18761	January 15, 2010
		USD	300,000.00	33.44800	April 9, 2010
		USD	420,850.00	33.57310	April 22, 2010
		USD	1,000,000.00	33.57310	April 22, 2010
		USD	380,707.20	34.53351	April 27, 2010
		USD	283,901.80	33.40920	May 13, 2010
		USD	775,390.00	33.24424	June 7, 2010
		USD	500,000.00	33.21344	June 15, 2010
		USD	1,442,722.60	33.40824	June 29, 2010
			<u>6,607,401.00</u>		

As at December 31, 2008, the Company has outstanding balance of transaction of forward exchange contracts are summarized below :

		Foreign Currency	Amount	Exchange rates fixed Baht/USD	Maturity
Trust accounts	receipts	USD	500,000.00	35.32000	January 12, 2009
		USD	500,000.00	35.45000	January 12, 2009
		USD	1,000,000.00	35.58500	January 12, 2009
		USD	500,000.00	35.63500	January 12, 2009
		USD	500,000.00	35.68500	January 12, 2009
		USD	293,173.45	34.31440	January 12, 2009
		USD	364,245.80	33.81920	February 9, 2009
		USD	327,086.53	33.81920	February 9, 2009
		USD	406,380.23	34.25500	February 23, 2009
		USD	1,167,794.20	34.73000	March 11, 2009
		USD	1,000,000.00	34.31000	March 19, 2009
		USD	91,937.20	34.26500	March 23, 2009
		USD	1,161,540.00	34.18000	April 14, 2009
		USD	500,000.00	34.13000	April 16, 2009
		USD	500,000.00	34.09500	April 16, 2009
		USD	500,000.00	34.04000	April 16, 2009
		USD	1,000,000.00	34.08000	April 16, 2009
		USD	500,000.00	34.05000	April 16, 2009
		USD	511,335.42	34.06000	April 16, 2009
		USD	499,317.29	34.05000	April 16, 2009
		USD	500,000.00	35.04950	May 4, 2009
		USD	410,350.00	35.03980	May 6, 2009
		USD	278,800.00	34.90000	May 13, 2009
		USD	500,000.00	35.78870	June 2, 2009
		USD	500,000.00	35.66665	June 3, 2009
		USD	500,000.00	35.71665	June 3, 2009
		USD	500,000.00	35.60624	June 5, 2009
		USD	500,000.00	35.53450	June 9, 2009
		USD	232,011.95	35.03780	June 15, 2009
		USD	500,000.00	35.43310	June 15, 2009
		USD	1,000,000.00	35.41310	June 15, 2009
		USD	652,506.60	35.39310	June 15, 2009
			<u>17,896,478.67</u>		

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Fair values are obtained from quoted market prices or discounted cash flow models.

The carrying values of financial assets and liabilities is approximate their fair values except for liabilities under financial leases and hire-purchase cannot be calculated their fair values, accordingly, no disclosure is made.

24.RELATED PARTY TRANSACTIONS

The Company has significant transactions with its related company, those transactions are in the normal course of business as follows:

	Type of related	Pricing policy	Baht			
			For the years ended December 31,			
			Consolidated financial statements	Separate financial statements		
			2009	2008	2009	2008
<u>Transactions during the year</u>						
Interest income						
UMS Lighter Co., Ltd.	Shareholder and co-director	MLR	-	-	123,953.45	1,233,273.56
UMS Transportation Co., Ltd.	Shareholder and co-director	MLR	-	-	325,336.12	60,443.99
Rental income						
UMS Lighter Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	25,000.00	37,367.50
UMS Transportation Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	540,000.00	2,562,850.00
UMS Port Services Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	720,000.00	-
Sale of assets						
UMS Transportation Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	-	19,532,710.25
Conveyance expense						
UMS Lighter Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	74,076,854.95	91,703,302.78
UMS Transportation Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	46,988,695.19	32,095,486.11
UMS Port Services Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	8,397,055.19	-
Rental						
UMS Lighter Co., Ltd.	Shareholder and co-director	Agreed price/ compared with market price	-	-	140,000.00	-
Goods insurance expense						
P.A.P Insurance Co., Ltd.	Co-director	Market Price	373,289.00	1,882,000.00	373,289.00	1,882,000.00

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

	Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
<u>Ending balance of the year</u>				
Short-term loans				
UMS Transportation Co., Ltd.	-	-	15,215,620.63	2,000,000.00
UMS Lighter Co., Ltd.	-	-	3,000,000.00	-
Accrued interest receivable				
UMS Transportation Co., Ltd.	-	-	75,598.71	2,213.11
UMS Lighter Co., Ltd.	-	-	29,330.14	-
Advance receivable				
UMS Lighter Co., Ltd.	-	-	41,489.01	14,739.83
UMS Transportation Co., Ltd.	-	-	96,920.63	9,863,908.28
UMS Port services Co., Ltd.	-	-	87,841.35	108,795.00
Trade account payable				
UMS Lighter Co., Ltd.	-	-	5,370,473.44	8,455,087.74
UMS Transportation Co., Ltd.	-	-	5,026,848.79	4,733,725.63
UMS Port services Co., Ltd.	-	-	1,286,681.83	-
Accrued expense				
UMS Lighter Co., Ltd.	-	-	1,287,177.56	1,793,244.72
P.A.P Insurance Co., Ltd.	-	301,495.82	-	301,495.82

25.AGREEMENTS

As at December 31, 2009, the Company had significant agreements, as follow:-

- The Company has a commitment under 10 years land lease agreement from 2002 to 2011. There is a rental commitment outstanding approximately of Baht 0.77 million. The ninth to tenth rental charges will be paid in 2010 at Baht 384,000.00 each.
- The Company has significant contracts for sale and purchase of steam coal with foreign coal mining company to purchase steam coal during 2007 to 2009 for 600,000 - 1,000,000 metric tons. The quantity and price were already appointed in contracts which were terminated in October, 2009 and had not been renewed. Since 2010, contracts were changed into short term contracts for 1 year, 2-3 months and occasionally which the Company purchase steam coal from many suppliers.
- The Company has entered into a land rental agreement with other person for three years long. Started January 1, 2009 to December 31, 2011. The Company has to pay yearly rental charge of Baht 20,677.50 per month every 15th January of year. The Company has paid a rental charge for the first year in the amount of Baht 0.25 million. The Company has obligation under land lease agreement in the totalling of Baht 0.5 million.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

26.FINANCIAL INFORMATION BY SEGMENT

The Company has engaged to sale of coal for industrial usages which operates completely in Thailand, then the Company do not require to follow a supplemental disclosure of segment information standard. However, a subsidiary has run its business that is relevant to the core business of the Company such as transportation services on both channel road and ship as a result the supplemental disclosure of segment information are presented as follows:-

Baht						
Consolidated financial statements						
For years ended December 31,						
	Sales		Service		Total	
	2009	2008	2009	2008	2009	2008
Income	2,597,460,660.4	3,411,966,488.34	20,430,418.19	12,670,250.80	2,617,891,078.6	3,424,636,739.14
	2				1	
Cost	(2,063,355,164.2	(2,358,416,135.18	(9,736,321.36)	(11,271,613.14)	(2,073,091,485.6	(2,369,687,748.3
	4))			0)	2)
Margin	534,105,496.18	1,053,550,353.16	10,694,096.83	1,398,637.66	544,799,593.01	1,054,948,990.82
Fixed asset, net					961,852,336.53	949,720,522.85

27.OTHER RECEIVABLE

27.1) A subsidiary has hired a freight forwarder in accordance with hiring agreement dated on September 18, 2007 and a deposit of Baht 7 million has been prepaid to comply with the term of this agreement. Consequently, such person has failed to render the services and refused to return all the deposit to the subsidiary. Hence, the subsidiary has forced two companies to effort the debt as a guarantor of this agreement, the details of the settlement method are shown below:

27.1.1) In accordance with the obligation acceptance letter dated September 24, 2007, a company is obligated to pay a debt in the amount of Baht 3.5 million by exchanging with the provided service charge that the subsidiary has to pay for utilizing such service based on a monthly rate of Baht 84,000. As at March 31, 2009, its subsidiary already received fulfill.

27.1.2) According to a price quotation and purchase order for account settlement dated October 11, 2007, a company has accepted an obligation to pay the amount of debt of Baht 3.5 million. The said company has compromised to settle the debt by exchanging its services with the subsidiary.

At present, the company as above has quitted and it makes the service and purchase goods proposals for liquidation are useless. So, the Company has been negotiating with the company of 27.1.1 to repay for the remaining debt in the amount of Baht 3.50 million. As at December 31, 2009, its subsidiary already received in the amount of Baht 1.67 million.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

A subsidiary has fully reserved an allowance for doubtful debt of such uncollectible account receivable in amounting of Baht 7.0 million. Received repayment from the two guarantors companies as mentioned above will be recognized as another income within that receiving period. However, the subsidiary was already repaid at Baht 2.15 million and 2.35 million during the year 2009 and 2008, respectively. Consequently, the subsidiary reversed allowance for doubtful as other income in the same amounts in the statement of income for both periods.

The remaining allowance for doubtful debt as at December 31, 2009 and 2008 amounts to Baht 1.83 million and Baht 3.98 million, respectively.

- 27.2) On May 9, 2008, the Company instructed a local bank to settle payment for the goods under the Letter of Credit Agreement to a local company, committed supplier of the Company, in the amount of Baht 26.37 million. Later, the said company failed to deliver the goods accordingly. Therefore, the Company as a plaintiff filed a charge against this company in accordance with the black court case number 8219/2551 on September 12, 2008 on the charges of mutual fraud by falsifying documents and using forged documents to make a withdrawal under the Letter of Credit Agreement which resulted in the bank paying an amount under the Letter of Credit Agreement to the defendant. The Court has scheduled the trial to take place on December 15, 2008. However, it was discovered from the inquiry official's investigation that the defendant recently possessed 20 plots of land with construction. Taking into consideration of the acquisition above, the contract was found to be entered near the day the defendant received the money under the Letter of Credit Agreement and now these assets are under the process to put under mortgage. For this reason, the Company filed a petition on October 24, 2008 for an urgent investigation and seeking temporary protection. The Court ordered to seize the defendant's property altogether 20 land plots with construction to guarantee payment of debt. The seizure takes effect until the case is eventually finalized.

On March 27, 2009, the Court judged in line with the decided case no.1148/2552 and compromising agreement, the defendant had to pay the damage charge at Baht 3 million within 15 days and deliver the goods in the full amount of Baht 26.37 million within 45 days. In case of, the defendant has default to fulfill any obligation defined then it has to accept the count force by the company at the debt amount of Baht 46.25 million with interest rate charge at 7.5 per annum of a principal of Baht 26.37 million, since the filed date until the settlement date.

Later, in quarter 2/2009, the defendant delivered coal of 8,638.73 Ton in the amount of Baht 17.50 million to the Company. As a result, reminded principal of Baht 8.87 million, that still could not comply with the conditions of compromising agreement. Consequently, the Company has submitted to Legal Execution Department to resize property of the defendant and prepared in suing of criminal case.

As at December 31, 2009 and 2008, the Company has fully provided an allowance for doubtful debts in the amount of Baht 8.87 million and 26.37 million, respectively.

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

28.PRIVILEGES AND BENEFITS UNDER INVESTMENT PROMOTION

The subsidiary companies were granted promotion certificate from the Board of Investment Promotion Act B.E. 2520 for 2 projects as follow :-

Project 1 Promotion certificate No. 1499(2)/2551, dated May 13, 2008 to transportation by barge under category 7.2 mass and products transportation by barge.

Promotion privileges included exemption of import duty tax for machinery, exemption of corporate income tax for eight years from the date of earning income.

Project 2 Promotion certificate No. 1047 (2)/2552, dated January 19, 2009 to transportation by barge under category 7.1 service and public Utility.

Promotion privileges included exemption of import duty tax for machinery, and supplies to be used in the manufacture, exemption of corporate income tax for eight years since January 28, 2009 and terminating on the January 28, 2017.

The Company operation classified under the promoted and non-promoted businesses for the years ended December 31, 2009 was as follow:-

	Baht		
	Promoted Business (Note 28)	Non-Promoted Business	Total
Revenue			
Berth Hire	5,689,388.31	-	5,689,388.31
Handling Cost	1,163,296.63	-	1,163,296.63
Weighing Service	301,104.56	11,062.71	312,167.27
Total revenues	7,153,789.50	11,062.71	7,164,852.21

29.COMMITMENT AND OBLIGATION

As at December 31, 2009, the Company has future obligations to pay under the lease and service agreements as follows:-

Payable within :	Million Baht	
	Consolidated financial statements	Separate financial statements
1 Year	13.93	13.93
2 - 3 Year	0.32	0.32

The obligations above include the lease agreements as detailed in note 25 (a) and (c).

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

30.ERROR CORRECTION OF PREVIOUS FINANCIAL STATEMENT

30.1 In quarter 2/2009, the Company corrected error in income tax calculation for the year ended December 31, 2008 due to missing of complying with the corporate income tax exemption for investment in fixed assets in accordance with the Revenue Department director-general's announcement regarding income tax (no.56) and the royal decree deal with tax exemption (no.460), B.E. 2549. As a result, the income tax was decreased of Baht 15.12 million. The Company has calculated the cumulative effect to restate beginning retained earnings in consolidated and separate financial statements as at January 1, 2009 to increase by Baht 15.12 million, as well as restating the net profit and earnings per share in consolidated and separate financial statement for the year ended December 31, 2008 to increase by Baht 15.12 million as well as Baht 0.10 per share and Baht 0.08 per share, respectively.

30.2 Under the draft TAS "Employee Benefits", provident funds are accounted for as defined contribution plans and contributions to provident funds are charged to the statements of income when incurred. Obligations relating to post-retirement benefits are accounted for by using the projected unit credit method. The benefit obligation is discounted using interest rates of government bonds should have terms to maturity approximately equal to the terms of the related provident fund payments. Previously, the Group recorded the obligations for post-retirement benefits as incurred. Commencing in 2008, the benefit obligation liabilities are accounted based on the above mentioned method. The 2007 financial statements have been restated accordingly in compliance with the accounting standard.

The impacts to the consolidated and Company financial statements relating to the adoption of the new accounting policies are as follows:

	Baht	
	Consolidated	Company
Balance sheet as at December 31, 2008		
Increase in retirement benefit obligations	4,646,160.26	4,311,563.75
Decrease in ending balance of unappropriated retained earnings	(4,646,160.26)	(4,311,563.75)
Decrease in ending balance of minority interests	-	-

NOTES TO FINANCIAL STATEMENTS (CONT.)**UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES****DECEMBER 31, 2009 AND 2008**

	Baht	
	Consolidated	Company
Balance sheet as at December 31, 2007		
Increase in retirement benefit obligations	3,357,468.01	3,197,763.77
Decrease in ending balance of unappropriated retained earnings	(3,357,468.01)	(3,197,763.77)
Decrease in ending balance of minority interests	-	-

Statement of income for the year that ended on December 31, 2008

Increase in service and administrative expenses		
- retirement benefits	1,288,692.25	1,113,799.98
Decrease in minority interests	-	-
Decrease in basic earnings per share	(0.01)	-

31.RECLASSIFICATION OF FINANCIAL STATEMENTS

Certain amounts in the financial statements for the years ended December 31, 2008 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<u>Accounts</u>				
Selling and administrative expenses	-	401,864,861.26	-	393,234,027.31
Selling expenses	174,291,417.80	-	176,649,169.26	-
Administrative expenses	205,695,152.69	-	194,822,567.28	-
Management benefit expenses	21,878,290.77	-	21,762,290.77	-

NOTES TO FINANCIAL STATEMENTS (CONT.)

UNIQUE MINING SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

DECEMBER 31, 2009 AND 2008

32.CHANGES IN MAJOR SHAREHOLDERS STRUCTURE

On October 15, 2009, the Company has been informed by two major shareholders, they have entered into the Share Purchase Agreement with Hermelin Shipping Co., Ltd., which is a 99.99% owned subsidiary of Thoresen Thai Agencies Public Company Limited. According to such agreement, two major shareholders agree to sell 73,649,166 shares, which representing 48.46% of UMS paid-up capital at Baht 23 per share as well as UMS warrants of 3,222,100 units, equivalent to 5.55% of the total UMS remaining warrants at Baht 14.6579 per unit.

The shares acquisition from the above two major shareholders shall result in the change of UMS major shareholders to Hermelin's shreholding in UMS will exceed the specified trigger point of 25% of total issued and sold shares of UMS and Hermelin has to make a tender offer for all shares and warrants of UMS from its existing shareholders and warrant holders. The total number of shares and warrants to be purchased from other remaining shareholders and warrant holders shall not exceed 78,315,819 shares and 54,860,614 warrants. The change of major shareholder was registered on October 26, 2009.

33.AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements are authorized to issue by the directors of the company on the date of February 10, 2010.



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