



Unique Mining Services PCL.

Annual Report 2010



Quality Policy

Development focus

Energy conscious

Service excellence

Environmental responsibility

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Message from the Chairman

In the first nine months of 2010, Thailand's economy grew 9.3%, due to export growth of 22.7% and the rapid growth of other Asian economies. Thailand's domestic consumption and investment have also grown, even with our recent political crisis in May. With these positive economic factors, in the first nine months of this year, the company reported revenues of Baht 2,115.59 million, an increase of 5.92%. The main reason for the revenue increase was higher sales to large customers like cement plants since June, while the company maintained orders from its medium and small sized customers who have consistently contributed to our revenue.

However, the company generated Baht 71.21 million of net profit compared to Baht 208.80 million of the same period of 2009. The gross margins decreased from 21.76% in 2009 to 17.35% in 2010, as the company incurred high freight rates that were locked through March 2010. Moreover, the contribution to the company of the medium and small sized customers, which usually give higher gross margins decreased from 91.01% in 2009 to 81.64% in 2010.

The company's inventories increased from Baht 1,541.89 million to Baht 1,731.34 million. During June to September 2010, sales volumes to large customers increased, especially to cement plants.

This made a significant increase to the company's revenue in the last quarter of the year, which was the highest revenue quarter in 2 years. This is a good sign and UMS expects that our sales volume to large customers will increase like last quarter of 2010, which will make the company inventories decrease as per the company's business plan, and will also have a positive effect to the company's debt / equity ratio.

The coal price has increased and expects to remain at high levels in the medium term. In the first nine months of 2010, the coal price was in the range of \$90-108/mt, compared to \$61-80/mt of last year. The world coal demand has increased, mainly from China and India, from which demand is coming from new power plants. Moreover, coal production from new development mines has not been able to meet the increasing demand.



Thailand's coal distribution business in 2011 is expected to be good, especially to the cement plants group which is expected to increase their production. Moreover, the government stimulus programs, such as Thai Khemkheng and the construction of new rail lines, will encourage the growth of infrastructure development and also the expansion of private real estate businesses. These will have a positive effect to the company's revenue.

Moreover, an increase of the investment in medium and small sized industries is expected with the investors confidence in the growing economy. One key investment to reduce production costs can be converting oil fired boilers to coal fired boilers, as the cost of energy from coal is lower than the cost of energy from oil. The company has a plan to expand the market to new small and medium sized customers by encouraging them to convert their oil fired boilers to coal fired boilers.

With the growing world economy, and the Quantitative Easing 2 (QE 2) of the USA which will make the U.S. Dollar weaker and all commodity prices, including oil, higher. This will be an important factor encouraging the boilers conversion. The company has a team who is experienced in coal and boilers to handle the boiler conversion business and with 15 years of experience in the coal business, the company can share the environmental management knowledge to customers who want to use coal. The company believes that this will give a good profit in the long run.

Besides the marketing policy, the company has reorganized to increase efficiency by appointing executive management in five new departments (Commercial, Production, Human Resources, Operations, and Accounting and Finance). All of the department heads are experts in their fields from different business experiences and backgrounds. Together with the experience of the existing management team, this new company structure will strengthen the company in the long run.

Despite the growing economy, the company can still see many negative signs, which means that we have to run the business carefully. The company can see inconsistent world economy recovery, such as unemployment rates in the USA, public debt in EU, and the stronger Baht which is now affecting the country's export sector. With the said risk, the company has prepared business and financial plans to generate better profitability in 2011.

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.



M.L. Chandchutha Chandratat

Message from the Managing Director

Dear Shareholders, customers, employees, partners and friends

The year 2010 was another year of major development for company's management and operation. It was the first year that the new major shareholder, Thoresen Thai Agencies Public Company Limited, worked side by side with the existing management team. The parent company has appointed new executives to support the company's new management approaches and to integrate them with existing ones, including the introduction of a more efficient management system, which will be beneficial to the company and shareholders in the longer term.

In general the Thai economy in 2010 was good. While the world economic recovery is still volatile especially in USA and European countries. However, Asian economies including China, India and South East Asian nations, have expanded firmly from the rapid growth in export sector. Consequently, the company received more orders from customers in various industries. We had operated through the difficult periods in 2009 and early 2010, during which we had fixed higher-than-market COA (contract of affreightment) that has significantly affected our performances in January to March 2010. Subsequently, our performance gradually improved, better reflecting a more normal mode of business.

The company reported coal sales in the first nine months of 2010 at Baht 2,080.58 million with a net profit of Baht 71.21 million. Company still well maintained market share of small and medium-sized customers who are the major revenue base of company. Even though there is an increase of competitions in coal distribution business in Thailand by new comers with large capital fund as well as small and medium enterprises, The company always adjusts strategies to enhance competitiveness in both products and services. The company also has advantage in logistics management by having two warehouses which are located close to customers and a good management of both inland and water transport., leading to a lower logistics cost. Furthermore, by having good and firm relationship with business partners in Indonesia which are the major coal importers and 15 years of experience in the coal business, the company is able to control expenses efficiently.

Company's inventories at the end of September 2010 were significantly high because sales volumes to large-sized customers in the first half of 2010 had dropped due to the continued economy slowdown since 2009. However, sales volumes to large-sized customers have increased since mid of 2010 and is expected to substantially increase through 2011 from many infrastructure projects that demand large quantities of cement. Moreover, Granular project was developed in 2010 to reduce inventory burden of company.

As granular project is a new project and has been developed by the company's own technology, the company has had some problems with mechanical issues at the first stage. Nevertheless, these problems can be fixed and made by additional capital budgeting in Nakornluang warehouse. The company is also developing Granular project in Suansom warehouse which is expected to be completed in mid 2011.

On behalf of Unique Mining Services Plc, I wish to express thank to our customers and our partners for their continually supports. I wish to thank the management team and our employees for their dedication and hard work to operate all results has been achieved to company amidst the uncertainty of economy in year 2010.



Mr. Chaiwat Cruecha - Em



Financial Highlights

		2009 (Jan.-Dec.)	2009 (Jan.-Sep.)	2010 (Jan.-Sep.)
Performance				
Sales Revenue	(Baht Million)	2,597.46	1,958.95	2,080.58
Total Revenue	(Baht Million)	2,643.22	1,997.33	2,115.59
Gross Profit	(Baht Million)	534.10	426.20	360.92
Net Profit	(Baht Million)	88.31	208.80	71.21
Earnings Per Share*	Baht	0.58	1.37	0.47

Financial Ratios

Gross Profit Margin	(Percentage)	20.56	21.76	17.35
Net Profit Margin	(Percentage)	3.34	10.45	3.37
Return on Average Equities	(Percentage)	10.20	22.50	7.65
Return on Average Assets	(Percentage)	3.15	7.54	2.19

		Dec. 31, 2009	Sep. 30, 2010
Total Assets	(Baht Million)	3,048.25	3,463.98
Total Liabilities	(Baht Million)	2,152.87	2,495.78
Total Equities	(Baht Million)	895.38	967.55
Book Value Per Share*	Baht	5.89	6.36

*par value of Baht 0.50 per share



VISION

To be the leader in quality coal distribution and to provide service that match customers' needs, with focus on environmental responsibility and community development.

MISSION

- **To be the leader in coal distribution business in Thailand.**
- **To generate maximum return to stakeholders.**
- **To provide quality products and services, maintain operational safety, and focus on environmental responsibility and community development.**

Board of Directors



M.L. Chandchutha Chandratat
Age : 44 Years

**Chairman of the Board
of Directors**

- 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.)
 - Non - listed companies
 - ◎ Director
 - Athene Holdings Ltd.
 - UMS Lighter Co., Ltd.
 - UMS Transport Co., Ltd.
 - UMS Coalbriquette Co., Ltd.
 - UMS Port Services Co., Ltd.
 - subsidiaries of Thoresen Group 46 Company
- Positions in companies which business may be competed with the Company - none -
- Number of shares held in the Company (as of November 24, 2010) - none -
- Meeting attendance for year 2010
 - 9 of 9 Board Meetings -



Mr. Chaiwat Cruecha-EM

Age : 51 Years

Director / Managing Director

- 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, Policetect 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 of November 24, 2010)
 - Ordinary shares 4,000,000 share (2.61%)
- Meeting attendance for year 2010
 - 9 of 9 Board Meetings



Mrs. Thitima Rungkwansiroj

Age : 49 Years

Director

- 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
 - Director Certification Program (DCP 131/2010) 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
 - Athene Holdings Ltd.
 - UMS Lighter Co., Ltd.
 - UMS Transport Co., Ltd.
 - UMS Coalbriquette 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 of November 24, 2010) - none -
- Meeting attendance for year 2010
 - 9 of 9 Board Meetings



Mrs. Penroong Suwannakudt
Age : 47 Years

Director

- Education
 - Diploma in Human Resources Management from Sasin Graduate Institute of Business Administration of Chulalongkorn University
 - BA in Social Work from Thammasat University
- Directorship training program
 - Directors Certification Program (DCP) 132/2010, Thai Institute of Directors (IOD)
 - Role of the Compensation Committee (RCC) 11/2010, Thai Institute of Directors (IOD)
- 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
 - Athene Holdings Ltd.
 - UMS Lighter Co., Ltd.
 - UMS Transport Co., Ltd.
 - UMS Coalbriquette 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 of November 24, 2010) - none -
- Meeting attendance for year 2010
 - 9 of 9 Board Meetings



Mr. Pongsak Angsupun

Age : 72 Years

**Chairman of the Audit Committee/
Independent Director**

- 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 of November 24, 2010) - none -
- Meeting attendance for year 2010
 - 9 of 9 Board Meetings



Mr. Natthaphon Lilawatthananon
Age : 52 Years

**The Audit Committee /
Independent Director**

- 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
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 of November 24, 2010) - none -
- Meeting attendance for year 2010
 - 9 of 9 Board Meetings



Mr. Ekavaj Amornvivat

Age : 49 Years

**The Audit Committee /
Independent Director**

- Education
 - MBA. Northrop University, Los Angeles, CA., USA.
 - BA., Accounting Thammasat University
- Directorship training program
 - Directors Accreditation Program (DAP) 84/2010, Thai Institute of Directors (IOD))
 - Audit Committee Program (ACP) 32/2010, Thai Institute of Directors (IOD)
- Period on Board (since listed company)
 - April 9, 2010 - Present
- Working Experience
 - Thai Capital Market Specialist, BNP Paribas
 - Manager, Finance and Information Technology, Asian Marine Services
 - Vice President, Investment Banking Dept., Ekkapat Finance and Securities
 - Manager, International Investment Banking, Daiwa Securities
 - Manager, International Sales & Marketing Foreign Trading Desk, Securities Department Dhana Siam Finance and Securities
 - Assistant Manager, Financial Services Division Money Management Department, Siam Commercial Bank
 - Assistant Manager, Sales Audit / Accounting Dept., Duty Free Shopper West, Los Angeles, USA.
- Positions in other companies
 - Listed companies - none -
 - Non - listed companies
 - ◎ Asian Business Aviation Association (AsBAA)
 - ◎ CPA
- Positions in companies which business may be competed with the Company - none -
- Number of shares held in the Company (as of November 24, 2010) - none -
- Meeting attendance for year 2010
 - 7 of 9 Board Meetings



Mr. Suchart Thammapitagkul

Age : 61 Years

Independent Director

- 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)
 - Role of the Compensation Committee (RCC) 11/2010, 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
 - Audit Committee and Independent Director Unimit Engineering Pcl.
 - Modernform Group Plc.
 - MFEC 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 of November 24, 2010) - none -
- Meeting attendance for year 2010 - 8 of 9 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 105,227,391.50
Paid-up Capital	Baht 76,727,032, Common Stock 153,454,064 units (as of November 12, 2010) *par value of Baht 0.50 per share
Telephone No.	(+662) 664-1701-8
Fax No.	(+662) 664-1700, (+662) 259-2467
Homepage	www.umspl.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	Chanchai Chaiprasit Certified Public Accountant (Thailand) No.3760
Company's Name	PricewaterhouseCoopers ABAS Limited
Head Office	15th Floor, Bangkok City Tower 179/74-80 South Sathorn Road Bangkok 10120, Thailand
Telephone No	(+662) 344-1000
Fax No.	(+662) 286-5050

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.

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. Coal can be sourced from more than 100 countries around the world. Therefore, supply of coal is abundant, 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 (%)*	Sulfur (%)
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 sulfur would produce sulfur dioxide approximately 500 ppm. (According to company's bituminous and sub-bituminous coals)

From the table, the highest rank of coal quality (heating, moisture and sulfur) is Anthracite, followed by Bituminous, Sub-Bituminous and Lignite, respectively. The company imports only bituminous and sub-bituminous coal as they are of good quality with medium calorific value. Bituminous and sub-bituminous coal have suitable level of ash, moisture and especially low sulfur when compared to fuel-oil (fuel-oil has 0.1-3.0 percent sulfur), which create relatively lower air pollution. The company does not import anthracite due to its high cost and limited local usage, and does not have plan to expand in this coal grade. Lignite, on the other hand, is the lowest rank coal with high sulfur content, which create high environmental impact, and is not widely used in Thailand.

The allowable air quality standard emitted from smoke stacks is determined by Ministry of Industry which stipulates that sulfur dioxide limit must not exceed 700 ppm (part per million). The coal imported by the company generates less than 100 ppm of sulfur dioxide. 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 (%)
	2009	2009 (Jan.-Sep.)	2010 (Jan.-Sep.)	
Lignite Consumption	17.86	13.61	13.51	-0.73
Electricity Generation (EGAT)	15.82	12.00	11.93	-0.58
Industry	2.04	1.61	1.58	-1.86
Coal Consumption	16.39	12.44	12.87	3.46
Electricity Generation (SPP and IPP)	5.72	4.54	4.43	-2.42
Industry	10.67	7.90	8.44	6.84
Total Demand	34.25	26.06	26.38	1.23

Source: Energy Policy and Planning Office, Ministry of Energy

Industry Outlook

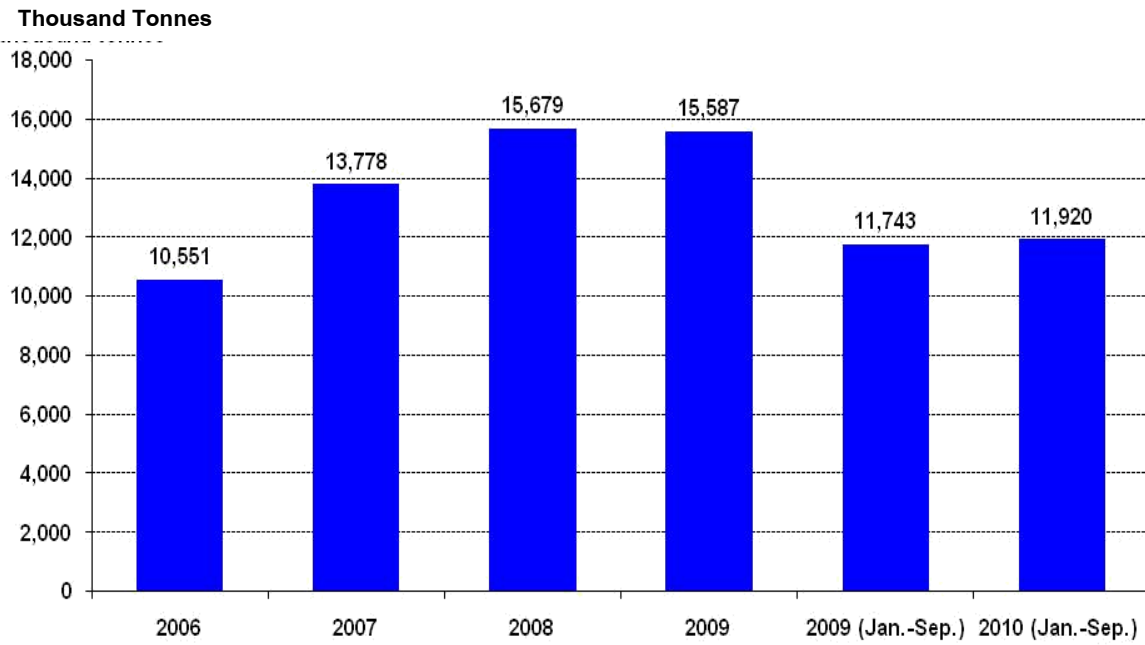
● Coal and Lignite Consumption

In 2010 (Jan.-Sep.), coal and lignite consumption was approximately 26.38 million tonnes, an increase of 1.23 percent from approximately 26.06 million tonnes in same period 2009. Lignite consumption of 13.51 million tonnes in 2010 was used by Electricity Generating Authority of Thailand (EGAT) for 11.93 million tonnes. The remaining 1.58 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 2010 was recorded at 12.87 million tonnes, an increase of 3.46 percent divided into the industrial sector consumption of 8.44 million tonnes and the remaining 4.43 million tonnes was consumed by electricity generation sector (SPP and IPP).

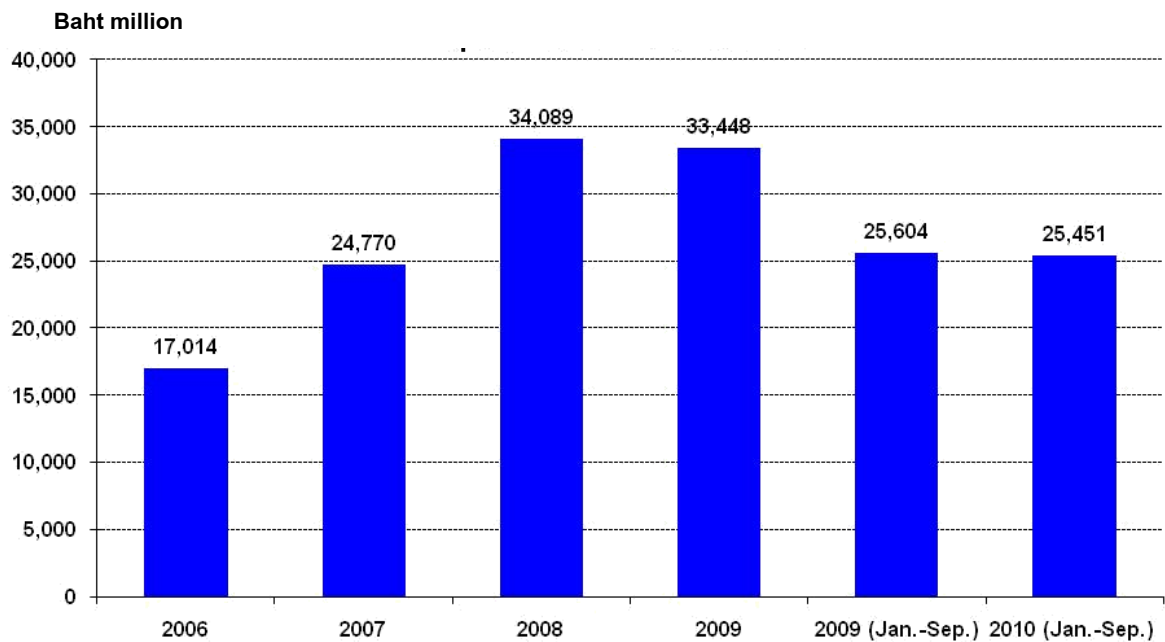
The major advantage of coal compared with fuel oil is that it can reduce production costs considerably, thus our company presents it as a customer base expansion strategy. Many customers tend to change from fuel oil to coal in order to reduce their production costs and enhance their competitiveness in the long-term. In 2008 and 2009, fuel oil consumption was 3,287 and 2,731 million litres respectively. In 2010, fuel oil consumption was expected to decline to 2,582 million liters. 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 2010(Jan.-Sep.) was Baht 16.62 per litre. (Source: www.eppo.go.th), consequently, the market value in 2010 is estimated at Baht 42,913 million. This translates to a coal market value of approximately Baht 27,893 million (assuming that the coal price is lower than fuel oil by 65%). In 2010(Jan.-Sep.), coal sales revenue of our company was approximately Baht 2,100 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 2006 to 2009. The imported volume was 10,551, 13,778 15,679 and 15,587 thousand tonnes respectively. Meanwhile, the imported value was Baht 17,014, 24,770 34,089 and 33,448 million respectively. The imported volume of coal solid fuels in 2010(Jan.-Sep.) was 11,920 thousand tonnes with value of Baht 25,451 million.

Imported Coal Solid Fuels Quantity



Imported Value of Coal Solid Fuels

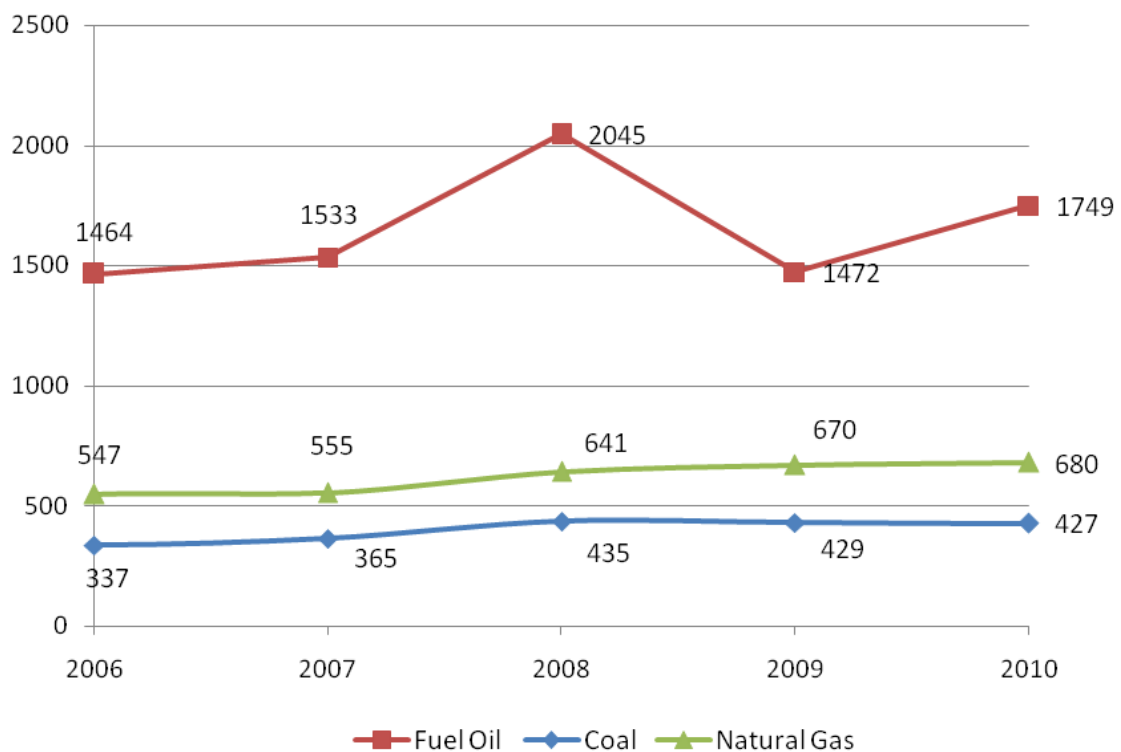


Source: Energy policy and planning office, Thailand

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

Price (Baht per 1 million Kcal)



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 Granular project is commercially developing to use with 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.

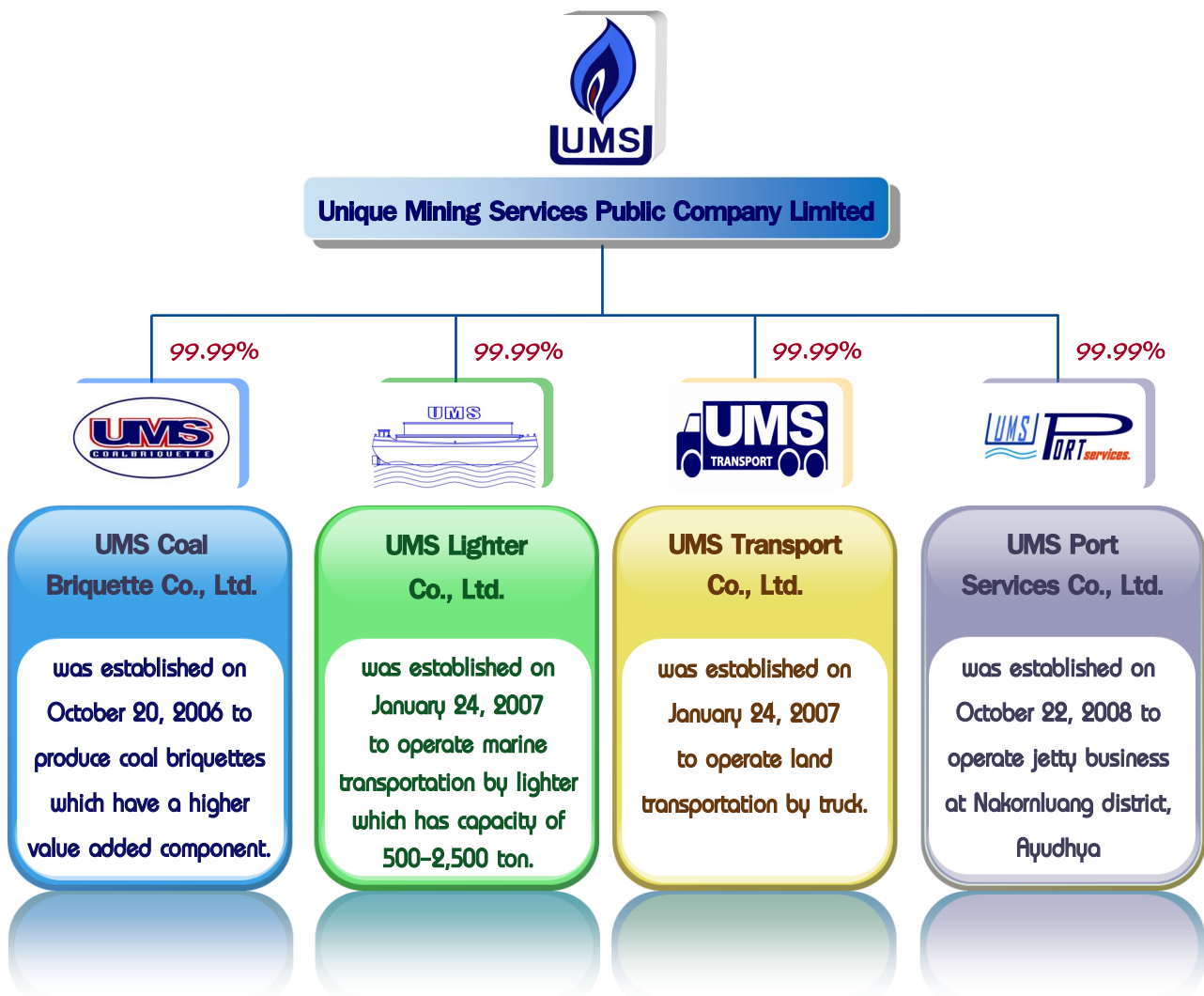
Our Research and development department has a policy to study coal applications from foreign countries to apply with domestic industries continually.

Research and development team of UMS



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:



Risk Factors

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 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.

3. 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.

4. 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 sulfur 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 sulfur (sulfur 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 November 24, 2010 were shown in below table. (par value of 0.50 baht per share)

Shareholders' List		Number of Shares	Proportion (%)
1.	Athene Holding Co., Ltd.	136,083,041	88.68
2.	Mr. Chaiwat Cruecha-Em	4,000,000	2.61
3.	Mr. Paisarn Tiyanwanich	500,000	0.33
4.	Thai NVDR Company Limited	472,793	0.31
5.	Mr. Wirat Banyongkhanan	462,560	0.30
6.	Mr. Nitat sumitt	300,700	0.20
7.	Mrs. Panutda Prompongsri	240,595	0.16
8.	Ms. Rattana Maleenon	200,000	0.13
9.	Mr. Sangchai Wasunthara	200,000	0.13
10.	Mr. Pinich Tatsanapirom	170,500	0.11
11.	Other shareholders	10,823,875	7.05
Total		153,454,064	100.00

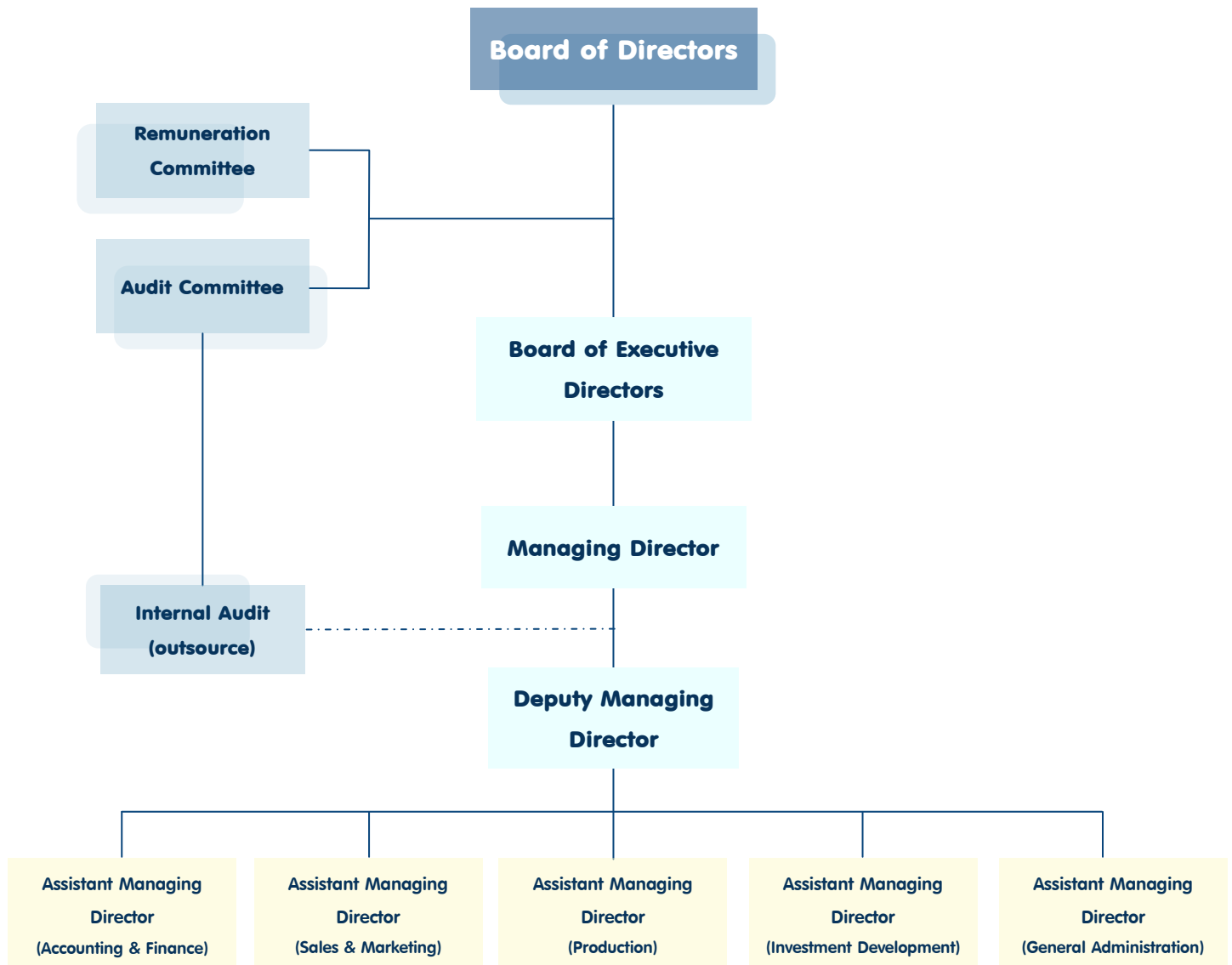
Dividend Payment Policy

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 of September 30, 2010



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

1. The Board of Directors

The Board of Directors consists of 8 directors as follows:

	Name		Position
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. Natthaphon	Lilawatthanun	Audit Committee/ Independent Director
7.	Mr. Suchart	Thammapitagkul	Independent Director
8.	Mr. Ekavaj	Amornvivat	Audit Committee/ Independent Director

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:

	Name		Position
1.	Mr. Chaiwat	Cruecha-Em	Chairman of Executive Director
2.	M.L. Chandchutha	Chandratat	Executive Director
3.	Mrs. Thitima	Rungkwansiroj	Executive Director
4.	Mrs. Penroong	Suwannakudt	Executive Director

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:

	Name		Position
1.	Mr. Pongsak	Angsupun	Chairman of Audit committee
2.	Mr. Natthaphon	Lilawatthanun	Audit Committee
3.	Mr. Ekavaj	Amornvivat	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
 - Opinions regarding the correctness, completeness and reliability of company's financial reports.
 - Opinions regarding the sufficiency of company's internal control system.
 - Opinions regarding the compliance with SET rules and regulations, and laws concerning the Company's business.
 - Opinions regarding the auditors qualification.
 - Opinions regarding the connected transactions.
 - Total attendance of audit committees and the attendance of each audit committee.
 - Opinions or notices regarding audit committee perform according to the charter.
 - 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 Remuneration Committee

Remuneration Committee consists of 2 directors as follows:

	Name		Position
1.	Mr. Suchart	Thammapitagkul	Director
2.	Mrs. Penroong	Suwannakudt	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.

5 Management

Management of company consists of 9 persons as follows:

	Name		Position
1.	Mr. Chaiwat	Cruecha-Em	Managing Director
2.	Mr. Pongrapee	Cruecha-Em	Deputy Managing Director
3.	Mr. Surayut	Thavikulwat	Deputy Managing Director
4.	Ms. Bussara	Thongtongtip	Assistant Managing Director - Accounting and Finance
5.	Mr. Charnyuth	Thanomvet	Assistant Managing Director - Production
6.	Mr. Suchart	Chinpriuedthiwong	Assistant Managing Director - Sales and Marketing
7.	Mr. Piya	Tanthanaphiphat	Acting Assistant Managing Director - Investment Development
8.	Mr. Boonyong	Tiencheeva	Finance Manager
9.	Ms. Nareerat	Meedee	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.

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:

Director appointment process

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:

- Each shareholder has one vote per share held
- 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.
- 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.

Compensation of directors and management

Money compensation

		2009				2010		
Name		Position	Compensation (Baht/year)	Allowance (Baht/year)	Compensation (Baht/year)	Allowance (Baht/year)		
						The Board of Directors	Audit Committee	Remuneration Committee
1. M.L. Chandchutha	Chandratat	Chairman	126,000	70,000	180,000	108,000	-	-
2. Mrs. Thitima	Rungkwansiroj	Director	126,000	70,000	180,000	90,000	-	-
3. Mrs. Penroong	Suwannakudt	Director	126,000	70,000	180,000	90,000	-	7,500
4. Mr. Chaiwat	Cruecha-Em	Director / Managing Director	252,000	140,000	-	-	-	-
5. Mr. Pongsak	Angsupun	Chairman of Audit committee / Independent Director	300,000	140,000	180,000	90,000	90,000	-
6. Mr. Natthaphon	Lilawatthanun	Audit Committee / Independent Director	300,000	140,000	180,000	90,000	75,000	-
7. Mr. Suchart	Thammapitagkul	Independent Director	300,000	140,000	180,000	75,000	-	7,500
8. Mr. Ekavaj	Amornvivat	Audit Committee/ Independent Director	-	-	180,000	90,000	75,000	-
Total			980,000	770,000	1,260,000	633,000	240,000	15,000

Money Compensation of Management

Salary of seven managements (exclude Accounting Manager and Finance Manager) in 2010 was totaled Baht 8,122,668.00 (as of September 30, 2010) and bonus paid in December was not shown in Annual Report 2010.

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 2010, seven managements received total Baht 637,514.00 from this fund.

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. 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 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 2010)

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 investor@uniquecoal.com by Mr.Piya Thanthanaphat, 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 in year 2010. 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 8 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.
- Four independent directors with no conflict of interest, no relationship and not representative of major shareholders.

The company has four non-executive directors which are accounted for 50%. Thus, the company has balance of power for non-management director. Four 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 8 members, 4 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 defined 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 two sub-committees, namely Audit Committee and Remuneration 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 2010, The Board of Directors convened totally 9 times (since January - December). 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 2010 was as follows.

Director's Name		Attendance/Total Meetings (times)		Remark
		2009	2010	
1. M.L. Chandchutha	Chandratat	6/6	9/9	
2. Mrs. Thitima	Rungkwansiroj	8/8	9/9	
3. Mrs. Penroong	Suwannakudt	6/6	9/9	
4. Mr. Chaiwat	Cruecha-Em	6/6	9/9	
5. Mr. Pongsak	Angsupun	8/8	9/9	
6. Mr. Natthaphon	Lilawatthanun	8/8	9/9	
7. Mr. Suchart	Thammapitagkul	8/8	8/9	
8. Mr. Ekavaj	Amornvivat	-	7/9	Joined on April 9 th , 2010

Sub-committees Meeting of 2010

Director's Name		Sub-committees			Remark
		Board of Executive Directors	Audit Committee	Remuneration Committee	
1. M.L. Chandchutha	Chandratat	10/12			
2. Mrs. Thitima	Rungkwansiroj	9/12			
3. Mrs. Penroong	Suwannakudt	11/12		2/2	
4. Mr. Chaiwat	Cruecha-Em	12/12			
5. Mr. Pongsak	Angsupun		6/6		
6. Mr. Natthaphon	Lilawatthananun		6/6		
7. Mr. Suchart	Thammapitagkul		1/6	2/2	Resigned from Audit Committee on April 9 th , 2010
8. Mr. Ekavaj	Amornvivat		5/6		Joined in Audit Committee on April 9 th , 2010

6. Compensation of Directors and Executives

a. Directors' Compensation

The 2010 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 2010 were decrease over 2009 to accommodate the performance of the company. The details are as follows;

- the monthly retainer fee of 20,000 baht per person for the Company's Chairman and non-executive directors, with the attendance fee of 15,000 baht/time/person
- The attendance fee for the Audit Committee is 15,000 baht/time/person
- The attendance fee for the Remuneration Committee is 7,500 baht/time/person
- The attendance fee of the Chairman of each committee will be 1.2 times of each committee

Compensation was shown in page no. 35

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 entitles 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.

8. Awards of 2010

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

9. Personnel

As of September 30, 2010, the company and subsidiaries had total 418 employees, consisting of 87 persons at head office, 260 persons at plant and 71 persons at subsidiaries which were divided to each department as follows:

Department	31 December 2009	30 September 2010*
1. Administration	9	9
2. Finance and Accounting	20	16
3. Sales and Marketing	12	19
4. Manufacturing	191	260
5. Business Development	3	2
6. General Administration	65	41
7. UMS Lighter Company Limited	18	18
8. UMS Transport Company Limited	47	44
9. UMS Port Service	9	9
10. UMS Coal Briquette	18	0
Total	392	418

*The company changed the accounting period is the year 2010 amounted to 9 months (January to September).

Compensation of the company and subsidiaries' employee in 2009 and 2010 was divided as follows:

Unit (Baht Thousand)

Compensation	2009	2010* As of Sep. 30 2010
Salary	62,764.84	49,245.89
Bonus	15,298.63	**-
Provident Fund and Social Security	9,291.73	3,944.87
Total	87,355.20	53,190.76

*The company changed the accounting period is the year 2010 amounted to 9 months (January to September).

**bonus paid in December

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

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 2009 and 2010 as follows:

Related Company	Affiliation	Types of Transaction	Total Amount 2009 (Baht)	Total Amount 2010 (Jan.-Sep.) (Baht)	Balance as of September 30, 2010 (Baht)
1 P.A.P. Insurance Brokers Co., Ltd.	Mr. Phaibul Chalermsoy is director	Insurance expense	373,289	-	0
2 Thoresen Thai Agencies Plc.	Holds the 99.99% stake in Athene Holdings Co., Ltd. Which in turn holds 89.55% stake in company	Services to company covering sales, marketing strategy and financial planning	-	2,257,727	2,533,057

Necessity and Reasonableness

1. P.A.P. Insurance Brokers Co., Ltd. has engaged in the insurance broker business. In 2009, 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.
2. Thoresen Thai Agencies Plc. has provided services to company covering sales, marketing strategies and financial planning starting April 2010 to March 2011. This will improve company's business and will maximize returns to company's shareholders, which are considered to be reasonable transactions.

Management Discussion and Analysis

The company has changed the accounting period from January 1 - December 31 to October 1 - September 30 to be in line with the accounting period of the parent company, Thoresen Thai Agencies Public Company Limited. The financial statements are summarized as follows.

Total revenues in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were recorded at Baht 1,997.33 and 2,115.59 million respectively or an increase of 5.92 percent. Net profit in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were Baht 208.80 and 71.21 million or a decrease of 65.90 percent. Coal consumption was improved due mainly to the recovery of economic in 2010, export expansion and many of infrastructure projects implemented by government economic stimulus packages. Hence cement industry, our major customer, have been directly beneficial from increasing demand of production from these factors. In additions, other industrial sectors such as foods and beverages industry as well as textiles industry which were industries generated major revenue gain benefits from economic recovery as well.

Overall past performance

a. Revenue

Revenues from coal sales in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were Baht 1,958.95 and 2,080.58 million respectively. The 6.21% increase in sales mainly resulted from a significant improvement of sales volume to large sized customers, especially the cement industries. Sales volume in large sized customers increased 140.71% from Baht 155.26 million to Baht 373.74 million according to economic growth, expansion in property sector and many of infrastructure projects implemented by government. While the Company's sales to its medium and small sized customers, comprising of companies in foods & beverages and textiles industries, was slightly changed from earlier period as company can maintain its market share in this customer group.

b. Cost of goods sold

Major components of cost of goods sold consist of coal and freight charges. Cost of goods sold in 2009 (Jan.-Sep.) and 2010(Jan.-Sep.) were Baht 1,532.75 and 1,719.66 million or 78.24 and 82.65 percent of sales revenue respectively. The ratio of cost of goods sold to sales revenue changed significantly because the company contracted COA (Cost of Affreightment) at a higher market rate which effective till the first quarter of 2010. Moreover, company also had more competitors in coal distribution business.

c. Selling and administrative expenses

Selling and administrative expenses in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were Baht 229.95 and 240.54 million or 11.51 and 11.37 percent of total revenue respectively. The ratio of selling and administrative expenses to total sales was slightly decreased due to effectiveness of company and its subsidiaries in controlling expenses. Nonetheless, company had policy to reduce some selling and administration expenses which help company for better profitability.

Moreover, interest expense in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were Baht 46.58 and 52.91 million or 2.33 and 2.50 percent of total revenue respectively since company increased working capital to imported coal.

d. Profit

Gross profit margin in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were 21.76 and 17.35 percent respectively. Gross profit margin fell due to the company contracted COA (Cost of Affreightment) at a higher market rate. We also saw more competitors entering into coal distribution business. Operating profit margin in 2009 (Jan.-Sep.) and 2010(Jan.-Sep.) were 14.83 and 6.85 percent respectively. Finally, net profit margins in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were 10.45 and 3.37 percent respectively

d. Return on Equity

Return on Equity in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were 22.50 and 7.65 percent respectively. In 2010, the company omitted to pay dividend to reserve cash for further business expansion.

Financial Status

● Assets

Total assets as of December 31, 2009 and September 30, 2010 were Baht 3,048.25 and 3,463.33 million respectively. Most of them are current assets stood at Baht 2,076.52 and 2,490.70 million or 68.12 and 71.92 percent of total assets respectively. Current assets increased due mainly to increasing in inventory and trade accounts receivable. Non-current assets at December 31, 2009 and September 30, 2010 were Baht 971.73 and 972.63 million respectively. Most of these assets were land, buildings composed of warehouse at Suansom sub district in Samutsakhon province, warehouse at Nakornluang Ayuthaya province and investment in lighters.

Quality of assets

● Account receivables – net

Account receivables-net as of December 31, 2009 and September 30, 2010 were Baht 341.60 and 536.86 million respectively. Significant increase in account receivables was from substantial expansion of coals sales during August-September 2010 especially to customers in cement industry. Days' account receivables of 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were 52 and 60 days respectively, slightly higher regarding credit policy which was generally set at 45 days. However, it is still in line with normal business operation.

● **Inventory – net**

Inventory-net as of December 31, 2009 and September 30, 2010 were Baht 1,551.19 and 1,731.34 million respectively. Days' sales in inventory of 2009 and 2010 were 220 and 258 days respectively. Coal inventory remained high. Company has policy to release this inventory burden. Since coal consumption was increased regarding the economic recovery. Company has been receiving order in large quantities from customers in cement industry starting from mid year of 2010. While there have been many constructions of infrastructure and expansion in property sector. So it is believable that coals orders for cement industry will exist throughout year 2011, which would help company to reduce inventory to optimum level within 2 years.

● **Liquidity**

Liquidity ratio in 2009(Jan.-Sep.) and 2010(Jan.-Sep.) were 1.35 and 1.16 times respectively while company's quick ratio were 0.28 and 0.31 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 December 31, 2009 and September 30, 2010, debt to equity ratio stood at 2.40 and 2.58 times respectively. This ratio increased due primarily to borrowing for importing and stocking coal and increase in account receivables as sales order increase.

Report of the Audit Committee

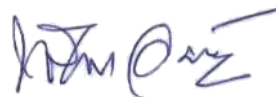
To the shareholders of Unique Mining Services Public Company Limited

The Audit Committee comprises 3 directors as follow;

Mr. Pongsak Angsupun	Chairman of the Audit Committee
Mr. Natthaphon Lilawatthanun	Audit Committee
Mr. Ekavaj Amornvivat.	Audit Committee

In accordance with the duties and responsibilities assigned by the Board of Directors, the Audit Committee held six meetings during the fiscal year ended on September 30, 2010 with full attendance of all audit committee members. The Audit Committee had cooperated with related managements, auditors and internal auditors to consider the following matters;

- Reviewing the Company's quarterly and annually financial statements before presenting to the Board of Directors to ensure that the statements are accurate and transparency. The Audit Committee also provided recommendations and suggestions to Board for the benefit of the company.
- Considering and approving the internal audit's work plan for the year 2011. The plan is conducted which prioritized by risk level and emphasize on effective and efficient compliance. 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.
- Reviewing the performance and independence of the Auditors and nominating 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 2011, as well as proposed their annual remuneration. This appointment will be submitted to the Board of Directors and to get the approval from shareholders' meeting.



(Pongsak Angsupun)

Chairman of the Audit Committee

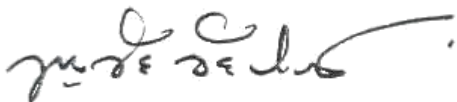
Report of the Auditor

To the Shareholders of Unique Mining Services Public Company Limited

I have audited the accompanying consolidated and company balance sheets as at 30 September 2010, and the related consolidated and company statements of income, the related consolidated and company statements of changes in shareholders' equity, and cash flows for the nine-month period that ended on 30 September 2010 of Unique Mining Services Public Company Limited and its subsidiaries and of Unique Mining Services Public Company Limited. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated and company balance sheets as at 31 December 2009, and the related consolidated and company statements of income, the related consolidated and company statements of changes in shareholders' equity, and cash flows for the year that ended on 31 December 2009 of Unique Mining Services Public Company Limited and its subsidiaries and of Unique Mining Services Public Company Limited, presented herewith for comparative purposes, were audited by another auditor, whose report dated 10 February 2010 expressed an unqualified opinion on those financial statements and emphasis regarding to the retrospective adjustments for error correction and early adoption of new accounting standard.

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

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial positions as at 30 September 2010, and the related consolidated and the company results of operations and cash flows for the nine-month period that ended on 30 September 2010 of Unique Mining Services Public Company Limited and its subsidiaries and of Unique Mining Services Public Company Limited, in accordance with generally accepted accounting principles.



Chanchai Chaiprasit

Certified Public Accountant (Thailand) No. 3760

PricewaterhouseCoopers ABAS Limited

Bangkok

25 November 2010

Unique Mining Services Public Company Limited

Balance Sheets

As at 30 September 2010 and 31 December 2009

		Consolidated		Company	
		30 September 2010	31 December 2009 Restated	30 September 2010	31 December 2009 Restated
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	108,164,824	88,331,592	79,718,433	57,736,685
Trade accounts receivable, net	9	563,862,416	341,600,889	558,788,311	338,221,842
Amounts due from related parties	28.3	-	-	1,007,488	331,180
Short-term loans to related parties	28.5	-	-	32,983,860	18,215,621
Inventories, net	10	1,731,736,858	1,551,194,698	1,741,854,444	1,553,625,762
Other current assets, net	11	86,935,880	95,396,944	81,678,486	90,027,769
Total current assets		2,490,699,978	2,076,524,123	2,496,031,022	2,058,158,859
Non-current assets					
Investments in subsidiaries	12	-	-	111,000,000	111,000,000
Property, plant, and equipment, net	13	967,800,660	966,334,920	779,943,408	765,596,922
Intangible assets, net	14	2,292,290	3,168,217	1,859,184	2,680,419
Other assets, net		2,539,055	2,224,254	2,497,055	2,182,254
Total non-current assets		972,632,005	971,727,391	895,299,647	881,459,595
Total assets		3,463,331,983	3,048,251,514	3,391,330,669	2,939,618,454

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

Unique Mining Services Public Company Limited

Balance Sheets

As at 30 September 2010 and 31 December 2009

	Notes	Consolidated		Company	
		30 September	31 December	30 September	31 December
		2010	2009	2010	2009
		Baht	Restated Baht	Baht	Restated Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	15	1,606,000,611	1,311,410,506	1,605,982,823	1,309,162,168
Trade accounts payable - others		134,748,039	66,047,192	113,573,320	53,726,696
Amounts due to related parties	28.4	2,533,057	-	19,645,138	12,971,182
Subscription received advance					
from warrant conversion	21	697,255	72,269	697,255	72,269
Current portion of long-term loans	16	293,276,000	85,140,000	274,796,000	66,660,000
Current portion of finance lease					
liabilities	17	14,824,785	14,101,195	3,076,020	3,045,045
Income taxes payable		2,305,794	48,835	2,301,115	-
Accrued expenses		24,575,952	11,307,576	23,689,643	9,880,206
Other current liabilities		74,868,157	51,578,217	72,016,820	48,189,558
Total current liabilities		2,153,829,650	1,539,705,790	2,115,778,134	1,503,707,124
Non-current liabilities					
Long-term loans	16	324,944,309	586,243,000	259,098,000	506,663,000
Finance lease liabilities	17	9,302,555	20,504,813	1,416,602	3,718,241
Employee benefit obligations	18	7,704,104	6,415,167	6,760,925	5,714,417
Total non-current liabilities		341,950,968	613,162,980	267,275,527	516,095,658
Total liabilities		2,495,780,618	2,152,868,770	2,383,053,661	2,019,802,782

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

Unique Mining Services Public Company Limited

Balance Sheets

As at 30 September 2010 and 31 December 2009

		Consolidated		Company	
		30 September	31 December	30 September	31 December
		2010	2009	2010	2009
			Restated		Restated
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital					
Registered share capital					
- ordinary shares		105,227,392	105,000,000	105,227,392	105,000,000
Issued and paid-up share capital					
- ordinary shares	20	76,039,164	75,982,493	76,039,164	75,982,493
Premium on ordinary shares	20	230,461,835	229,561,429	230,461,835	229,561,429
Retained earnings					
Appropriated - legal reserves	22	11,096,402	10,500,000	10,500,000	10,500,000
Unappropriated		649,953,964	579,338,822	691,276,009	603,771,750
Total shareholders' equity		967,551,365	895,382,744	1,008,277,008	919,815,672
Total liabilities and shareholders' equity		3,463,331,983	3,048,251,514	3,391,330,669	2,939,618,454

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

Unique Mining Services Public Company Limited

Statements of Income

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

		Consolidated		Company	
		For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009 Restated	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009 Restated
	Notes	Baht	Baht	Baht	Baht
Revenues					
Sales		2,080,581,774	2,597,460,660	2,080,581,774	2,597,460,660
Service income		20,339,054	20,430,418	-	-
Total revenues		2,100,920,828	2,617,891,078	2,080,581,774	2,597,460,660
Costs					
Cost of sales		1,719,663,215	2,063,355,164	1,721,090,144	2,112,584,568
Cost of services		12,825,766	9,736,321	-	-
Total costs		1,732,488,981	2,073,091,485	1,721,090,144	2,112,584,568
Gross profits		368,431,847	544,799,593	359,491,630	484,876,092
Other operating income	25	14,667,050	25,329,990	26,994,627	23,741,182
Profits before expenses		383,098,897	570,129,583	386,486,257	508,617,274
Selling expenses		122,139,554	123,180,359	124,080,810	117,406,149
Administrative expenses		110,408,692	248,375,865	100,427,107	200,680,343
Management remunerations	28.6	7,995,159	20,695,699	7,995,159	20,597,699
Total expenses		240,543,405	392,251,923	232,503,076	338,684,191
Profits before financial costs and income taxes		142,555,492	177,877,660	153,983,181	169,933,083
Financial costs		52,914,033	61,885,772	48,053,686	53,949,390
Profits before income taxes		89,641,459	115,991,888	105,929,495	115,983,693
Income taxes		18,429,915	27,683,651	18,425,236	27,618,797
Net profits for the period/year		71,211,544	88,308,237	87,504,259	88,364,896
Basic earnings per share	26	0.47	0.58	0.58	0.58
Diluted earnings per share	26	0.40	0.50	0.49	0.50

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

Unique Mining Services Public Company Limited

Statements of Changes in Shareholders' Equity

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

	Notes	Consolidated				Total Baht
		Issued and fully paid-up share capital Baht	Premium on ordinary shares Baht	Retained earnings		
				Legal reserves Baht	Unappropriated Baht	
Beginning balance as at 1 January 2010		75,982,493	229,561,429	10,500,000	579,338,822	895,382,744
Increase in share capital from warrant conversion	20	56,671	-	-	-	56,671
Premium on ordinary shares	20	-	900,406	-	-	900,406
Legal reserves	22	-	-	596,402	(596,402)	-
Net profits for the period		-	-	-	71,211,544	71,211,544
Ending balance as at 30 September 2010		76,039,164	230,461,835	11,096,402	649,953,964	967,551,365
Beginning balance as at 1 January 2009 (before restatement)		75,418,926	220,607,476	7,251,405	521,777,488	825,055,295
Retrospective adjustments	6	-	-	-	10,475,215	10,475,215
Beginning balance after retrospective adjustments		75,418,926	220,607,476	7,251,405	532,252,703	835,530,510
Increase in share capital from warrant conversion	20	563,567	-	-	-	563,567
Premium on ordinary shares	20	-	8,953,953	-	-	8,953,953
Legal reserves	22	-	-	3,248,595	(3,248,595)	-
Dividends paid	23	-	-	-	(37,973,523)	(37,973,523)
Net profits for the year		-	-	-	88,308,237	88,308,237
Ending balance as at 31 December 2009		75,982,493	229,561,429	10,500,000	579,338,822	895,382,744

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

Unique Mining Services Public Company Limited

Statements of Changes in Shareholders' Equity

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

		Company				
		Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Total
Notes	Baht	Baht	Baht	Legal reserves	Unappropriated	Baht
				Baht	Baht	
Beginning balance as at 1 January 2010		75,982,493	229,561,429	10,500,000	603,771,750	919,815,672
Increase in share capital from warrant conversion	20	56,671	-	-	-	56,671
Premium on ordinary shares	20	-	900,406	-	-	900,406
Net profits for the period		-	-	-	87,504,259	87,504,259
Ending balance as at 30 September 2010		76,039,164	230,461,835	10,500,000	691,276,009	1,008,277,008
Beginning balance as at 1 January 2009 (before restatement)		75,418,926	220,607,476	7,251,405	545,819,161	849,096,968
Retrospective adjustments	6	-	-	-	10,809,811	10,809,811
Beginning balance after retrospective adjustments		75,418,926	220,607,476	7,251,405	556,628,972	859,906,779
Increase in share capital from warrant conversion	20	563,567	-	-	-	563,567
Premium on ordinary shares	20	-	8,953,953	-	-	8,953,953
Legal reserves	22	-	-	3,248,595	(3,248,595)	-
Dividends paid	23	-	-	-	(37,973,523)	(37,973,523)
Net profits for the year		-	-	-	88,364,896	88,364,896
Ending balance as at 31 December 2009		75,982,493	229,561,429	10,500,000	603,771,750	919,815,672

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

Unique Mining Services Public Company Limited

Statements of Cash Flows

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

		Consolidated		Company	
		For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009 Restated	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009 Restated
	Notes	Baht	Baht	Baht	Baht
Net cash payments from operating activities	27	(176,693,127)	(451,805,070)	(199,366,193)	(459,087,750)
Cash flows from investing activities					
Payments of short-term loans to related parties		-	-	(14,768,239)	(16,215,621)
Payments of property, plant and equipment acquisition		(51,675,530)	(75,182,318)	(47,526,415)	(71,738,594)
Proceeds from property, plant and equipment disposal		7,275	34,357	7,275	29,092
Payments of intangible assets acquisition	14	(220,900)	(454,000)	(112,440)	(128,000)
Dividends received		-	-	11,160,000	
Net cash payments from investing activities		(51,889,155)	(75,601,961)	(51,239,819)	(88,053,123)
Cash flows from financing activities					
Net increase (decrease) in short-term loans from financial institutions		312,710,467	(71,962,803)	312,710,468	(71,962,615)
Proceeds from long-term loans	16	-	604,543,000	-	604,543,000
Repayments of long-term loans	16	(53,162,691)	(49,462,000)	(39,429,000)	(32,522,000)
Proceeds from exercised warrants		1,582,063	968,489	1,582,063	968,489
Repayments of finance lease liabilities		(10,478,668)	(12,793,604)	(2,270,664)	(2,911,681)
Dividends paid		(5,107)	(37,973,523)	(5,107)	(37,973,523)
Net cash receipts from financial activities		250,646,064	433,319,559	272,587,760	460,141,670
Net increase (decrease) in cash and cash equivalents		22,063,782	(94,087,472)	21,981,748	(86,999,203)
Cash and cash equivalents at the beginning of the period/year		86,083,254	180,170,726	57,736,685	144,735,888
Cash and cash equivalents at the end of the period/year		108,147,036	86,083,254	79,718,433	57,736,685

Cash and cash equivalents as at 30 September 2010 and 31 December 2009 comprise:

		Consolidated		Company	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
	Notes	Baht	Baht	Baht	Baht
Cash and cash equivalents	8	108,164,824	88,331,592	79,718,433	57,736,685
Bank overdrafts	15	(17,788)	(2,248,338)	-	-
		108,147,036	86,083,254	79,718,433	57,736,685

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

Unique Mining Services Public Company Limited

Statements of Cash Flows

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

Non-cash transactions

Significant non-cash transactions during the nine-month periods that ended on 30 September 2010 and ended on 31 December 2009 as follows:

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Restated Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Restated Baht
Unpaid liabilities from purchase of fixed assets	9,980,821	1,736,892	9,980,821	1,736,892
Unpaid liabilities from finance lease agreements	-	8,416,890	-	972,000

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

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

1 General information

Unique Mining Services Public Company Limited (the “Company”) is a public limited company and is incorporated in Thailand. The address of its registered office is as follow:

Head office: 36/83 P.S. Tower, Floor 24th, Soi Sukhumvit 21 (Asoke), Sukhumvit Road, Klongtoey, Wattana, Bangkok 10110.

Branch offices are as follows:

- 1) 20 Moo 2, Tambol Chaimongkol, Amphur Muang Samutsakorn, Samutsakorn 74000.
- 2) 88/8-9 Moo 5, Tambol Suansom, Amphur Baanpaew, Samutsakorn, 74120.
- 3) 108 Moo 2, Tambol Klong Sa-kae, Amphur Nakornluang, Ayudhaya, 13260.

The Company's ordinary shares and warrants are listed in Market for Alternative Investment (“mai”). For reporting purposes, the Company and its subsidiaries, are referred to as the “Group”.

The Company's ultimate parent is Thoresen Agencies Public Company Limited, incorporated in Thailand.

These consolidated and company financial statements were authorised for issue by the Board of Directors on 25 November 2010.

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and Company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates

As mentioned in Note 30, during the year, the Group has changed its accounting period from the period that ended on 31 December to be that ended on 30 September. Thus, the Group presents the balance sheet, the statements of income and the statements of changes in shareholders' equity, and cash flows for the period from 1 January 2010 to 30 September 2010, which caused the financial statements are incomparable to the financial statements for the year that ended on 31 December 2009.

2 Accounting policies (Cont'd)**2.1 Basis of preparation (Cont'd)**

The comparative figures have been adjusted to conform with changes in presentation in the current period as follows:

Balance Sheet**Assets**

- (1) Amount due from related parties which was included in other current assets for the prior year financial statements is reclassified to present in amount due from related parties for the current period financial statements due to nature of account.
- (2) Raw material for coal briquette production which was included in other current assets for the prior year financial statements is reclassified to be included in inventories for the current period financial statements due to nature of account.

The impacts to the consolidated and company financial statements relating to the reclassification for assets are as follows:

	Consolidated Baht	Company Baht
As at 31 December 2009		
Increase in amount due from related parties	-	331,180
Increase in inventories	4,651,728	4,651,728
Decrease in other current assets	(4,651,728)	(4,982,908)

Liabilities

- (1) Amount due to related parties which was included in accrued expenses for the prior year financial statements is reclassified to present in amount due to related parties for the current period financial statements due to nature of account.
- (2) Other payable which was included in accrued expenses for the prior year financial statements is reclassified to be included in other current liabilities for the current period financial statements due to nature of account.

The impacts to the consolidated and company financial statements relating to the reclassification for liabilities are as follows:

	Consolidated Baht	Company Baht
As at 31 December 2009		
Increase in amount due to related parties	-	12,971,182
Decrease in accrued expenses	(15,555,281)	(27,239,285)
Decrease in other current liabilities	15,555,281	14,268,103

2 Accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Statements of Income

- (1) For the nine-month period that ended on 30 September 2010, the statements of income are presented by function of expenditure and management remunerations is presented separately, in order to conform with the minimum requirements of the Department of Business Development Regulation dated 30 January 2009, in relation to the format of Financial Statements B.E. 2552.
- (2) Direct costs for coal briquette production which were included in selling expenses and administrative expenses for the prior year financial statements are reclassified to be included in cost of sales for the current period financial statements due to nature of accounts.
- (3) Expenses for coal sales which were included in administrative expenses for the prior year financial statements are reclassified to be included in selling expenses for the current period financial statements due to nature of accounts.

The impacts to the consolidated and company financial statements relating to the reclassification for statements of income are as follows:

	Consolidated Baht	Company Baht
For the year that ended on 31 December 2009		
Increase in cost of sales	42,702,158	42,702,158
Decrease in selling expenses	(9,412,911)	(9,412,911)
Increase in administrative expenses	(33,289,247)	(33,289,247)

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework

a) Accounting framework

The amendment of accounting framework is effective on 26 May 2010.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework (Cont'd)

b) New accounting standards, new financial reporting standards and amendments to accounting standards

The following new accounting standards, new financial reporting standards and amendments to accounting standards are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Group has not early adopted them.

Effective for the period beginning on or after 1 January 2011

TAS 1	(Revised 2009)	Presentation of Financial Statements
TAS 2	(Revised 2009)	Inventories
TAS 7	(Revised 2009)	Statement of Cash Flows
TAS 8	(Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2009)	Events after the Reporting Period
TAS 11	(Revised 2009)	Construction Contracts
TAS 17	(Revised 2009)	Leases
TAS 23	(Revised 2009)	Borrowing Costs
TAS 24	(Revised 2009)	Related Party Disclosures
TAS 27	(Revised 2009)	Consolidated and Separate Financial Statements
TAS 28	(Revised 2009)	Investments in Associates
TAS 29		Financial Reporting in Hyperinflationary Economies
TAS 31	(Revised 2009)	Interests in Joint Ventures
TAS 33	(Revised 2009)	Earnings per Share
TAS 34	(Revised 2009)	Interim Financial Reporting
TAS 36	(Revised 2009)	Impairment of Assets
TAS 37	(Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2009)	Intangible Assets
TAS 40	(Revised 2009)	Investment Property
TFRS 3	(Revised 2009)	Business Combinations
TFRS 5	(Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6		Exploration for and Evaluation of Mineral Resources

Effective for the period beginning on or after 1 January 2013

TAS 12		Income taxes
TAS 20	(Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The Group's management has determined that the new accounting standards, new financial reporting standards and amendments to accounting standards will not significantly impact the financial statements being presented except for TAS 12 which the Group is currently evaluating the effects of the standard.

2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

In the Company's separate financial statements investments in subsidiaries are reported by using the cost method.

A list of the Group's principal associates is set out in Note 12.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the balance sheet date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but do not include deposits with banks which are held to maturity, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts are included in current liabilities on the balance sheet.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within administrative expenses.

2 Accounting policies (Cont'd)

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity, but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made where necessary.

2.8 Intangible assets

The Group's intangible assets are computer software.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 - 5 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

2.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Land improvements	3 - 20 years as land lease contract
Buildings	3 - 20 years
Vehicles	5 years
Lighters	5 - 10 years
Machinery	5 - 10 years
Office equipment	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

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

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. All other borrowing costs are expensed.

2 Accounting policies (Cont'd)

2.10 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Leases

Where a Group company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Where a Group company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.12 Deferred income taxes

Income taxes in the consolidated and company statements of income are calculated based on net taxable income from non-BOI activities using a principal tax rate for operations in Thailand. Non-BOI activities comprise coal trading and land transportation.

The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

2 Accounting policies (Cont'd)

2.13 Employee benefits

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

The Group provides for post-employment benefits, payable to employees under the Thai Labour Law. The amounts payable in the future depend on the salary and years of service of the respective employees. The liability arising as a result of such regulation is recorded as the present value of estimated future cash outflows using interest rates which have terms to maturities approximating the terms of the related liabilities.

2.14 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain

2.15 Share capital

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements. Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established

2.17 Dividends

Dividends are recorded in the consolidated and company's financial statements in the period in which they are approved by the shareholders.

3 Financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain exposures.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

3.1 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from USD currency exposures primarily. Entities in the Group use forward contracts, transacted with the external forward currency contracts, to hedge their exposure to foreign currency risk in connection with measurement currency.

3.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group has no significant interest-bearing assets. The Group policy is to maintain its borrowings in fixed rate instruments.

3.3 Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Revenue recognition

Some subsidiaries use the percentage-of-completion method. Use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

4 Critical accounting estimates and judgements (Cont'd)*Allowance for inventories*

The Company estimates allowance for slow-moving of coals by considering average historical prices and trend of future selling price. The expected selling price in the future may vary based on coal market price, market demand and domestic competition circumstance.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6 Error correction and early adoption of new accounting standard

During the year that ended on 31 December 2009, the Group corrected an error in income tax calculation for the year that ended on 31 December 2008 and chose to early adopt the draft TAS "Employee Benefits". The Group has accounted for the changes of accounting retrospectively in compliance with the accounting standards as described in the annual financial statements for the year that ended on 31 December 2009.

- (1) The impacts to the consolidated and company financial statements relating to the error in income tax calculation are as follows:

	Consolidated Baht	Company Baht
Balance sheet as at 31 December 2008		
Decrease in income tax payable	(15,121,375)	(15,121,375)
Increase in ending balance of retained earnings - unappropriated	15,121,375	15,121,375

- (2) The impacts to the consolidated and company financial statements relating to the adoption of the new accounting policies are as follows:

	Consolidated Baht	Company Baht
Balance sheet as at 31 December 2008		
Increase in employee benefit obligations	4,646,160	4,311,564
Decrease in ending balance of retained earnings - unappropriated	(4,646,160)	(4,311,564)

7 Segment information

The Company's operations are import and sales of coal for domestic industrial usages. Its subsidiaries's main operations are providing transportation and other related services to the Company. These services are considered relevant to the import and sales of coal business. Therefore, segment information has not been presented.

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

8 Cash and cash equivalents

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Cash on hand	474,721	450,125	55,393	425,024
Deposits held at banks	107,690,103	87,881,467	79,663,040	57,311,661
	<u>108,164,824</u>	<u>88,331,592</u>	<u>79,718,433</u>	<u>57,736,685</u>

The effective interest rate on short term bank deposits was 0.50% (31 December 2009: 0.50%)

9 Trade accounts receivable, net

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Trade accounts receivable	570,039,613	351,807,358	564,793,637	348,256,440
<u>Less</u> Allowance for doubtful accounts	(6,177,197)	(10,206,469)	(6,005,326)	(10,034,598)
	<u>563,862,416</u>	<u>341,600,889</u>	<u>558,788,311</u>	<u>338,221,842</u>

Trade accounts receivable as at 30 September 2010 and 31 December 2009 can be analysed as follows:

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Not over due	332,354,538	317,691,254	331,886,550	314,312,208
Overdue				
- Up to 6 months	231,513,630	24,833,493	227,635,000	24,833,493
- 6 - 12 months	1,199,528	6,794,818	479,330	6,794,818
- Over 12 months	4,971,917	2,487,793	4,792,757	2,315,921
	<u>570,039,613</u>	<u>351,807,358</u>	<u>564,793,637</u>	<u>348,256,440</u>
<u>Less</u> Allowance for doubtful accounts	(6,177,197)	(10,206,469)	(6,005,326)	(10,034,598)
	<u>563,862,416</u>	<u>341,600,889</u>	<u>558,788,311</u>	<u>338,221,842</u>

10 Inventories, net

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Restated Baht	30 September 2010 Baht	31 December 2009 Restated Baht
Inventories	1,862,245,160	1,681,703,000	1,872,362,746	1,684,134,064
<u>Less</u> Allowance for slow-moving inventories	(130,508,302)	(130,508,302)	(130,508,302)	(130,508,302)
	<u>1,731,736,858</u>	<u>1,551,194,698</u>	<u>1,741,854,444</u>	<u>1,553,625,762</u>

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

11 Other current assets, net

	Consolidated		Company	
	30 September 2010	31 December 2009 Restated	30 September 2010	31 December 2009 Restated
	Baht	Baht	Baht	Baht
Prepayments	5,271,589	3,676,498	4,502,601	2,210,937
Accrued income	13,757,793	21,188,450	13,757,793	21,188,450
Tax receivables	61,724,890	64,693,086	58,299,767	62,374,560
Other receivables	15,787,571	16,365,381	15,268,265	14,389,688
Other current assets	4,917,031	5,322,438	3,865,849	3,879,922
<u>Less</u> Allowance for doubtful other receivables	(14,522,994)	(15,848,909)	(14,015,789)	(14,015,788)
	<u>86,935,880</u>	<u>95,396,944</u>	<u>81,678,486</u>	<u>90,027,769</u>

12 Investments in subsidiaries

Investments in subsidiaries as at 30 September 2010 and 31 December 2009 comprise investments in the following companies:

Name of subsidiaries	Nature of Business	Country of Incorporation	% Ownership interest	
			30 September 2010	31 December 2009
- UMS Coalbriquette Co., Ltd.	Production and sale of coal briquette	Thailand	100.0	100.0
- UMS Lighter Co., Ltd.	Boat conveyance	Thailand	100.0	100.0
- UMS Transport Co., Ltd.	Road transport	Thailand	100.0	100.0
- UMS Port Services Co., Ltd.	Port service	Thailand	100.0	100.0

The movement of investments in subsidiaries during the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009 is as follows:

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009
	Baht	Baht	Baht	Baht
Opening balance	-	-	111,000,000	111,000,000
Additional investments	-	-	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>111,000,000</u>	<u>111,000,000</u>

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

13 Property, plant, and equipment, net

	Consolidated							
	Land Baht	Land improvements Baht	Building Baht	Vehicles and lighters Baht	Machinery Baht	Office equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2010								
Cost	303,675,136	21,444,632	271,257,659	247,882,774	170,883,795	110,042,589	46,881	1,125,233,466
Less Accumulated depreciation	-	(7,672,814)	(28,419,915)	(40,528,945)	(28,201,398)	(52,060,262)	-	(156,883,334)
Less Provision for impairment	(2,015,212)	-	-	-	-	-	-	(2,015,212)
Net book amount	301,659,924	13,771,818	242,837,744	207,353,829	142,682,397	57,982,327	46,881	966,334,920
For the nine-month period that ended on 30 September 2010								
Opening net book amount	301,659,924	13,771,818	242,837,744	207,353,829	142,682,397	57,982,327	46,881	966,334,920
Additions	-	1,381,220	-	3,545,488	404,972	3,919,807	50,667,972	59,919,459
Disposals	-	-	-	-	-	(680,467)	-	(680,467)
Transfer	-	1,944,290	2,364,498	47,044	-	-	(4,355,832)	-
Depreciation charge	-	(1,407,948)	(10,462,827)	(18,070,347)	(14,267,213)	(13,564,917)	-	(57,773,252)
Closing net book amount	301,659,924	15,689,380	234,739,415	192,876,014	128,820,156	47,656,750	46,359,021	967,800,660
As at 30 September 2010								
Cost	303,675,136	24,770,142	273,622,157	251,475,306	171,288,767	112,847,089	46,359,021	1,184,037,618
Less Accumulated depreciation	-	(9,080,762)	(38,882,742)	(58,599,292)	(42,468,611)	(65,190,339)	-	(214,221,746)
Less Provision for impairment	(2,015,212)	-	-	-	-	-	-	(2,015,212)
Net book amount	301,659,924	15,689,380	234,739,415	192,876,014	128,820,156	47,656,750	46,359,021	967,800,660

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

13 Property, plant, and equipment, net (Cont'd)

	Company							
	Land Baht	Land improvements Baht	Building Baht	Vehicles and lighters Baht	Machinery Baht	Office equipment Baht	Construction in progress Baht	Total Baht
As at 1 January 2010								
Cost	303,675,136	21,444,632	270,915,375	18,447,869	170,883,795	105,618,044	-	890,984,851
<u>Less</u> Accumulated depreciation	-	(7,672,814)	(28,285,828)	(8,753,373)	(28,201,398)	(50,459,304)	-	(123,372,717)
<u>Less</u> Provision for impairment	(2,015,212)	-	-	-	-	-	-	(2,015,212)
Net book amount	301,659,924	13,771,818	242,629,547	9,694,496	142,682,397	55,158,740	-	765,596,922
For the nine-month period that ended on 30 September 2010								
Opening net book amount	301,659,924	13,771,818	242,629,547	9,694,496	142,682,397	55,158,740	-	765,596,922
Additions	-	1,381,220	-	-	404,972	3,316,342	50,667,810	55,770,344
Disposals	-	-	-	-	-	(7,993)	-	(7,993)
Transfer	-	1,944,290	2,364,499	-	-	-	(4,308,789)	-
Depreciation charge	-	(1,407,949)	(10,388,429)	(2,402,403)	(14,267,212)	(12,949,872)	-	(41,415,865)
Closing net book amount	301,659,924	15,689,379	234,605,617	7,292,093	128,820,157	45,517,217	46,359,021	779,943,408
As at 30 September 2010								
Cost	303,675,136	24,770,142	273,279,874	18,447,869	171,288,767	108,875,546	46,359,021	946,696,355
<u>Less</u> Accumulated depreciation	-	(9,080,763)	(38,674,257)	(11,155,776)	(42,468,610)	(63,358,329)	-	(164,737,735)
<u>Less</u> Provision for impairment	(2,015,212)	-	-	-	-	-	-	(2,015,212)
Net book amount	301,659,924	15,689,379	234,605,617	7,292,093	128,820,157	45,517,217	46,359,021	779,943,408

Unique Mining Services Public Company Limited**Notes to the Consolidated and Company Financial Statements****For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009****13 Property, plant, and equipment, net (Cont'd)**

The provision for impairment of Baht 2.02 million for 3 lands of 22 rais 2 ngans 30 square wahs areas which are located in Ratchaburi province and their cost of Baht 4.73 million was made due to impairment indicator. The provision was calculated based on comparing assessed value in 2006 by independent valuer and the carrying value.

Property, plant, and equipment used as collateral for loan facilities can be summarised as follows:

- The Company's partial land and partial construction on the land located at Suansom Sub-District, Baanpaew District, Samutsakorn province have been mortgaged with a bank as collateral for long-term loans as mentioned in Note 16 at a total value of Baht 200 million (31 December 2009: Baht 200 million).
- The Company's partial land and partial construction on the land located at Klong Sa-kae Sub-District, Nakornluang District, Ayudhaya province, have been mortgaged with a bank as collateral for long-term loans as mentioned in Note 16 at a total value of Baht 240 million (31 December 2009: Baht 240 million).
- Twelve barges of a subsidiary, have been mortgaged with a bank as collateral for the bank overdrafts and long-term loans as mentioned in Notes 15 and 16, respectively, at a total value of Baht 125 million (31 December 2009: Baht 125 million).

14 Intangible assets, net

	Consolidated Baht	Company Baht
As at 1 January 2010		
Cost	6,625,163	5,916,632
<u>Less</u> Accumulated amortisation	(3,456,946)	(3,236,213)
Net book amount	<u>3,168,217</u>	<u>2,680,419</u>
For the nine-month period that ended on 30 September 2010		
Opening net book amount	3,168,217	2,680,419
Additions	220,900	112,440
Amortisation	(1,096,827)	(933,675)
Closing net book amount	<u>2,292,290</u>	<u>1,859,184</u>
As at 30 September 2010		
Cost	6,846,063	6,029,072
<u>Less</u> Accumulated amortisation	(4,553,773)	(4,169,888)
Net book amount	<u>2,292,290</u>	<u>1,859,184</u>

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

15 Bank overdrafts and short-term loans from financial institutions

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Bank overdrafts	17,788	2,248,338	-	-
Trust receipts	1,102,982,823	1,279,162,168	1,102,982,823	1,279,162,168
Short-term loans	503,000,000	30,000,000	503,000,000	30,000,000
	<u>1,606,000,611</u>	<u>1,311,410,506</u>	<u>1,605,982,823</u>	<u>1,309,162,168</u>

As at 30 September 2010, bank overdrafts amounting to Baht 53 million (31 December 2009: Baht 33 million) are secured by a subsidiary's barges as mentioned in Note 13. The Group has unused bank overdrafts and trust receipts facilities amounting to Baht 52.98 million and Baht 1,553.53 million, respectively (31 December 2009: Baht 30.75 million and Baht 879.84 million, respectively).

As at 30 September 2010, the Company acquired unsecured short-term loans in form of promissory notes and bill of exchanges from local financial institutions for the purposes of working capital. The loans bear interest at the rate of MLR. The Company has unused promissory notes facilities amounting to Baht 172 million (31 December 2009: Baht 70 million).

16 Long-term loans

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Current portion of long-term loans	293,276,000	85,140,000	274,796,000	66,660,000
Long-term portion of loans	324,944,309	586,243,000	259,098,000	506,663,000
Long-term loans	<u>618,220,309</u>	<u>671,383,000</u>	<u>533,894,000</u>	<u>573,323,000</u>

The movement of long-term loans during the nine-month period that ended on 30 September 2010 and for the year ended on 31 December 2009 is as follows:

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht
Beginning balance	671,383,000	116,302,000	573,323,000-	1,302,000
Additions during the period/year	-	604,543,000	-	604,543,000
Repayments during the period/year	(53,162,691)	(49,462,000)	(39,429,000)	(32,522,000)
Ending balance	<u>618,220,309</u>	<u>671,383,000</u>	<u>533,894,000</u>	<u>573,323,000</u>

Long-term loans are secured by subsidiaries' barges, the Company's partial land and partial construction on the land as mentioned in Note 13.

As at 30 September 2010 and 31 December 2009, the Group and the Company do not have undrawn committed long-term borrowing facilities.

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

17 Finance lease liabilities

The Group has finance lease liabilities arising from vehicles as follows:

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Finance lease liabilities	25,965,770	38,238,402	4,727,433	7,270,102
<u>Less</u> Deferred interest	<u>(1,838,430)</u>	<u>(3,632,394)</u>	<u>(234,811)</u>	<u>(506,816)</u>
	<u>24,127,340</u>	<u>34,606,008</u>	<u>4,492,622</u>	<u>6,763,286</u>
	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Current portion of finance lease liabilities	14,824,785	14,101,195	3,076,020	3,045,045
Long-term portion of finance lease liabilities	9,302,555	20,504,813	1,416,602	3,718,241
	<u>24,127,340</u>	<u>34,606,008</u>	<u>4,492,622</u>	<u>6,763,286</u>

18 Employee benefit obligations

Employee benefit obligations comprise retirement benefits. The present value of obligations was recognised as liabilities in the balance sheet as follows:

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Retirement benefits	7,704,104	6,415,167	6,760,925	5,714,417

The movement of retirement benefits obligations is as follows:

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010 Baht	for the year that ended on 31 December 2009 Baht	For the nine-month period that ended on 30 September 2010 Baht	for the year that ended on 31 December 2009 Baht
Beginning balance	6,415,167	4,707,023	5,714,417	4,311,564
Current service costs	1,161,402	1,496,328	903,201	1,208,833
Interest costs	216,130	211,816	193,245	194,020
Benefits paid during the period/year	(88,595)	-	(88,595)	-
Transfer from a subsidiary	-	-	38,657	-
Ending balance	<u>7,704,104</u>	<u>6,415,167</u>	<u>6,760,925</u>	<u>5,714,417</u>

During 2010, a subsidiary has transferred all employees to the Company. All retirement benefits obligations were transferred to the Company. The subsidiary will repay to the Company later.

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

18 Employee benefit obligations (Cont'd)

The amounts recognised in the statements of income are as follows:

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht
Current service costs	1,161,402	1,496,328	903,201	1,208,833
Interest costs	216,130	211,816	193,245	194,020
Benefits paid during the period/year	72,405	-	72,405	-
Total (included in staff costs)	1,449,937	1,708,144	1,168,851	1,402,853

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010 Percentage	For the year that ended on 31 December 2009 Percentage	For the nine-month period that ended on 30 September 2010 Percentage	For the year that ended on 31 December 2009 Percentage
Discount rate	4.5	4.5	4.5	4.5
Future salary increases	6	6	6	6
Mortality rate	0.01	0.01	0.01	0.01
Resignation rate	0 - 50	0 - 50	0 - 25	0 - 25

19 Commitments

19.1 Operating lease commitments - where a group company is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Not later than 1 year	11,278,090	13,930,000	11,278,090	13,930,000
Later than 1 year but not later than 5 years	10,630,822	320,000	10,630,822	320,000
	21,908,912	14,250,000	21,908,912	14,250,000

Unique Mining Services Public Company Limited**Notes to the Consolidated and Company Financial Statements****For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009****19 Commitments and contingent liabilities (Cont'd)****19.2 Sale and purchase contracts for steam coal**

As at 30 September 2010, the Company had outstanding commitment relating to sale and purchase contracts for steam coal with foreign coal suppliers for 290,000 metric tons plus or minus 10% (31 December 2009: 968,000 metric tons plus or minus 10%). The coal price shall be adjusted which is subjected to the quality of coal, as specified by a formula in the agreements.

19.3 Ship charter contracts

As at 30 September 2010, the Company had outstanding commitment relating to ship charter contracts with the ship size between 50,000 - 53,000 metric tons plus or minus 10% with charterers at freight rate as specified in the contracts for 7 shipments (31 December 2009: 11 shipments).

19.4 Contingent liabilities

The Company and the Group have given the following guarantees in the normal course of business:

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Letters of guarantee issued by bank on behalf of the Group	2,264,000	3,194,000	2,264,000	3,194,000

20 Share capital and premium on share capital

	Consolidated and Company			
	Number of issued and paid-up ordinary share Share	Issued and paid-up ordinary share Baht	Premium on ordinary shares Baht	Total Baht
As at 1 January 2009	150,837,851	75,418,926	220,607,476	296,026,402
Issue of shares	1,127,134	563,567	8,953,953	9,517,520
As at 31 December 2009	151,964,985	75,982,493	229,561,429	305,543,922
Issue of shares	113,343	56,671	900,406	957,077
As at 30 September 2010	152,078,328	76,039,164	230,461,835	306,500,999

The total authorised number of ordinary shares is 210,454,783 shares (31 December 2009: 210,000,000 shares) with a par value of Baht 0.5 per share (2009: Baht 0.5 per share). Partial ordinary shares issued and fully paid. The authorised ordinary shares which have not been paid are reserved for warrants exercise. The number of issued and paid-up ordinary share increased as a result of warrants exercised during the period. Capital increase from this exercise was registered during the period.

On 9 April 2010, the shareholders at the Annual General Meeting passed a resolution to approve increase of authorised share capital from 210,000,000 ordinary shares with a par value of Baht 0.5 per share to 210,454,783 ordinary shares with a par value of Baht 0.5 per share. The Company registered the increased share capital with the Ministry of Commerce on 22 April 2010.

Unique Mining Services Public Company Limited**Notes to the Consolidated and Company Financial Statements****For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009****21 Warrants**

The Company issued 70 million warrants whose conditions are as follows:

Selling proportion	:	2 previous ordinary shares for 1 warrant
Exercise price	:	Baht 8.50 per share
Exercise rate	:	1 warrant per 1.007 ordinary shares
Issued date	:	6 November 2007
Exercise date	:	28 December 2007
Expire date	:	5 November 2010

The movement of warrants during the nine-month period that ended on 30 September 2010 and for the year ended on 31 December 2009 is as follows:

	Consolidated and Company			
	For the nine-month period that ended on 30 September 2010		For the year that ended on 31 December 2009	
	No. of warrants	Share	No. of warrants	Share
Beginning balance	57,631,594	58,035,015	58,750,893	59,162,149
<u>Less</u> Exercised during the period/year	(112,559)	(113,343)	(1,119,299)	(1,127,134)
Ending balances	<u>57,519,035</u>	<u>57,921,672</u>	<u>57,631,594</u>	<u>58,035,015</u>

The amount of subscription received of Baht 697,255, which has not yet been registered during the period was presented as current liabilities in the financial statements (31 December 2009: Baht 72,269).

22 Legal reserves

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009
	Baht	Baht	Baht	Baht
Beginning balance	10,500,000	7,251,405	10,500,000	7,251,405
Appropriation during the period/year	596,402	3,248,595	-	3,248,595
Ending balance	<u>11,096,402</u>	<u>10,500,000</u>	<u>10,500,000</u>	<u>10,500,000</u>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

Unique Mining Services Public Company Limited

Notes to the Consolidated and Company Financial Statements

For the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009

23 Dividends paid

For the year that ended on 31 December 2009, at the Annual General Meeting of Shareholders for the year 2009 held on 20 April 2009, shareholders approved the annual dividend payment from the net income of the Company for the year that ended on 31 December 2008 at Baht 0.25 per share for 151,894,093 shares, totaling Baht 37,973,523. The dividend payment was made on 20 May 2009. In addition, shareholders approved allocation to be legal reserve Baht 3,248,595 (Note 22).

24 Expense by nature

	Notes	Consolidated		Company	
		For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht
Changes in inventories - coal		1,691,558,602	2,063,355,164	1,692,985,531	2,112,584,568
Transportation expenses		103,526,717	95,328,737	105,441,866	98,967,438
Allowance for slow-moving inventories		-	38,235,902	-	38,235,902
Staff costs		67,222,181	80,013,241	60,428,413	70,813,610
Depreciation on property, plant and equipment	13	57,773,252	71,361,112	41,415,865	50,318,764
Amortisation of intangible assets	14	1,096,827	1,846,364	933,675	1,711,339
Repairs and maintenance expenditure on property, plant and equipment		8,043,906	6,495,999	7,910,586	6,140,616

25 Other operating income

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht
Gains on exchange rate	5,929,068	9,441,835	5,989,060	9,441,835
Interest income	205,572	675,980	823,839	926,190
Dividend income	-	-	11,160,000	-
Other operating income	8,532,410	15,212,175	9,021,728	13,373,157
	14,667,050	25,329,990	26,994,627	23,741,182

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26 Earnings per share

Basic earnings per share attributable to the shareholders of the parent are calculated by dividing the net profits attributable to the shareholders of the parent by the weighted average number of issued ordinary shares during the period/year.

Diluted earnings per share is computed by dividing net profits for the period/year by the aggregate amount of the weighted average number of ordinary shares issued during the period/year and the weighted average number of ordinary shares which the Company may have to issue for conversion of warrants to ordinary shares.

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009	For the nine-month period that ended on 30 September 2010	For the year that ended on 31 December 2009
Net profits for the period/year attributable to the shareholders of the parent (Baht)	71,211,544	88,308,237	87,504,259	88,364,896
Weighted average number of ordinary shares (Shares)	152,011,775	151,925,896	152,011,775	151,925,896
Weighted average number of ordinary shares under warrants (Shares)				
- UMS-W1	57,988,225	58,074,104	57,988,225	58,074,104
Number of ordinary shares that would have been issued at fair value* (Shares)				
- UMS-W1	(29,789,133)	(33,398,504)	(29,789,133)	(33,398,504)
Weighted average number of ordinary shares plus effect of assumed conversion (Shares)	180,210,867	176,601,496	180,210,867	176,601,496
Basic earnings per share (Baht)	0.47	0.58	0.58	0.58
Diluted earnings per share (Baht)	0.40	0.50	0.49	0.50

* Fair value of a common stock that is carried to calculate for dilutive rate on number of common stock from exercised warrants and is captured from average of daily closed price of common stock through the nine-month periods that ended on 30 September 2010 and for the year that ended on 31 December 2009. The said averaged fair values are Baht 16.44 per share and Baht 14.78 per share, respectively.

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27 Cash flows from operating activities

Reconciliation of net profits for the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009 to cash flows from operating activities is as follows:

	Notes	Consolidated		Company	
		For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Restated Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Restated Baht
Net profits before taxes		89,641,459	115,991,888	105,929,495	115,983,693
Adjustments for:					
Reversal of allowance for doubtful accounts		(4,029,272)	(11,763,314)	(4,029,272)	(9,785,258)
Allowance for slow-moving inventories		-	38,235,902	-	38,235,902
Depreciation charges	13, 24	57,773,252	71,361,112	41,415,865	50,318,764
Dividend income		-	-	(11,160,000)	-
Amortisation of intangible assets	14, 24	1,096,827	1,846,364	933,675	1,711,339
Write-off of property, plant, and equipment		673,295	-	821	-
Gains from disposal of property, plant, equipment		(103)	(20,889)	(103)	(20,889)
Unrealised (gains) losses on exchange rates - net		366,558	(508,085)	366,558	(508,085)
Interest income	25	(205,572)	(675,980)	(823,839)	(926,190)
Interest expenses		52,914,033	61,885,772	48,053,686	53,949,390
Changes in operating assets and liabilities					
- Trade accounts receivable		(218,232,255)	47,220,162	(216,537,197)	46,684,790
- Amounts due from related parties		-	-	(710,158)	-
- Inventories		(180,542,160)	(620,540,351)	(188,228,682)	(621,051,013)
- Other current assets		7,143,139	(30,675,895)	7,031,358	(19,109,501)
- Other assets		(314,801)	1,160,184	(314,801)	1,196,183
- Trade accounts payable - others		72,557,479	41,954,019	63,703,257	50,696,633
- Amounts due to related parties		2,533,057	-	6,673,956	-
- Accrued expenses		14,380,971	(14,945,633)	14,896,499	(17,424,253)
- Other current liabilities		(3,743,961)	(8,729,240)	(3,206,639)	(13,323,751)
- Employee benefit obligations		1,288,937	1,769,007	1,046,508	1,402,854
Cash generated from operations		(106,699,117)	(306,434,977)	(134,959,013)	(321,969,392)
- Interest received		205,572	675,980	857,689	823,474
- Interest paid		(54,026,626)	(64,764,980)	(49,140,748)	(56,676,759)
- Income tax paid		(16,172,956)	(81,281,093)	(16,124,121)	(81,265,073)
Net cash payments from operating activities		(176,693,127)	(451,805,070)	(199,366,193)	(459,087,750)

28 Related party transactions

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.

The following transactions were carried out with related parties:

28.1 Revenue

Revenues from subsidiaries for the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009 are as follows:

	Company	
	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht
Rental income	945,000	1,425,000
Other service income	438,024	-
Interest income	717,428	449,289
Dividend income	11,160,000	-

28.2 Expense

Expenses to subsidiaries for the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009 are as follows:

	Company	
	For the nine-month period that ended on 30 September 2010 Baht	for the year that ended on 31 December 2009 Baht
Service cost	9,037,985	8,297,294
Transportation cost	92,363,840	121,065,550
Other service cost	399,323	99,761

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28 Related party transactions (Cont'd)

28.2 Expense (Cont'd)

Expenses to related parties for the nine-month period that ended on 30 September 2010 and for the year that ended on 31 December 2009 are as follows:

	Consolidated		Company	
	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 31 December 2009 Baht
Insurance cost	-	373,289	-	373,289
Management fee	2,257,727	-	2,116,359	-

The Group's policy for related party transactions is as follows:

- Assets rental is transacted at mature agreed contract normally charged to a third party.
- Services is transacted at mature agreed rate normally charged by a third party.
- Interest charged on loan agreements are rate refer in Note 28.5

28.3 Amount due from related parties

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Restated Baht	30 September 2010 Baht	31 December 2009 Restated Baht
Subsidiaries	-	-	1,007,488	331,180

28.4 Amount due to related parties

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Restated Baht	30 September 2010 Baht	31 December 2009 Restated Baht
Subsidiaries	-	-	17,253,449	12,971,182
Related parties	2,533,057	-	2,391,689	-
	2,533,057	-	19,645,138	12,971,182

28.5 Short-term loans to related parties

	Consolidated		Company	
	30 September 2010 Baht	31 December 2009 Baht	30 September 2010 Baht	31 December 2009 Baht
Subsidiaries	-	-	32,983,860	18,215,621

Short-term loans to related parties can be called at any time and are unsecured. The loans bear interest at 2.65% per annum (31 December 2009: 5.85% per annum).

28 Related party transactions (Cont'd)

28.6 Management remunerations

For the nine-month period that ended on 30 September 2010, the total remuneration of the directors approximated Baht 8.00 million (For the year that ended on 31 December 2009: Baht 20.70 million).

29 Promotional privileges

The 2 subsidiaries were granted promotion certificate from the Board of Investment Promotion Act B.E. 2520 for 2 projects as follows:

Project 1 Promotion certificate No. 1499(2)/2551, dated 13 May 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.

As at 30 September 2010, the subsidiary has not got the promotion privileges because it has not complied with promotion conditions according to promotion certificate.

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

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

As at 30 September 2010, the subsidiary has complied with promotion conditions according to promotion certificate and has been exempted of corporate income tax since 28 January 2009 and terminating on the 27 January 2017.

30 Change in accounting period

At the Company's Shareholders' Annual General Meeting held on 9 April 2010, the shareholders approved the revision of the Company's accounting period from starting on 1 January and ending on 31 December of each year to starting on 1 October and ending on 30 September of each year to be in accordance with Thoresen Thai Agencies Public Company Limited, the ultimate parent company. As at 30 September 2010, the change has been approved by the Revenue Department and the Ministry of Commerce.