

Annual Report 2011

Unique Mining Services Public Co.,Ltd



“เพื่อต้นทุนการผลิตที่ต่ำกว่า เรียกว่า UMS”



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		2010 (Jan'10-Sep'10)	2010 (Oct'09-Sep'10)	2011 (Oct'10-Sep'11)
<u>Performance</u>				
Sales Revenue	(Baht Million)	2,080.58	2,719.09	3,242.42
Total Revenue	(Baht Million)	2,115.59	2,761.69	3,315.35
Gross Profit	(Baht Million)	368.43	466.85	561.44
Net Profit	(Baht Million)	71.21	(49.28)	60.52
Earnings Per Share*	Baht	0.47	(0.32)	0.39
<u>Financial Ratios</u>				
Gross Margin	(Percentage)	17.54	17.00	17.14
Net Profit Margin	(Percentage)	3.37	(1.78)	1.83
Return on Average Equities	(Percentage)	7.65	(5.29)	6.03
Return on Average Assets	(Percentage)	2.19	(1.51)	1.72
			September 30	September 30
Total Assets	(Baht Million)		3,463.33	3,569.68
Total Liabilities	(Baht Million)		2,495.78	2,529.99
Total Equities	(Baht Million)		967.55	1,039.69
Book Value Per Share*	Baht		6.36	6.78

*par value of Baht 0.50 per share

Message From The Chairman



Unique Mining Services Public Company Limited ("UMS") experienced one of the most difficult years in its 17-year existence. Even with these difficulties, performance on a number of key measures improved in 2011, which is a strong testament to the new management team's hard work and fighting spirit.

In 2011, Thailand experienced one of the worst floods in its history. The flood crisis had a significant negative effect on UMS and more than 150 of its employees. Its Ayudhya plant closed down in October 2011 due to the difficulties to transport coal into and out of the facility. UMS provided flood relief assistance to its Ayudhya-based employees in the form of relief packages and cash subsidies. UMS

will provide home repair assistance to affected employees over the next few months.

Management executed a sound flood protection plan that allowed the Ayudhya plant to be the only production facility to remain dry in the area. The Ayudhya plant plans to ramp up production to 3,500 tonnes per day and 5,500 tonnes per day in December 2011 and January 2012, respectively, allowing classified coal sales to resume ahead of its competitors.

The Ayudhya plant closure followed the Samut Sakorn plant closure in July 2011, as environmental protests forced all coal operators in the province to cease production. UMS and other coal operators initiated strong efforts to convince the provincial government and surrounding communities about the safety practices of the business. We are happy to confirm that the Samut Sakorn plant has been allowed to transport its coal stockpile out. After the 440,000-tonne stockpile has been sold and removed, UMS can recommence full operations at its Samut Sakorn plant, which is expected no later than the middle of 2012.

Apart from the plant closures, UMS went through a management transition in 2011. The previous Managing Director and co-founder, Mr. Chaiwat Cruecha-em, retired in August 2011. Before Mr. Chaiwat's retirement, UMS appointed new senior managers in all key business areas, including commercial, production, finance and accounting, and human resources. Mr. Vichai Chuensuksawadi was appointed as acting Managing Director and works closely with the new senior management team to improve performance.

Despite the difficulties and management changes, UMS reported revenues of Baht 3,275.58 million in 2011, a 19.25% increase over 2010. The main reason for the revenue increase was higher sales volume of 1.4 million tonnes, a 21.13% increase from 2010. Approximately 47% of coal sales volume was attributed to large-sized clients, especially in the cement industry. The remaining 53% of coal sales volume was attributed to UMS' traditional medium and small-sized clients.

Management uses various metrics to measure actual operating performance. On one of the most important metrics, UMS generated Baht 268.21 million of normalised earnings before taxes, interest, depreciation, and amortisation ("EBITDA"), a 18.16% increase from 2010. The main reasons for the EBITDA increase include higher sales volume with higher average pricing to clients and better cost controls in the production area.

On another important metric, UMS generated Baht 189.68 million of normalised earnings before interest and taxes ("EBIT"), a 27.50% increase from 2010. UMS generated Baht 60.52 million of net profit in 2011, which was a 222.82% increase from Baht 49.28 million of net loss in 2010.

UMS' operating profitability continues to improve as a result of significant efforts in the past two years to enhance and reorganise its business. Through work process improvements and employee resignations and redundancies, headcount has been reduced from 432 to 376 today. Additionally, information technology requirements have been pooled with Thoresen Thai Agencies Public Company Limited, the major shareholder, and combined negotiations with suppliers resulted in better value to UMS.

A number of reorganisations were executed at the subsidiaries. The registered capital of UMS Lighter Company Limited, which owns and operates a fleet of 12 barges, increased from Baht 70 million to Baht 110 million to repay debt and reduce interest expenses. The trucking fleet of UMS Transport Company Limited ("UMS-T") was reduced to 10, and asset ownership was transferred to UMS. This move will allow UMS-T to close down and save administrative costs.

Shareholders might be concerned with higher inventory value of Baht 1,854.15 million as of 30 September 2011. On closer analysis, the lower value 0-5 mm inventory was reduced from 824,494 tonnes as of 30 September 2010 to 585,463 tonnes as of 30 September 2011. UMS had 113,513 tonnes of higher value coal inventory as of 30 September 2011. UMS was delayed in selling this coal due to the Ayudhya and Samut Sakorn plant closures.

Two key strategic objectives in 2012 are to reduce outstanding inventories and increase the consistency of the coal granular process. Once achieved, UMS will be positioned for greater profitability.

In terms of financial policy, UMS refinanced Baht 500 million of its short-term loans into a three-year loan in February 2011. The repayment risk has been reduced and the current ratio improved from 1.16 x to 1.34 x. The debt to equity ratio fell from 2.58 x in 2010 to 2.43 x in 2011, and we expect leverage to fall further in 2012.

Despite the negative publicity about coal in Thailand, UMS has run its business with corporate social responsibility in mind. The Samut Sakorn plant design is a closed system from port to warehouse to limit environmental impacts to the nearby communities. Even though our high standards have been recognised by the Samut Sakorn province, we will make further improvements to the jetty to ensure best-in-class safety standards. These enhancements will be completed by the middle of 2012.

The flood crisis will affect the performance in the first quarter of 2012. Sales volume will be low, as many clients have either slowed or closed production. Coal demand is expected to rise over 2012, as many industries will ramp up production to cope with flood recovery projects. The coal distribution business in 2012 is anticipated to be strong, especially to the cement industry.

High-grade thermal coal prices were in the range of USD 114-132 per tonne in 2011, compared to USD 88-120 per tonne in 2010. Demand for coal remains strong across the world, so prices are expected to remain high for the next three to five years, particularly from new coal-fired power plants. Demand from Japan should also rise, as nuclear power will be deemphasised in the future.

On behalf of UMS, I would like to thank our clients, other stakeholders, the management team, and all employees for their efforts in a difficult year. UMS emerged stronger and leaner from these difficulties, and the results of these turnaround efforts will begin to show in the near future.



Yours sincerely,

M.L. Chandchutha Chandratat

Message from the Managing Director

Dear shareholders, customers, employees, partners and friends,



The Thai economy showed signs of recovery in 2011. Industrial manufacturers, who represent the majority of our customer base, had consistently increased their production, which resulted in a positive effect on the company's revenue, which increased more than 20 percent. Over the past two years, UMS had worked in conjunction with its major shareholder – TTA in making continuous enhancements to the company including strategy development, process improvements, organizational refinements and employee development. Clearly the objective is to position UMS for greater opportunities and therefore a benefit to shareholders in the long term.

The Company's income during the fiscal year from October 2010 to September 2011 was Baht 3,275.58 million an increase of 21.13 percent from 2010. Profits were recorded at Baht 60.52 million, also a significant improvement over 2010. This was due to the well-balanced sales to both SME industries as well as the large corporate segment (cement manufacturers).

Despite the aforementioned, it can be said that 2011 was indeed one of the most challenging years for UMS, where a number of significant unfavorable events occurred, all of which impacted the company's production capability, sales and profits. The Suan Som facility closed in July, due to community protests and provincial government orders, the retirement of the long time Managing Director; Khun Chaiwat and the cessation of production in the Ayutthaya plant due to the floods in October. However, the company managed to navigate through these challenges. The ability of the Nakhon Luang plant to increase its production capacity to over 5,000 tons per day, in order to compensate for the closure of Suan Som and the well planned flood prevention strategy that ensured that both the Ayutthaya and Suan Som plants remained dry, with no injuries to staff and no damage to machinery and equipment. Clearly this is testament to the determination, commitment and fortitude of the management team and they are to be praised for these efforts.

While the Suan Som plant remains non-operational at this time, provincial authorities have granted approval for the removal and sales of the existing stockpiles, which at this time is recorded at 440,000 tons. In conjunction with port facilities enhancements for greater environmental protection, it is expected that the Suan Som facility may commence operations again in mid 2012.

Although the company's inventory value at the end of September 2011 remains high, this is not due to the 0-5mm stockpile but due to a new strategy in seeking new channels and markets. As a result there is a quantity of high heat coal in stock. It is to be noted that this volume has been sold to a major customer in December 2011. The company was able to manage the 0-5mm inventories well in 2011, with over 700,000 tons sold, with 200,000 tons being old inventory. The company expects to continue to significantly reduce the inventory in 2012. It is expected that coal demand for the cement industry will increase after the floods, with many infrastructure projects and housing restoration projects being key drivers. In addition, the granular project which was developed with the intent to reduce 0-5mm inventory, continues and is expected to achieved over 20,000 tons per month in production within April 2012.

On behalf of Unique Mining Services Public Company Limited, I wish to express our thanks to our customers and partners for their continuous support. I would also like to thank the management teams and employees for their dedication and efforts in face of adversity that culminated in the results achieved. Finally, I thank all shareholders for remaining confident in UMS.



Mr. Vichai Chuensuksawadi
Acting Managing Director



Board of Directors



M.L. Chandchutha Chandratat

Age : 45 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.
 - Executive Chairman of Mermaid Maritime Plc. (listed in the Singapore Exchange Securities Trading Ltd.)
 - Non - listed companies
 - Director
 - Athene Holdings Ltd.
 - Soleado Holdings Pte. Ltd.
 - Baconco Co., Ltd.
 - Baria Serece
 - Thoresen Shipping Singapore Pte. Ltd.
 - Thoresen (Indochina) S.A.
 - UMS Lighter Co., Ltd.
 - UMS Transport Co., Ltd.
 - UMS Coalbriquette Co., Ltd.
 - UMS Port Services Co., Ltd.
 - Ship owning subsidiaries of Thoresen Group
- Positions in companies which business may be competed with the Company - none -
- Number of shares held in the Company (as of November 22, 2011) - none -
- Meeting attendance for year 2011
 - 7 of 7 Board Meetings -



Mrs. Thitima Rungkwansiroj

Age : 50 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, Corporate 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 22, 2011) - none -
- Meeting attendance for year 2011
 - 7 of 7 Board Meetings



Mr. Vichai Chuensuksawadi

Age : 54 Years

Director / Acting Managing Director

- Education
 - Bachelor of Arts, Double Major in Psychology from University of Queensland, Australia
- Directorship training program
 - none
- Period on Board (since listed company)
 - From January 2011 to Present
- Working Experience
 - Vice President, Asia Pacific Strategy and Retail - UPS Singapore Pte. Ltd. (Asia Pacific Region - based in Singapore)
 - Vice President, International Retail Services - UPS Parcel Service of America, Inc. (Corporate, Atlanta, GA United States - based in Singapore)
 - Vice President, South District Operations - UPS Singapore Pte. Ltd. (Asia Pacific Region - based in Singapore)
- Positions in other companies
 - Listed companies
 - Executive Vice President, Infrastructure Line of Business of Thoresen Thai Agencies Plc.
 - Non - listed companies
 - none
- Positions in companies which business may be competed with the Company - none -
- Number of shares held in the Company (as of November 22, 2011) - none -
- Meeting attendance for year 2011
 - 6 of 7 Board Meetings



Mrs. Penroong Suwannakudt

Age : 48 Years

Director / Remuneration Committee

- 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, Corporate 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 22, 2011)
 - none -
- Meeting attendance for year 2011
 - 7 of 7 Board Meetings



Mr. Ekavaj Amornvivat

Age : 50 Years

**Independent Director /
Chairman of Audit Committee**

- 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 22, 2011)
 - none -
- Meeting attendance for year 2011
 - 7 of 7 Board Meetings



Mr. Natthaphon Lilawatthananun

Age : 53 Years

Independent Director / Audit Committee

- 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.
 - ◎ Director and The Audit Committee
Q.T.C. Transformer Pcl.
 - Non - listed companies
 - ◎ Managing Director
Excellent Business Management Co., Ltd
Excellent Education and Training Co., Ltd
- Positions in companies which business may be competed with the Company - none -
- Number of shares held in the Company (as of November 22, 2011) - none -
- Meeting attendance for year 2011
 - 7 of 7 Board Meetings



Mr. Suchart Thammapiatagkul

Age : 62 Years

**Independent Director / Audit Committee
Remuneration Committee**

- 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 22, 2011) - none -
- Meeting attendance for year 2011 - 7 of 7 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	<p>1. Chaimongkol Warehouse 20, Moo 2, Chaimongkol (Baan Bo), Muang, Samutsakhon 74000</p> <p>2. Suansom Warehouse Moo 5, Suansom, Ban Paew, Samutsakhon 74120</p> <p>3. Nakornlaung Warehouse 108, Moo 2, Klongsakae, Nakornlaung, Ayudhaya 13260</p>
Company Registration No.	0107574700099
Registered Capital	Baht 76,727,032
Paid-up Capital	Baht 76,727,032, Common Stock 153,454,064 units *par value of Baht 0.50 per share
Telephone No.	(+662) 664-1701-8
Fax No.	(+662) 664-1700, (+662) 259-2467
Homepage	www.umspcl.com

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

Auditor	
Auditor's Name	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 as well.

Business Goals

The company aims to be the leader in the domestic coal distributor for medium and small sized manufacturers. Our company selects good coal specifications coupled with reduced environmental impacts while matching each customer's requirement. Our company targets revenue growth 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. In addition, we have a policy to diversify risk of revenue structure by supplying several industries in the small and medium sized industrial customers without depending on large sized industrial customers alone. We believe that this will mitigate risk from any industry which may have negative impact from the business cycle.

Production and Service

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

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

* Percentage by weight

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

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

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

Summary of three fuels comparison

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

* Depending on quality of coal or fuel oil, Source: UMS

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

Privileges

Certificate No.	1532(2)/2549	1499(2)/2551	1047(2)/2552
Type of Business	Transport commodities for lighter and vessel, Type 7.1	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
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 : 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 : 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, while Asia Green Energy Company Limited and Energy Earth Public Company Limited are main competitors in medium and small sized industries. 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	2010	2010 (Jan.-Sep.)	2011 (Jan.-Sep.)	
Lignite Consumption	17.86	18.02	13.37	14.57	8.98
Electricity Generation (EGAT)	15.82	16.00	11.93	13.14	10.14
Industry	2.04	2.02	1.44	1.43	-0.69
Coal Consumption	16.39	16.90	12.94	12.61	-2.55
Electricity Generation (SPP and IPP)	5.72	5.87	4.51	4.91	8.87
Industry	10.67	11.03	8.43	7.70	-8.66
Total Demand	34.25	34.29	26.31	27.81	3.31

Source: Energy Policy and Planning Office, Ministry of Energy

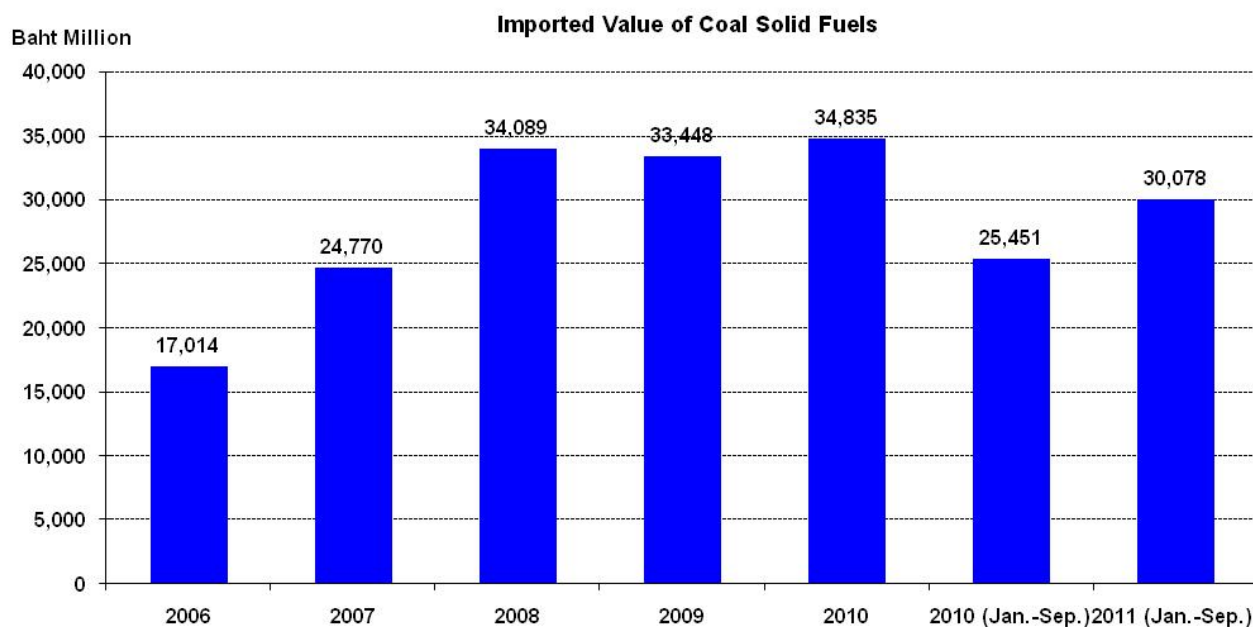
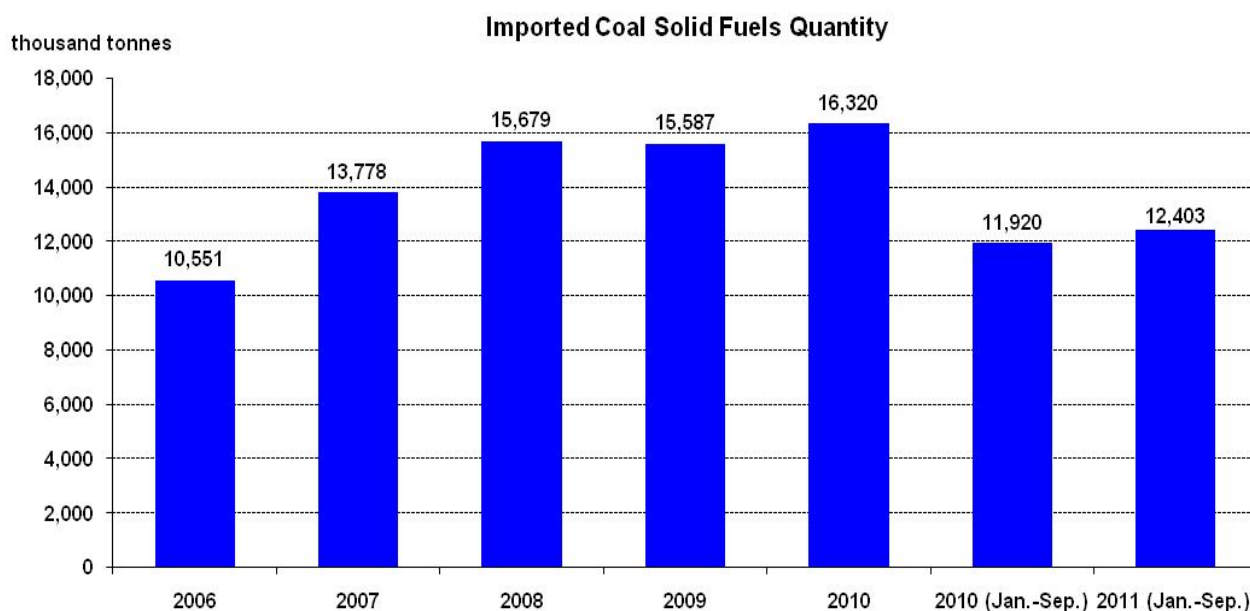
Industry Outlook

Coal and Lignite Consumption

In 2011 (Jan.-Sep.), coal and lignite consumption was approximately 27.81 million tonnes, an increase of 3.31 percent from approximately 26.31 million tonnes in same period last year. Lignite consumption of 14.57 million tonnes in 2011 was used by Electricity Generating Authority of Thailand (EGAT) for 13.14 million tonnes. The remaining 1.43 million tonnes was consumed by industrial sectors including cement, paper and food industry. Lignite consumption in the industrial sector was stable because of a decrease in domestic supply from Lanna Resources Public Company Limited which halted its operation. Coal consumption in 2011 was recorded at 12.61 million tonnes, a decrease of 2.55 percent divided into the industrial sector consumption of 7.70 million tonnes and the remaining 4.91 million tonnes was consumed by electricity generation sector (SPP and IPP).

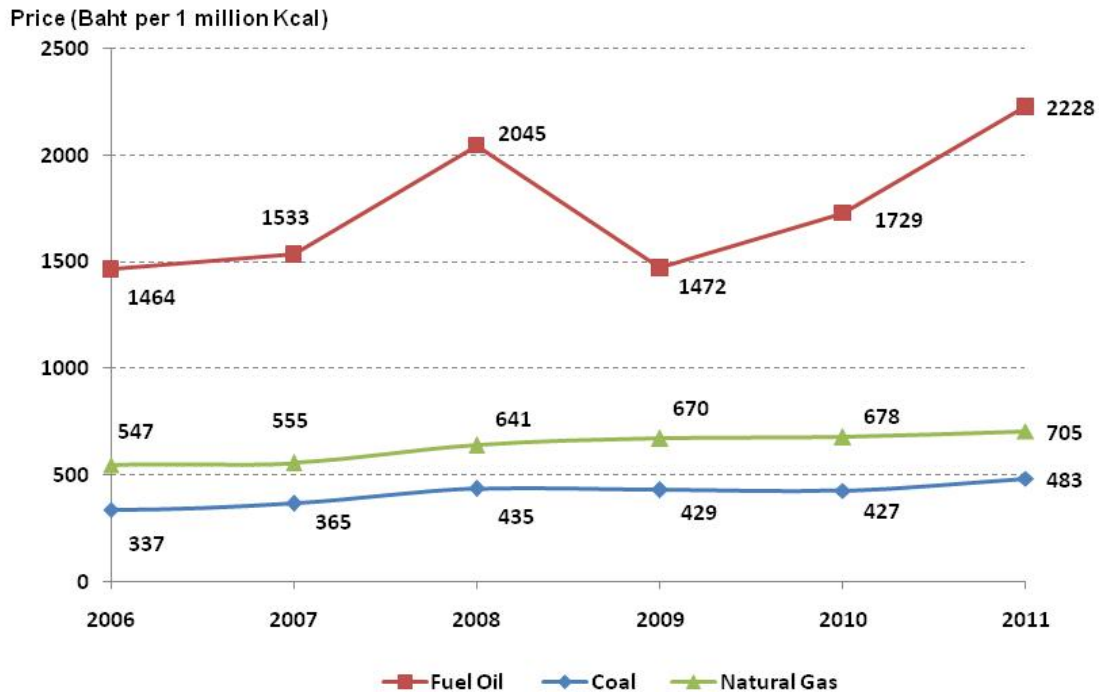
The major advantage of coal compared with fuel oil is that it can reduce production costs considerably, thus our company presents it as a customer base expansion strategy. Many customers tend to change from fuel oil to coal in order to reduce their production costs and enhance their competitiveness in the long-term. In 2009 and 2010, fuel oil consumption was 2,731 and 2,615 million litres respectively. In 2011(Jan.-Aug.), fuel oil consumption was 1,690 million liters. Fuel oil consumption tends to decrease due mainly to its higher price compared to natural gas and coal. The average fuel oil price in 2011(Jan.-Aug.) was Baht 21.16 per litre. (Source: www.eppo.go.th), consequently, the market value in 2011 is estimated at Baht 53,640 million. This translates to a coal market value of approximately Baht 18,774 million (assuming that the coal price is lower than fuel oil by 65%). In 2011(Oct.10-Sep.11), coal sales revenue of our company was approximately Baht 3,200 million. Therefore, company still has plenty of room in the market for persuading 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 had an upward trend from 2006 to 2010. The imported volume was 10,551, 13,778 15,679 15,587 and 16,320 thousand tonnes respectively. Meanwhile, the imported value was Baht 17,014 24,770 34,089 33,448 and 34,835 million respectively. The imported volume of coal solid fuels in 2011(Jan.-Sep.) was 12,403 thousand tonnes with value of Baht 30,078 million, increased from the same period of 2010 that the import volume was 11,920 thousand tonnes with value of Baht 25,451 million.



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.



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 which was an example of a research and development project is developed to use with stoker coal fired boiler with higher efficiency and increase calorific value as well.

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

Company's 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:





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 sulphur dioxide. While Lignite normally generates more polluted gas, the other types of coals with superior quality are more environmentally friendly.

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

Major Shareholders



Top ten major shareholders as of November 22, 2011 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.	Thai NVDR Company Limited	525,568	0.34
4.	Mr. Paisarn Tiyananich	500,000	0.33
5.	Mr. Wirat Banyongkhanan	462,560	0.30
6.	Mr. Nitat sumitt	270,700	0.18
7.	Mr. Sangchai Wasunthara	200,000	0.13
8.	Ms. Rattana Maleenon	200,000	0.13
9.	Mr. Pinich Tatsanapirom	186,500	0.12
10.	Miss Nichanan Juertiraluk	162,243	0.11
11.	Other shareholders	10,863,452	7.08
Total		153,454,064	100.00

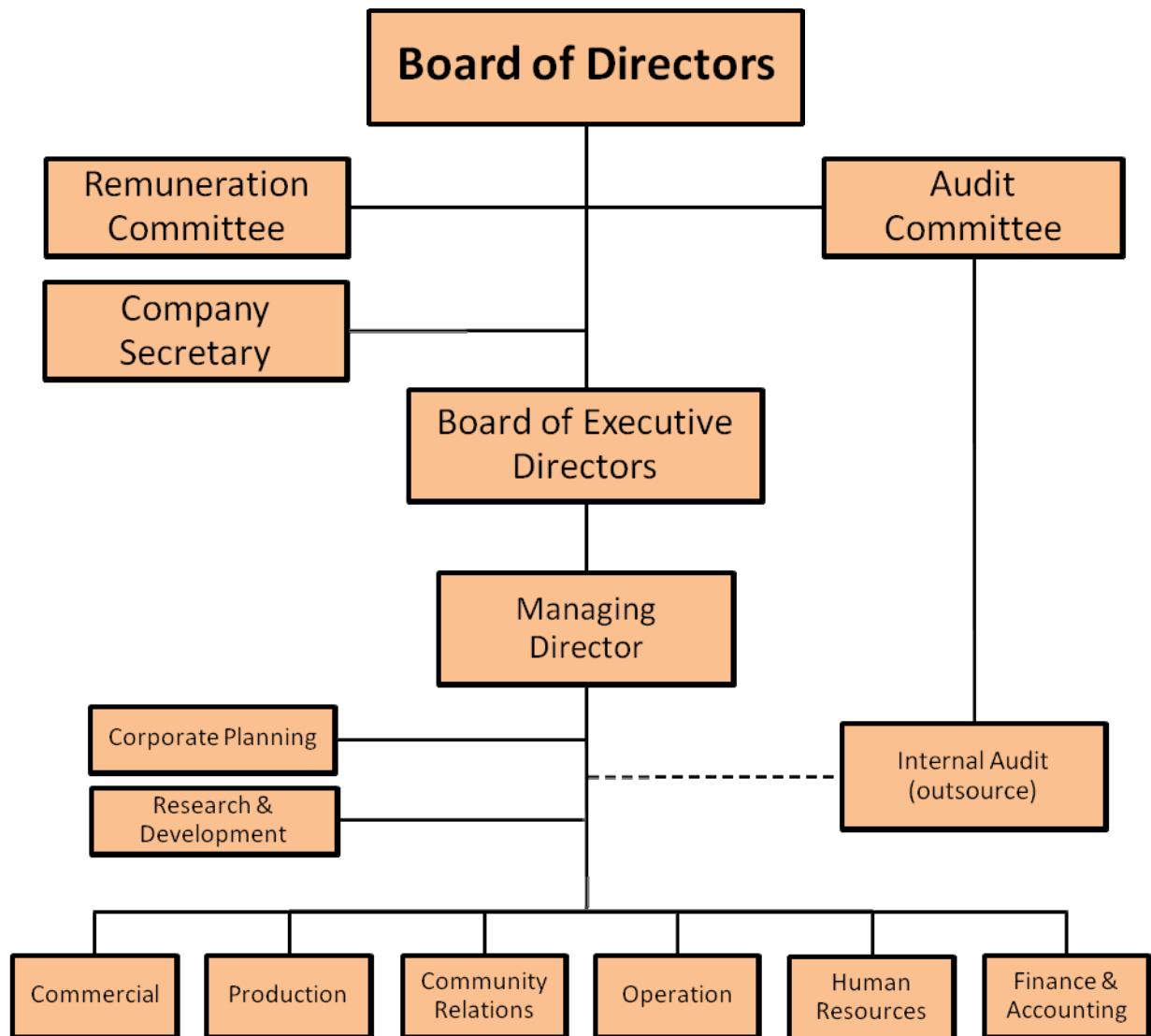
Dividend Payment Policy

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 and subsidiaries' need to expand business.



Organizational Chart

As of September 30, 2011



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 7 directors as follows:

Name			Position
1.	M.L. Chandchutha	Chandratat	Chairman
2.	Mr. Vichai	Chuensuksawadi	Director
3.	Mrs. Thitima	Rungkwansiroj	Director
4.	Mrs. Penroong	Suwannakudt	Director
5.	Mr. Ekavaj	Amornvivat	Independent Director
6.	Mr. Natthaphon	Lilawatthananon	Independent Director
7.	Mr. Suchart	Thammapitagkul	Independent Director

Remark : Mr. Chaiwat Cruecha-Em was retired from the position of Director since August 31, 2011

Authorized directors to sign on behalf of the company are M.L. Chandchutha Chandratat or Mrs. Thitima Rungkwansiroj or Mrs. Penroong Suwannakudt or Mr. Vichai Chuensuksawadi. 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
Mr. Vichai	Chuensuksawadi	Executive Director
M.L. Chandchutha	Chandratat	Executive Director
Mrs. Thitima	Rungkwansiroj	Executive Director
Mrs. Penroong	Suwannakudt	Executive Director

Remark : Mr. Chaiwat Cruecha-Em was retired from the position of Chairman of Executive Director since August 31, 2011

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. Ekavaj	Amornvivat	Chairman of Audit committee
2. Mr. Natthaphon	Lilawatthananun	Audit Committee
3. Mr. Suchart	Thammapitagkul	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 7 persons as follows:

	Name		Position
1.	Mr. Vichai	Chuensuksawadi	Managing Director (Acting)
2.	Mr. Pongrapee	Cruecha-Em	Director - Community Relations
3.	Mr. Veerapat	Viriyakovitya	Director - Financial and Accounting
4.	Mr. Phatphong	Phongsathiansak	Director - Production
5.	Mr. Vasa	Kosadat	Director - Commercial
6.	Ms. Wannapa	Pipattanangkura	Director - Human Resource
7.	Mr. Piya	Tanphanaphiphat	Senior Manager – Finance and Investment Development Department

Remark : Mr. Chaiwat Cruecha-Em was retired from the position of Managing Director since August 31, 2011

Mr. Surayut Thavikulwat was retired from the position of Deputy Managing Director since May 31, 2011

Ms. Bussara Thongtongtip was retired from the position of Director - Operation since September 27, 2011

Mr. Boonyong Tiencheeva was retired from the position of Finance Manager since September 27, 2011

Ms. Nareerat Meedee was retired from the position of Accounting Manager since September 27, 2011

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

Compensation of directors and management

who are retired by rotation could be re-elected.

Name		Position	2011			
			Compensation (Baht/Year)	Allowance (Baht/Year)		
				Board of Directors	Audit Committee	Remuneration Committee
1. M.L. Chandchutha	Chandratat	Chairman	240,000	126,000	-	-
2. Mrs. Thitima	Rungkwansiroj	Director	240,000	105,000	-	-
3. Mr. Vichai	Chuensuksawadi	Director	180,000	90,000	-	-
4. Mr. Ekavaj	Amornvivat	Chairman of Audit committee / Independent Director	240,000	105,000	144,000	-
5. Mr. Natthaphon	Lilawatthanun	Audit Committee / Independent Director	240,000	105,000	120,000	-
6. Mrs. Penroong	Suwannakudt	Director	240,000	105,000	-	7,500
7. Mr. Suchart	Thammapitagkul	Independent Director	240,000	105,000	120,000	7,500
Total			1,620,000	741,000	384,000	15,000

Remark : Mr. Vichai Chuensuksawadi joined on January 24, 2011.

Management Monetary compensation

Salary of seven managements (exclude Accounting Manager and Finance Manager) in 2011 was totaled Baht 10,475,348.00 (as of September 30, 2011) and bonus paid in December was not shown in Annual Report 2011.

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 2011, seven managements received total Baht 742,305.90 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 2011)

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 Thanthanaphiphat, Senior Manager Finance and 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 2011. The disclosure, particularly the reviewed/audited financial statements, is essentially accurate under generally accepted accounting principles. The reviewed/audited financial statements have also been endorsed by the Audit Committee and the Board of Directors before disclosure to shareholders. The Board of Directors also discloses the responsibility of financial report in the annual report. The company has disclosed connected transactions, management discussions and analysis, and CG report in the annual report and Form 56-1.

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

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

Group 5 Responsibilities of the Board of Directors

1. Structure

a. Composition

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

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

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

The Board of Directors consists of 7 members, 3 of them were independent directors which was accounted more than one-third of all directors set by The Stock Exchange of Thailand. The 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.

(5) neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;

(6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;

(7) not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;

(8) not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;

(9) not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

d. Aggregation or Segregation of Position

The Chairman and the Managing Director is always not the same person. The Chairman is elected by the Board of Directors, whereas the Managing Director comes from nomination. The Chairman is the leader and contributes significant decision-making of the company's policy which is the result from The Board of Directors' meeting which is considered and determined goals with management. The chairman shall ensure that The Board of Directors meetings proceed efficiently and effectively. During each meeting all Directors are urged to actively participate such as raise essential questions, meeting, recommend, supervise and support management through managing director regularly. But the chairman shall not interfere to routine work which is responsible by managing director. Managing Director is head of management team. The Board of Directors authorizes managing director or acting or representative to sign on behalf of company. Managing Director authorizes management team according to specified authorities efficiently and clearly. Hence, there is a clear distinction between the roles of The Board of Directors and the Management .

e. Company Secretary

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

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

2. Sub-committees

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

Currently, the company has appointed two sub-committees, namely Audit Committee and Remuneration Committee. Their member names, responsibilities, and report of each sub-committee are described in the Annual Report.

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 2011, The Board of Directors convened totally 7 times. The Board of Directors always received an invitation, draft minute of meeting and complete supporting documents for consideration ahead of each meeting.

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

The minutes of meeting of the Board of Director's meeting covers all important issues and the resolutions were unanimously approved. The discussion and opinion of directors were clearly recorded. All documents were systematically filed under tight security. Generally, all directors attended every meeting except for legitimate reasons for absence. If he knows in advance, he will send an apology letter to the Chairman when they could not attend a meeting. Record of the Board of Directors' attendance in 2011 was as follows.

Director's Name		Attendance/Total Meetings (times)			
		2011			
		Board of Directors	Board of Executive Directors	Audit Committee	Remuneration Committee
1. M.L. Chandchutha	Chandratat	7/7	4/4		
2. Mrs. Thitima	Rungkwansiroj	7/7	4/4		
3. Mrs. Penroong	Suwannakudt	7/7	4/4		1/1
4. Mr. Vichai	Chuensuksawadi	6/7	4/4		
5. Mr. Ekavaj	Amornvivat	7/7		8/8	
6. Mr. Natthaphon	Lilawatthanun	7/7		8/8	
7. Mr. Suchart	Thammapitagkul	7/7		8/8	1/1

Remark : Mr. Vichai Chuensuksawadi Joined on January 24th, 2011

a. Directors' Compensation

The 2011 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 2011 were the same as those of 2010 to accommodate the performance of the company. The details are as follows;

- the monthly compensation 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

b. Compensation Policy for Subsidiaries' Board Members

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

As of September 30, 2011, the company and subsidiaries had total 395 employees, consisting of 86 persons at head office, 281 persons at plant and 28 persons at subsidiaries which were divided to each department as follows:

Department	September 30, 2010	September 30, 2011
1. Administration	9	11
2. Commercial	14	33
3. Production	202	200
4. Community Relations	17	15
5. Finance and Accounting	29	26
6. Human Resources	20	15
7. Operation	26	20
8. Research & Development	21	37
9. Import & Export	5	6
10. Engineer	4	4
11. UMS Lighter Company Limited	18	15
12. UMS Port Services Company Limited	9	13
13. UMS Transport Company Limited	44	0
Total	418	395

**The company changed the accounting period in 2010 resulting in 9 months (January - September).*

Compensation of the company and subsidiaries' employee in 2010 and 2011 were divided as follows:

<i>Unit (Baht Thousand)</i>		
Compensation	2010*	2011**
Salary	49,245.89	85,133.54
Bonus	4,949.98	***
Provident Fund and Social Security	3,944.87	6,102.19
Total	58,140.74	91,235.73

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

***The accounting period for 2011 is 12 months (October 2010 to September 2011)*

****bonus paid in December*

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



The company had transaction with related companies which may have conflicts of interest in 2010 (Jan.-Sep.) and 2011 (Oct.-Sep.) as follows:

Related Company	Affiliation	Types of Transaction	Total Amount 2010 (Jan.-Sep.) (Baht)	Total Amount 2011 (Oct.-Sep.) (Baht)	Balance as of September 30, 2011 (Baht)
Thoresen Thai Agencies Plc.	Holds the 99.99% stake in Athene Holdings Co., Ltd. Which in turn holds 88.68% stake in company	Services to company covering sales, marketing strategies, network system maintenance, and financial planning	2,257,727	7,165,965	2,752,409

Necessity and Reasonableness

1. Thoresen Thai Agencies Plc. has provided services to company covering sales, marketing strategies, network system maintenance, and financial planning This will improve company's business and will maximize returns to company's shareholders, which are considered to be reasonable transactions.



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 were summarized as follows.

Total revenues in 2010(Oct'09-Sep'10) and 2011(Oct'10-Sep'11) were recorded at Baht 2,761.69 and 3,315.35 million respectively or an increase of 20.05 percent. Net profit in 2011(Oct'10-Sep'11) were Baht 60.52 million, compared to net loss in 2010(Oct'09-Sep'10) of Baht 49.28 million. Coal consumption was improved due mainly to the strong economic growth in 2011, expansion in export and property sector as well as many of government infrastructure projects. Hence, cement industry had directly benefited from increasing demand of production from these factors. In addition, other industrial sectors such as foods and beverages industry as well as textiles industry which were industries generated major revenue gain benefits from strong economic growth as well.

Overall past performance

A. Revenue

Revenue from coal sales in 2010(Oct'09-Sep'10) and 2011(Oct'10-Sep'11) were Baht 2,719.09 and 3,242.42 million respectively. The 19.25% 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 181.71% from Baht 404.87 million to Baht 1,140.57 million according to economic growth, expansion in property sector and many 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, slightly changed from earlier period as company could 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 2010(Oct'09-Sep'10) and 2011 (Oct'10-Sep'11) were Baht 2,263.77 and 2,689.60 million or 83.25 and 82.95 percent of sales revenue respectively. The ratio of cost of goods sold to sales revenue still remained in the same level though import cost in 2011 had been increasing by the rising trend of world coal market price. Company could maintain selling price amidst competitive market from more competitors in coal distribution business.

C. Selling and administrative expenses

Selling and administrative expenses in 2010 (Oct'09-Sep'10) and 2011(Oct'10-Sep'11) were Baht 322.66 and 394.35 million or 11.68 and 11.89 percent of total revenue respectively. The ratio of selling and administrative expenses to total sales slightly increased.

Moreover, interest expense in 2010 (Oct'09-Sep'10) and 2011 (Oct'10-Sep'11) were Baht 68.22 and 83.58 million or 2.47 and 2.52 percent of total revenue respectively. Interest expenses increased due to the upward interest rate trend in financial market in 2011, led increase in financial cost of company's working capital to import coal together with company's existing loans.

D. Corporate Income Tax

Corporate income tax in 2010(Oct'09-Sep'10) and 2011(Oct'10-Sep'11) were Baht 10.96 and 62.75 million respectively. The company adjusted corporate income tax in 2010 which was caused by correction of non-compliance to rules and regulations of revenue department according to the result of internal audit and parent company' policy.

E. Profit

Gross profit margin in 2010(Oct'09-Sep'10) and 2011(Oct'10-Sep'11) were 17.00 and 17.14 percent respectively. Gross profit margin slightly improved. Even though import cost in 2011 had been increasing by the rising trend of world coal market price, company could stabilize gross margin amidst competitive market from more competitors in coal distribution business. Operating profit margin in 2010(Oct'09-Sep'10) and 2011(Oct'10-Sep'11) were 1.09 and 6.31 percent respectively. Whilst 2010(Oct'09-Sep'10) reported 1.78 percent margin of net loss, compared to 1.83 percent of net profit margin in 2011(Oct'10-Sep'11).

F. Return on Equity

Return on Equity in 2010(Oct'09-Sep'10) and 2011(Oct'10-Sep'11) were (5.29) and 6.03 percent respectively. In 2010, the company omitted to pay dividend to reserve cash for further business expansion.

Financial Status

Assets

Total assets as of September 30, 2010 and September 30, 2011 were Baht 3,463.33 and 3,569.68 million respectively. Most of them are current assets stood at Baht 2,490.70 and 2,596.09 million or 71.92 and 72.73 percent of total assets respectively. Current assets increased due mainly to increasing in inventory and trade accounts receivable by such higher monthly sales in 2011.

Non-current assets at September 30, 2010 and September 30, 2011 were Baht 972.63 and 973.59 million respectively. Most of these assets were land, machines and buildings composed of warehouse at Suansom sub district in Samut-sakhon province, machines and warehouse at Nakornluang Ayuthaya province and investment in lighters.

Quality of assets

Account receivables, net

Account receivables, net as of September 30, 2010 and September 30, 2011 were Baht 563.86 and 590.35 million respectively. Accounts receivable increased normally according to expansion of sales in 2011. Days' accounts receivable of 2010 and 2011 rose slightly from 60 to 64 days. Days' accounts receivable were higher than credit policy which was generally set at 45 days, however, it was still in line with normal business operation since there were substantial sales from customers in cement industry during September.

Inventory –net

Inventory-net as of September 30, 2010 and September 30, 2011 were Baht 1,731.74 and 1,854.15 million respectively. Days' sales in inventory of 2010 and 2011 were 258 and 240 days respectively. Coal inventory remained high, even though company was able to significantly reduce inventory through orders from large-sized customers in cement industries as shown by reduction in days' sales in inventory. Beside higher imported cost in 2011, company imported high heat value coal as new product in order to boost up revenue in 2012. The import cost per ton of this new product was approximately 30-40 percent higher than company normally imported coal. As of September 30, 2011 inventory of high heat coal was Baht 336.14 million. Excluding high heat coal, inventory would be Baht 1,518.01 million at the end of September 2011.

Liquidity

Liquidity ratio in 2010 and 2011 were 1.16 and 1.34 times respectively while company's quick ratios were 0.31 and 0.34 times respectively. Liquidity ratio was improved by the success in adjusting some short term loans to medium term to reduce financial risk. In addition, if company could sell coal inventory as expected, liquidity ratio will be improved.

Optimum capital structure

At September 30, 2010 and September 30, 2011, debt to equity ratio stood at 2.58 and 2.43 times respectively. This ratio improved as a result of 7.46% increasing in total equities which exceed from 1.37% of increasing in liabilities.

Report of the Audit Committee



Dear Shareholders of Unique Mining Services Public Company Limited

The audit committee comprises of 3 independent directors who have experiences in business management financial organization management and law, namely Mr. Ekavaj Amornvivat, chairman of audit committee, Mr. Natthaphon Lilawatthanun and Mr. Suchart Thammakitkul.

In accordance with the duties and responsibilities assigned by the Board of Directors, the Audit Committee held eight meetings during the fiscal year ended on September 30, 2011 with full attendance of all audit committee members. The Audit Committee, through various meeting 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, comply with rules and regulations, with sufficient disclosure 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 review, risk management criteria and emphasize on effective and efficient compliance. The internal audit system is developed continuously to sustain good internal control system, and to make sure that the company has implemented appropriate risk management system. During accounting year ended September 30, 2011 there has been changed in the internal audit team to KPMG Phoomchai Business Advisory Ltd.
- 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.
- Audit committee studied, reviewed and approved a connected transaction to make sure that this transaction is transparency, and bring in benefit to the company. The decision was made by only independent directors and the transaction has been disclosed and complied with SET rules and regulations.
- 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.

(Ekavaj Amornvivat)

Chairman of the audit committee

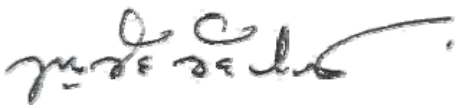
Report of the Auditor

To the Shareholders of Unique Mining Services Public Company Limited

I have audited the accompanying consolidated and Company balance sheets as at 30 September 2011 and 2010 of Unique Mining Services Public Company Limited and its subsidiaries and of Unique Mining Services Public Company Limited, and the related consolidated and Company statements of income, changes in shareholders' equity, and cash flows for the year ended 30 September 2011 and for the nine-month period ended 30 September 2010. 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.

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

In my opinion, the consolidated and Company financial statements referred to above present fairly, in all material respects, the consolidated and Company financial positions as at 30 September 2011 and 2010, and the related consolidated and Company results of operations, and cash flows for the year ended 30 September 2011 and for the nine-month period ended 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

24 November 2011

Unique Mining Services Public Company Limited

Balance Sheets

As at 30 September 2011 and 2010

	Notes	Consolidated		Company	
		2011	2010	2011	2010
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	68,007,289	108,164,824	59,092,046	79,718,433
Trade accounts receivable, net	8	590,346,363	563,862,416	586,030,345	558,788,311
Amounts due from related parties	26.3	-	-	1,631,921	1,007,488
Short-term loans to related parties	26.4	-	-	-	32,983,860
Inventories, net	9	1,854,152,127	1,731,736,858	1,871,199,941	1,741,854,444
Other current assets, net	10	83,580,565	86,935,880	79,992,531	81,678,486
Total current assets		2,596,086,344	2,490,699,978	2,597,946,784	2,496,031,022
Non-current assets					
Investments in subsidiaries, net	11	-	-	137,706,803	111,000,000
Property, plant, and equipment, net	12	966,699,511	967,800,660	831,607,173	779,943,408
Intangible assets, net	13	3,545,378	2,292,290	3,231,294	1,859,184
Other assets		3,345,928	2,539,055	3,330,928	2,497,055
Total non-current assets		973,590,817	972,632,005	975,876,198	895,299,647
Total assets		3,569,677,161	3,463,331,983	3,573,822,982	3,391,330,669

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

Unique Mining Services Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2011 and 2010

	Notes	Consolidated		Company	
		2011	2010	2011	2010
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	14	1,406,285,760	1,606,000,611	1,406,276,713	1,605,982,823
Trade accounts payable		227,355,374	134,748,039	224,707,885	113,573,320
Amounts due to related parties	26.5	2,752,409	2,533,057	9,446,571	19,645,138
Short-term loans from related parties	26.6	-	-	20,800,000	-
Subscription advance received					
from warrant conversion		-	697,255	-	697,255
Current portion of long-term loans	15	200,964,000	293,276,000	188,964,000	274,796,000
Current portion of finance lease					
liabilities	16	1,304,169	14,824,785	1,304,169	3,076,020
Income taxes payable		1,240,156	2,305,794	-	2,301,115
Accrued expenses		51,902,326	24,575,952	50,761,775	23,689,643
Other current liabilities		50,342,106	74,868,157	48,815,973	72,016,820
Total current liabilities		1,942,146,300	2,153,829,650	1,951,077,086	2,115,778,134
Non-current liabilities					
Long-term loans	15	578,520,309	324,944,309	545,134,000	259,098,000
Finance lease liabilities	16	112,432	9,302,555	112,432	1,416,602
Employee benefit obligations	17	9,207,554	7,704,104	8,675,718	6,760,925
Total non-current liabilities		587,840,295	341,950,968	553,922,150	267,275,527
Total liabilities		2,529,986,595	2,495,780,618	2,504,999,236	2,383,053,661

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

Unique Mining Services Public Company Limited

Balance Sheets (Cont'd)

As at 30 September 2011 and 2010

		Consolidated		Company	
		2011	2010	2011	2010
	Notes	Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	19				
Authorised share capital					
Ordinary shares 153,454,064 shares					
of par Baht 0.50 each					
(2010 : Ordinary shares					
210,454,783 shares of par					
Baht 0.50 each)		76,727,032	105,227,392	76,727,032	105,227,392
Issued and paid-up share capital					
Ordinary shares 153,454,064 shares					
of paid-up Baht 0.50 each					
(2010 : Ordinary shares					
152,078,328 shares of par					
Baht 0.50 each)		76,727,032	76,039,164	76,727,032	76,039,164
Premium on share capital	19	241,390,751	230,461,835	241,390,751	230,461,835
Retained earnings					
Appropriated - legal reserves	21	11,096,402	11,096,402	10,500,000	10,500,000
Unappropriated		710,476,381	649,953,964	740,205,963	691,276,009
Total shareholders' equity		1,039,690,566	967,551,365	1,068,823,746	1,008,277,008
Total liabilities and shareholders' equity		3,569,677,161	3,463,331,983	3,573,822,982	3,391,330,669

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 year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010

		Consolidated		Company	
		For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
	Notes				
Revenues					
Sales		3,242,415,208	2,080,581,774	3,242,415,208	2,080,581,774
Service income		33,169,322	20,339,054	-	-
Total revenues		3,275,584,530	2,100,920,828	3,242,415,208	2,080,581,774
Costs					
Cost of sales		2,689,596,506	1,719,663,215	2,696,651,689	1,721,090,144
Cost of services		24,549,767	12,825,766	-	-
Total costs		2,714,146,273	1,732,488,981	2,696,651,689	1,721,090,144
Gross profits		561,438,257	368,431,847	545,763,519	359,491,630
Other income	23	39,768,390	14,667,050	33,324,144	26,994,627
Profits before expenses		601,206,647	383,098,897	579,087,663	386,486,257
Selling expenses		212,715,364	122,139,554	215,875,184	124,080,810
Administrative expenses		166,508,746	110,408,692	164,426,616	100,427,107
Management remuneration		15,129,770	7,995,159	15,129,770	7,995,159
Total expenses		394,353,880	240,543,405	395,431,570	232,503,076
Profits before financial costs and income taxes		206,852,767	142,555,492	183,656,093	153,983,181
Financial costs		83,577,080	52,914,033	78,618,149	48,053,686
Profits before income taxes		123,275,687	89,641,459	105,037,944	105,929,495
Income taxes		62,753,270	18,429,915	56,107,990	18,425,236
Net profits for the year/period		60,522,417	71,211,544	48,929,954	87,504,259
Earnings per share					
Basic earnings per share	24	0.39	0.47	0.32	0.58
Diluted earnings per share	24	0.39	0.40	0.31	0.49

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 year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010

	Notes	Consolidated				
		Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Total Baht
				Legal reserves Baht	Unappropriated Baht	
Beginning balance as at 1 October 2010		76,039,164	230,461,835	11,096,402	649,953,964	967,551,365
Increase in share capital from warrant conversion	19	687,868	-	-	-	687,868
Premium on share capital	19	-	10,928,916	-	-	10,928,916
Net profits for the year		-	-	-	60,522,417	60,522,417
Ending balance as at 30 September 2011		76,727,032	241,390,751	11,096,402	710,476,381	1,039,690,566
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	19	56,671	-	-	-	56,671
Premium on share capital	19	-	900,406	-	-	900,406
Legal reserves	21	-	-	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

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 year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010

		Company					
		Issued and paid-up share capital		Retained earnings			
				Premium on share capital	Legal		Total
					reserves	Unappropriated	
		Note	Baht	Baht	Baht	Baht	Baht
Beginning balance as at 1 October 2010		76,039,164	230,461,835	10,500,000	691,276,009	1,008,277,008	
Increase in share capital from warrant conversion	19	687,868	-	-	-	687,868	
Premium on share capital	19	-	10,928,916	-	-	10,928,916	
Net profits for the year		-	-	-	48,929,954	48,929,954	
Ending balance as at 30 September 2011		76,727,032	241,390,751	10,500,000	740,205,963	1,068,823,746	
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	19	56,671	-	-	-	56,671	
Premium on share capital	19	-	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	

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 year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010

		Consolidated		Company	
		For the For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Net cash receipts (payments) from operating activities	25	80,082,459	(176,693,128)	69,417,958	(199,366,193)
Cash flows from investing activities					
Payments of short-term loans to related parties		-	-	-	(14,768,239)
Proceeds from short-term loans to related parties		-	-	32,983,860	-
Payments of investments in subsidiaries	11	-	-	(40,000,000)	-
Payments of property, plant and equipment acquisition		(92,026,905)	(51,675,530)	(112,306,097)	(47,526,415)
Proceeds from property, plant and equipment disposal		27,787,257	7,275	6,057,944	7,275
Payments of intangible assets acquisition	13	(2,794,196)	(220,900)	(2,957,361)	(112,440)
Dividends received	26.1	-	-	-	11,160,000
Net cash payments from investing activities		(67,033,844)	(51,889,155)	(116,221,654)	(51,239,819)
Cash flows from financing activities					
Net increase (decrease) in short-term loans from financial institutions		(202,670,214)	312,710,468	(202,670,214)	312,710,468
Proceeds from short-term loans from related parties		-	-	20,800,000	-
Proceeds from exercised warrants		10,919,529	1,582,063	10,919,529	1,582,063
Proceeds from long-term loans	15	500,000,000	-	500,000,000	-
Repayments of long-term loans	15	(338,736,000)	(53,162,691)	(299,796,000)	(39,429,000)
Repayments of finance lease liabilities		(22,710,739)	(10,478,668)	(3,076,021)	(2,270,664)
Dividends paid		-	(5,107)	-	(5,107)
Net cash receipts (payments) from financial activities		(53,197,424)	250,646,065	26,177,294	272,587,760
Net increase (decrease) in cash and cash equivalents		(40,148,809)	22,063,782	(20,626,402)	21,981,748
Cash and cash equivalents at the beginning of the year/period		108,147,036	86,083,254	79,718,433	57,736,685
Cash and cash equivalents at the end of the year/period		67,998,227	108,147,036	59,092,031	79,718,433

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

Unique Mining Services Public Company Limited

Statements of Cash Flows (Cont'd)

For the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010

	Consolidated	Consolidated	Company	Company
	For the	For the	For the	For the
	year that	nine-month	year that	nine-month
	ended on	period that	ended on	period that
	30 September	ended on	30 September	ended on
	2011	30 September	2011	2010
Notes	Baht	Baht	Baht	Baht

Cash and cash equivalents as at 30 September 2011 and 2010 comprise:

Cash and cash equivalents	7	68,007,289	108,164,824	59,092,046	79,718,433
Bank overdrafts	14	(9,062)	(17,788)	(15)	-
		67,998,227	108,147,036	59,092,031	79,718,433

Non-cash transactions

Significant non-cash transactions for the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010 are as follows:

Unpaid liabilities from purchase of fixed assets		12,784,534	9,980,821	12,784,534	9,980,821
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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 year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010

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, 24th Floor, 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 principal business operations of the Group are import of coal for selling for domestic industrial, transportation by truck, barge conveyance, and port services.

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

These consolidated and Company financial statements were authorised for issue by the Board of Directors on 24 November 2011.

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/periods 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 (“SEC”) under the Securities and Exchange Act.

The consolidated and Company financial statements have been prepared under the historical cost convention except for employee benefit obligations as disclosed in Note 2.14.

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 29, the Group has changed its accounting period from the period that ended on 31 December to be that ended on 30 September starting from the period from 1 January 2010 to 30 September 2010 hereafter. Thus, the statements of income, the statements of changes in shareholders’ equity, and the statements of cash flows for the year that ended on 30 September 2011 are incomparable to the statements of income, the statements of changes in shareholders’ equity, and the statements of cash flows for the nine-month period that ended on 30 September 2010.

2 Accounting policies (Cont'd)

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, new interpretation and amendments to accounting standards

a) Accounting framework

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

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

The following new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards may impact to the Group's financial statements.

Effective for the periods beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 40 (Revised 2009)	Investment Property

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
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TAS 1 (Revised 2009), the revised standard requires an entity to present the statement of comprehensive income and an entity can choose to present one statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period apply this standard, an entity can choose to present statement of financial position only two periods without the statement of financial position as at the beginning comparative period. The Group will apply TAS 1 (Revised 2009) from 1 October 2011. It is likely that both income statement and statement of comprehensive income will be presented as one statement.

TAS 12 deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured by based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard from 1 October 2013 retrospectively with an expectation to incur of deferred tax account and changes in retained earnings and income tax expense. The management is currently assessing the impact of applying this standard.

2 Accounting policies (Cont'd)

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

b) New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards (Cont'd)

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of property, plant, and equipment, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. The Group will apply this standard from 1 October 2011. The management is currently assessing the impact of applying this standard.

TAS 40 (Revised 2009), the standard has specific presentation and measurement requirements for investment property. The entity has to present an investment property separately in the statement of financial position. The entity can choose to measure it either cost model or fair value model. Under fair value model, any changes in fair value are recognised in profit or loss. The entity will apply the standard from 1 October 2011. The Group will apply cost model for measurement and expect no significant impact to the Group's financial statements.

2.3 Investments in subsidiaries

Subsidiaries are all entities over which the Company 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 Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Company 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. 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 subsidiaries is set out in Note 11.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The 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 Accounting policies (Cont'd)

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 but are deducted with cash and cash equivalents for the purpose of statements of cash flows.

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.

2.7 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 inventories 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 licenses 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 recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. Property, plant, and equipment, except land, are presented in the balance sheet at cost less accumulated depreciation and impairments (if any).

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 per land lease contract
Buildings	3 - 20 years
Vehicles	5 years
Lighters	5 - 10 years
Machinery	5 - 10 years
Office equipment	5 years

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment (Cont'd)

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 profits.

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.

2.10 Impairment of assets

Assets that are subject to amortisation 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 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 presented as finance lease liabilities. 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 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 Accounting policies (Cont'd)

2.12 Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost as the redemption value. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.13 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.

2.14 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 Group. 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.

2.15 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.

2.16 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.

2.17 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.

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.

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 and interest rate swaps 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 sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, The Group agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to the statement of income.

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.

3.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions 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 may 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.

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.

Impairment of assets

The Company estimates recoverable amount of investments in subsidiaries based on value-in-use calculations. Projected cash flows have been prepared based on assumption of the Group's business plan. Whereas recoverable amount of land have been determined based on assessed value by an independent valuer.

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 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.

7 Cash and cash equivalents

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Cash on hand	108,421	474,721	10,974	55,393
Deposits held at call with banks	67,898,868	107,690,103	59,081,072	79,663,040
	68,007,289	108,164,824	59,092,046	79,718,433

The average interest rate on deposits held at call with banks was 0.87% per annum (2010: 0.50% per annum).

8 Trade accounts receivable, net

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Trade accounts receivable	593,035,536	570,039,613	588,719,518	564,793,637
<u>Less</u> Allowance for doubtful accounts	(2,689,173)	(6,177,197)	(2,689,173)	(6,005,326)
	590,346,363	563,862,416	586,030,345	558,788,311

Trade accounts receivable as at 30 September 2011 and 2010 can be analysed as follows:

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Not overdue	313,067,991	332,354,538	312,966,635	331,886,550
Overdue				
Up to 6 months	275,741,755	231,513,630	271,534,382	227,635,000
6 - 12 months	418,556	1,199,528	418,555	479,330
Over 12 months	3,807,234	4,971,917	3,799,946	4,792,757
	593,035,536	570,039,613	588,719,518	564,793,637
<u>Less</u> Allowance for doubtful accounts	(2,689,173)	(6,177,197)	(2,689,173)	(6,005,326)
	590,346,363	563,862,416	586,030,345	558,788,311

9 Inventories, net

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Inventories	1,984,660,429	1,862,245,160	2,001,708,243	1,872,362,746
<u>Less</u> Allowance for slow-moving inventories	(130,508,302)	(130,508,302)	(130,508,302)	(130,508,302)
	1,854,152,127	1,731,736,858	1,871,199,941	1,741,854,444

As at 30 September 2011, the Company's partial inventories at a total value of Baht 1,028 million (2010: nil) have been pledged with a bank as security for long-term loans as mentioned in Note 15.

10 Other current assets, net

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Prepayments	6,535,946	5,271,589	6,107,890	4,502,601
Accrued income	18,454,742	13,757,793	18,454,742	13,757,793
Tax receivables	46,470,028	61,724,890	43,725,114	58,299,767
Other receivables	13,906,554	15,787,571	13,496,523	15,268,265
Other current assets	7,491,479	4,917,031	7,076,446	3,865,849
<u>Less</u> Allowance for doubtful other receivables	(9,278,184)	(14,522,994)	(8,868,184)	(14,015,789)
	83,580,565	86,935,880	79,992,531	81,678,486

11 Investments in subsidiaries, net

Investments in subsidiaries as at 30 September 2011 and 2010 comprise investments in the following companies:

Name of subsidiaries	Nature of Business	Country of Incorporation	% Ownership interest	
			2011	2010
- UMS Coal Briquette 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 Transportation Co., Ltd.	Road transport	Thailand	100.0	100.0
- UMS Port Services Co., Ltd.	Port service	Thailand	100.0	100.0

* As at 30 September 2011, the subsidiary has not operated.

The movements of investments in subsidiaries for the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010 are as follows:

	Company	
	For the year that ended on	For the nine-month period that ended on
	30 September 2011	30 September 2010
	Baht	Baht
Beginning net book value	111,000,000	111,000,000
Additional investments	40,000,000	-
Impairment charge	(13,293,197)	-
Ending net book value	137,706,803	111,000,000

On 9 September 2011, UMS Lighter Co., Ltd. issued increased ordinary shares 4,000,000 shares with par value of Baht 10 each. The Company purchased all increased ordinary shares of UMS Lighter Co., Ltd. to maintain their ownership interest.

The impairment charge of Baht 13.3 million for investments in UMS Transportation was made during the year as a result of ceasing their operation. The recoverable amount represents the value in use which was determined based on calculation using pre-tax cash flow projection of financial budget approved by management. Impairment charge for the year was included in administrative expenses.

12 Property, plant, and equipment, net

	Consolidated									
	Land		Buildings		Vehicles and lighters		Machinery		Office equipment	
	Land	improvements	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 October 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		
<u>Less</u> Accumulated depreciation	-	(9,080,762)	(38,882,742)	(58,599,292)	(42,468,611)	(65,190,339)	-	(214,221,746)		
<u>Less</u> 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		
For the year that ended on										
30 September 2011										
Beginning 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		
Additions	-	216,480	2,113,318	221,060	1,573,215	6,625,205	84,081,340	94,830,618		
Disposals	-	-	(1)	(14,993,764)	(1,648,891)	(786,773)	-	(17,429,429)		
Transfer	-	13,907,830	11,099,019	71,690	31,828,405	(10,736,971)	(46,169,973)	-		
Depreciation charge	-	(3,180,462)	(14,612,126)	(22,485,206)	(32,054,273)	(5,021,271)	-	(77,353,338)		
Impairment charge	(1,149,000)	-	-	-	-	-	-	(1,149,000)		
Ending net book amount	300,510,924	26,633,228	233,339,625	155,689,794	128,518,612	37,736,940	84,270,388	966,699,511		
As at 30 September 2011										
Cost	303,675,136	38,894,452	286,674,494	226,242,585	193,993,124	105,897,421	84,270,388	1,239,647,600		
<u>Less</u> Accumulated depreciation	-	(12,261,224)	(53,334,869)	(70,552,791)	(65,474,512)	(68,160,481)	-	(269,783,877)		
<u>Less</u> Provision for impairment	(3,164,212)	-	-	-	-	-	-	(3,164,212)		
Net book amount	300,510,924	26,633,228	233,339,625	155,689,794	128,518,612	37,736,940	84,270,388	966,699,511		

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

	Company									
	Land		Buildings		Vehicles		Machinery		Office equipment	
	Land Baht	improvements Baht	Baht	Baht	Baht	Baht	Baht	Baht	in progress Baht	Construction Baht
As at 1 October 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		
For the year that ended on										
30 September 2011										
Beginning 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		
Additions	-	216,480	2,113,317	20,941,061	1,573,215	6,256,087	84,009,650	115,109,810		
Disposals	-	-	-	(2,755,317)	(1,648,892)	(46,049)	-	(4,450,258)		
Transfer	-	13,907,830	11,099,019	-	31,828,405	(10,736,971)	(46,098,283)	-		
Depreciation charge	-	(3,180,462)	(14,533,161)	(3,816,009)	(32,054,273)	(4,262,882)	-	(57,846,787)		
Impairment charge	(1,149,000)	-	-	-	-	-	-	(1,149,000)		
Ending net book amount	300,510,924	26,633,227	233,284,792	21,661,828	128,518,612	36,727,402	84,270,388	831,607,173		
As at 30 September 2011										
Cost	303,675,136	38,894,452	286,492,210	35,632,387	193,993,124	103,647,805	84,270,388	1,046,605,502		
<u>Less</u> Accumulated depreciation	-	(12,261,225)	(53,207,418)	(13,970,559)	(65,474,512)	(66,920,403)	-	(211,834,117)		
<u>Less</u> Provision for impairment	(3,164,212)	-	-	-	-	-	-	(3,164,212)		
Net book amount	300,510,924	26,633,227	233,284,792	21,661,828	128,518,612	36,727,402	84,270,388	831,607,173		

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

The impairment charge of Baht 1 million for lands was made during the year as a result of they were crossed with high voltage cables and not allowed for any utilisation other than agriculture. The recoverable amount represents the net selling price which was determined with reference to market prices for equivalent assets by an independent valuer. Impairment charge for the year is included in administrative expenses.

As at 30 September 2011, 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 15 at a total value of Baht 200 million (2010 : 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 15 at a total value of Baht 240 million (2010 : 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 14 and 15, respectively, at a total value of Baht 125 million (2010 : Baht 125 million).

Leased assets, where the Group and the Company is a lessee under a finance lease, comprise vehicles:

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Cost - capitalised finance leases	16,056,280	70,655,481	16,056,280	16,056,280
Accumulated depreciation	(11,891,210)	(30,895,041)	(11,891,210)	(8,765,772)
	4,165,070	39,760,440	4,165,070	7,290,508

13 Intangible assets, net

As at 1 October 2010

Cost

Less Accumulated amortisation

Net book amount

For the year that ended on 30 September 2011

Beginning net book amount

Additions

Disposals

Amortisation charge

Ending net book amount

As at 30 September 2011

Cost

Less Accumulated amortisation

Net book amount

Consolidated	Company
Baht	Baht
6,846,063	6,029,072
(4,553,773)	(4,169,888)
2,292,290	1,859,184
2,292,290	1,859,184
2,794,196	2,957,361
(365,563)	(659,563)
(1,175,545)	(925,688)
3,545,378	3,231,294
8,979,963	8,084,983
(5,434,585)	(4,853,689)
3,545,378	3,231,294

14 Bank overdrafts and short-term loans from financial institutions

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Bank overdrafts	9,062	17,788	15	-
Trust receipts	1,246,276,698	1,102,982,823	1,246,276,698	1,102,982,823
Short-term loans	160,000,000	503,000,000	160,000,000	503,000,000
	1,406,285,760	1,606,000,611	1,406,276,713	1,605,982,823

Bank overdrafts and short-term loans from financial institutions bear interest at rates of MOR plus certain margin, MMR plus certain margin, MLR minus certain margin, LIBOR plus certain margin and SIBOR plus certain margin.

As at 30 September 2011, bank overdrafts amounting to Baht 5 million (2010: Baht 5 million) are secured by a subsidiary's barges as mentioned in Note 12. The Group has unused bank overdrafts and trust receipts facilities amounting to Baht 73 million and Baht 1,413 million, respectively (2010: Baht 53 million and Baht 1,554 million, respectively).

As at 30 September 2011, the Company has unused unsecured short-term loans facilities in form of promissory notes and bill of exchanges from local financial institutions amounting to Baht 365 million (2010 : Baht 172 million).

15 Long-term loans

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Long-term loans due				
- not later than 1 year	200,964,000	293,276,000	188,964,000	274,796,000
- later than 1 year but not later than 5 years	578,520,309	324,944,309	545,134,000	259,098,000
	779,484,309	618,220,309	734,098,000	533,894,000

Long-term loans bear interest at rates of Thai Baht fixed 6-month rate plus certain margin, MLR minus certain margin and prime rate minus certain margin.

	Consolidated		Company	
	For the	For the	For the	For the
	year that	nine-month	year that	nine-month
	ended on	period that	ended on	period that
	30 September	ended on	30 September	ended on
	2011	30 September	2011	30 September
	Baht	Baht	Baht	Baht
Beginning balance	618,220,309	671,383,000	533,894,000	573,323,000
Additions during the year/period	500,000,000	-	500,000,000	-
Repayments during the year/period	(338,736,000)	(53,162,691)	(299,796,000)	(39,429,000)
Ending balance	779,484,309	618,220,309	734,098,000	533,894,000

15 Long-term loans (Cont'd)

As at 30 September 2011, long-term loans are secured by subsidiaries' barges, the Company's partial land and partial construction on the land as mentioned in Note 12 and the Company's partial inventories as mentioned in Note 9.

As at 30 September 2011 and 2010, the Group and the Company do not have undrawn committed long-term loans facilities.

16 Finance lease liabilities

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

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Finance lease liabilities	1,460,526	25,965,770	1,460,526	4,727,433
<u>Less</u> Deferred interest	(43,925)	(1,838,430)	(43,925)	(234,811)
	1,416,601	24,127,340	1,416,601	4,492,622

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Finance lease liabilities due				
- not later than 1 year	1,304,169	14,824,785	1,304,169	3,076,020
- later than 1 year but not later than 5 years	112,432	9,302,555	112,432	1,416,602
	1,416,601	24,127,340	1,416,601	4,492,622

17 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	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Retirement benefits	9,207,554	7,704,104	8,675,718	6,760,925

17 Employee benefit obligations (Cont'd)

The movements of retirement benefits obligations are as follows:

	Consolidated		Company	
	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Beginning balance	7,704,104	6,415,167	6,760,925	5,714,417
Current year/period service costs	1,600,660	1,161,402	1,319,400	903,201
Interest costs	336,605	216,130	303,675	193,245
Benefits paid during the year/period	(433,815)	(88,595)	-	(88,595)
Transfer from subsidiaries	-	-	291,718	38,657
Ending balance	9,207,554	7,704,104	8,675,718	6,760,925

During the year that ended on 30 September 2011, a subsidiary has transferred all employees to the Company. All retirement benefit obligations were transferred to the Company with an agreement that the Company will absorb all obligations.

During the nine-month period that ended on 30 September 2010, a subsidiary has transferred all employees to the Company. All retirement benefit obligations were transferred to the Company. The subsidiary will repay to the Company later.

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

	Consolidated		Company	
	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Current year/period service costs	1,600,660	1,161,402	1,319,400	903,201
Interest costs	336,605	216,130	303,675	193,245
Benefits paid during the year/period	6,295,059	72,405	5,396,936	72,405
Transfer from subsidiaries	-	-	291,718	-
Total (included in staff costs)	8,232,324	1,449,937	7,311,729	1,168,851

17 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	For the year that ended on 30 September 2011 Percentage	For the nine-month period that ended on 30 September 2010 Percentage	For the year that ended on 30 September 2011 Percentage	For the nine-month period that ended on 30 September 2010 Percentage
Discount rate	4.50	4.50	4.50	4.50
Future salary increases	6.00	6.00	6.00	6.00
Mortality rate	0.01	0.01	0.01	0.01
Resignation rate	0 - 50.00	0 - 50.00	0 - 25.00	0 - 25.00

18 Financial instruments

Significant financial instruments are as follows:

18.1 Forward foreign exchange contracts

The Group entered into forward foreign exchange contracts with local financial institutions in order to hedge the foreign exchange risk relating to trust receipts. As at 30 September 2011, the outstanding contracts which settlement dates are between 21 October and 4 November 2011 (2010 : between 4 October and 22 December 2010) are as follows:

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
USD 4.6 million at rates Baht 30.57 - 31.26 per USD 1 (2010 : USD 7.3 million at rates Baht 30.72 - 32.50 per USD 1)	142,209,000	230,858,466	142,209,000	230,858,466

The net fair values of the forward foreign exchange contracts at the balance sheet date are as follows:

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Favorable (unfavorable) on forward foreign exchange contracts	1,440,251	(9,263,613)	1,440,251	(9,263,613)

The fair values of the forward foreign exchange contracts have been calculated (using rates quoted by the counterparty to the contracts) as if the contract was terminated at the balance sheet date.

18 Financial instruments (Cont'd)

The Group has significant financial instruments as follows: (Cont'd)

18.2 Interest rate swap contracts

On 11 August 2011, the Company entered into an interest rate swap contract against a long-term loan with a local financial institution to convert floating interest rate for Thai Baht fixed 6-month rate plus 1.25% per annum to fixed interest rate at 4.37% per annum. As at 30 September 2011, the outstanding long-term loan balance was Baht 475 million (2010 : nil) with a maturity date of February 2014.

The net fair value of the interest swap contract at the balance sheet date is as follows

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Unfavorable on interest rate swap contract	1,264,571	-	1,264,571	-

The fair value of the interest rate swap contract has been calculated (using rates quoted by the counterparty to the contracts) as if the contract was terminated at the balance sheet date.

19 Share capital and premium on share capital

	Number of issued and paid-up ordinary share Share	Issued and paid-up ordinary share Baht	Premium on share capital Baht	Total Baht
As at 1 January 2010	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
Issue of shares	1,375,736	687,868	10,928,916	11,616,784
As at 30 September 2011	153,454,064	76,727,032	241,390,751	318,117,783

The total authorised number of ordinary shares is 153,454,064 shares (2010: 210,454,783 shares) with a par value of Baht 0.50 per share (2010: Baht 0.50 per share). All issued ordinary shares are fully paid (2010: Partial ordinary shares issued and fully paid).

At the Company's Shareholders' Annual General Meeting on 24 January 2011, the shareholders approved the decrease of the authorised share capital from ordinary shares 210,454,783 shares at Baht 0.50 each, totaling Baht 105,227,392 to be ordinary shares 153,454,064 shares at Baht 0.50 each, totaling Baht 76,727,032 since the Company's warrants were expired completely during the year.

During the year that ended on 30 September 2011, the number of issued and paid-up ordinary shares increased 1,375,736 shares as a result of warrants exercised. Capital increased from this exercise was registered during the period, thus issued and paid-up share capital increased of Baht 687,868.

During the nine-month period that ended on 30 September 2010, the number of issued and paid-up ordinary shares increased 113,343 shares as a result of warrants exercised. Capital increased from this exercise was registered during the period, thus issued and paid-up share capital increased of Baht 56,671.

20 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 movements of warrants for the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010 are as follows:

Consolidated and Company				
	For the year that ended on 30 September 2011		For the nine-month period that ended on 30 September 2010	
	No. of warrants	Share	No. of warrants	Share
Beginning balance	57,519,035	57,921,672	57,631,594	58,035,015
<u>Less</u> Exercised during the year/period	(1,366,212)	(1,375,736)	(112,559)	(113,343)
<u>Less</u> Expired	(56,152,823)	(56,545,936)	-	-
Ending balances	-	-	57,519,035	57,921,672

21 Legal reserves

	Consolidated		Company	
	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Beginning balance	11,096,402	10,500,000	10,500,000	10,500,000
Appropriation during the year/period	-	596,402	-	-
Ending balance	11,096,402	11,096,402	10,500,000	10,500,000

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 profits after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorised capital. The legal reserve is non-distributable.

22 Expenses by nature

		Consolidated		Company	
		For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Changes in inventories		2,566,714,521	1,691,558,602	2,573,769,704	1,692,985,531
Transportation expenses		176,740,002	103,526,717	179,411,737	105,441,866
Staff costs		107,697,350	67,222,181	99,881,692	60,428,413
Depreciation on property, plant and equipment	12	77,353,338	57,773,252	57,846,787	41,415,865
Amortisation of intangible assets	13	1,175,545	1,096,827	925,688	933,675
Repairs and maintenance expenditure on property, plant and equipment		13,985,582	8,043,906	13,779,593	7,910,586

23 Other income

	Consolidated		Company	
	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Gains on exchange rate	3,495,851	5,929,068	3,486,740	5,989,060
Interest income	475,305	205,572	1,344,006	823,839
Dividend income	-	-	-	11,160,000
Gain on disposal of property, plant and equipment	10,357,828	-	1,607,686	-
Other income	25,439,406	8,532,410	26,885,712	9,021,728
	39,768,390	14,667,050	33,324,144	26,994,627

24 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 year/ period.

Diluted earnings per share is computed by dividing net profits for the year/period by the aggregate amount of the weighted average number of ordinary shares issued during the year/period 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 year that ended on 30 September 2011	For the nine-month period that ended on 30 September 2010	For the year that ended on 30 September 2011	For the nine-month period that ended on 30 September 2010
Net profits for the year/period attributable to the shareholders of the parent (Baht)	60,522,417	71,211,544	48,929,954	87,504,259
Weighted average number of ordinary shares (Shares)	153,454,064	152,011,775	153,454,064	152,011,775
Weighted average number of ordinary shares under warrants (Shares)				
- UMS-W1	5,577,133	57,988,225	5,577,133	57,988,225
Number of ordinary shares that would have been issued at fair value* (Shares)				
- UMS-W1	(2,887,743)	(29,789,133)	(2,887,743)	(29,789,133)
Weighted average number of ordinary shares plus effect of assumed conversion (Shares)	156,143,454	180,210,867	156,143,454	180,210,867
Basic earnings per share (Baht)	0.39	0.47	0.32	0.58
Diluted earnings per share (Baht)	0.39	0.40	0.31	0.49

* 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 period from 1 October 2010 to 5 November 2010 (expired date), and for the nine-month period that ended on 30 September 2010. The said averaged fair values are Baht 16.31 per share and Baht 16.44 per share, respectively.

25 Cash flows from operating activities

Reconciliation of net profits for the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010 to cash flows from operating activities is as follows:

25 Cash flows from operating activities (Cont'd)

		Consolidated		Company	
		For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Notes					
	Profits before income taxes	123,275,687	89,641,459	105,037,944	105,929,495
	Adjustments for:				
	Reversal of allowance for doubtful accounts	(3,583,698)	(4,029,272)	(3,314,621)	(4,029,272)
	Depreciation charge	12, 22	77,353,338	57,773,252	57,846,787
	Amortisation charge	13, 22	1,175,545	1,096,827	925,688
	Write-off of property, plant, and equipment		58,409	673,295	46,052
	Write-off of intangible assets	13	365,563	-	659,563
	Impairment charge on investments in subsidiaries	11	-	-	13,293,197
	Impairment charge on property, plant, and equipment	12	1,149,000	-	1,149,000
	Gain on disposal of property, plant, and equipment		(10,416,237)	(103)	(1,653,738)
	Net unrealised loss on exchange rates		3,414,233	366,558	3,763,496
	Interest income	23	(475,305)	(205,572)	(1,344,006)
	Interest expenses		83,577,080	52,914,033	78,618,149
	Dividend income	23	-	-	-
	Changes in operating assets and liabilities				(11,160,000)
	- Trade accounts receivable		(22,995,923)	(218,232,255)	(23,925,881)
	- Amounts due from related parties		-	-	(1,044,776)
	- Inventories		(122,415,269)	(180,542,160)	(129,345,497)
	- Other current assets		3,886,036	7,143,139	2,119,470
	- Other assets		(806,873)	(314,801)	(833,873)
	- Trade accounts payable		92,318,208	72,557,478	110,845,438
	- Amounts due to related parties		219,352	2,533,057	(10,198,567)
	- Accrued expenses		21,873,647	14,380,971	21,329,557
	- Other current liabilities		(27,925,828)	(3,743,961)	(26,600,624)
	- Employee benefit obligations		1,503,450	1,288,937	1,914,793
	Cash generated from operations		221,550,415	(106,699,118)	199,287,551
	- Interest received		475,305	205,572	1,415,086
	- Interest paid		(78,124,353)	(54,026,626)	(72,875,574)
	- Income taxes paid		(63,818,908)	(16,172,956)	(58,409,105)
	Net cash receipts (payments) from operating activities		80,082,459	(176,693,128)	69,417,958
					(199,366,193)

26 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 Company is controlled by Thoresen Thai Agencies Public Company Limited, incorporated in Thailand. The investments in subsidiaries are set out in Note 11.

The following material transactions were carried out with related parties:

26.1 Revenues

Revenues from subsidiaries for the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010 are as follows:

	Company	
	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Rental income	3,275,000	945,000
Other service income	50,441	438,024
Management fee income	840,000	-
Interest income	970,193	717,428
Dividend income	-	11,160,000

26.2 Expenses

Expenses to subsidiaries for the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010 are as follows:

	Company	
	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Service cost	15,116,860	9,037,985
Transportation cost	55,789,954	92,363,840
Other service cost	2,426,326	399,323
Interest expense	466,816	-

26 Related party transactions (Cont'd)

26.2 Expenses (Cont'd)

Expenses to other related parties for the year that ended on 30 September 2011 and for the nine-month period that ended on 30 September 2010 are as follows:

	Consolidated		Company	
	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht	For the year that ended on 30 September 2011 Baht	For the nine-month period that ended on 30 September 2010 Baht
Management fee	5,280,000	2,257,727	5,280,000	2,116,359
Network monitoring and Maintenance cost	1,226,000	-	1,226,000	-
Other service cost	571,235	-	571,235	-

The Group's policies for related party transactions are as follows:

- Assets rental is transacted at mutually agreed contract normally charged to a third party.
- Services is transacted at mutually agreed rate normally charged by a third party.
- Interest charged on loan agreements are rates referred in Notes 26.4 and 26.6.

26.3 Amount due from related parties

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Subsidiaries	-	-	1,631,921	1,007,488

26.4 Short-term loans to related parties

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Subsidiaries	-	-	-	32,983,860

Short-term loans to related parties can be called at any time and are unsecured. The loans bear interest at 2.65% - 4.20% per annum (2010: 2.65% per annum).

26.5 Amount due to related parties

	Consolidated		Company	
	2011 Baht	2010 Baht	2011 Baht	2010 Baht
Subsidiaries	-	-	6,694,162	17,253,449
Other related parties	2,752,409	2,533,057	2,752,409	2,391,689
	2,752,409	2,533,057	9,446,571	19,645,138

26 Related party transactions (Cont'd)

26.6 Short-term loans from related parties

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Subsidiaries	-	-	20,800,000	-

Short-term loans from related parties can be called at any time and are unsecured. The loans bear interest at 2.65% - 3.65% per annum.

27 Commitments and contingent liabilities

27.1 Operating lease commitments

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

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Not later than 1 year	10,408,702	9,318,090	10,408,702	9,318,090
Later than 1 year but not later than 5 years	7,216,800	10,630,822	7,216,800	10,630,822
	17,625,502	19,948,912	17,625,502	19,948,912

27.2 Commitments from sale and purchase contracts for steam coal

As at 30 September 2011, the Company had outstanding commitments relating to sale and purchase contracts for steam coal with foreign suppliers for 850,000 metric tons plus or minus 10% (2010: 290,000 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. Moreover, the Company had outstanding commitments relating to sale contracts for steam coal with domestic enterprises for 46,000 metric tons plus or minus 10% at a fix price per contract (2010: nil).

27.3 Commitments from ship charter contracts

As at 30 September 2011, the Company had outstanding commitments relating to ship charter contracts with the ship size between 9,900 - 55,000 metric tons plus or minus 10% with charterers at freight rate as specified in the contracts for 3 shipments (2010: 7 shipments).

27.4 Contingent liabilities

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

	Consolidated		Company	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Letters of guarantee issued by bank on behalf of the Group	3,044,000	2,264,000	3,044,000	2,264,000

28 Promotional privileges

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

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

Project 2 Promotion certificate No. 1047(2)/2552, dated 19 January 2009 for 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 first derived income.

As at 30 September 2011, both subsidiaries have not received the promotion privileges because they have not complied with promotion conditions according to the promotion certificates.

29 Change in accounting period

At the Company's Shareholders Annual General Meeting for the year that ended on 31 December 2009 which 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. The change has already been approved by the Revenue Department and the Ministry of Commerce.

30 Subsequent events

Samutsakorn's Provincial Governor issued an order to all coal trading operators in the province to cease all operations from 13 July 2011 onwards until further notice. However, on 23 November 2011, Samutsakorn's Provincial Governor issued an order allowing coal transportation which the Company will follow the order.

Unique Mining Services
Public Company Limited



" เพื่อสนับสนุนการผลิตที่ต่ำกว่า เรียกว่า UMS "



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