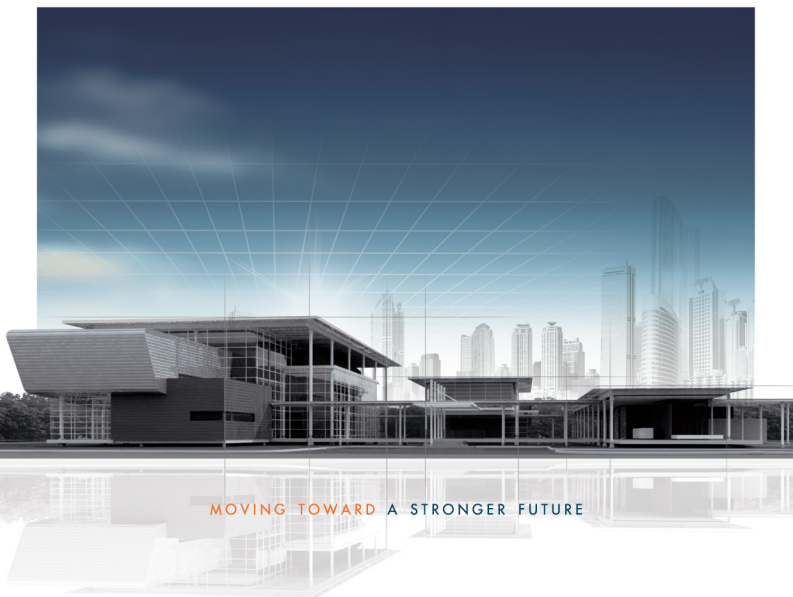




MOVING TOWARD A STRONGER FUTURE



รายงานประจำปี 2553 ANNUAL REPORT 2010

บริษัท คำเหล็กไทย จำกัด (มหาชน)
THAI METAL TRADE PUBLIC COMPANY LIMITED

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TMT Knowledge Center

Moving Forward A Stronger Future

From the beginning long time ago, With experience continuously gain over times, Blended with creativities and strong management, Today, Thai Metal Trade Public Company Limited, has Grown steadily and taken a different step into steel business. The TMT Knowledge Center Is ready to become a place for knowledge transfer, exchange and disseminate, To inspire everyone “The Power of Steel” as an essential structure of every imagination.

Vision

Providing Structure of Your Imagination

This vision statement is what we believe in, and we strive every single day to live up to this commitment.

To be different, we challenge ourselves at all times to come up with new creative ideas to provide better solutions to customers and to keep improving our business functions, in order to respond to the ever-changing demand.

We provide the structures for architects to materialize great design concepts...

We provide the structures for customers to achieve their success...

We provide the structures for countless industries to thrive...

We provide the structures for the Thai economy to prosper...

...all for a strong, sustainable growth of Thai society today, tomorrow and beyond.

Integrated Management

Positioned as a leading integrated steel solution provider, TMT is geared up and ready to provide an all-inclusive steel-related service to our customers. Besides supplying quality products, we offer consultation, business solutions and material planning. These are aimed at creating greater values in order to benefit our customers. In other words, we are transforming a conventional steel business into a fully integrated steel solution.

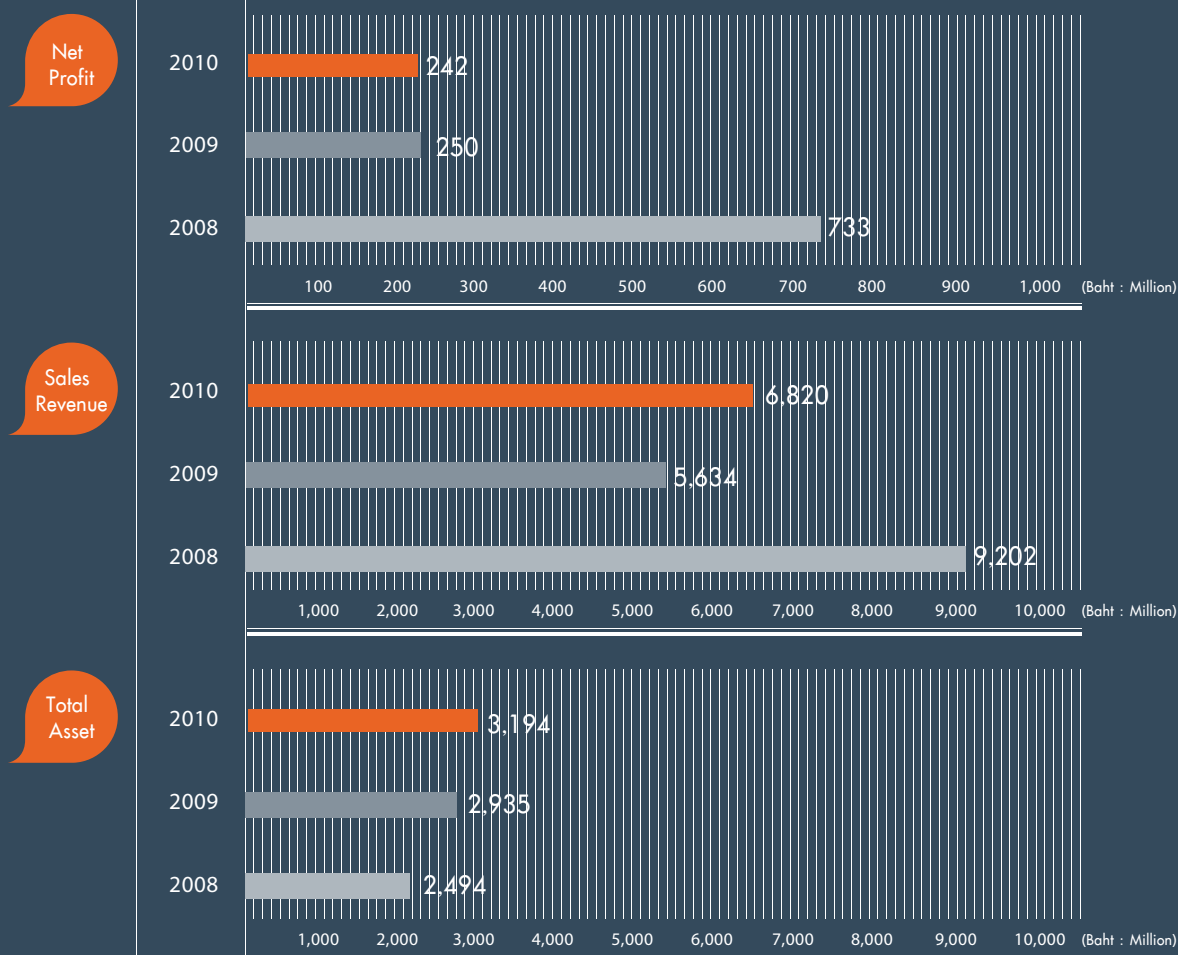
Knowledge is Structure of Stronger Future

Competencies of staff at TMT and other sectors in the steel industry is a key structure to realize every idea and imagination. The TMT Knowledge Center is a hub for transfer, exchange and dissemination of steel industrial knowledge and information to continuously enhance staff's competencies to create added value for our trade partners and related parties with steel usage; to promote learning of new technologies to accommodate unlimited requirement of steel usage; to become part of our customers' success; and to yield benefit for steel users. Simply because everyone's success is the key determination of TMT.

Financial Highlights

(Baht: million)

As of 31 st December 2010	2010	2009	2008
Summary			
Sales Revenue	6,820	5,634	9,202
Gross Profit	569	581	1,256
Net Profit	242	250	733
Total Assets	3,194	2,935	2,494
Total Liabilities	1,412	1,204	589
Shareholder's Equity	1,782	1,731	1,905
Paid-up Capital	425	425	425
Financial Ratio			
Gross Profit Margin	8.35%	10.33%	13.66%
Net Profit Margin	3.55%	4.45%	7.97%
Return on Assets	7.58%	8.55%	29.40%
Return on Equity	13.58%	14.49%	38.50%
Current Ratio	1.47	1.54	2.40
Debt to Equity Ratio	0.79	0.70	0.31





Message from Board of Directors

The outlook of Thai economy in 2010 has apparently shown a significant improvement driven mainly by growth of Thailand's exports, especially from automobile sector, electrical appliances and food industry. The domestic consumption has also moderately increased as well as the improving numbers of the private investment. Thank to the public stimulus package that has been continuously accelerated by the government from which has played an important role to enable the overall economy to be sustainable. Generally Thai economy has recovered steadily from the slowdown in 2009 as the average GDP has reached the highest level of 7.5 per cent in 2010, despite the violence in political turmoil in mid of May. This has confirmed a healthy fundamental of Thai economy. Consequently, the steel industry has also benefited by the upturn of the economy as the total steel consumption has increased up to approximately 13 million tons this year.

In 2010, TMT has managed to achieve a decent result with the turnover of Baht 6,800 million or about 20 per cent increased from 2009. Whilst the net profit was about Baht 240 million slightly down from the previous year about 5 per cent. This happened when the global steel price started to drop in the beginning of third quarter and remained flat until the fourth quarter of 2010 resulted by attempting to cool down the economy in China, whereas various measures of the Chinese Government have been implemented lately. Therefore, a certain pressure has been put to the steel price in the global market to some extent. Nevertheless the outlook of 2011 seems to be optimistic as the growth of general Thai industries still remains strong. We expect the steel consumption to rise about 5 to 10 per cent up from last year due to the increasing demand in agricultural industry, transportation and construction industry. TMT have prudently prepared to challenge this opportunity with confidence to achieve a better outcome and to create more value to all stakeholders.

Apart from being a leading comprehensive steel service and distribution center, we are always pursuing to share our customer's mind and to be a part of their great success by providing extensive solutions successfully to their businesses. To be able to achieve these challenges, it is nothing else but TMT people, who must be reliable, knowledgeable, being ready to deliver their best expertise to serve all customers. We are proud to inform our shareholders that TMT Knowledge Center (TMTC) has now been completed and ready for everybody to share their experiences together. It is a place where knowledge of steel will be developed, exchanged and transferred, not just only to TMT people but all stakeholders will be more welcome to join together and becoming a friendly steel community.

Finally the Board of Director would like to extend our sincere thankfulness to all alliances and valuable shareholders for continuous support and trust. We also appreciate all colleagues and staffs for all hard work and contribution as being part of our success.

(Mr. Soon Tarasansombat)
Chairman of the Board of Directors

(Mr. Paisal Tarasansombat)
Chief of Executive Board

Report of the Audit Committee

The Audit Committee of Thai Metal Trade Public Company Limited is comprised of three independent directors. The Company's Executive Vice President in Finance and Accounting serves as committee secretary. The Audit Committee is empowered by the Board of Directors to examine all matters relating to the financial status of the Company, and its internal and external audits. The Committee pursues and promotes good corporate governance by actively creating awareness and providing advice to management on sound risk management and internal control practices.

For the year 2010, the Audit Committee held four meetings to review the Company's financial statements which had been certified by the external auditor and to discuss other related activities of the Company in compliance with the rules and regulations of the Stock Exchange of Thailand as well as good internal control practices.

In such meetings, the Audit Committee met independently with the management and the internal and external auditors of the Company, conducted reviews and evaluations of accounting policies, the procedures relative to the accounting policies, the internal control assessment, and the audit plan. The Audit Committee also verified and accepted every quarterly financial statements and provided assessments and recommendations to the Board of Directors. Where weaknesses were identified in internal controls, corrective action plans were established to eliminate or reduce the associated risks.

The Internal Auditor serves to identify and verify business risks and control weaknesses within the Company by carrying out audit activities systematically. The reports on compliance with good internal control practice and procedures with recommendations were discussed with the relevant management team to incorporate their agreed action plans and submitted to the Audit Committee. Furthermore, the Internal Auditor has held regular meetings with the Audit Committee to give updates on audit results. The Audit Committee is fully committed to ensure that both corrective and preventive actions are taken in an effective and timely manner.

The Board of Directors with the Audit Committee approved the policy and reports for related party transactions in 2010.

The Audit Committee provided the following opinions:

1. The Company's financial reports are accurate, complete and reliable
2. The Company's assets are safeguarded, proper accounting records are maintained, and resources are utilized effectively and efficiently.
3. The Company complied with the securities laws, the Exchange's regulations, and other laws relating to the Company's business.
4. Mr.Vichien Khingmontri of PricewaterhouseCoopers ABAS, the Company's auditor, is suitable and provided appropriate services
5. The related transactions arising in 2010 were rational and made for the optimal benefits of the Company
6. In 2010, the number of the audit Committee meetings, and the attendance of such meetings by each committee member were as follows;

Mr.Chai Jroongtanapibarn	Chairman	4/4
Mr.Anake Pinvanichkul	Member	3/4
Mrs.Ratanavalee Gorsanan	Member	4/4

7. Audit Committee performed its duties in accordance with its charter, approved by the Board of Directors.

Accordingly, the Audit Committee has recommended to the Board of Directors that Mr.Vichien Khingmontri, Certified Public Accountant No.3977 of PricewaterhouseCoopers ABAS Company Limited, be re-appointed as the Company's auditor for the fiscal year ending 31 December 2011. The re-appointment of the auditor and acceptance of its fees will be subjected to the approval of the shareholders at the Annual General Meeting to be held on 29 March 2011.



Chai Jroongtanapibarn
Chairman of the Audit Committee
21 February 2011



Corporate Profile

Company Name	:	Thai Metal Trade Public Company Limited
Stock Code	:	TMT
Registration Number	:	0107547000800
Type of Business	:	Integrated Steel Service Center
Registered Capital	:	Baht 434,500,000
Issued and Paid-up Capital	:	Baht 425,000,000
Head Office	:	179, 22 nd Floor Bangkok City Tower, South Sathorn Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel : 02 685 4000 Fax : 02 670 9090-2
Rama III Plant and Distribution Center	:	129, 131 Rama III Rd., Bangkholaem, Bangkok 10120
Wang Noi Plant and Distribution Center	:	332-333 Moo 5, Paholyothin Rd., Lamsai, Wang Noi, Ayutthaya 13170
Investor Relations	:	Tel : 02 685 4000 ext. 1605, 1501 E-mail : ir@thaimetaltrade.com
Designated Directors as Shareholders' representative	:	Fax : 02 670 9093 E-mail : ind_dir@thaimetaltrade.com
Homepage	:	www.thaimetaltrade.com

References

Share Registrar	:	Thailand Securities Depository Company Limited 62 SET Building, Ratchadaphisek Rd., Klongtoey, Bangkok 10110 Tel : 02 359 1200-1 Fax : 02 359 1259
Auditor	:	PricewaterhouseCoopers ABAS Company Limited 179, 15 th Floor Bangkok City Tower, South Sathorn Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel : 02 344 1000, 02 286 9999 Fax : 02 286-5050
Legal Consultant	:	Seri Manop and Doyle Company Limited 21 Soi Amnuaiwat, Sutthisan Rd., Samsennok, Huaikhwang, Bangkok 10310 Tel : 02 693 2036 Fax : 02 693 4189

Shareholding Structure

The Top 10 Shareholders of the Company as of March 8th, 2010*

No.	Shareholders	Number of shares	Percentage of shareholding
1	Mr.Soon Tarasansombat	162,256,100	38.18
2	Mr.Chamnan Tarasansombat	35,086,000	8.26
3	Mrs.Penjit Pipattanasakul	33,464,400	7.87
4	Mr.Komsan Tarasansombat	32,180,000	7.57
5	Mrs.Pornjit Tarasansombat	30,000,000	7.06
6	METAL ONE CORPORATION	21,250,000	5.00
7	Mrs.Panlapa Tarasansombat	17,000,000	4.00
8	Mr.Paisal Tarasansombat	16,790,100	3.95
9	Mr.Thongchai Srisan	6,000,000	1.41
10	Mr.Tanawut Sriboonruang	4,680,000	1.10

Source: Thailand Securities Depository Company Limited

Group of shareholders whose movement has an influence on policy establishment and operation.

Shareholders	Number of shares	Percentage of shareholding
Tarasansombat Family		
1. Mr.Soon Tarasansombat	162,256,100	38.18
2. Mr.Chamnan Tarasansombat	35,086,000	8.26
3. Mr.Komsan Tarasansombat	32,180,000	7.57
4. Mrs.Pornjit Tarasansombat	30,000,000	7.06
5. Mrs.Panlapa Tarasansombat	17,000,000	4.00
6. Mr.Paisal Tarasansombat	16,790,100	3.95
Related Person		
7. Mrs.Penjit Pipattanasakul (Daughter of Mr.Soon Tarasansombat and Sister of Mr.Paisal Tarasansombat and Mr.Komsan Tarasansombat)	33,464,400	7.87

Source: Thailand Securities Depository Company Limited

* Closing date for the rights to attend the Annual General Meeting of Shareholders for the year 2010



Board of Directors and Executives

Mr.Soon Tarasansombat

Chairman of the Board

Age 69 years

Education

- Mattayom 6

Training for Director course of IOD

- Director Accreditation Program (DAP) : Class 19/2004

Family Relationship between directors and management

Father of Mr.Paisal Tarasansombat and Mr.Komsan Tarasansombat

Number of shares (include related person as section 258)

- 192,256,100 shares or 45.24%⁽¹⁾

Experience (5 years past)

2004 - Present	Chairman of the Board Thai Metal Trade Plc. / Steel Service Center
1986 - Present	Director Soon Huat Steel Co.,Ltd. / Property Lessor

Illegal record in the past 10 years

- None

Mr.Paisal Tarasansombat

Director, Chief of Executive Board,
President and Authorized Director

Age 45 years

Education

- Diploma , Assumption Commercial College
- Diploma in Business Study, East Bourne College of Art & Technology, United Kingdom
- Mini IE , Chulalongkorn University
- Top Executive Program : Class 10th, Capital Market Academy

Training for Director course of IOD

- Director Accreditation Program (DAP) : Class 21/2004

Family Relationship between directors and management

Son of Mr.Soon Tarasansombat, Brother of Mr.Komsan Tarasansombat, and spouse of Mrs.Panlapa Tarasansombat

Number of shares (include related person as section 258)

- 33,790,100 shares or 7.95%⁽²⁾

Experience (5 years past)

Mar. 2008 - Present	Directors, Chief of Executive Board and President Thai Metal Trade Plc. / Steel Service Center
2004 - Feb. 2008	Directors and Chief of Executive Board Thai Metal Trade Plc. / Steel Service Center
2004 - Present	Director CONNEX Business Online Co.,Ltd. / Software Solution
1986 - Present	Director Soon Huat Steel Co.,Ltd. / Property Leasing

Illegal record in the past 10 years

- None

Mr.Komsan Tarasansombat

Director, Executive Director, Authorized Director,
Executive Vice President - Operations and Acting in
Executive Vice President - Supply Chain

Age 42 years

Education

- Bachelor of Industrial Engineering, Khon Kaen University
- M.B.A. (Finance), Middle Tennessee State University, USA.

Training for Director course of IOD

- Director Accreditation Program (DAP) : Class 19/2004

Family Relationship between directors and management

- Son of Mr.Soon Tarasansombat and Brother of Mr.Paisal Tarasansombat

Number of shares (include related person as section 258)

- 32,180,000 shares or 7.57%

Experience (5 years past)

- | | |
|---------------------|---|
| Aug. 2009 - Present | Director, Executive Director, Executive Vice President - Operations and Acting in Executive Vice President - Supply Chain
Thai Metal Trade Plc. / Steel Service Center |
| 2005 - Jul. 2009 | Director, Executive Director, Executive Vice President - Operations
Thai Metal Trade Plc. / Steel Service Center |

Illegal record in the past 10 years

- None

Mr.Somjate Tretarnthip

Director, Nomination and Remuneration Committee,
Executive Director, Authorized Director and
Executive Vice President - Finance and Accounting

Age 46 years

Education

- Bachelor of Business Administration, Ramkhamhaeng University
- Mini M.B.A., Kasetsart University

Training for Director course of IOD

- Director Accreditation Program (DAP) : Class 19/2004

Family Relationship between directors and management

- None

Number of shares (include related person as section 258)

- 2,720,000 shares or 0.64%

Experience (5 years past)

- | | |
|---------------------|---|
| Aug. 2010 - Present | Director, Nomination and Remuneration Committee, Executive Director and Executive Vice President - Finance and Accounting
Thai Metal Trade Plc. / Steel Service Center |
| 2005 - Jul. 2010 | Director, Executive Director and Executive Vice President - Finance and Accounting
Thai Metal Trade Plc. / Steel Service Center |
| 2004 - Present | Director
CONNEX Business Online Co.,Ltd. / Software Solution |

Illegal record in the past 10 years

- None



Mr.Chai Jroongtanapibarn

Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and Independent director

Age 56 years

Education

- Bachelor of Accounting, Chulalongkorn University
- Master of Accounting, Thammasat University

Training for Director course of IOD

- Director Certification Program (DCP) : Class 29/2003
- Audit Committee Program (ACP) : Year 2005

Family Relationship between directors and management

- None

Number of shares (include related person as section 258)

- None

Experience (5 years past)

- Aug. 2010 - Present Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee and Independent Director Thai Metal Trade Plc. / Steel Service Center
- 2005 - Aug. 2010 Chairman of Audit Committee, Chairman of Remuneration Committee and Independent Director Thai Metal Trade Plc. / Steel Service Center
- 2007 - Present Audit Committee Siam Food Products Plc. / Food processing for export
- 2006 - Present Audit Committee Oishi Group Plc. / Food and Beverage business
- 2003 - Present Director Siam Future Development / Shopping Center
- 2002 - Present Chairman of Audit Committee Major Cineplex Group Plc. / Cinema and Bowling
- 2000 - Present Chairman of Audit Committee Team Precision Plc. / Electronics Board

Illegal record in the past 10 years

- None

Mrs.Ratanavalee Gorsanan

Audit Committee, Nomination and Remuneration Committee and Independent director

Age 46 years

Education

- Bachelor of Accounting, Thammasat University
- Master of Accounting, Thammasat University

Training for Director course of IOD

- Director Accreditation Program (DAP) : Class 21/2004

Family Relationship between directors and management

- None

Number of shares (include related person as section 258)

- None

Experience (5 years past)

- Aug. 2010 - Present Audit Committee, Nomination and Remuneration Committee and Independent Director Thai Metal Trade Plc. / Steel Service Center
- 2005 - Aug. 2010 Audit Committee, Remuneration Committee and Independent Director Thai Metal Trade Plc. / Steel Service Center
- 2010 - Present Vice President of Finance and Accounting Minor Corporation Plc. / Consumer products manufacturer
- 2002 - 2010 Chief Finance Officer Adidas (Thailand) Co.,Ltd. / Sporting goods manufacturer

Illegal record in the past 10 years

- None

Mr.Anake Pinvanichkul

Audit Committee, Nomination and Remuneration Committee and Independent director

Age 46 years

Education

- Bachelor of Science, Kasetsart University
- M.B.A., New York University

Training for Director course of IOD

- Director Accreditation Program (DAP) : Class 23/2004

Family Relationship between directors and management

- None

Number of shares (include related person as section 258)

- None

Experience (5 years past)

Aug. 2010 - Present	Audit Committee, Nomination and Remuneration Committee and Independent Director Thai Metal Trade Plc. / Steel Service Center
2005 - Aug. 2010	Audit Committee, Remuneration Committee and Independent Director Thai Metal Trade Plc. / Steel Service Center
2002 - Present	Director ACAP Advisory Plc. / Finance advisory and non-performing asset management

Illegal record in the past 10 years

- None

Mrs.Panlapa Tarasansombat

Executive Vice President - Human Resources

Age 43 years

Education

- B.B.A., Majoring in Accounting, Assumption University
- Mini IE, Chulalongkorn University
- Graduate Diploma in Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training for Director course of IOD

- None

Family Relationship between directors and management

- Spouse of Mr.Paisal Tarasansombat

Number of shares (include related person as section 258)

- 33,790,100 shares or 7.95%⁽³⁾

Experience (5 years past)

Aug. 2009 - Present	Executive Vice President - Human Resources Thai Metal Trade Plc. / Steel Service Center
2005 - Jul. 2009	Executive Vice President - Administration and Human Resources Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years

- None



Ms.Petrung Maesincee

Executive Vice President - Marketing

Remark :

Age 45 years

Education

- Bachelor of Art (Economics), Thammasat University
- Master of Art (Economics), Thammasat University

Training for Director course of IOD

- None

Family Relationship between directors and management

- None

Number of shares (include related person as section 258)

- 1,225,300 shares or 0.29%

Experience (5 years past)

Aug. 2009 - Present	Executive Vice President - Marketing (Department) Thai Metal Trade Plc. / Steel Service Center
2008 - Jul. 2009	Executive Vice President - Marketing (Division) Thai Metal Trade Plc. / Steel Service Center
2004 - 2007	Vice President - Marketing Thai Metal Trade Plc. / Steel Service Center

Illegal record in the past 10 years

- None

(1) Mr.Soon Tarasansombat holds the Company's share of total 162,256,100 shares, which equivalent to 38.18 per cent of its total issued and paid up shares, and Mrs.Pornjit Tarasansombat, his spouse, hold of total 30,000,000 shares, which equivalent to 7.06 per cent of its total issued and paid up shares.

(2) Mr.Paisal Tarasansombat holds the Company's share of total 16,790,100 shares, which equivalent to 3.95 per cent of its total issued and paid up shares, and Mrs.Panlapa Tarasansombat, his spouse, holds of total 17,000,000 shares, which equivalent to 4.00 per cent of its total issued and paid up shares.

(3) Mrs.Panlapa Tarasansombat holds the Company's share of total 17,000,000 shares, which equivalent to 4.00 per cent of its total issued and paid up shares, and Mr.Paisal Tarasansombat, her spouse, holds of total 16,790,100 shares, which equivalent to 3.95 of its total issued and paid up shares.

In this regards, the number of shares and percentage of share-holding as specified above are as of 8th March 2010, the latest book closing date.

Steel House, the New Innovative Living idea to watch

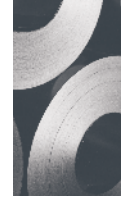
"Steel House" seems new to Thais people, but in foreign country there are regularly using steel in residential construction widely because of its benefits below;

- Can build faster and conveniently (processing period 45 - 90 days);
- No problem with termites or wood eating insects to interfere;
- Reduce fire risk (because steel is not flammable);
- More durable than general houses;
- Energy saving more than brick house causes by brick are plastered with cements that heat for several hours, whilst steel can release faster.
- Low allowance for maintenance because there is no problem of crack or corrosion from normal use.

Source : Iron and Steel Institute of Thailand (ISIT)



Photo : Thailand Steel House Contest 2010 by ISIT



Nature of Business

History and Background

Mr. Soon Tarasansombat founded “Soon Huat Iron Work Limited Partnership” in 1976. The business had initially been focused on only steel trading until 1986, when it was transformed to “Soon Huat Steel Co., Ltd.”. The company eventually was reformed to a new business model in 1992 as “Thai Metal Trade Company Limited”.

Thai Metal Trade Company Limited (TMT) was established on April 17th, 1992, with an initial paid up capital of 5 Million Baht. The Company was positioned as a fully integrated steel service center. Being able to cover a full range of steel products, expertise in steel trading, a manufacturing and an excellent distribution system, plus proactive marketing strategies, Thai Metal Trade was rapidly on its way to guarantee long-term growth.

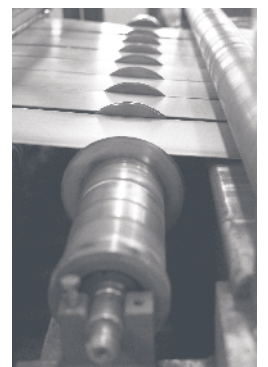
On September 1st, 2004, TMT became a listed company on the Stock Exchange of Thailand. This was a bold step forward to enhancing credibility, widening financial instruments and greater business opportunities, and reinforcing sustainable growth.

The Company's first plant is located on Rama III Road, and the substantial investment of over One Billion Baht has been spent on a plot of 112 rai compound in Ayutthaya, to increase capacity of production in steel pipe and C-Channel, steel processing and also to widen distribution capabilities.

The Company's present paid-up capital was 425 Million Baht. We are now the Thailand's largest integrated steel solution provider whose business priority lies on increasing the value of our partnership with customers, rather than on mere product sales.

The Company has made a significant of changing and development of year 2010 as follows

- The Company has built “TMT Knowledge Center” as an academy to transfer, exchange and spread out the steel information and knowledge to enhance staff's competencies and create the essential value for every stakeholders. It will also support and encourage the users with new know-how to utilize their steel usage with less constraint as our determination to be a part of our customers' success.
- The Company's Laboratory was certified by Thai Industrial Standards Institute for ISO/IEC 17025 : 2005 Standard which assures that our Laboratory can perform the quality testing as the same standard as other reputable Laboratory
- The Company was received the standard TIS107-2533 for hollow structural steel section in rectangular shape for HS 41 Grade / Size 60 X 30 mm. / thickness 2.3 and 3.2 mm.
- The Company's CGR ranking was adjusted to very good  scoring in year 2010 which was upgraded from good  scoring in previous year by the survey of Thai Institute of Director (IOD)



Nature of Business Overview

With a complex requirement of customer which is diverse as its industrial needs and variety of its business application, it creates a complicated need not only in pattern, quality, standard or utilization to meet their requirement, but also a need of services which can ensure a committed delivery, secured source of material and valuable recommendation on alternatives of efficient material planning. In the mean time, this management should be synchronized and conformed to upstream material management in both local and foreign mills' constraints and conditions which are described as below:

Mills' Needs	Customers' Needs
1. Quantity Mills prefer mass production and require a minimum quantity in order to control production costs and achieve economies of scale.	1. Quantity Customers, such as construction companies, manufacturers of parts, automobile parts, require limited quantities of products for a certain period of time which may not meet the minimum quantity requirement of mills. In addition, customers need various types of products at one time.
2. Pattern Mills prefer standard pattern orders which require a normal production process in order to ensure efficiency in the production process.	2. Pattern Each customer requires different types of products. Some products cannot be completed in a mill's production process and need additional processing.
3. Delivery Mills prefer mass volume for each delivery together with few shipments and few destinations in order to control transportation costs.	3. Delivery Customers generally require a one-time delivery of several types of products in one order. In addition, many customers mean many destinations.
4. Order Mills prefer to have a confirmed order in advance and lead time in order to fix the production planning.	4. Order Consumers may require the product immediately or at a shortened period, making it difficult to place orders in advance.

The Company, as a full service centre and distribution centre, manages and serves the varying preferences of both mill and consumers to meet their requirement at the same time by placing orders to mills in a large volume, with some products maintained in its warehouse and others were reprocessed in order to provide various products to customers in each industry. The Company assists its customers in saving time, reducing handling and storage costs and expenses by providing a product sourcing service. The Company also helps mills reduce transportation costs by delivering the products to each consumer directly.



Features of the Services and Products

The principal activity of the Company is to act as total steel solution provider. The Company places priority on serving the needs of customers and providing the type of product customers require through its management and warehousing system. The Company also delivers products at a pre-specified time and place. These activities comprise value-added for customers in terms of providing product variety, quality and convenience. The Company's solution can be divided into two main categories, as follows:

1. As Steel Distribution Center

The Company focuses on product sourcing and the sale of all types of steel products, which include raw material, finished and processed products. The Company sells these to industrial customers. Products are sourced from both domestic and global manufacturers and stored in its warehouse. Through its inventory management system, the Company is able to dispatch orders to its customers according to their production plan. Customers therefore obtain an efficient inventory management system which reduces their inventory management and handling costs, and storage space. Steel trading and warehousing comprises as one of the Company's core business. The products that fall under this category can be divided into two main groups: flat products and long products.

1.1 Flat Products

● Hot-Rolled Flat Products

The production process involves the hot rolling of slab into sheets of varying widths, lengths, and thicknesses. Generally, the product contains two features: hot-rolled coil with a thickness ranging from 1.0 to 25 millimeters, and hot-rolled plate with a thickness ranging from 8 to 100 millimeters. The Company procures hot-rolled coil from steel mills and distributes this to wholesalers and other steel mills for further processing. Hot-rolled coil generally enters the rolling process before being cut into different sizes according to customers' orders. This falls under the Company's steel processing business. Flat products can be widely used in several industries, such as construction, machinery, ship building and bridge construction.

● Cold-Rolled Flat Products

The production process involves smoothing the surface of hot-rolled coil and reducing the thickness by cold rolling into thin sheets with a thickness ranging from 0.3 to 2.0 millimeters. The Company procures Cold Rolled products from domestic steel service center and sells it to customers. This type of product can be used in the production of automobiles, electrical products and furniture.

● Coated Steel Products

The production process involves coating hot-rolled steel and cold-rolled steel. The product features can be divided into the following categories:

- Electro Galvanized Steel
- Hot Dipped Galvanized Steel
- Color Coated Steel

The Company purchases this type of product from steel mills and distributes it to customers in the automobile manufacturing, electrical appliance and furniture manufacturing industry.



1.2 Long Products

● Hot-Formed

The Company engages in the trading of hot-formed products which comprise shaped steel, such as H-Beams, I-Beams, channels, equal angles, and steel bars. These types of products are principally used in the construction industry, such as building structures, elevated and subway train stations, bridges, high-rise buildings and manufacturing plants.

● Cold-Formed

Cold-formed products involve the reforming of slit coil by machine (non-heating process). This type of product includes round pipe, square pipe, rectangular pipe or C-channel steel. The Company engages in both trading and manufacturing of cold-formed products.

2. Steel Processing and Cold Forming

Due to the varying needs and preferences of customers, the Company provides a steel processing service by which it sources raw material from steel mills and processes this according to customers' specifications. Steel processing is another core business. Steel processing can be divided into the following four types:

● Cutting

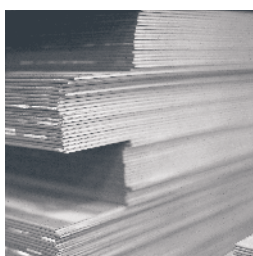
This involves the cutting of Hot-Rolled Coil (HRC) into varying lengths and widths according to customer specifications. The HRC will then be unrolled and cut horizontally into a standard size by a cutting machine. There are three types of cutting machines: a thin cutting machine, which is used to cut steel sheet with a thickness ranging between 1 and 6 millimetres, a thick cutting machine which is used to cut steel sheet steel with a thickness ranging between 6 and 13 millimetres, and an extra thick cutting machine which is used to cut steel sheet with a thickness ranging between 6 and 25 millimeters. The steel sheet will be cut into standard sizes of 4 x 8 feet, 5 x 10 feet, 5 x 20 feet or cut to length as required and be able to serve extra 2 meters in width. Customers who order this product are steel processing operators who purchase and reprocess products according to their customers' requirements, steel retailers, automobile manufacturers, furniture manufacturers, automobile parts manufacturers and constructions.

● Shearing and Pressing

After being cut by the cutting machine in the above process into standard sizes, the steel will be cut with a shearing machine or cutting gas CNC into various sizes as specified by customers. The steel will then require further processing by a pressing machine in which the products are pressed and formed into specific shapes, such as channel steel and equal angle steel. Customers of these types of products are steel retailers, and automobile, furniture and parts manufacturers.

● Coil Slitting

HRC is unrolled and cut by a slitting machine into smaller sizes according to customers' specifications. After being cut, the steel will be rolled into a coil resembling the shape of scotch tape or a roll of film. Customers of slit coil are manufacturers of steel pipe, C-Channel, automobile parts and furniture. Furthermore, the slit coil can be used as material for grating products with efficient cutting through Mini Leveler machine.





● Cold-Forming

The production process involves the cold forming of slit coil utilizing hi-tech machinery to produce steel pipe and C-Channel steel. The Company has obtained the certification TIS 1228-2549 for C - Channel steel and TIS 107-2533 for Rounded Pipe, Square & Rectangular Pipe by the Thai Industrial Standard Institute.

The Company has created added value on Pipes and C-Channel products through a new automatic Anti-Rust Coating by primer coating machine with airless spray system which can reduced customer's production cost and safe from any hazardous volatile or solid substances for healthy and environmental friendliness. This is already launched as new product for construction and home developer sector.

Revenue structure

The Company's revenue structure over the past three years covering its financial period ended 31st December 2008 to 2010 is as follows:

Product Line	2010		2009		2008	
	Baht thousands	%	Baht thousands	%	Baht thousands	%
Trading						
1. Hot-Rolled Coil	103,787	1.51	163,108	2.88	298,087	3.23
2. Hot Formed Shape Steel	1,142,334	16.66	979,044	17.29	1,820,825	19.73
3. Steel Pipe and C-Channel	134,268	1.96	77,488	1.37	153,197	1.66
4. Sheet and Plate Steel	236,422	3.45	152,904	2.70	125,665	1.34
5. Others*	204,831	2.99	22,875	0.40	14,766	0.16
Total	1,821,642	26.57	1,395,419	24.64	2,410,539	26.12
Processing						
1. Steel Sheet (Cutting)	1,677,362	24.46	1,622,569	28.65	2,844,289	30.82
2. Steel Sheet (Shearing and Pressing)	1,912,686	27.89	1,482,240	26.17	2,535,127	27.47
3. Slit Coil	141,603	2.07	86,696	1.53	115,359	1.25
Cold Formed Steel Processing						
4. Steel Pipe	576,358	8.41	509,872	9.00	532,497	5.77
5. C-Channel	689,919	10.06	537,543	9.49	764,137	8.28
Total	4,997,928	72.89	4,238,920	74.85	6,791,408	73.59
Other Income**	37,384	0.55	28,955	0.51	26,763	0.29
Total Revenue	6,856,954	100.00	5,663,294	100.00	9,228,711	100.00

Notes : * Such as special size and grade steel

** Such as processing service, delivery service, and interest income



Beginning of the world energy

Every time you switch on an electrical appliance, you are using steel. Steel is a necessary material to production and disperse energy, and also use as a conductor to bring thus power to use.

“Steel” is used in the high tension electricity post and cable for transportation of electricity current. Furthermore, there is silicon steel used in generator, transformer, and electric motor to create power we use.

When we think about solar energy, steel is also use as a base for solar thermal panels and energy storage.

Beside important material in the production of electricity, steel also help reduces energy consumption by development of steel to produce stronger and lighter vehicles that are more increasing fuel economy, or by using it instead of brick and cement when building a house which can cool the temperature in house for the result of energy consumption reduction.

Source : Iron and Steel Institute of Thailand



Risk Factors

Risk factors that may have an adverse effect on TMT's business, financial position or operating results are as follows:

1. Risk associated with the reliability on major steel producers

During 2010, the Company purchased hot-rolled coil from three major domestic producers: G Steel Plc. (GSTEEL), Sahaviriya Steel Industry Plc. (SSI), and GJ Steel Plc. (GJS), which accounted for a combined 52.97 percent of its total purchases compared with 69.39 percent in 2009. In addition, the Company purchased structural steel products from Siam Yamato Steel Co., Ltd. ("SYS"), the largest structural steel producer in Thailand, accounting for 7.44 percent of the total purchases compared with 8.14 percent in 2009.

As there are only three domestic hot-rolled steel producers as well as an import restriction caused by the extending of an anti-dumping measure, the Company's purchases from these producers represent a high proportion of its raw material total purchases. Hence, there may be a risk if these major domestic steel producers are unable to deliver their products to the Company as scheduled or the producer's operation is halted with any cause and if the Company is unable to provide substitute products to fill its customers' orders. However, such an event could occur only in a case where the three producers simultaneously delay delivery.

The Company is able to mitigate this risk through its minimum stock policy of 30 days to 60 days and its policy to place orders approximately 30 to 60 days in advance. In addition, the Company maintains a close relationship with its producers and distributors both in local and global in order to secure and reserve the alternative material sources for the Company.

2. Risk associated with impacts from Anti-Dumping Measures

According to the Ministry of Commerce has extended for another period of five years on the effectiveness of the anti-dumping duties on imports of hot-rolled steel from 14 countries, which started on 21st May 2009. Such measure led to a rise in the price of imported hot-rolled coil (HRC), an increase in the trading volume of HRC produced domestically, which may cause a shortage of supply in the future if the local domestic producers could not produce their products to respond the market needs.

The Company still to mitigate the risk through its minimum stock policy of 30 days to 60 days and place orders approximately 30 to 60 days in advance.

3. Risk associated with fluctuations in the price of Hot-rolled Coil (HRC)

In 2010 and 2009, the Company's main revenue stemmed from trading and processing HRC, accounted for 80.19 percent and 80.22 percent of total revenue respectively. The Company's total purchase of HRC from domestic producers was 88.75 percent and 87.64 percent of its total HRC purchased in 2010 and in 2009 respectively. Therefore, the volatility of domestic HRC price, which fluctuates with the world price, will have an impact on the Company's cost of goods sold, price of products, and inventory management.

The Company has done a best effort to minimize the price fluctuation impact by setting its selling prices at a level whereby it can maintain its spread margin. The Company closely monitors fluctuations in steel prices to evaluate the market situation as well as price trends. This information can be used in making purchasing decisions as well as managing inventory.

4. Risk associated with the Accounts Receivable

As at 31st December 2010, the Company had accounts receivable in the amount of Baht 970.72 million representing 14.23 percent of total sales, the average collection period were 46 days, while accounts receivable which aged less than 3 months was Baht 969.40 million representing 99.87 percent of net accounts receivable. Hence, the Company may encounter a delinquency risk in the event customers have a poor operating performance, and this may affect the Company's profitability and financial status.

The Company periodically reviews the credit quality of its customers and sets aside provisions for no guarantee doubtful accounts aged overdue more than 180 days, or if the Company detects that a client has a problem in making a payment, even if does not exceed 180 days, the Company will set aside provisions for doubtful debt for said client. The Company focuses on providing credit which was considered by Credit Committee to grant a credit line for its own customers and allows credit for repeat customers with a good credit history and long-term relationship. In the case of new customers, customers in high-risk industries or who place unusually large purchase orders, the Company will request a bank guarantee, aval or letter of credit. The Company also has a diversified revenue base and a large number of customers without having to rely on any one specific customer group. Risk is also minimised as no large proportion of credit is provided to any one sector or industry.



5. Risk associated with interest rates

As at 31st December 2010, the Company's liabilities were short-term loans from financial institutions totalling Baht 1,116.44 million representing 79.05 percent of its total liabilities. The short-term financing consisted of short-term loans from financial institutions, trust receipts and letters of credit which were used as working capital to purchase raw material from its suppliers and its age was longer than the age of the Company's account receivable.

Any changes in market interest rate may effect to interest expense and net profit. However, the interest expense in 2010 was equaled to 0.28% of total sales revenue while in year 2009 was 0.30%. The interest coverage ratio was 17.59 times in year 2010 while in year 2009 was 20 times when compared with earning before interest and tax.

6. Risk associated with exchange rate risk

For the fiscal year 2010 and 2009, the Company's total imports in US dollar terms accounted for 9.38 percent and 10.34 percent of total purchases, respectively. This exposes the Company to a risk of fluctuations in foreign currency. However, the Company has a policy to hedge this risk by making forward contracts or converting to be Baht debt or making early payment depending on the level of cash on hand.

The Company will continue to import some of its raw material requirement while maintaining its hedging policy to manage foreign exchange risk exposure whenever the Company deems appropriate.

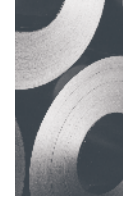


Eco Friendly

The 3R of sustainability; Reduce, Reuse and Recycle has been embedded clearly as part of steel features. The steel industry has been reducing the need for raw materials and encouraging reuse of existing products. Finally, with outstanding features steel has become the world's most recycled materials from decade to decade.

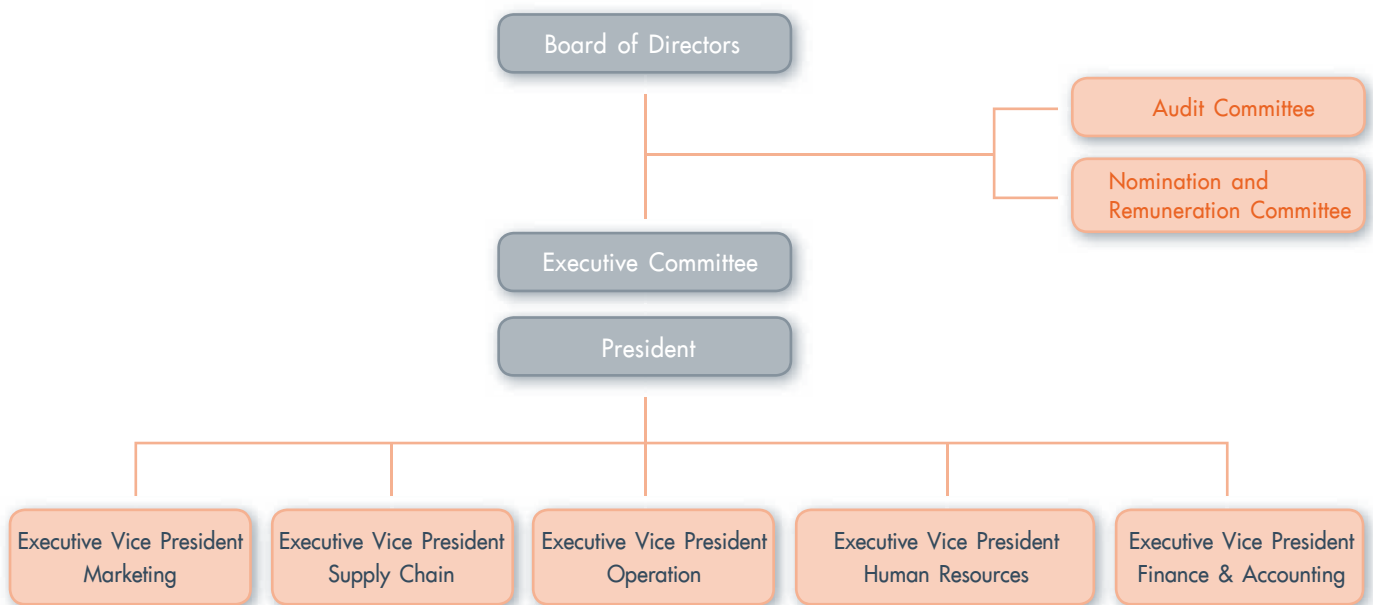
In North America 33% of the straight rail comes from used rail. Based on railroad industry reports, an estimated 1.46 million tonnes of straight rail were put into service, thus over 340,000 tonnes of straight rail were reused during this period. Eliminating the need to produce 340,000 tonnes of new rail products equates to saving of 811,600 tonnes of CO².

Automobiles are the most recycled products, and every car today is all made from scrap. In addition, steel recycled from 6 cars can be used to construct brand new 2 storey house with the area of 200 square meters, whereas at the same size wood house, you have to cut 40 - 50 large trees.



Management Structure

Organization Chart as of December 31st, 2010



Board of Directors

As of December 31st, 2010, the Board of Directors consisted of seven members as follows:

Name	Position
1. Mr.Soon Tarasansombat	Chairman of the Board
2. Mr.Paisal Tarasansombat	Director
3. Mr.Komsan Tarasansombat	Director
4. Mr.Somjate Tretarnthip	Director
5. Mr.Chai Jroongtanapibarn	Independent Director
6. Mrs.Ratanavalee Gorsanan	Independent Director
7. Mr.Anake Pinvanichkul	Independent Director

Authorized Directors

1. Mr.Paisal Tarasansombat
2. Mr.Komsan Tarasansombat
3. Mr.Somjate Tretarnthip

Any above two of three directors jointly sign along with the Company's seal affixed.

Scope, Duties, and Responsibilities of the Board

The Board of directors has its duties and responsibilities to perform in compliance with the laws, objectives, and the Company's Articles of Association as well as resolutions of shareholders' meeting with honesty and due care of the Company's benefits, except the transactions that must be approved by shareholders' meeting before conducting such as transactions that required by laws to obtain the majority votes of shareholders' meeting, the connected transaction and the acquisition or disposal of assets in accordance with the regulations specified by SET or any issues defined by government agencies etc. In this regards, the Board of directors may assign any one director or other person to act on behalf of the Board of directors. The Scope, Duties, and Responsibilities of the Board of directors as follows:

1. To hold the Company's annual general meeting of shareholders within no later than four months from the end of the Company's fiscal year;
2. To hold the Company's Board of directors' meeting at least once every three months;
3. To arrange the preparation of financial statement as at the end of the Company's fiscal year which is audited by auditor, and then shall propose to the shareholder's meeting for their consideration and approval;
4. The Board of directors may delegate their authority to any one or several directors or other person to take any action on their behalf and under the supervision of the Board of directors, or empower such person/persons to have power according to the Board of directors deem appropriate and within time limit as the Board of directors indicate. The Board of directors may cancel, revoke, change, or amend such authorities whenever it deems appropriate. The Board of Directors may authorize the Executive Committee to manage any operations, which was already described in scope, duties and responsibilities of executive committee, however, such authorization shall not include the consideration and approval of any transaction in respect of which his or any persons have interest or conflict of interests with the Company or its subsidiary, except where the transactions are in accordance with policies and measures as considered and approved by the Board of directors;
5. To set target, guideline, policy, business plan and budget of the Company as well as to monitor the operation and management of executive committee to ensure that they perform in compliance with such policies, except the following matters which must be approved by the meeting of shareholders before conducting : the issue that required by laws to obtain the majority votes of shareholders' meeting such as capital increasing, capital reduction, debenture issuance, the sale or transfer of business of the Company in whole or in essential part to other persons or the purchase or acceptance of transfer of business of other companies, and the amendment of the Company's memorandum of association. Furthermore, the Board of directors has its duty to conduct the Company to perform in compliance with the Securities and Exchange laws and rules issued by SET such as connected transaction and the acquisition or disposal of assets according to the regulations issued by SET, or relevant legislation with the Company's business;
6. To consider the management structure, and to appoint the executive committee, president, and other committee as deem appropriate;
7. To supervise and monitor the operating results in order to meet the business plan and budget continuously;
8. The Director is forbidden to operate a business of the same nature as, and in competition with that of the Company, or to enter to be a partner in an ordinary partnership or a partner of limited partnership or a director of a private company or other company which operates a business of the same nature as and in competition with that of the Company, whether for their own or other's benefit, unless the meeting of shareholders has been notified prior to appointment thereto;
9. The Director shall file to the Company a report on his interest which may cause conflict of interest directly or indirectly when the Company enters into a contract, or has any changes in shares or debenture holding in the Company or its subsidiary.



The Board's Meeting : In year 2010, The Board's meeting held a total of five meetings with directors' attendance as detailed below:

Name	Position	No. of Attendance / No. of Meeting (times)
1. Mr.Soon Tarasansombat	Chairman of the Board	5/5
2. Mr.Paisal Tarasansombat	Director	5/5
3. Mr.Komsan Tarasansombat	Director	5/5
4. Mr.Somjate Tretarnthip	Director and Corporate Secretary	5/5
5. Mr.Chai Jroongtanapibarn	Independent Director	5/5
6. Mr.Anake Pinvanichkul	Independent Director	4/5
7. Mrs.Ratanavalee Gorsanan	Independent Director	5/5

Executive Committee

As of December 31st, 2010, the Executive Committee consisted of three members as follows:

Name	Position
1. Mr.Paisal Tarasansombat	Chief of Executive Board
2. Mr.Komsan Tarasansombat	Executive Director
3. Mr.Somjate Tretarnthip	Executive Director

Scope, Duties, and Responsibilities of the Executive Committee

The Executive Committee has its scope of authorities, duties, and responsibilities to manage the Company's normal business operation as well as to set a policy, business plan, budget, management structure and job authorization, and business protocol in relation with economic conditions in order to propose to the Board of Directors for approval and/or acceptance, including the verification and supervision of the operating results compared with its policies. The Scope, Duties, and Responsibilities of the Board of Directors as follows:

1. To consider the annual budget allocation as proposed by management team before submit to the Board of directors' meeting for approval, including the consideration and approval of changes in interim expenses in case of emergency item when there is no Board of Directors' meeting, and then report to the next Board of directors' meeting;
2. To approve buying or selling transaction that value of not exceeding Baht 500 Million per transaction;
3. To approve the investment expense which is not in the approved annual budget, and not exceeding Baht 50 Million;
4. To approve the expenses for investment as annual budget as approved by the Board of directors or in accordance with the approved principle by the Board of Directors;
5. To provide consultancy to the management in respect of financial, investment, marketing, human resources management, and other operation matters;
6. To allocate pension funds approved by the Board of Directors to employees or any persons employed to work for the Company;
7. To control the operation and/or daily management of the Company.

However, the authorities of the Executive Committee are not included the approval of any transactions in respect of executive committee who has a conflict or any matters in respect of which executive committee or related persons has interest or conflict of interest with the Company or its subsidiary (if any) pursuant to the rules of SET. The approval on such matters shall proposed to the Board of directors' meeting and/or the shareholder's meeting so as to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guidelines approved by the Board.

Audit Committee

As of December 31st, 2010, the Audit Committee consisted of three knowledgeable members as follows:

Name	Position
1. Mr.Chai Jroongtanapibarn	Chairman of the Audit Committee
2. Mrs.Ratanavalee Gorsanan	Audit Committee
3. Mr.Anake Pinvanichkul	Audit Committee

Scope, Duties, and Responsibilities of Audit Committee

The Audit Committee has its scope of authorities, duties, and responsibilities as authorized by the Board of directors, including the report to the Board on following matters:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine independency of internal audit unit, as well as to approve the appointment, transfer and dismissal of the head of internal audit unit or any other unit in charge of internal audit;
3. To review compliance with the Securities and Exchange Act, regulation of the Stock Exchange of Thailand and any other relevant regulations or laws which related to the Company's business;
4. To consider, select, and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with the auditor at least once a year;
5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an Audit Committee' report which must be signed by the Chairman of Audit Committee and consist of at least the following information:
 - 6.1 an opinion on the accuracy, completeness and reliability of the Company's financial report,
 - 6.2 an opinion on the adequacy of the Company's internal control system,
 - 6.3 an opinion on the compliance with the law on the securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - 6.4 an opinion on the suitability of an auditor,
 - 6.5 an opinion on the transactions that may lead to conflicts of interests,
 - 6.6 the number of audit committee' s meeting, and the attendance of such meetings by each committee member,
 - 6.7 an opinion or overview comment acknowledged by the audit committee from its performance of duties in accordance with the charter, and
 - 6.8 other transactions which, according to the audit committee's opinion, should be disclosed to the shareholders and investors, subject to the scope of duties and responsibilities assigned by the Board.



7. To report the Audit Committee's operation to the Board at least once every quarter;
8. To perform any duties as designated by the Board with the consent of the Audit Committee.

In addition, The Board of directors has fixed the term for members of Audit Committee as follows:

- Chairman of the Audit Committee 3 years
- Audit Committee 3 years

In this regards, when they complete their term, Chairman of Audit Committee or audit committee can be re-appointed to their position.

Audit Committee's Meeting : In year 2010, Audit Committee's meeting held a total of four meetings with the committee's attendance as detailed below:

Name	Position	No. of Attendance / No. of Meeting (times)
1. Mr.Chai Jroongtanapibarn	Chairman of the Audit Committee	4/4
2. Mrs.Ratanavalee Gorsanan	Audit Committee	4/4
3. Mr.Anake Pinvanichkul	Audit Committee	3/4

Nomination and Remuneration Committee*

As of December 31st, 2010, the Nomination and Remuneration Committee consisted of four members as follows

Name	Position
1. Mr.Chai Jroongtanapibarn	Chairman of the Nomination and Remuneration Committee
2. Mrs.Ratanavalee Gorsanan	Nomination and Remuneration Committee
3. Mr.Anake Pinvanichkul	Nomination and Remuneration Committee
4. Mr.Somjate Tretarnthip	Nomination and Remuneration Committee

Scope, Duties, and Responsibilities of the Nomination and Remuneration Committee

1. To set the policy, criteria, and method of remuneration payment and nomination process for the Board of directors, sub-committee, and president;
2. To nominate, determine, and propose the suitable directorial candidates as the setting criteria, in order to replace the retired directors of the Board or sub-committee, and president, or when those positions are vacant as well as the new position set by the Board of directors or set by laws, and then propose to the Board and / or the shareholder's meeting to approve;
3. To draw up guideline for remuneration criteria and fix the remuneration for the Board of directors, sub-committee and president, either cash or non cash and propose to the Board of directors for approval, and then propose to shareholders' meeting for final approval;
4. To review the appropriateness of the current remuneration and nomination criteria;
5. To perform any duties as designated by the Board.

Remark : * The Board of directors has resolved on the Boards' meeting no. 3/2010 held on August 13th, 2010, to appoint the Nomination and Remuneration Committee instead of the Remuneration Committee. In this regards, the former committee held 2 meetings in year 2010 and all members attended in both meetings.

Management Team

As of December 31st, 2010, the management of the Company consisted of five members as follows:

Name	Position
1. Mr.Paisal Tarasansombat	President
2. Ms.Petrung Measincee	Executive Vice President - Marketing
3. Mr.Komsan Tarasansombat	Executive Vice President - Operations and Acting in Executive Vice President - Supply Chain
4. Mrs.Panlapa Tarasansombat	Executive Vice President - Human Resources
5. Mr.Somjate Tretarnthip	Executive Vice President - Finance and Accounting

Scope, Duties, and Responsibilities of President

The scope, duties and responsibilities of President for managing normal business and operation of the Company are as follows:

1. To control and supervise the operation and/or manage day-to-day business of the Company;
2. To operate or carry out the business in respect of execution of policies, business plan, and budgets approved by the Board of Directors and/or the Executive Committee;
3. To act as the attorney of the Company in management to comply with objectives, Articles of Association, policies, guidelines, regulations, orders, resolutions of shareholder's meeting and/or resolutions of the Board of Directors or the Executive Committee;

However, the authorities of president are not included the approval of any transactions in respect of president has a conflict, or any matters in respect of which president or related persons have interest or conflict of interest with the Company or its subsidiary (if any) pursuant to the rules of SET. The approval on such matters shall proposed to the Board of directors' meeting and/or the shareholder's meeting so as to consider and approve those matters according to the Articles of Association of the Company or any relevant laws, except for normal business transactions that are already prescribed by existing guideline approved by the Board of directors.

Corporate Secretary

As of December 31st, 2010

Name	Position
Mr.Somjate Tretarnthip	Corporate Secretary

Scope, Duties, and Responsibilities of the Corporate Secretary

Responsible for organizing the meetings of the Board of directors, committees and shareholders, and preparing the minutes of the Board's meeting, the minutes of other Committees' meeting, the minutes of Shareholders' meeting and annual report as well as filing documents as specified by laws. Support and supervise the Company to perform in compliance with the laws. Support and supervise the Company to perform in compliance with the laws and regulation of the Stock Exchange of Thailand.



Remuneration of directors and management

The Nomination and Remuneration Committee is responsible for prescribing and considering about the remuneration of directors and executive committee by comparing with the others in the same industry and compliance with the Company's operating results. These also including the accountabilities and responsibilities of those directors and executive committee. The allocation of remuneration is detailed as below;

1. The Board and Other Sub-committee Remuneration

The previous annual general meeting of shareholders on March 26th, 2010 has been approved the directors' remuneration of not exceed than Baht 4,000,000 per annum which is the same rate of year 2009. The Company total paid out those aforementioned to 7 directors which consisted of Baht 3,710,000 for directors' allowance, Baht 270,000 for meeting allowance, and Baht 1,900,000 for directors' bonus from operating results of year 2009. The allocation of remuneration is detailed as below:

Name	Position	Directors allowance (Baht)	Meeting Allowance (Baht)	Bonus from 2009 operating results (Baht)	Total (Baht)
1. Mr. Soon Tarasansombat	Chairman of the Board	640,000	40,000	300,000	980,000
2. Mr. Paisal Tarasansombat	Director	450,000	40,000	260,000	750,000
3. Mr. Komsan Tarasansombat	Director	450,000	40,000	260,000	750,000
4. Mr. Somjate Tretarnthip	Director	450,000	40,000	260,000	750,000
5. Mr. Chai Jroongtanapibarn	Director, Chairman of the Audit Committee, and Chairman of Nomination and Remuneration Committee	640,000	40,000	300,000	980,000
6. Mrs. Ratanavalee Gorsanan	Director, Audit Committee and Nomination and Remuneration Committee	540,000	40,000	260,000	840,000
7. Mr. Anake Pinvanichkul	Director, Audit Committee and Nomination and Remuneration Committee	540,000	30,000	260,000	830,000
Total		3,710,000	270,000	1,900,000	5,880,000

2. The Executive Committee and Management Remuneration

In year 2010, the Company paid out the executive committee and management's remuneration for 3 committees and 5 managements in term of salary, bonus, pension fund, totaling Baht 20,234,520.



Steel is a material that can be recycled 100%

Of the 3Rs, recycling is probably the most recognized attribute of steel. Steel scrap is re-melted in electric arc furnace and used as a main material to make new steel. Therefore used appliances, cans, rust posts and decadence auto bodies were moved from the useless waste stream into the recycling stream to reuse again. This results due to steel's magnetic properties.

Did you know?

78% of steel being recycled worldwide in 2007

60 million tonnage is total steel being recycled in 2000

22 million pounds is value of steel can used per year in junk shop

2 billion is the number of beverage can made from steel



Report on Good Corporate Governance

The Board of Directors of Thai Metal Trade Plc. realized the significance of the Company's good corporate governance by endorsing the moral and ethics as business principles in order to conduct the business with responsibilities, due care, and loyalty to bring efficient, transparent, and trustworthy growth from our shareholders, investors, and stakeholders. The Board therefore established the good corporate governance principle and guidelines so as to preserve such policy which can be divided into 5 chapters as follows;

Chapter 1 Rights of shareholders

1. Rights to appoint the Board of Directors

The Company's Articles of Association has set the rule to appoint the Company's Board of Directors that shareholders' meeting shall elect the directors in accordance with the rules and procedures as follows;

- 1.1 Each shareholder shall be entitled to one vote for each shareholding;
- 1.2 Each shareholder shall be entitled to cast all the votes under 1.1 to elect one or several persons to be the Company's director but cannot distribute their votes to any particular person or persons;
- 1.3 Persons who receive the highest votes arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed are elected to be the Company's directors. In the event of a tie at a lower place, which would make the number of directors greater than the required, the Chairman of the meeting shall cast the deciding vote.

Furthermore, one single shareholder or several shareholders together hold the Company's shares of not less than 5 percent of its total issued and paid up shares has the rights to nominate candidates to be elected as the Company's directors in advance according to date, time, and criteria disclosed by the Company prior to the meeting date. In this regards, the percentage of shareholding as said shall hold for a minimum period of 12 consecutive months prior to the date of invitation to use their rights. In this regards, no shareholder nominated candidate as said in AGM 2010.

2. Rights in shareholders' meeting

- 2.1 The Company allows shareholders to propose the agendas of shareholders' meeting 30 days in advance prior to the meeting date. The criterion has been posted on either the Company's website: www.thaimetaltrade.com, or via the SET's channel, together with proposal form for shareholders' convenience. In AGM 2010, no shareholder proposed agenda as said.
- 2.2 The Company sends the notice of the meeting which indicated date, time, place, agendas, opinion of the Board, and supporting documents to all shareholders at least 14 days prior to the meeting date, and also such all relevant information will be posted on the Company's website at least 30 days prior to the meeting date so as to provide the opportunity to shareholders to study the supporting information before making decision on each agenda. The meeting agenda and supporting documents as said provided transparent and sufficient information for shareholders to make a decision.
- 2.3 The Company provides the opportunity to shareholders who are unable to attend the meeting for exercising their rights by appointing other person to attend the meeting and cast the vote on their behalf or appoint an independent director who is appointed by the Company as their proxy. The Company facilitates all shareholders by providing proxy either form B (detailed form) or form C (the form used only if the shareholder is an offshore investor who appoints a local custodian in Thailand to keep his/her shares in the custody) along with the notice of the meeting.
- 2.4 The Company also published such notice of the meeting in the public daily newspaper for 3 consecutive days and 3 days prior to the meeting date in order to provide multi-channel for receiving information.

- 2.5 The Company provides the best effort to accommodate the most convenience for shareholders in term of the meeting place which the head office of the Company is situated and adjacent to the main public transportation. Moreover, the Company also facilitates shareholders by preparing any supplemental facility such as barcode system of TSD, adequate registration desk, spare notice of the meeting for those who do not bring such document, staff members available for collecting the ballot card, wireless microphone in order to provide shareholders opportunities to question, and presentation of each agenda etc.
- 2.6 At beginning of the meeting, the Company explains how to execute the shareholder's voting rights on each agenda, and announces the number of shareholders attending the meeting together with total shares which are entitled to vote.
- 2.7 The Company gives an opportunity for shareholders to raise any questions and suggestions on each agenda, and the Board of Directors would take as responsibility to clarify for those questions.
- 2.8 The Company would publish the minute and resolution of the shareholders' meeting via Stock Exchange of Thailand system and also the Company's website within 14 days after the meeting so as to accurately provide the information for shareholders who attended or did not attend the meeting as well as other investors.

The Board of Directors, the Audit Committee, the Remuneration Committee, and the executive committee has recognized the importance of attending the meeting and deemed it as important duty and responsibility to proceed. Therefore the previous 2010 Annual General Meeting of Shareholders dated March 26th, 2010, all committee which included the Board of Directors, the Audit Committee, the Remuneration Committee, Executive Committee, and chief of financial and accounting officer attended the meeting.

3. Rights to receive the dividend payment

The Company's dividend payment policy for the previous year operating results is not less than 50 percent of its net profit after legal reserve allocation as required by law. The payment was paid to the Company's shareholders whose name appear on the book closing date, which was fixed by the resolution of the Board of Directors' meeting and approved by the Annual General Meeting of Shareholders.

In case the Company was informed by the Thailand Securities Depository Co.,Ltd. about the undeliverable dividend cheque, the Company would send the notice of the aforesaid mention to those shareholders so as to follow and protect their rights.

4. Rights to access the adequate Company's information

The Company has been disclosed all significant information such as operating results or financial statements via the channel of the Stock Exchange of Thailand as well as published on the Company's website under "News submitted to SET" menu.

Chapter 2 Equitable Treatment of Shareholders

1. The Board has provided an opportunity for minor shareholders to propose agendas for the shareholders' meeting in advance by fixing that one single shareholder or several shareholders together hold the Company's shares of not less than 5 percent of its issued and paid up shares for 12 consecutive months prior to the date of invitation to use their rights, can exercise their rights as said according to date, time, and criteria disclosed by the Company prior to the meeting date.
2. The Company made the notice of the meeting, all supporting documents, and proxy in both Thai and English for the convenience of both local and foreign shareholders.
3. The Company will not propose the additional agendas without prior notice to shareholders.
4. The Company has authorized the independent directors to safeguard interest of its minor shareholders by creating the E-mail address : ind_dir@thaimetaltrade.com for shareholders to express their opinions, suggestions, or complain. The independent directors will consider and proceed as deem appropriate.



5. All directors and executive directors have their duty to report conflicts of interest of their own or other related persons according to Section 89/14 under the Securities and Exchange Acts (No.4) B.E.2551 in order that the Board can consider the Company's transaction without conflicts for the best benefit of the Company. In this regards, the directors and executive directors who have conflicts of interest were not allowed to present in the meeting and have no voting rights.
6. The Board of Directors has recognized the importance of inside information control and protects for internal use of restricted person only, so the Board established the policy and conduct to keep it confidential until it discloses to the public. In this recognition, the Company has informed directors and executive directors to acknowledge their responsibility to report their shareholding and related persons' shareholding included their spouse and minor children, this also including the changes in securities holding report and submit to SEC and SET in accordance with Section 59 and the penal provision of Section 275 in the Securities and Exchange Acts B.E. 2535.

Furthermore, the directors and executive directors, including their spouse and minor children, are forbidden to buy, sell or transfer the Company's securities by using inside information which has not yet been disclosed to public. In case those persons buy, sell or transfer the Company's securities without knowing such inside information, such persons are required to report the said transaction to SEC and SET within three days from the transaction date in every time of entering into such transaction and then submit a report to the corporate secretary as evidence.

However, if any directors, executive directors and the Company's staffs are taking advantage for their own from using inside information and such action has caused any disgrace or damage to the Company, the Company will consider taking an appropriate legal action against such person.

Chapter 3 Role of Stakeholders

Due to our company realized to right and the importance of all stakeholders, both in the part of customers, employees, trading partners, shareholders or investors, creditors, competitors, community, society and environment, including to government sector, so the ways for control and promotion are determined to enable the cooperation among all the aforementioned as summarized below ;

1. Customers

- 1.1 The Company ready to provide consultation, business solutions and material planning. These are aimed at creating greater values in order to benefit our customers under an integrated management system which will be able to meet all requirements of our customers.
- 1.2 Our company's products are manufactured by modern technology of production processes, and will be passed quality control before the delivery to customer, according to fixed standard and mutual covenants.
- 1.3 Our company's products information, to be presented to customer is true fact and having much enough detail. So, it is easy for the customers to make decisions.
- 1.4 The Company recognized the importance of logistics system in place which offers reliability, inventory management and cost control so as to reserve the customer's production and ensure that the customers' requirements will always be treated with great care and fulfilled.
- 1.5 The Company is committed to maintain customer private data confidentiality and prevent from using the aforementioned for personal gain without prior notice to customers.
- 1.6 The company emphasized on the result of evaluation of customer satisfaction, toward company's products and services. The results will be brought to improve and develop for better ability of responding to the customer demands.

2. Employees

- 2.1 The Company has continued and constructive personnel development by training our staff to be capable, knowledgeable, and experienced. These also including the reliable professionals who ready to provide better solutions to our customer and dare to be different as well as the way of thought and practice that create a value of determination, reliability, challenging ideas and responsive action.

In year 2010, the company had provided the training courses to employees, by allocating the sufficient budget as the followings;

- In-house Training for 8 courses, the number of employee joined the training, 696 persons.
 - Public Training for 76 courses, the number of employee joined the training, 110 persons.
- 2.2 The company regularly organizes activities with sufficient budget support to promote a collaborative working environment among all staff with expectation to build a harmony and drive their creativities, for example, Idea I Can Award; the creative works or work procedure development competition, TMT Sport day, TMT day; staff party, etc.
 - 2.3 The company provides opportunities for staff to share their opinions or suggestions which benefit to working operation through many various sub-work groups, such as safety, welfare, labor standard, special operation etc. The company also arranges a whistle blowing process for staff to communicate directly to Board of director for any leads or complaints which may disgrace or damage the company. Besides, the company has its policy that all parties' comments, suggestions or complaints in their normal operation should be considered and respected.
 - 2.4 The company has policy to provide a competitive remuneration, welfare and privilege to employees by considering with their competency and responsibility in each level, accompanied with operating result and in line with the same industrial practice. In addition, the company enables opportunities for employees to propose their suggestions of welfare arrangement through the welfare committee.
 - 2.5 The company set up the Safety, Health and Working environment committee to conduct the policy of safety, health, and working environment to ensure that all working procedures are safe and in compliance with standard as well as good health and good working environment practices. The objective for this committee is to be a leader in safety production by decreasing accident to be zero, and having none in operation.
 - 2.6 The company has no illegal employment, non-permitted alien workers and child labor, or any supports to cause the above action.
3. **Trading Partners**
 - 3.1 The Company has set out policy to create good-relationship between the Company and trading partners, including fair treatment with all partners in compliance with business condition and/or agreement as mutually agreed for purpose of development and maintenance of sustainable relationship.
 - 3.2 The company will not involve in any actions that may cause trading conflict or fraud, and not to support any business transaction with the company which involved in such actions.
 - 3.3 The company has determined fair criteria for partner evaluation and selection. The company will not support any actions that may cause conflicts of interests.
 4. **Shareholders**
 - 4.1 The Company intends to extend the sustainable and continuous business growth, based on transparency and fairness, to become the leading company in steel industry and to create confidence and long-term value for shareholders.
 - 4.2 The Company has its duty to disclose precisely and completely for the Information that may effect to shareholders' benefit
 - 4.3 The Company monitored the undeliverable dividend cheque which hadn't been received by shareholders and followed by sending a notice to those shareholders so as to protect their rights.
 5. **Creditors**

The Company follows the borrowing condition and truthfully reports the Company's financial status as well as fulfills obligation when payment is due. We also facilitate creditors to have convenience and quick channel in receiving payment, such as payment through cash management centre, transferring into account, or receiving at the company.
 6. **Competitors**

The Company commits to do business under the rules of decent competition and do not falsely disparage the reputation with unfair for competitors.



7. Community, Society, and Environment

- 7.1 The company operates its business by mainly emphasizing on community, social and environment and strictly following the environmental laws and regulations.
- 7.2 The company has supported the employee to take part in natural resource's preservation and energy saving, including to avoid any action that may cause environmental pollution.
- 7.3 The company collaborates and promotes the activities with governmental sector, Sub-district Administration Organization or other non profit organizations including meetings with each other to provide or cooperate for any public activities that bring benefit to the community.

8. Government Sector

- 8.1 The Company strictly conducted its business complied with Laws, Rules, and other regulations issued by Government sector.
- 8.2 The company is pleased to provide and share any information for government sector to use as it deems appropriate.

Chapter 4 Disclosure and Transparency

1. The Board of Directors has monitored for disclosure the significant information related to the Company's financial information and non-financial information in accordance with the regulations of SEC and SET and other relating notification with precisely, completely, on-time, and transparently for the equity of investors and stakeholders through various channel such as SET's news channel, the Annual Registration Statement, Annual Report, and the Company's website. The Company also appointed the corporate secretary to take a duty and responsibility to provide and preserve such information as said.
2. The analyst meeting is arranged regularly by the Company on a quarterly basis to announce the Company's operating results and financial status on the work day following the date of disclosure of audited financial statement. In this regards, the Company's also provided the information of comparative quarterly financial statement to the attendants.
3. The company's audited financial statement is operated by an audit office and the auditor who is independent, specialized and skillful, and is certified by related organizations. Also, the company does not intervene in above audit by any objectives. In order that stakeholders can be confident that the Company's financial statements will reflect the Company's financial status and operating results accurately.
4. The Board of Directors shall prepare report on the responsibilities for financial statements which shall be presented along with the auditor's report in the Annual Report of the Company.
5. The Board of Directors has monitored the disclosure of directors' remuneration as individual and management's remuneration, numbers of attending the meeting of the Board and other sub-committee. All of above information will be disclosed in the Company's annual report.
6. The Company has informed directors and management to acknowledge their responsibility to report their shareholding and related persons' shareholding to the corporate secretary so as to propose and acknowledge such information to the Audit Committee and the Board.

The Company has set up an Investor Relation Unit to keep in touch with investors, analysts and also government and public sectors. Below are the contact channels;

Telephone No.	:	02 685 4000 ext. 1605, 1501
Facsimile No.	:	02 670 9090-2
E-mail	:	ir@thaimetaltrade.com

Chapter 5 The Board's responsibilities

1. The Board's structure

1.1 The Board of Director

- At the end of year 2010, the Board of Directors has its quorum of 7 persons comprised of 3 independent directors and 1 chairman of the Board who is not in management position. Such

proportion is regarded to balance the power of the Board and comply with laws. The Board of Directors is appointed by shareholder's meeting. Further Information about their scope of work, duties, and responsibilities is detailed in Management Structure subject.

- The term of directorship complied with the regulation detailed in the Company's Articles of Association that in every the Annual General Meeting of Shareholders, one-third of the Board of Directors shall retire by rotation, and if the number of directors can not be divided exactly into three parts, directors in a number closet to one-third shall vacate office. The directors who remained in office for longest time shall vacate office and such directors can be re-elected.
- The directors who position in the Board are forbidden to position in the company that may have conflicts of interest in order to perform their duty efficiently, unless the shareholders' meeting had been notified prior to appointment thereto. Further details of member of the Board provided in Board of Directors and Executives subject.

1.2 The Audit Committee

- At the end of year 2010, the Audit Committee has its quorum of 3 independent directors who have no conflict of interest and connected relationship with the Company, the Board of Directors, management, major shareholders, and any others related parties of aforesaid persons, and posses qualification stated by laws. In this regards, the Audit Committee have adequate expertise and experience to review creditability of the financial statements. Further information about their scope of work, duties, and responsibilities is detailed in Management Structure subject.
- The term of directorship of the Audit Committee is 3 years from the date of being appointment. The committee who vacates from the office can be re-elected for another term.

1.3 The Nomination and Remuneration Committee

- At the end of year 2010, the Nomination and Remuneration Committee has its quorum of 4 persons consisted of 3 independent directors and 1 executive director. Further information about their scope of work, duties, and responsibilities is detailed in Management Structure subject.
- The term of directorship of the Nomination and Remuneration Committee is 3 years from the date of being appointment. The committee who vacates from the office can be re-elected for another term.

2. An Independent Directors

- The Independent Directors of the Company have possessed the qualification according to the independent standard set forth in the notification of the Capital Market Supervisory Board no. TorChor 4 / 2552 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (No.2),
- All those 3 independent directors are expertise in accounting and finance and experience in high management in other industry. The directors therefore can review creditability of financial statements and audit work.

3. The Board's meeting

The Board of Directors and the Audit Committee convened the meeting regularly in accordance with the schedule that are planned in advance and will call for the additional meetings as necessary. The Chairman of the Board promotes prudent consideration and allocates adequate time for management to present significant issues and sufficient time for directors to express their opinion and discuss significant concerns carefully and neatly. Directors regularly attend the meeting except in cases of reasonable necessity. Minute of the meeting shall regularly been recorded in each meeting for reference purposes and auditing purposes. Details of meetings of the Board of Directors and the Audit Committee are provided in Management Structure subject.

4. New Director Orientation

In case that new director is authorized, and has never being in the position of committee or executive of Thai Metal Trade Public Company Limited before, said director will be oriented by executive or corporate secretary for their acknowledgement of related code and conduct, corporate profile, nature of business, good corporate governance policy, business ethics, and other important information of the Company.



Besides, the Company promotes and supports all directors and executive to be trained to enhance and gain their skill, knowledge and experience for continuous development of the company.

5. Leadership and Vision

The Board of Directors of the Company shall possess leadership, vision, and independency on decision-making to set out the business development plan and targets and to consider the operating budget for the optimum benefits to shareholders and for the business growth of the Company.

6. The Aggregation or Segregation

The Company's committee consisted of the Board of Directors, the Executive Committee and Management that shall have the freedom of choice and a clear separation of power and authority. The Company has appointed an audit committee which consists of three independent directors whose duty is to balance the power and monitor the management team of the Company.

7. The Remuneration of directors and executives

The remuneration arrangement can be decomposed into 3 types; director allowance, meeting allowance, and bonus which been prescribed by the Nomination and Remuneration Committee. Such remuneration is fixed at an appropriate level and comparable with the same level in the industry and shall complied with the Company's operating results, experiences, duties, responsibilities, and performances of each directors and executives in order to attract and maintain qualified directors. Policy that the Nomination and Remuneration Committee use as guideline to fix such remuneration is according to the policy prescribed by the Board of Directors. In this regards, such remuneration shall take in to account in the Annual General Meeting of Shareholder for approval.

8. Business Ethics

The Board of Directors recognizes the importance to conduct its business with ethics by issuing the business ethics manual as a guideline to management in carrying out their duties with transparency, integrity, considering on all stakeholders, compliance with laws and regulations. It also use as guidelines to employees to operate their work with honesty and properly. The Board regularly monitors the conducting of work whether such guiding principle is followed as expected.

9. Conflicts of Interest

The Company has been recognized such problems and entrusted the Board of Directors to monitor the issue that may cause conflict of interest carefully, and also appointed the Audit Committee to consider any activities related to conflict of interest concerning.

10. System of Control and Internal Audit

The Company has set the authority and duties to operate, supervise and evaluate independently in order to check and balance their performance appropriately. The Company has regularly monitored the operation and the Audit committee has appointed KPMG Phoomchai Business Advisory Ltd. to audit the operation as the approved plan by the committee, and also reports directly to the Audit Committee for their recommendation on the control findings. This will enhance the system of control and internal audit to be more effectiveness.

11. Report on the responsibilities of the Board of Directors towards the financial report

The Board of Directors is responsible for the financial statements and financial information presented in the Annual Report. The aforementioned financial statements have been prepared in accordance with Generally Accepted Accounting Standards in Thailand, using based on the appropriate accounting policies and corresponding to its operation and doing practice regularly, as well as reasonableness in making projections regarding financial statements, and adequately disclosing significant information as indicated in the notes of financial statements. Thus, the Board of Directors shall prepare report on the responsibilities on said matters which shall be presented along with the auditor's report that stated in the Annual Report of the Company.

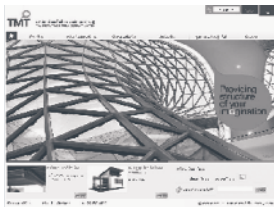
Corporate Social Responsibility Activities

With the realization that to sustain business growth, the Company shall be conducted along with the development, social and environmental responsibility. The Board, therefore, places an emphasis on corporate development and social responsibility as part of business conduct, and complying with good corporate governance and business ethics manual. The Board also promotes the activities to create a consciousness of responsibility and deliver value to all stakeholders not only employees and trading partners, but also community, social, and environment. In 2010, the Company has set and supported activities and project as follows;

Development Part

Sharing and promoting the basic knowledge about steel ability

Under the vision "Providing Structure of Your Imagination", the Company has set the policy to facilitate the basic understanding of steel products and their usefulness in daily life through the following projects:



www.thaimetaltrade.com

The Company created a website as a steel learning centre where people can learn the basic understanding of steel. It does not only provide the information for self-learning such as steel 101 or related articles to steel ability, but also provides consultation with the intelligent unit, so as to learn about the power of steel, art of steel, better living, and physics of steel. This clearly illustrates how "The Power of Steel" truly provides the foundation in daily life.

TMT collaborated with "Baan Lae Suan" Magazine to create a model of "Modular House" (Nov. 2010)

Modular house is created from the concept that "The Architectural work is a part of natural resources consumption which causes environment changed severely". This is the impetus to develop new form of construction for efficient natural resources usage. Structural parts are designed in standard size according to availability of material in the market. Its structure builds on steel column and beam system as a main structure so as to reduce a working process and respond to flexible requirement.



TMT supported a scholarship in Thailand Steel House Contest 2010 (Aug. 2010)

"Thailand Steel House Contest 2010, the innovation of future living" was set up by Iron and Steel Institute of Thailand, in order to promote and create the innovative idea and knowledge of steel construction for the academic institute, architect, engineer, and also architecture and engineering company.

Social Responsibilities Part

Health and Safety

As the Company aims to be a leader on safety steel production, the Safety, Health and Environment Committee was established as required by law which consisted of staff and management representatives. The Committee has its duty to standardize the operation and promote a healthy working together with building up good atmosphere in work place. This also includes the inspection and assessment on working environment in order to improve working infrastructure for efficient and safe operation. The Company organized all activities with staff collaboration such as Safety Standard with 5s., Safety Special Audit Group, Safe Drive etc. and other activities as below:

Non Smoking Campaign (Jul. 2010)

With Sincere and regards to staff's health, the Company has launched continuous non-smoking campaigns, this also included "Quit Smoking for victory (New life without smoke)" seminar as part of this campaign to achieve and become a non-smoking organization.



Promoting of Health Care and Prevention of non - communicable disease (Feb. 2010)

With care of all the Company's staff, the Company has provided activities related to health care and prevention of non-communicable disease by cooperating with medical officer from Wang Noi Hospital to provide recommendation and consultation for all staff.



Competency enhancement and Employee engagement

The Company focuses on the importance of Human Resources Development both in competency enhancement for work excellence and awareness of self and social responsibility so as to create and deliver value for themselves and others. Besides the in-house training and public training courses, totaling 84 courses, the Company regularly provides activities to promote other skills such as "Reading Shelf" by setting book corners in every workplace, "Reading Group"; a group discussion about interesting issues, and other projects related to human resources development as follow:



Idea I can (Jul. - Aug. 2010)

To encourage our staff to propose new ideas by making an invention made from waste materials, or improving work procedure to reduce errors or usage time, save costs, reduce waste arising from processing, and enhancing work value by using 3R principle; Reduce, Reuse, and Recycle, applied to each invention.

Educational program for new mom (Feb. 2010)

The Company provided knowledge for staffs who are becoming a mother by cooperating with medical officer from Wang Noi Hospital to educate and train about the pregnancy care. The Company also prepared breast milk corner and necessary equipments for breast milk storage to facilitate new mom giving breastfeed properly.



TMT's staff home visits. (Jan. 2010)

To engage with staff family and community, the Company brought the stationary, student uniforms, and scholarships to provide to Huay Kong Kad School and Kor Moo Der School which located in Maehongson province, one of a staff hometown.

Community and Environment Responsibilities

The Company concerns a collaborative living with the community and promoting a self-strengthening community by encouraging employees to be a part of community and environmental development. Therefore the Company has launched the projects as below:

TMT - Helping flood victims (Oct. 2010)

The Company donated Baht 500,000 (five hundred thousand baht) to Ayutthaya's governor for helping flood victims who suffer from shortage of essential living goods in Ayutthaya.



TMT - Planting Mangrove Forests (Feb. 2010)

The Company participated in "planting mangrove; housing of crabs and fish" in order to increase the area of mangrove for ecological integrity and to restore integrity resources to mangrove in Thailand at Klongklone, Samutsongkhrum.

TMT - Social Care (Jan. 2010)

The Company provided the stationary and sport equipments in National Children Day to Wat Bor Ta Loh School, Wat Las Sai School, Wat Sri Pracha 1 School, and Wat Sri Parcha 2 School which located in Wang Noi, Ayutthaya. This aims to encourage young teenage turns to sports for healthy and keep far away from drugs.



Connected Transactions

In Year 2010, the Company had connected transactions as follows;

Person/Juristic Person which may have conflicts of interest	Relationship	General Characteristics of the transaction	Total Value of transaction	Opinion of the Board/Audit Committee/The importance and reasonableness of the transaction
1. Soon Huat Steel Co.,Ltd. ¹	Five members of Tarasansombat family who are in the top ten shareholders, namely Mr.Soon, Mrs.Pornjit, Mr.Paisal, Mr. Komsan, and Mr.Chamnan which each shareholding are 38.18, 7.06, 3.95, 7.57, and 8.26 percent respectively, are shareholders of Soon Huat Steel Co.,Ltd. whose combined shareholding accounted for 92 percent. Moreover, the Company and such company have two same directors namely Mr.Soon Tarasansombat and Mr.Paisal Tarasansombat, and Mr.Paisal Tarasansombat also the authorized director of those two companies.	The office building lease renewal on 131 Rama III Road, Bangkholaem Sub-district, Bangkholaem District, Bangkok with Soon Huat Steel Co.,Ltd. which Rama III Plant and Distribution center of the Company is currently located. The term of lease renewal is 3 years from April 1 st , 2010 to March 31 st , 2013, with rental rate of Baht 200,000 per month (Same rate) which the payment date due on the 5 th of each month.	7,200,000 Baht (for a three-year lease contract)	This transaction is reasonable and fair with clear stipulation of lease term and rental rate, and such rental rate is lower than the current market price and the appraisal value reported by U.K. Valuation and Agency Co.,Ltd. (an independent appraiser approved by SEC) on July 15 th , 2004 of Baht 600,000 per month or Baht 7.2 million per year (for the total of item no.1 - 3 of connected transaction) that will bring the highest benefit to the Company. The Board of Director's meeting no. 1/2010, held on February 19 th , 2010, resolved to approve the Company to enter into a renewal of such transaction for 3 years tenor ended March 31 st 2013 with the same conditions and rental rate. In this regards, the directors who have conflicts of interests were not present in the meeting and had no voting rights in this agenda.
2. Group of Mr.Komsan Tarasansombat and Mr.Chamnan Tarasansombat	Mr.Komsan Tarasansombat is the Company's authorized director and one of the top ten shareholders by holding 7.57 percent of its total issued and paid up shares, and Mr.Chamnan Tarasansombat is another one of the top ten shareholders by holding 8.26 percent of its issued and paid up shares as well as relationship with Mr.Soon Tarasansombat as son and Mr.Paisal Tarasansombat as brother.	Such group renewed the 5 plots of land and plant building lease which located at 129 Rama III Road, Bangkholaem Sub-district, Bangkholaem District, Bangkok as Rama III Plant and Distribution center of the Company. The term of lease is 3 years from January 1 st , 2010 to December 31 st , 2012 with rental rate of Baht 250,000 per month (Same rate) which its payment date due on December 31 st of each year.	9,000,000 Baht (for a three-year lease contract)	

Remarks : 1. Soon Huat Steel Co.,Ltd. has not continued its steel business since TMT was established in year 1992. It currently operates only lease of property.



Person/Juristic Person which may have conflicts of interest	Relationship	General Characteristics of the transaction	Total Value of transaction	Opinion of the Board/Audit Committee/The importance and reasonableness of the transaction
3. Mr.Paisal Tarasansombat	Mr.Paisal Tarasansombat is the authorized director, Chief of Executive Board and President of the Company and also one of the top ten shareholders by holding 3.95 percent	The Use of the land with area of 2 rai, 2 ngan and 70 square wah which is a part of the land located at 131 Rama III Road Bangkholaem Subdistrict, Bangkholaem District, Bangkok is allowed by Mr.Paisal Tarasansombat to renew without any charges until December 31 st , 2013, thereafter the rental rate shall be considered based on the market rate. In this regards, the Company has to take all the utility cost and any tax related to or by the using of those land.	-	This transaction is benefits the Company's operation and that will bring the highest benefit to the Company. The Board of Director's meeting no. 4/2010, held on November 11 th , 2010, resolved to approve the Company to enter into a renewal of memorandum of land use.
4. Metal Commerz Pte.Ltd. ²	Mr.Paisal Tarasansombat, Director, Chief of Executive Board and President, is director of Metal Commerz Pte.Ltd. and holds 22.88 percent of its total issued and paid up shares. Mr.Komsan Tarasansombat, the Company's director is major shareholder of Metal Commerz Pte.Ltd. by holding 18.73 percent of its total issued and paid up shares.	The Company purchases Hot Rolled Coil from Metal Commerz and uses for processing to steel products and then sells to local end users. Metal Commerz performs as a sourcing arm for raw materials and steel products from various mills around the world with competitive price than those of other foreign suppliers.	566,292,215	The transaction is based on normal business transaction which approved in principle by the Board of Director's meeting no. 3/2008. Moreover, the purchasing price is not higher than the market price which the Company may purchase from other suppliers. The Company benefits from this transaction not only the price, but also a better balance of purchasing power among local and foreign market.

- Remarks : 2. Metal Commerz Pte.Ltd. is an intermediary who provides steel products sourced from around the world which the head office is located at Singapore. The Company has gains from information regarding market price, and referrals from manufacturing mills which the Company can negotiate for better price by comparing it with other suppliers. Most of Metal Commerz's customers are in Asia region, namely, China, Taiwan, Indonesia, Singapore
3. The above information about the name of shareholders and their shareholding is as of March 8th, 2010 (the lasted book closing date for the rights to attend the Annual General Meeting of Shareholders for year 2010).

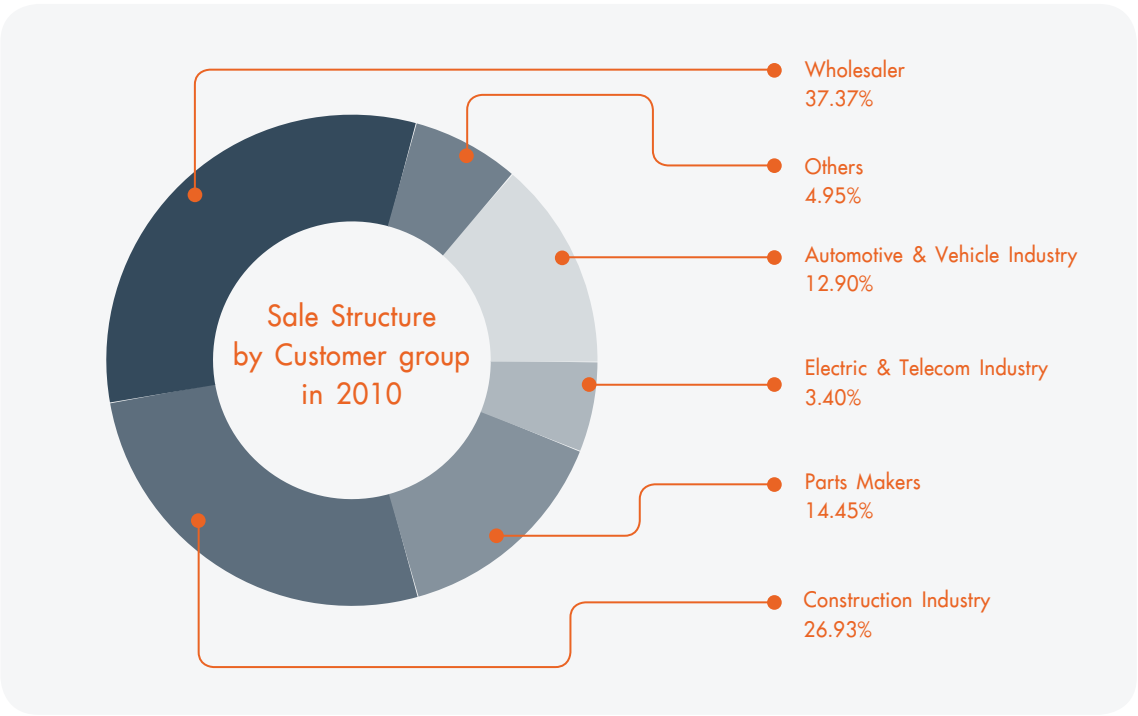
Management Discussion and Analysis

Performance

The Company has earned net profit of Baht 242.04 million which decreased 3.53 percent compared with 2009 net profit, whilst the gross profit margin was 8.53 percent compared with 10.33 percent in 2009. Though, average selling price in year 2010 was about 8.48 percent higher than year 2009, the raw material price was also rise. Anyway, due to high market competition, the company cannot adjust selling price to capture with higher raw material price for maintaining same level of gross profit margin.

Sales revenue

The company generated revenue from sales of Baht 6,819.57 billion, which was 21.04 percent lower than net sales in 2009. The quantity of sales has increased to 284,881 MT in 2010 which was 11.49 percent higher than quantity sale of 2009. The average selling price was up about 8.48 percent from the previous year to Baht 24.06 per Kilogram at average in 2010. And from the above reason, the company had increasing in revenue from sale. The Company's revenue structure classified by business group was as follows:



The proportion of processing and trading sales was 73:27 compared with 75:25 in 2009.



Selling and administration expense

The Company's selling and administration expense has recorded at total of Baht 240.96 million in 2010 compared with Baht 238.56 million in 2009 or increasing about Baht 2.41 million, equivalent to 1 percent. The increasing amount was from selling and marketing expenses that increased by 5.93 million Baht as the result from transportation expenses which conform to increasing in sale quantity. Administration expense was down about Baht 3.52 million.

The Directors and Executives remuneration decreased by Baht 2.47 million or equivalent to 8.63 percent when compared with the previous year due to decreasing in bonus from lower operating result.

Financial position

The Company's assets totalled Baht 3,194.12 million which increased by 8.8 percent from 2009. Current assets increased by Baht 219.29 million or 11.84 percent as a result of increasing in inventory amount Baht 46.99 million and trade account receivable amount Baht 228.78 million as the rise in sales revenue. The inventory turnover period was 54 days, and the average collection period was 46 days. Increasing in current asset had no any effects to the Company's liquidity, because the company still maintain a high level of current ratio at 1.47 times, comparing with 1.54 times in 2009.

Additionally, there is an increase in fixed assets 3.61 percent by acquire new assets amount Baht 143.66 million, mostly from building, equipments, vehicles and machines whilst the asset disposal net at Baht 0.76 million and depreciation and amortization was about Baht 100.73 million. Most of its increase came from property, plant and equipment investment in TMT Knowledge Center

In 2010, the Company total liabilities stood at Baht 1,412.32 million, solely current liability. The liability increased by Baht 207.60 million. Most of increasing came from short-term loan from Banks as the result from more need in working capital for building up the inventory and trade account receivable. For current liability policy, the Company used a few of trade credit from suppliers because of the higher cost compared with the cost of short-term borrowing from financial institutions. Additionally, suppliers preferred cash purchases and provided cash discounts for its cash-purchase customers. Hence, the Company used source of fund from a financial institution as working capital for managing inventory and accounts receivable. However, the Company's debt to equity ratio slightly increased from 0.70 times in 2009 to 0.79 times in 2010.

Report of Directors Relating to Responsibility for Financial Statements

The Board of Directors is responsible for Thai Metal Trade Public Company Limited ("The Company")'s financial statements including financial information presented in the annual report. The Financial Statements have been prepared by management in conformity with generally accepted accounting principles, with appropriated accounting policies applying consistently; and based on management's best estimates and judgments, with adequate disclosure of material issues for the best interest of shareholders and investors.

The Board of Directors has set up and maintains effective internal control system designed to provide management with reasonable assurance that transactions are recorded properly, the assets are safeguarded and that material frauds and malpractices are precluded.

The Board of Directors also appointed the Audit Committee to review the accounting policies, the accuracy and sufficiency of the company's financial reports and to ensure the adequacy and the efficiency of the internal control systems as well as the risk management system of the Company. Opinion of the Audit Committee is shown in Audit Committee's Report published in this annual report.

The Company also arranges to have independent certified public accountant as auditor audits the financial statements. The Board of Directors also provide document and information support so that the auditor can perform audits of the financial statements in accordance with generally accepted auditing standards to express his independent opinion on the true and fair of the financial positions and the results of the company's operations as stated in the financial statements. Auditor's Report is also shown in this annual report.

The Board of Directors is of an opinion that the internal control system of the Company is satisfactory and can ensure the credibility of Thai Metal Trade Public Company Limited's financial report for the fiscal year ended 31st December 2010 in accordance with generally accepted auditing standards and its compliance with the laws and related legislation.



Mr. Soon Tarasansombat
Chairman of the Board



Mr. Somjate Tretarathip
Director



Auditor and Financial Report

To the Shareholders of Thai Metal Trade Public Company Limited

I have audited the accompanying balance sheets as at 31 December 2010 and 2009, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended of Thai Metal Trade Public Company Limited. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2010 and 2009, and the results of its operations, and its cash flows for the years then ended of Thai Metal Trade Public Company Limited in accordance with generally accepted accounting principles.

Vichien Khingmontri

Certified Public Accountant (Thailand) No. 3977

PricewaterhouseCoopers ABAS Limited

Bangkok

21 February 2011

Balance Sheets

Thai Metal Trade Public Company Limited

As at 31 December 2010 and 2009

	Notes	2010 Baht	2009 Baht
Assets			
Current assets			
Cash and cash equivalents	6	123,246,295	81,429,534
Trade accounts receivable, net	7	970,718,017	741,934,244
Inventories, net	8	949,908,511	902,918,150
Advance payments for purchases of inventories		11,620,840	102,441,280
Other current assets		15,399,894	22,879,958
Total current assets		2,070,893,557	1,851,603,166
Non-current assets			
Property, plant and equipment, net	9	1,100,431,613	1,058,257,144
Intangible assets, net	10	19,530,669	23,937,885
Other assets		3,259,303	1,920,889
Total non-current assets		1,123,221,585	1,084,115,918
Total assets		3,194,115,142	2,935,719,084

The notes to the financial statements on pages 130 to 148 form an integral part of these financial statements.



Balance Sheets

Thai Metal Trade Public Company Limited

As at 31 December 2010 and 2009

	Notes	2010 Baht	2009 Baht
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	11	1,116,444,936	1,034,250,020
Trade accounts payable		137,070,645	62,867,494
Income tax payable		24,931,454	34,158,830
Advance receipts from customers for goods		78,214,078	45,070,489
Other current liabilities	12	55,655,022	28,368,274
Total current liabilities		1,412,316,135	1,204,715,107
Total liabilities		1,412,316,135	1,204,715,107
Shareholders' equity			
Share capital	13		
Authorised share capital			
434,500,000 ordinary shares of par			
Baht 1 each		434,500,000	434,500,000
Issued and paid-up share capital			
425,000,000 ordinary shares of paid-up			
Baht 1 each		425,000,000	425,000,000
Premium on share capital	13	402,736,298	402,736,298
Retained earnings			
Appropriated - legal reserve	18	43,450,000	43,450,000
Unappropriated		910,612,709	859,817,679
Total shareholders' equity		1,781,799,007	1,731,003,977
Total liabilities and shareholders' equity		3,194,115,142	2,935,719,084

The notes to the financial statements on pages 130 to 148 form an integral part of these financial statements.

Statements of Income

Thai Metal Trade Public Company Limited

For the years ended 31 December 2010 and 2009

	Notes	2010 Baht	2009 Baht
Sales		6,819,570,153	5,634,339,459
Costs of sales	21	(6,250,312,731)	(5,052,552,832)
Gross profit		569,257,422	581,786,627
Other income	14	37,384,386	28,954,991
Profit before expenses		606,641,808	610,741,618
Selling expenses		(63,635,417)	(57,709,222)
Administrative expenses	21	(177,328,676)	(180,848,721)
Directors and managements' remuneration	21	(26,114,520)	(28,580,000)
Profit before finance costs and income tax	15	339,563,195	343,603,675
Finance costs - interest expenses		(19,309,694)	(17,135,468)
Profit before income tax		320,253,501	326,468,207
Income tax		(78,216,346)	(75,579,273)
Net profit for the year		242,037,155	250,888,934
Earnings per share	16		
Basic earnings per share		0.57	0.59
Diluted earnings per share		0.57	0.59

The notes to the financial statements on pages 130 to 148 form an integral part of these financial statements.



Statements of Changes in Shareholders' Equity

Thai Metal Trade Public Company Limited
For the years ended 31 December 2010 and 2009

	Note			Retained earnings		Total Baht
		Issued and paid-up share capital Baht	Premium on share capital Baht	Legal reserve Baht	Unappropriated Baht	
Opening balances as at 1 January 2010		425,000,000	402,736,298	43,450,000	859,817,679	1,731,003,977
Dividends paid	17	-	-	-	(191,242,125)	(191,242,125)
Net profit for the year		-	-	-	242,037,155	242,037,155
Closing balances as at 31 December 2010		<u>425,000,000</u>	<u>402,736,298</u>	<u>43,450,000</u>	<u>910,612,709</u>	<u>1,781,799,007</u>
Opening balances as at 1 January 2009		425,000,000	402,736,298	43,450,000	1,033,928,745	1,905,115,043
Dividends paid	17	-	-	-	(425,000,000)	(425,000,000)
Net profit for the year		-	-	-	250,888,934	250,888,934
Closing balances as at 31 December 2009		<u>425,000,000</u>	<u>402,736,298</u>	<u>43,450,000</u>	<u>859,817,679</u>	<u>1,731,003,977</u>

The notes to the financial statements on pages 130 to 148 form an integral part of these financial statements.

Statements of Cash Flows

Thai Metal Trade Public Company Limited

For the years ended 31 December 2010 and 2009

	Notes	2010 Baht	2009 Baht
Cash flows from operating activities			
Profit before income tax		320,253,501	326,468,207
Adjustments for :			
Depreciation and amortisation	9, 10	105,786,858	107,305,672
Doubtful accounts (reversal)	7	(866,648)	4,724,997
Loss on declining in value of inventories	8	-	2,375,233
Gains on disposals of equipment		(4,114,058)	(1,891,565)
Gains on sales of short-term investments		-	(302,517)
Interest expenses		19,309,694	17,135,468
Cash flows before changes in working capital		440,369,347	455,815,495
Changes in working capital :			
Trade accounts receivable		(227,917,125)	78,162,711
Inventories		(46,990,361)	(563,022,466)
Advance payments for purchases of inventories		90,820,440	55,157,713
Other current assets		7,480,064	(15,584,010)
Other assets		(1,338,414)	5,900
Trade accounts payable		74,203,151	13,874,274
Advance receipts from customers for goods		33,143,589	(90,449,692)
Other current liabilities		7,393,764	(2,679,396)
Cash flows receipts (payments) from operating activities before interest and income tax paid		377,164,455	(68,719,471)
Interest paid		(19,370,909)	(18,930,333)
Income tax paid		(87,443,722)	(92,788,651)
Net cash receipts (payments) from operating activities		270,349,824	(180,438,455)

The notes to the financial statements on pages 130 to 148 form an integral part of these financial statements.



Statements of Cash Flows

Thai Metal Trade Public Company Limited

For the years ended 31 December 2010 and 2009

	Notes	2010 Baht	2009 Baht
Cash flows from investing activities			
Purchases of property, plant and equipment		(119,967,813)	(80,305,100)
Proceeds from disposals of equipment		4,869,159	2,273,720
Purchases of intangible assets		(4,387,200)	(21,026,369)
Purchases of short-term investments		-	(280,000,000)
Proceeds from sales of short-term investments		-	280,302,517
Net cash payments from investing activities		<u>(119,485,854)</u>	<u>(98,755,232)</u>
Cash flows from financing activities			
Short-term loans from financial institutions, net		82,194,916	706,144,911
Dividends paid	17	<u>(191,242,125)</u>	<u>(425,000,000)</u>
Net cash receipts (payments) in financing activities		<u>(109,047,209)</u>	<u>281,144,911</u>
Net increase in cash and cash equivalents		41,816,761	1,951,224
Opening balance		<u>81,429,534</u>	<u>79,478,310</u>
Closing balance		<u><u>123,246,295</u></u>	<u><u>81,429,534</u></u>
Cash and cash equivalents are made up as follows :			
- Cash on hand		<u>93,280</u>	<u>215,546</u>
- Deposits at financial institutions		<u>123,153,015</u>	<u>81,213,988</u>
		<u><u>123,246,295</u></u>	<u><u>81,429,534</u></u>
Non-cash transactions			
Significant non-cash transactions for the years ended 31 December 2010 and 2009 are as follows :			
Payables from purchases of property, plant and equipment		31,075,649	7,382,150
Payables from purchases of intangible assets		-	3,739,300

The notes to the financial statements on pages 130 to 148 form an integral part of these financial statements.

Notes to the Financial Statements

1 General information

Thai Metal Trade Public Company Limited (the “Company”) is a public limited company incorporated and resident in Thailand. The address of the Company's registered office is 22nd Floor, Bangkok City Tower, 179 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120. In addition, the Company has two plants as follows:

- 131 Rama III Road, Bangkorleam, Bangkok 10120
- 332-333 Moo 5, Paholyothin Road, Lamsai, Wangnoi, Ayutthaya 13170

The principal business operations of the Company are selling and transforming structural steel, plates and sheets. Purchases are principally made from local suppliers and certain purchases are imported and its products are domestic sales.

These financial statements were approved by the Board of Directors on 21 February 2011.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

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

The financial statements have been prepared under the historical cost convention except investments as disclosed in the accounting policy below.

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.

An English version of the financial statements has 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 and accounting framework



a) Accounting framework

The amendments 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 are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013 but the Company has not early adopted them:

Effective for the periods beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 16 (Revised 2009)	Property, Plant and Equipment
TAS 17 (Revised 2009)	Leases
TAS 18 (Revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (Revised 2009)	Business Combinations
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations

TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

The Company's management has determined that the new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards will impact the financial statements being presented as follows:

TAS 1 (Revised 2009), the revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity. Entities can choose whether 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 statements without the statement of financial position as at the beginning comparative period. The Company will apply TAS 1 (Revised 2009) from 1 January 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 paid to or recovered from 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 Company will apply this standard from 1 January 2013. The management is currently assessing the impact of applying this standard.

TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of PPE, 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 Company will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.



TAS 19 deal with accounting for employee benefit. The standard classifies employee benefit into 4 categories: a) short-term employee benefits b) post-employment benefits (including defined contribution plan and defined benefit plan) c) other long-term employee benefits and d) termination benefits. The standard requires the entity to measure the defined benefit plan and other long-term employee benefits by using the Projected Unit Credit method (PUC). An entity can choose to recognise any actuarial gain or loss for defined benefit plan either in other comprehensive income or profit and loss. Actuarial gain or loss for other long-term employee benefit shall recognise in profit and loss. The Company will apply this standard from 1 January 2011. The management is currently assessing the impact of applying this standard.

TAS 24 (Revised 2009), the definition of related party has been expanded include parties with joint control over the entity, joint venture in which the entity is a venturer and post-employment benefit plan for the benefit of employees of an entity. The Company will apply the revised standard from 1 January 2011 which may impact only to the disclosure of related parties information in the notes to the financial statements.

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 January 2011. The Company will apply cost model for measurement and disclose the fair value into the notes to the financial statements.

2.3 Foreign currency translation

Items included in the financial statements 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 into 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 currency, are recognised in the statements of income.

2.4 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, deposits held at financial institutions, short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.5 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less 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 and the amount expected to be collectible. Bad debts are recognised in the statement of income within administrative expenses.

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the moving average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress are standard costs which comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated 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, for obsolete, slow-moving and defective inventories.

2.7 Investments

The Company has policy to classify investments into held-to-maturity and available-for-sale investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the balance sheet date which are classified as current assets.

Available-for-sale investments are investments intended to be held for an indefinite period of time. They may be sold in response to liquidity needs or changes in interest rates, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which cases they are included in current assets.

Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the investments. Cost of investment includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are recognised in equity. The fair value of investments are based on quoted bid price by reference to the Stock Exchange of Thailand and the net asset value of the investments in mutual fund as at the balance sheet date. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment in securities.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

In disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statements of income.



2.8 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line basis to its residual value over the estimated useful life as follows except land which is considered to have an indefinite life.

Land improvement	5, 20 years
Building improvements and buildings	3, 10, 20 years
Machinery and equipment	5, 10 years
Furniture and fixtures	3, 5 years
Trucks and motor vehicles	5 years

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

Repairs and maintenance are charged to the statements of income 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 Company. Major renovations are depreciated over the remaining useful life of the related asset.

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

2.9 Intangible asset - Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives in five years.

2.10 Impairment of assets

Fixed assets and other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Assets that suffered an impairment are reversed for possible impairment loss of the estimation of the recoverable amounts were changed in subsequent period after the Company's recognition of impairment.

2.11 Leases - where Company is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of

the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period. Property, plant or equipment acquired under finance leases is depreciated over the shorter 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 statements 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 lesser by way of penalty is recognised as an expense in the period in which termination takes place.

2.12 Employee benefits

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

The Company has not provided for post employment benefits, payable to employees under the Thai Labour Law.

2.13 Provisions

Provisions, excluding the provisions for employee benefits, are recognised when the Company 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 Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.14 Revenue recognition

Revenue from sales of goods comprises the invoice value net of discounts. 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.

Interest income is recognised on an accrual basis unless collectibility is in doubt.

2.15 Income tax

The Company does not recognise income taxes payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principle temporary differences arise from allowance for doubtful accounts and allowance for net realisable value for inventories.



3 Financial risk management

3.1 Financial risk factors

The principal financial risks faced by the Company are credit risk, liquidity risk, interest rate risk, and exchange rate risk. The risk management policy of these particular risks are as follows:

3.1.1 Credit risk

The Company has policies in place to ensure that goods are sold to customers with an appropriate credit history and as a policy, certain major credit sales should be supported by financial instruments as collateral. In addition, as at 31 December 2010 and 2009, the Company had no significant concentrations of credit risk on any industries. In addition, the Company has no significant risk with financial institutions since cash is placed with reputable financial institutions.

3.1.2 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 manage market positions. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

3.1.3 Interest risk

The Company has short-term loans from financial institutions are normally used for working capital. These loans have fixed interest rates depending on money market rate. Interest rates approximate to the market rates as the loans are short-term.

3.1.4 Exchange rate risk

The Company purchases goods from overseas and is exposed to foreign exchange risk arising primarily from US Dollar. The Company uses forward contracts to hedge their exposure to foreign currency risk in connection with measurement currency. As at 31 December 2010 and 2009, the Company had no foreign currencies liabilities as well as forward foreign currency contracts outstanding.

3.2 Accounting for financial instruments

The Company is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments is not recognised in the financial statements on inception.

Foreign currency forward contracts protect the Company from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The realised gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are recognised in the financial statements.

4 Critical accounting estimates, assumption and judgement

Accounting estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstance.

4.1 Allowance for doubtful accounts

The Company maintains an allowance for doubtful accounts to reflect impairment of trade receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and identified instances of default of each customer. The management will fully set up allowance for outstanding amounts overdue more than 6 months and without any collateral.

4.2 Allowance for obsolete, slow-moving and defective inventories

The Company maintains an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

4.3 Property, plant and equipment

Management determines the estimated useful lives and residual values for the plant and equipment of which are mainly considered by technical ability and economic useful lives. The management will revise the depreciation charge where useful lives and residual values are significantly different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6 Cash and cash equivalents

	2010 Baht	2009 Baht
Cash on hand	93,280	215,546
Current accounts	3,158,903	8,305,623
Saving accounts	119,994,112	72,908,365
Total	123,246,295	81,429,534

As at 31 December 2010, the interest rates of saving accounts were 0.10% to 0.25% per annum (2009: 0.10% to 0.50% per annum).



7 Trade accounts receivable, net

	2010 Baht	2009 Baht
Trade accounts receivable	977,509,982	749,592,857
<u>Less</u> Allowance for doubtful accounts	(6,791,965)	(7,658,613)
Trade accounts receivable, net	970,718,017	741,934,244

Outstanding trade accounts receivable can be aged as follows:

	2010 Baht	2009 Baht
Current balance	780,602,236	574,110,759
Overdue: less than 1 month	176,274,267	137,265,863
Over 1 month to 3 months	12,522,865	23,573,935
Over 3 months to 6 months	799,943	488,963
Over 6 months to 12 months	1,833,352	11,224,364
Over 12 months	5,477,319	2,928,973
	977,509,982	749,592,857
<u>Less</u> Allowance for doubtful accounts	(6,791,965)	(7,658,613)
Trade accounts receivable, net	970,718,017	741,934,244

The Company has not provided allowance for doubtful accounts to certain accounts receivable which are over 6 months because they have bank guarantees.

8 Inventories, net

	2010 Baht	2009 Baht
Raw materials	39,576,385	40,582,246
Finished goods	910,332,126	864,711,137
Total inventories	949,908,511	905,293,383
<u>Less</u> Allowance for net realisable value		
for finished goods	-	(2,375,233)
Inventories, net	949,908,511	902,918,150

The Company provided allowance for net realisable value amounting to Baht 2.38 million to finished goods of which was included in costs of sales for the year ended 31 December 2009.

9 Property, plant and equipment, net

Thai Metal Trade Public Company Limited

For the years ended 31 December 2010 and 2009

	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machinery under installation Baht	Total Baht
At 31 December 2008								
Cost	255,883,462	534,346,761	475,706,258	42,570,820	82,803,192	2,713,297	23,694,941	1,417,718,731
<u>Less</u> Accumulated depreciation	<u>(17,131,627)</u>	<u>(58,788,881)</u>	<u>(177,910,799)</u>	<u>(27,054,047)</u>	<u>(55,933,678)</u>	<u>-</u>	<u>-</u>	<u>(336,819,032)</u>
Net book value	<u>238,751,835</u>	<u>475,557,880</u>	<u>297,795,459</u>	<u>15,516,773</u>	<u>26,869,514</u>	<u>2,713,297</u>	<u>23,694,941</u>	<u>1,080,899,699</u>
For the year ended								
31 December 2009								
Opening net book value	238,751,835	475,557,880	297,795,459	15,516,773	26,869,514	2,713,297	23,694,941	1,080,899,699
Additions	-	1,510,800	2,054,240	3,881,015	13,878,770	31,163,164	31,729,499	84,217,488
Transfers	-	1,566,863	55,312,371	13,648,061	-	(15,214,924)	(55,312,371)	-
Reclassification, net	-	-	771,830	(19,924)	(751,906)	-	-	-
Disposals, net	-	-	-	(393)	(381,762)	-	-	(382,155)
Depreciation (Note 15)	<u>(3,219,023)</u>	<u>(26,716,771)</u>	<u>(57,704,991)</u>	<u>(7,355,943)</u>	<u>(11,481,160)</u>	<u>-</u>	<u>-</u>	<u>(106,477,888)</u>
Closing net book value	<u>235,532,812</u>	<u>451,918,772</u>	<u>298,228,909</u>	<u>25,669,589</u>	<u>28,133,456</u>	<u>18,661,537</u>	<u>112,069</u>	<u>1,058,257,144</u>
At 31 December 2009								
Cost	255,883,462	537,424,424	541,652,950	59,244,561	83,696,653	18,661,537	112,069	1,496,675,656
<u>Less</u> Accumulated depreciation	<u>(20,350,650)</u>	<u>(85,505,652)</u>	<u>(243,424,041)</u>	<u>(33,574,972)</u>	<u>(55,563,197)</u>	<u>-</u>	<u>-</u>	<u>(438,418,512)</u>
Net book value	<u>235,532,812</u>	<u>451,918,772</u>	<u>298,228,909</u>	<u>25,669,589</u>	<u>28,133,456</u>	<u>18,661,537</u>	<u>112,069</u>	<u>1,058,257,144</u>

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

Thai Metal Trade Public Company Limited

For the years ended 31 December 2010 and 2009

	Land and land improvement Baht	Buildings and building improvement Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Trucks and motor vehicles Baht	Construction in progress Baht	Machinery under installation Baht	Total Baht
For the year ended								
31 December 2010								
Opening net book value	235,532,812	451,918,772	298,228,909	25,669,589	28,133,456	18,661,537	112,069	1,058,257,144
Additions	-	-	1,285,072	1,016,868	9,953,953	117,383,974	14,021,445	143,661,312
Transfers	-	-	10,660,387	-	-	-	(10,660,387)	-
Disposals, net	-	-	(8,892)	-	(746,209)	-	-	(755,101)
Depreciation (Note 15)	(3,219,023)	(26,782,110)	(50,526,940)	(8,130,560)	(12,073,109)	-	-	(100,731,742)
Closing net book value	<u>232,313,789</u>	<u>425,136,662</u>	<u>259,638,536</u>	<u>18,555,897</u>	<u>25,268,091</u>	<u>136,045,511</u>	<u>3,473,127</u>	<u>1,100,431,613</u>
At 31 December 2010								
Cost	255,883,462	537,424,424	553,588,209	60,261,429	81,611,895	136,045,511	3,473,127	1,628,288,057
<u>Less</u> Accumulated depreciation	<u>(23,569,673)</u>	<u>(112,287,762)</u>	<u>(293,949,673)</u>	<u>(41,705,532)</u>	<u>(56,343,804)</u>	<u>-</u>	<u>-</u>	<u>(527,856,444)</u>
Net book value	<u>232,313,789</u>	<u>425,136,662</u>	<u>259,638,536</u>	<u>18,555,897</u>	<u>25,268,091</u>	<u>136,045,511</u>	<u>3,473,127</u>	<u>1,100,431,613</u>

As at 31 December 2010, the gross carrying amounts of fully depreciated fixed assets that is still be in use is amounting to Baht 240.22 million (2009: Baht 185.28 million).



10 Intangible assets, net

	Computer software Baht
For the year ended 31 December 2009	
Opening net book value	-
Additions	24,765,669
Amortisation charge (Note 15)	(827,784)
Closing net book value	23,937,885
At 31 December 2009	
Cost	24,765,669
<u>Less</u> Accumulated amortisation	(827,784)
Net book value	23,937,885
For the year ended 31 December 2010	
Opening net book value	23,937,885
Additions	647,900
Amortisation charge (Note 15)	(5,055,116)
Closing net book value	19,530,669
At 31 December 2010	
Cost	25,413,569
<u>Less</u> Accumulated amortisation	(5,882,900)
Net book value	19,530,669

11 Short-term loans from financial institutions

	2010 Baht	2009 Baht
Short-terms loans from financial institutions	851,000,000	653,000,000
Trust receipts	265,444,936	381,250,020
Total	1,116,444,936	1,034,250,020

The short-term loans from financial institutions denominated in Thai Baht bear interest rates during the year as follows:

	2010 Baht	2009 Baht
Short-term loans from financial institutions	1.50% - 2.25%	1.70% - 4.05%
Trust receipts	1.50% - 2.05%	1.63% - 3.95%

As at 31 December 2010, the short-term loans from financial institutions were unsecured loans and due within January to June 2011 (2009: within January to June 2010). The Company has provided the Negative Pledge to the financial institutions.



12 Other current liabilities

	2010 Baht	2009 Baht
Accrued expenses and other payables	52,207,007	24,554,366
Withholding taxes	2,805,780	3,068,958
Accrued interest	556,105	617,320
Others	86,130	127,630
Total	<u>55,655,022</u>	<u>28,368,274</u>

13 Share capital and premium on share capital

	Number of authorised shares	Issued and paid-up ordinary shares Baht	Premium on share capital Baht	Total Baht
At 31 December 2008	434,500,000	425,000,000	402,736,298	827,736,298
Issue of ordinary shares	-	-	-	-
At 31 December 2009	434,500,000	425,000,000	402,736,298	827,736,298
Issue of ordinary shares	-	-	-	-
At 31 December 2010	<u>434,500,000</u>	<u>425,000,000</u>	<u>402,736,298</u>	<u>827,736,298</u>

As at 31 December 2010, the total authorised number of shares were 434.5 million shares with a par value of Baht 1 per share (2009: 434.5 million shares with a par value of Baht 1 per share). The shares of 425 million shares were issued and fully paid-up.

At the Ordinary Shareholders' Meeting held on 27 March 2008, the shareholders approved to issue and sell of 5-year allocation plan of 8.5 million warrants to the Company's directors and management under Employee Stock Ownership Plan ('ESOP scheme'). The exercise price is at Baht 4.27 per share to purchase ordinary shares of the Company which 1 warrant has the right to purchase 1 ordinary share. The Company will adjust price and/or ratio to exercise warrants. The adjustment conditions will be designed by the President or the person authorised by the President when there are any occurrence of events as defined by the Notifications of the Securities and Exchange Commission relating to Application for an approval and Approval for the Offering of Warrants on Newly Issued Shares and Underlying Shares. The exercise price and ratio will be adjusted according to the above mentioned regulations if the dividend payment ratio is over 30% of net profit. The right to exercise starts from the 1st anniversary of the issuing date and can be exercised twice a year on 8 March and 8 September of each eligible year.

The exercise portion will be as the followings:

- 30% exercisable on the 1st anniversary of its issuing date

- 30% exercisable on the 2nd anniversary of its issuing date
- 40% exercisable on the 3rd anniversary of its issuing date

On 28 May 2008, the Company was granted from the Securities and Exchange Commission for issue of the warrants. The Company issued 8,500,000 warrants to the Company's directors and management on 1 July 2008. The exercise price is at Baht 4.27 per share at an offered price of Baht 0 per unit. The 5-year allocation plan warrants will be expired on 1 July 2013 which 1 warrant has the right to purchase 1 ordinary share.

At the Ordinary Shareholders' Meeting held on 27 March 2009, the shareholders approved for the payment of dividends in respect of year 2008. As a result of these dividend payments, it had affected the exercise price and exercise ratio of warrants. The Company had to adjust exercise price and exercise ratio as per the warrants' terms and conditions. The new exercise price is at Baht 3.87 per share and 1 warrant has the right to purchase 1.1 ordinary shares.

At the Ordinary Shareholders' Meeting held on 26 March 2010, the shareholders approved for the payment of dividends in respect of year 2009. As a result of these dividend payments, it had affected the exercise price and exercise ratio of warrants. The Company had to adjust exercise price and exercise ratio as per the warrants' terms and conditions. The new exercise price is at Baht 3.68 per share and 1 warrant has the right to purchase 1.16 ordinary shares.

14 Other income

	2010 Baht	2009 Baht
Service income	26,336,324	20,943,147
Interest income	1,418,791	2,795,938
Gains of disposals of equipment	4,114,058	1,891,565
Others	5,515,213	3,324,341
Total	37,384,386	28,954,991

15 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	2010 Baht	2009 Baht
Staff costs	168,763,812	149,189,476
Depreciation on property, plant and equipment (Note 9)	100,731,742	106,477,888
Amortisation of intangible assets (Note 10)	5,055,116	827,784
Selling and marketing expenses	63,635,417	57,709,222
Professional and consultant fees	8,158,081	16,158,006
Rental expenses	12,185,280	12,483,848



16 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Basic earnings per share is shown as below:

	2010 Baht	2009 Baht
Net profit attributable to shareholders (Baht)	242,037,155	250,888,934
Weighted average number of ordinary shares in issue during the year (Shares)	425,000,000	425,000,000
Basic earnings per share (Baht)	0.57	0.59

Diluted earnings per share

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the share options, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

Diluted earnings per share is shown as below:

	2010 Baht	2009 Baht
Net profit attributable to shareholders (Baht)	242,037,155	250,888,934
Weighted average number of ordinary shares in issue (Basic)	425,000,000	425,000,000
Effect of conversion of warrants	3,020,229	1,024,940
Weighted average number of ordinary shares for diluted earnings per share (Shares)	428,020,229	426,024,940
Diluted earnings per share (Baht)	0.57	0.59

17 Dividends

At the Ordinary Shareholders' Meeting held on 26 March 2010, the shareholders approved for the payment of dividends in respect of year 2009 of Baht 0.45 per share for 191.25 million shares, totalling Baht 425 million. The dividends were paid to the shareholders on 9 April 2010.

At the Ordinary Shareholders' Meeting held on 27 March 2009, the shareholders approved for the payment of dividends in respect of the year 2008 of Baht 1 per share for 425 shares, totalling Baht 425 million. The dividends were paid to the shareholders on 11 April 2009.

18 Legal reserve

	2010 Baht	2009 Baht
Beginning balance	43,450,000	43,450,000
Appropriation during the year	-	-
Ending balance	43,450,000	43,450,000

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

19 Contingencies

Letters of guarantee

As at 31 December 2010, the Company had letters of guarantee of Baht 43.72 million (2009: Baht 43.08 million) issued by a bank for electricity usage and purchases of goods. No liabilities are anticipate to be arisen.

Outstanding letters of credits

As at 31 December 2010, the Company had outstanding letters of credits amounting to Baht 26.23 million in relation to purchases of goods (2009: Baht 77.89 million and US Dollars 3.28 million).

20 Commitments

Operating leases

The future minimum lease payments under operating leases as at 31 December were as follows:

	2010 Baht	2009 Baht
Due within 1 year	12,470,060	3,729,780
Due over 1 year but less than 5 years	15,192,960	155,400
Total	27,663,020	3,885,180

Sales commitments

As at 31 December 2010, the Company had outstanding commitments relating to the sales of goods with a fixed selling price totalling Baht 104.95 million (2009: Baht 39.50 million).

Capital commitments

As at 31 December 2010, the Company had capital expenditure contracted but not yet recognised of Baht 47.24 million (2009: Baht 142.67 million).



21 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.

Major shareholders of the Company are members of Tarasarnsombat family.

The transactions with a related company, Metal Commerz Pte. Ltd., arose from purchasing of raw materials. Certain shareholders of the Company have significant holding in the shares of Metal Commerz Pte. Ltd.

A summary of significant transactions with related parties are as follows:

(a) Purchases and operating expenses

	2010 Baht	2009 Baht
Purchases of raw materials	566,292,215	532,506,734
Computer system service expenses	22,500	660,000
Land and building rental expenses	5,400,000	5,400,000

Purchases of raw materials from its related party are in the normal course of business and at prices approximating purchase from other third parties.

The Company has operating lease agreements of land and building at Rama III Road with the two directors. The lease agreements are for a period of 3 years from 2010 until 2013, at price according to the rental agreement at Baht 5.4 million per annum. In addition, one of the Company's directors allows the Company to use his land of approximately 2 rai which is the part of the land at Rama III Road, free of charge for the 3-year period until December 2012.

(b) Directors and managements' remuneration

Directors and managements' remuneration comprises salaries, other remuneration and meeting fees.

22 Segment information

The Company does not present segment information either by products or by geography. The Company's business operations are trading and including transform the structural steel, plates and sheets which are in the same product group and its products are domestic sales.

23 Post balance sheet event

At the Board of Directors' Meeting on 21 February 2011, it passed a resolution to propose the dividends payment in respect of results of operations for the year 2010 of Baht 0.45 per share for 425 million shares, totalling Baht 191.25 million. However, it will be further proposed for the shareholders' approval in the Annual General Meeting of the Shareholders for fiscal year 2011.

Audit Fee

In year 2010, The Company paid the fee to audit firm at total amount of Baht 1,415,010 as the following:

1. Audit Fee amount Baht 1,400,000
2. Non-Audit fee amount Baht 15,010

The auditors from PricewaterhouseCoopers ABAS Company Limited are namely as below;

Name	C.P.A. No.	Audit Year	Total
Miss Nangnoi Charoenthaveesub	3044	2003 - 2006	4 years
Mr. Vichien Khingmontri	3977	2007 - 2010	4 years

In this regard, The audit firm and those auditors have no relationship with or conflict of interest in Thai Metal Trade Public Company Limited, directors, executive directors, and the Company's major shareholders.



บริษัท ค้าเหล็กไทย จำกัด (มหาชน)
THAI METAL TRADE PUBLIC COMPANY LIMITED

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