

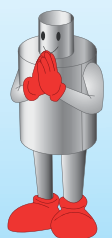
บริษัท ชีตีสตีล จำกัด (มหาชน)
City Steel Public Company Limited

CITY STEEL PCL.
Metal **TECHNOLOGY**™



Annual Report 2009

Professional In Metal Technology
Our Services Start Before We Sell
Customer Satisfaction Is Our First Priority
We Built Our Reputation On Quality
We Built Our Future on Your Satisfaction



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Message from the Chairman

During the year 2008/2009, the Company has faced a number of challenges in doing business, which arised from the recession of the world economies and domestic political uncertainties that affected overall Thai economy. The unfavorable business conditions caused a decrease in consumer demands and consequencely resulted in a decline in the Company's operating results. However, the Company has deployed a plenty of costs and expenses reduction policies as well as improved management and adminstration processes in order to become more efficient and effective.

In addition, the Company emphasizes on good corporate governance in doing business operations. The Company has a sound management systems that effectively and efficiently corresponds with the business plan and strictly follow philosophy and intention of doing business to be in compliance with related laws and regulations. Fair and equal treatment of all shareholders and stakeholders, balances of power of management processes, and transparent and verifiable of business operations, which are the core principles of good corporate governance, are the Company's major concerns that will lead to sustainble growth and wealth maximization for all shareholders and relevant parties as well as elevate the Company's corporate governance to reach the international standard.

Finally, on behalf of the Board of Director, we would like to thank and express our sincere appreciation to our shareholders, business alliances and partners, our staff, and all relevant parties for your well support over the years. We also would like to reassure that we are committed to upholding good corporate governance practices and fair treatment as well as keep up outstanding quality products and services by focusing on products design and development and excellent services to impress our clients and to be more pleasantly accepted by our customers and prospects.



Mr. Wibool Phongratanadechachai
Chairman of the Board of Director

Report of the Audit Committee

The Audit Committee of City Steel Public Company Limited consisted of 3 Independent Directors which are - Mr.Manop Chiwatanasoonton, the Chairman of the Audit Committee, Mr.Anutara Tantraporn, and Mr. Pattarathon Thatsanasuwan, the remaining members of the Audit Committee. The Company's Audit Committee holding the position for 2 years.

During 2008/2009, the Audit Committee has performed their duties independently and held 4 meetings with Internal Audit Manager in order to consider several relevant issues as follow;

- 1) Review the Company's financial statements and consolidated financial statements on quarterly basis and financial statements for the year 2008/2009 in terms of correctness, accuracy and adequate disclosure. According to their review, the financial statements and the notes to financial statement are presented fairly and adequately and conform to generally accepted accounting principles.
- 2) Review the connected transactions between the Company and its subsidiaries and related parties. Based on the review, the connected transactions are correctly and adequately disclosed, appropriate, and benefit the Company.
- 3) Propose a nomination of Dharmniti Auditing Company Limited to be the Company's auditor for the year 2009/2010 and reviewed its relevant remuneration.
- 4) Evaluate and assess the Company's internal control systems according to the guidelines set by the Security Exchange Commission, which include the internal control of overall operations, financial activities, and compliance as well as policy for risk management. As to their reviews, the Company's internal control system and risk management policies are adequate and efficient.
- 5) Review the Company's codes of conduct and business ethics as to their appropriateness and to meet the benchmark of the industry and principles of good corporate governance.
- 6) Monitor the Company's compliance with the Securities and Exchange Act, The Stock Exchange of Thailand's rules and regulations, and the applicable laws.
- 7) Review the operation of the Audit Committee by compared with the Best Practices provided by the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the reviews, the Audit Committee has performed their duties efficiently and complied with the Best Practices.

The Audit Committee has emphasized the Company to follow the Best Practices of listed companies in order to achieve the good corporate governance. Moreover, the Audit Committee has also provided advices and suggestions regarding risk management and efficient internal control system for the executive management.

In conclusion, the Audit Committee considered that the financial statements are fairly and accurately presented and comply with generally accepted accounting principles and the Company sufficiently and properly maintains internal control system and acceptable risk management as well as good corporate governance practices.



Mr.Manop Chiwatanasoonton

Chairman of the Audit Committee

General Information

Company Name :	City Steel Public Company Limited (“The Company”)
Symbol :	CITY
Registered Capital :	Baht 300,000,000, Ordinary Capital 300,000,000 Shares, Par Value Baht 1 each
Paid Up Capital :	Baht 300,000,000 (As at 31 July 2009)
Type of Business :	Manufacturing and sales of metal structures, storage system and material handling equipments, fabricated metal parts, other metal products, as well as providing metal processing services and merchandising of steel and other metal materials.
Head Office’s address :	88/3 Moo4, Bypass Road, Nongmadaeng, Muang, Chonburi, 20000
Branch 1’s address :	120 Moo 3, Sukhumvit Road, Bansuan, Muang, Chonburi, 20000
Register Number :	0107547000931
Website :	www.citysteelpcl.com
Email :	city@wkgpgroup.com
Tel. :	(038) 782-064-68
Fax :	(038) 782-069-70
Auditor :	Mr.Pojana Asavasontichai Certified Public Accountant (Thailand) No.4891 Dharmniti Auditing Company Limited 267/1 Pracharaj Sai 1 Road, Bangsue, Bangkok 10800 Tel : (02) 587-8080 Fax : (02) 586-0301, (02) 587-2018, (02) 587-5475 Website : www.dharmniti.co.th Email : dharmniti@inet.co.th

THE DETAILS OF SUBSIDIARY COMPANIES

Siam ISO Pro Company Limited

Registered Capital :	Baht 154,000,000, Ordinary Capital 15,400,000 Shares, Par Value Baht 10 each
Paid Up Capital :	Baht 112,000,000 (As at 31 July 2009)
Type of Business :	Investment and new business expansion
Head Office's address :	88/2 Moo 4, Bypass Road, Nongmairdaeng, Muang, Chonburi, 20000
Register Number :	0205546002113
Email :	isopro@wkpgroup.com
Tel. :	(038) 782-064-68
Fax. :	(038) 782-069-70

Mark Worldwide Company Limited

Registered Capital :	Baht 295,000,000, Ordinary Capital 29,500,000 Shares, Par Value Baht 10 each
Paid Up Capital :	Baht 280,200,000 (As at 31 July 2009)
Type of Business :	Manufacturing and sales of metal structures, storage system and material handling equipments, fabricated metal parts, and other metal products
Head Office's address :	41/58-61 Moo 1 Bypass Road, Bansuan, Muang, Chonburi, 20000
Register Number :	0205544011158
Email :	mark@wkpgroup.com
Tel. :	(038) 287-111
Fax :	(038) 289-151-3

City Steel Product Company Limited^{/1}

Registered Capital :	Baht 100,000,000, Ordinary Capital 10,000,000 Shares, Par Value Baht 10 each
Paid Up Capital :	Baht 25,750,000 (As at 7 September 2009)
Type of Business :	Manufacturing and sales of metal structures, automated storage system and material handling equipments.
Head Office's address :	88/1 Moo 4 Bypass Road, Nongmairdaeng, Muang, Chonburi, 20000
Register Number :	0205552013105

*** *Remark* ^{/1} City Steel Product Company Limited is now under the processes of factory and office building construction and still has not yet started its operation.

Financial Highlights

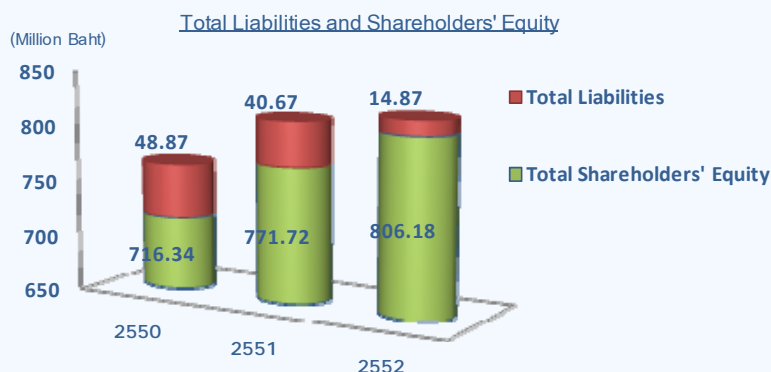
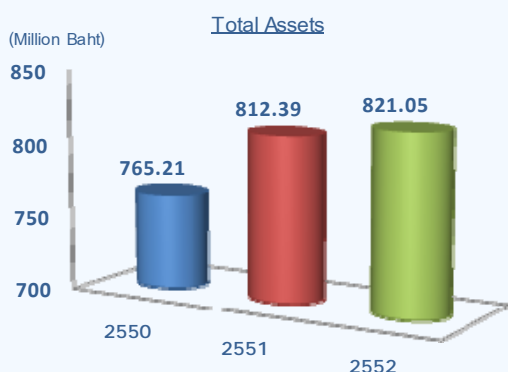
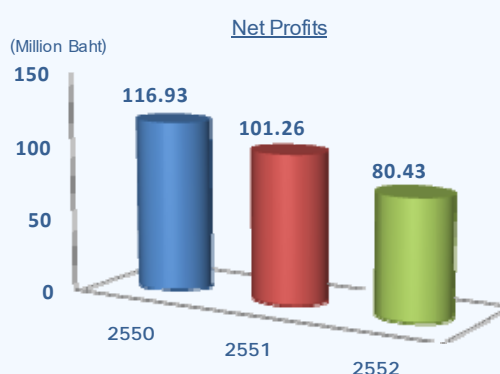
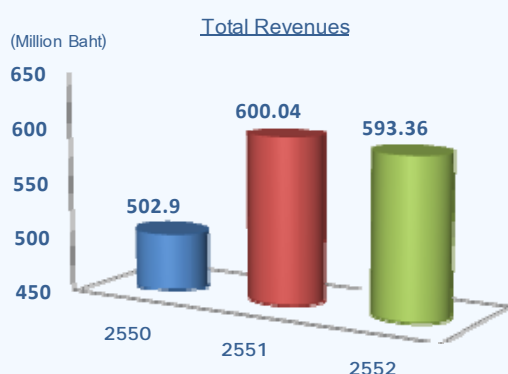
Financial Performance of the Company for the accounting period ended 31 July

(Unit: Million Baht)

	2007	2008	2009
Total Revenue	502.90	600.04	593.36
Gross Profit	161.65	158.95	124.79
Net Profit	116.93	101.26	80.43
Total Assets	765.21	812.39	821.05
Total Liabilities	48.87	40.67	14.87
Total Shareholders' Equity	716.34	771.72	806.18
Paid-up Capital	300.00	300.00	300.00

Financial Ratios of the Company for the accounting period ended 31 July

		2007	2008	2009
Gross Profit Margin	(%)	33.06	26.74	21.23
Net Profit Margin	(%)	23.25	16.88	13.55
Return on Equity	(%)	17.14	13.61	10.19
Return on Assets	(%)	16.25	12.84	9.85
Liquidity Ratio	(times)	9.02	11.16	31.87
Debt to Equity Ratio	(times)	0.07	0.05	0.02
Dividend Payout Ratio	(%)	41.05	41.48	41.03



Nature of Business

Background and Major Milestones

- 1995** “City Steel Company Limited” established on 7 August 1995 with paid up capital Baht 1 million.
Started production of storage system, material handling equipment, and metal products
- 2002** Granted international standard ISO9002: 1994 certification.
Increased paid-up capital to Baht 31 million
- 2003** Granted a brand “Thailand’s Brand” from Department of Export Promotion
Increased paid-up capital to Baht 59 million
- 2004** Granted international standard ISO9001: 2000 certification
Started service of steel service center (Branch 1)
Started production of Siam ISO Pro Company Limited (BOI Privilege)
Increased paid-up capital to Baht 200 million
Transformed into a Public Company on 5 October 2004
- 2006** Increased paid-up capital to Baht 300 million
Approved as a registered company by the Stock Exchange of Thailand
Started trading in the stock market on 23 February 2006
- 2007** Started production of Mark Worldwide Company Limited (BOI Privilege)
- 2009** Established “City Steel Product Company Limited” on 7 September 2009 with registered capital of Baht 100 million.

Business Overviews

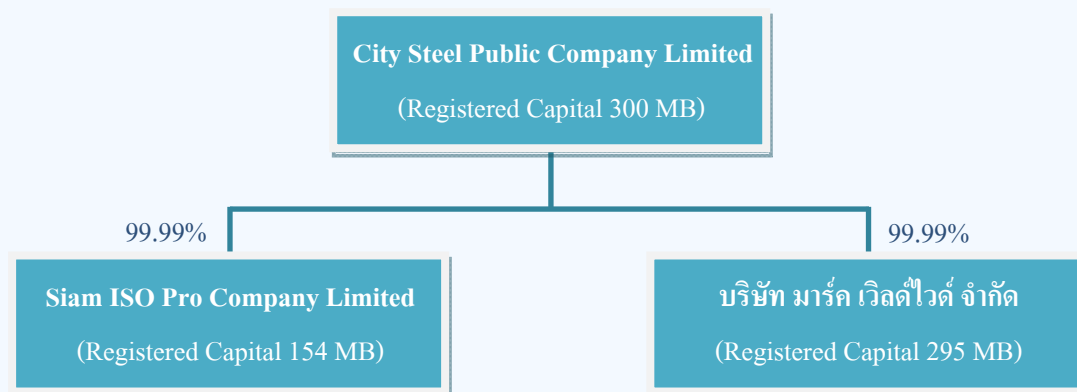
The Group consists of the Company and two subsidiaries; Siam ISO Pro Co., Ltd. (“Siam ISO Pro”), and Mark Worldwide Co., Ltd (“Mark Worldwide”). The Group’s objectives are to manufacture and sell metal structures, storage systems and material handling equipments, fabricated metal parts, other metal products, as well as to provide metal processing services, and to merchandise steel and other metal materials. The Group provides various kinds of products and services to serve different needs and demands of customers. The products are custom-made with high quality and by high technology and high precision machines to assure quality of the products. In addition, the Group emphasizes on best customer services and on time delivery. The Company and Mark Worldwide operate and control the quality of products under international standard ISO9001: 2000 and granted a “Thailand’s Brand” from Department of Export Promotion.

At present, the Group's total production capacities are 25,000 tons per year. There are 2 production factories and 1 steel service center, located in Chonburi. The first factory and the steel service center (Branch 1), has been operating under the Company with capacity of 16,000 tons per year. The second factory has production capacity of 9,000 tons per year, operating under Mark Worldwide and started the operation on 1 August 2007.

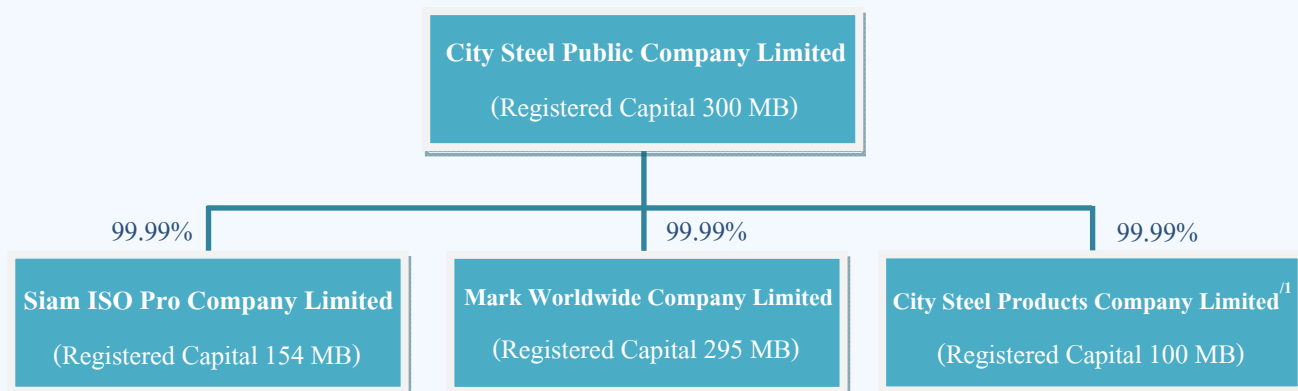
On 7 September 2009, the Company has invested in "City Steel Products Company Limited" ("City Steel Products"). The new subsidiary is 99.99% owned by the Company and has total registered capital of Baht 100 million with paid up capital of Baht 25.75 million. City Steel Products was established to serve the purposes of manufacturing and sales of metal structures and automated storage systems and material handling equipments. Recently, the new subsidiary has not yet started its operation and still undergone the process of production plants and office building construction.

The Group's structure as at 31 July 2009 and present structure are presented below:

The Group's Structure at July 31,2009



Structure of The Group at Present



Remark ^{/1} City Steel Public Company Limited invested in City Steel Products on 7 September 2009

The Company and Mark Worldwide operate and sell products under the brand “CITY STEEL”. The Group’s variety of products can serve diverse needs and demands of customers. The products are custom-made with specific shapes, sizes, and usage purposes and will be produced once received orders from customers (Made to Order). In the year of 2008/2009, the Group set policy to separate the operation into 4 business units as follows:

1. Manufacturing and sales of metal products



This business unit is operated by both the Company and Mark Worldwide but mainly operated by Mark Worldwide. This unit produces and sells products in 3 categories as follows:

1.1 Metal Structures and Metal Fabrication

The products in this category are large-scale storage systems that used in factories or superstores. Product sizes and types are varied according to customers’ requirements such as racking systems, mezzanine platforms, and shelving systems. In addition, this category also consists of metal fabrication that can be used as construction structures such as post, beam, panel, roof, and stair structures.



Constructional Products



Racking System



Shelving System



Mezzanine Platform

1.2 Storage System and Material Handling Equipment

Storage Systems

In this category, the products are small-scale storage systems that specifically made in different types, sizes, and usage purposes depend on requests of customers such as mobile shelving systems, cabinet, and locker.



Mobile Shelving System



Cabinet & Locker

Material Handling Equipment

Material handling equipments are commonly used in transferring and handling processes in the production lines or assembly lines in the factories, and can be used in superstores, seaports or other places that required a carrying of products from place to place. For examples:



Pallet



Cart and Dolly



Conveyor System



Dock Equipment

1.3 Other Metal Products

Other metal products are produced for a wide variety of usage purposes for example furniture, signage, and decorating and constructional products, etc.



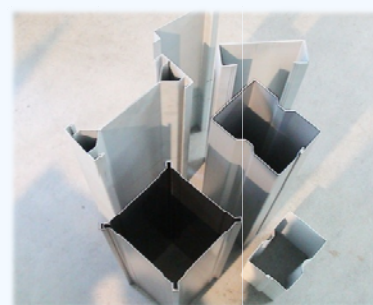
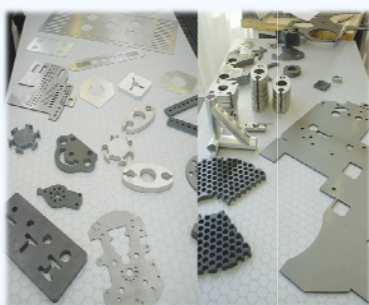
2. Manufacturing and sales of semi products and rendering of world class steel service



This business unit is operated by the Company, and can be classified into 2 categories as follows:

2.1 Manufacturing and sales of fabricated metal parts and rendering one stop metal processing services

In this category, the Company manufactures and sells semi products which are used as parts of customers final products and also provides first class metal processing services including laser cutting, shearing, bending, forming, punching, stamping, and finishing.



2.2 Metal Trade

The Company also merchandises metal materials as an additional service for customers. Normally, steel and other metal materials sold to customers are purchased from major local suppliers except for the materials that are not available in the country will be imported from international suppliers. Major metal materials sold include:

- | | | | |
|--------------------------|-------------------------------|---------------------------|------------------------|
| ◆ Hot Rolled Steel Plate | ◆ Stainless Steel Sheet | ◆ Cold Rolled Steel Plate | ◆ Square Steel Pipe |
| ◆ Checkered Plate | ◆ Furniture Steel Pipe | ◆ Zinc Sheet | ◆ Stainless Steel Pipe |
| ◆ Galvanized Steel Sheet | ◆ Stainless Steel Square Pipe | | |

3. Supporting business



Supporting business unit is operated by the Company, responsible for every supporting activity within the organization including accounting and finance department, human capital management function, administration, and corporate communication.

4. Investment



Investment unit is operated by Siam ISO Pro, accountable for investment in new business and oversee business expansion of the Group.

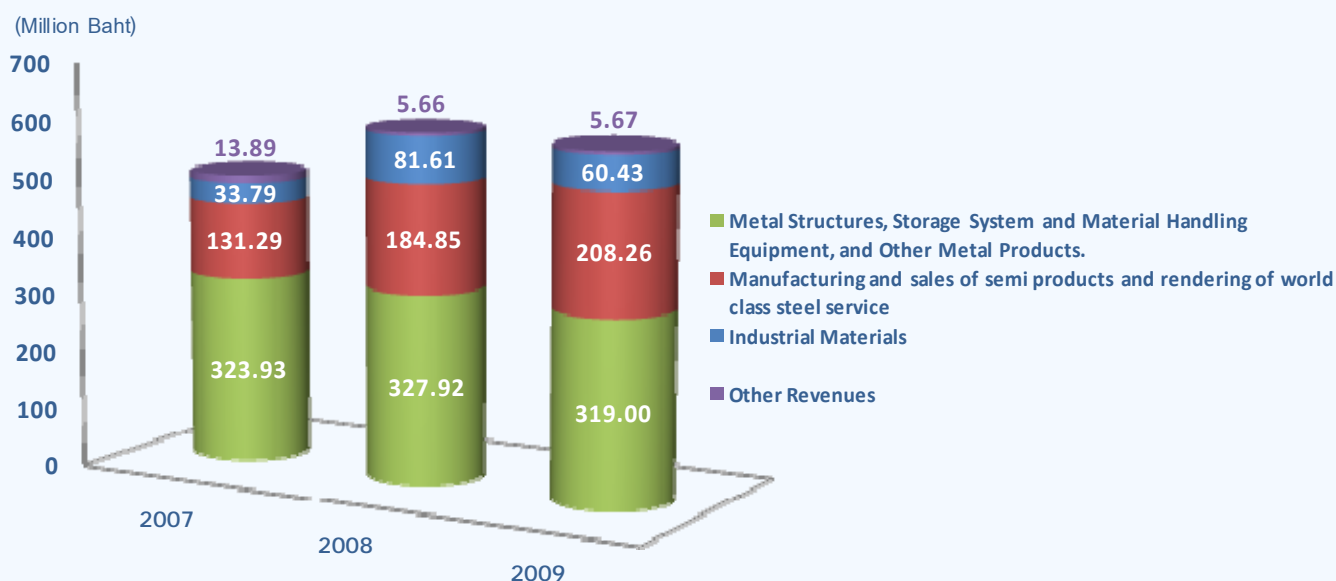
As at 31 July 2009, the Group has 2 factories and 1 steel service center as follow:

	Asset	Address	Tenure
The Company	Office and factory area of 8,304 square meters	88/3 Moo 4 Bypass Road, Nongmaidaeng, Muang, Chonburi	Rent
	Steel Service Center (Branch 1) area of 1,680 square meters	120 Moo 3 Sukhumvit Road, Bansuan, Muang, Chonburi	Rent
ISO Pro Co., Ltd.	Office area of 576 square meters	88/2 Moo 4 Bypass Road, Nongmaidaeng, Muang, Chonburi	Rent
Mark Worldwide Co., Ltd.	Office and factory area of 8 rai 69 squared wah	41/58-61 Moo 1 Bypass Road, Bansuan, Muang, Chonburi	The proprietary right of MWW

Revenues Structure

Revenue Types	Generating by	2006 / 2007		2007 / 2008		2008 / 2009	
		(Aug 06 – Jul 07)		(Aug 07 – Jul 08)		(Aug 08 – Jul 09)	
		MB	%	MB	%	MB	%
Revenue from Domestic							
♦ Metal Structures, Storage System and Material Handling Equipment, and Other Metal Products	The Group	311.33	61.91	318.17	53.02	309.53	52.16
♦ Manufacturing and sales of semi products and rendering of world class steel service	The Company	131.29	26.10	184.85	30.81	208.26	35.10
♦ Industrial Materials	The Group	33.79	6.72	81.61	13.60	60.43	10.19
Total Revenue from Domestic		476.41	94.73	584.63	97.43	578.22	97.45
Revenue from International							
♦ Metal Structures, Storage System and Material Handling Equipment, and Other Metal Products	The Company	12.60	2.51	9.75	1.63	9.47	1.60
♦ Manufacturing and sales of semi products and rendering of world class steel service	-	-	-	-	-	-	-
♦ Industrial Materials	-	-	-	-	-	-	-
Total Revenue from International		12.60	2.51	9.75	1.63	9.47	1.60
Other Revenues	The Group	13.89	2.76	5.66	0.94	5.67	0.95
Total Revenues		502.90	100.00	600.04	100.00	593.36	100.00

Revenue Structure by Product Categories



Industry Condition and Competition

Manufacturing of metal products and rendering steel processing services is the industry that requires a plenty of efforts, knowledge, competencies, skills, and experiences. Furthermore, to maximize customers' satisfaction and keep up with different needs and demands of customers, a modification of machines to create new products and an employing of new technology in production processes to enhance production efficiency, improve product quality, reduce material wastes, and trim down production costs are crucial criteria. Research and development of new products to meet customers' requirements, on time delivery, and pre-sales and post-sales customer services are also the significant factors that needed to emphasize in order to succeed in this industry.

With more-than-10-year of experiences along with knowledge and skills in this industry, the Group is not only able to manufacture various types of products but also able to provide a variety of services which contribute to customers' satisfaction and ultimately create trust and confidence among customers. The key success factors of the Group can be summarized as follows:

- Quality** The Group has a policy to manufacture excellent quality products that need to be tidy and durable by employing quality control in every production process.
- Cost** The Group efficiently manages production costs by minimizing wastes in all production processes and maximizing benefits of raw materials uses.
- Delivery** The Group emphasizes on on-time delivery of products.
- Innovation / Design** The Group provides consultations, advices, and recommendations together with discusses with customers to find out customers' needs and then creates the engineering designs of the products to meet those needs.

Service	The Group determines to offer the best customer services both before and after sales of products, for example providing consultations before selling the products, installing the products at customers' facilities, and inspecting functionality of the products after installation.
Brand	The Group strives to create brand awareness and recognition from customers for the Group's products that manufactures and sells under the brand "CITY STEEL"

Customer Categories and Prospects

1. Domestic Customers

Domestic customers are users who use and employ all metal related products and services. The majority of customers are industrial users with medium to large in corporate sizes including companies in sectors of agribusiness and food industry, consumer products, finance and securities, industrial materials and machinery, property development and construction materials, professional services, energy and utilities, technology, and vice versa, which reside in every region of Thailand. Although, customers are located around the country, the Group is able to deliver and install the products to every customer. The Group maintains good relationships with customers, which resulted in repeated order from most of the customers. As at 31 July 2009, the Group's customer base is well diversified with over 2,000 companies in 25 industrial sectors as follows:

◆ Agribusiness	◆ Construction Materials	◆ Paper and Printing Materials
◆ Food and Beverage	◆ Property Development	◆ Energy & Utilities
◆ Fashion	◆ Professional Services	◆ Transportation & Logistics
◆ Health Care Services	◆ Personal Products & Pharmaceuticals	◆ Home & Office Products
◆ Mining	◆ Media and Publishing	◆ Packaging
◆ Banking	◆ Finance and Securities	◆ Insurance
◆ Commerce	◆ Petrochemicals and Chemicals	◆ Tourism & Leisure
◆ Automotive	◆ Industrial Materials and Machinery	◆ Electronic Components
◆ Information & Communication Technology		

2. Foreign Customers

The Group's overseas customers mainly are industrial users in automotive industry and other industries as well as distributors. Major exporting markets are Australia, New Zealand, Japan, Malaysia, South Korea, and countries in the European Union. The Group foresees the potential of foreign markets that have high purchasing power and attempts to expand to those markets. However, with limited production capacities, the Group could not increase its overseas revenues as much as expected. Therefore, the Group plans to increase its production capacities to serve the foreign markets through the subsidiary, Mark Worldwide with aims to serve the demands from overseas customers.

Risk Factors

Risk factors that may influence the operations, financial status, and financial performance of the Group can be classified as follows:

Risk associated with fluctuations of raw material prices

Metal prices are directly related to demands and supplies of metal consumers and producers around the world and other related factors such as foreign exchange rate, import duty, and surcharge. Since, major raw materials used in production are steel including hot-rolled plates, cold-rolled plates, profiled steel, as well as stainless steel and aluminum, which accounted for 50.74% of cost of goods sold, changes in the metal prices may directly affect the Group's cost of goods sold.

However, the Group uses cost-plus pricing strategy to set up a selling price for each projects. Additionally, the Group closely monitors the changes in metal prices to assess situations and trends in order to manage inventory levels and determine order quantities. Due to cost-plus pricing strategy and proper inventory management system, the fluctuations of raw material prices do not have significant effects to the Group's operating results.

Risk associated with dependence of domestic market

Presently, the Group's major revenues mainly derive from domestic sales. The proportion of domestic sales in 2006/2007, 2007/2008 and 2008/2009 are 97.43%, 98.36% and 98.39% respectively. In case of domestic economies slow down, it may have an effect on Group's revenues and net incomes.

However, the Group has built and maintained good relationships with customers by emphasizing on the product design and development in order to meet customers' needs. Furthermore, on-time delivery and good services, on both before and after sales, have also impressed the Group's customers. This has created a positive word of mouth and encouraged others to try the Group's products and services. This, in turn, has made a customer base to grow rapidly. Nowadays, the Group has over 2,000 customers and tends to increase continuously.

Furthermore, the Group plans to expand to foreign market by increasing distribution channel through oversea agents and participating in several trade exhibitions. The expansion of foreign market will be able to eliminate the risk of relying on domestic market.

Risk associated with economic conditions and political situations

The economics and political fluctuation especially the world economic recession and national political uncertainties have direct impacts on the Group's businesses. As during the economic slow-down, the investment and spending from industrial sector has decreased, business expansion and investment has been postponed, and demands and order from customers have been put off. To overcome these threats, the Group concentrates in providing varieties of good quality products and services that meet the target customers' needs and builds brand awareness among groups of prospects and customers. Furthermore, the Group also focuses on customers in the industrial sectors that are least affected by the economic crisis to offset the impacts of diminishing demands from customers in the sectors that are most affected by the crisis. Consequently, the Group is capable to maintain its market share, minimize the impacts of the economic recession, and at the same time, expand the customer base. Currently, the Group has a customer base of over 2,000 customers in 25 industries, which help the Group to diversify the risk of relying on one particular industry.

Risk associated with uncertainty of revenue

As the nature of the Group's business, the type of sales is a project sale, which occurs from time to time, without a long-term contract with a customer. Thus, the Group's revenues seem to be non-continuous. The process starts when customer sends in a product or service inquiry. Then the Group will provide consulting services and all the information related to a customer's inquiry. Engineering team will do number of calculations concerning the strength of the steel structure and its loading capacity. The quotation will be prepared later on for customer to do the cost comparison. Then the production process will start only after receiving of customer's confirmed purchased order, resulting in revenue uncertainty.

In addition, most of the Group's products, for example storage shelf, conveyor, pallet, display stand, and so on, are used as equipment for customer's operation, not as direct material, which will be used in the production process. Therefore, the product's useful life is quite long by nature. The customers will purchase the Group's products only when they have a new construction project or expansion. Each purchase is difficult to predict and comes from time to time, resulting in lack of continued purchasing.

The Group has minimized the effect of uncertainty of revenue by introducing a variety range of products and services, which can meet the demands from several industries. The Group continuously does research and development for both existing and new products to cope up with changes and differences needs and requirements of each customers.

Risk associated with entry of potential newcomer

The Group manufactures and sales structural steel, material handling and storage system equipments, processed steel and providing full-range steel service in the eastern region of Thailand. The Group's customers are located throughout the country but located intensely around eastern region of Thailand, Bangkok and Bangkok metropolitan areas. Most of the

Group's competitors are small size companies spreading around the community. Some are large, but do not manufacture full product ranges or provide full-range steel services as the Group does. Hence, the Group is considered as the industry leader.

As the nature of steel-processing industry, it does not require large amount of investment. Therefore, new competitor has a chance to enter the industry. The emergence of a high potential competitor with modern technology and good management may affect the Group's market shares.

However, to survive and prosper in this business, it requires experiences and it also take times to gain customers' reliability. It needs expertise, product development, and production process development in order to achieve higher efficiency. Through several years, the Group has established a good relationship with customers by emphasizing on the product design and development that meet customers' needs, on-time delivery, and before and after sales services. This has impressed the Group's customers and make customer base to grow along with an increasing number of repeated orders consequently.

Risk associated with exchange rate

In 2008/2009, the Group has imported goods from overseas in Euros and US Dollars currencies, which exposes the Group to foreign exchange risk. The Group has managed the foreign exchange risk by closely monitoring the exchange rate and purchasing a forward contract or making an early payment based on a suitable level of cash flow.

In the future, the Group still has to import some goods from overseas. Therefore, the mentioned foreign exchange risk management policy will be employed, which will depend on situation and appropriateness.

Shareholder's Structure

The major shareholders whose names appeared in the share registrar as at 15 October 2009 are shown as follows:

Name of Shareholders	Number of Shares	%
1. WKP Asset Plus Company Limited	166,500,000	55.50
2. Mr.Komgrich Phongratanadechachai	7,709,625	2.57
3. Mr.Wibool Phongratanadechachai	7,500,000	2.50
4. Mrs.Kheng Phongratanadechachai	7,500,000	2.50
5. Mr.Satit Phongratanadechachai	7,500,000	2.50
6. Miss Suputra Phongratanadechachai	7,500,000	2.50
7. Mrs.Orawan Phongratanadechachai	7,500,000	2.50
8. Mr.Sarawut Boon-long	6,000,000	2.00
9. Mrs.Jarunee Taweechokesupsin	5,901,000	1.97
10. Thai NVDR Company Limited	4,212,600	1.40
11. Mr.Narong Wangcharoenwong	3,925,900	1.31

Management Structure

Management structure of the Company consists of 3 Committees. The Board of Directors, Executive Directors, and Audit Committee which have duties and responsibilities as follows:

The Board of Directors

➤ Non-Executive Directors	1	member
➤ Executive Directors	4	member
➤ Independent Directors	3	member

As of 31 July 2009, the Board of Directors consisted of 8 members as listed below:

1.	Mr. Wibool	Phongratanadechachai	Chairman of the Board of Director
2.	Mr. Komgrich	Phongratanadechachai	Director
3.	Mr. Satit	Phongratanadechachai	Director
4.	Miss Suputra	Phongratanadechachai	Director
5.	Mr. Charoenpong	Ongwongsakul	Director
6.	Mr. Manop	Chiwatanasoonton	Director
7.	Mr. Anutara	Tantraporn	Director
8.	Mr. Patarathorn	Thatsanasuwan	Director

Authorized Directors

The authorized directors are Mr.Wibool Phongratanadechachai, Mr.Komgrich Phongratanadechachai, Mr.Satit Phongratanadechachai and Miss Suputra Phongratanadechachai. The two directors out of four co-sign with the Company seal.

Roles and Responsibilities of the Board of Directors

The Board of Directors has duties as representatives of shareholders and has authorities as follows:

1. To perform their duties with honesty, integrity and prudence in accordance with laws, the Company's objectives, and articles of association, as well as the resolutions of shareholders' meetings, and carefully protects the Company's interests.
2. To set out the direction of the Company's operations and supervise the management team to act in accordance with plans which are set out efficiently and effectively, and thereby maximize the economic value and wealth of the Company and its shareholders.

3. To monitor the executives as such they efficiently operate according to the Company's policies. Also, to ensure that the executives disclose all material issues that affect the Company's operations as well as connected transactions, which shall be comply with the rules and regulations of the Security Exchange Commission.
4. To effectively implement the internal control and internal audit systems, and set up the internal control and audit department to perform the control and audit operation as well as coordinate with Audit Committee.
5. To appoint an Executive Director or Managing Director or other authorized persons who have to manage under the Board of Directors' control. The appointment must be resolved by the resolution of the Board of Directors in the meeting that attended by Independent Directors or Audit Committee. If any particular Independent Director or Audit Committee oppose or do not agree with the appointment of the Executive Directors, the opinion of the Independent Director or Audit Committee must be clearly stated in the minutes of meeting. The appointment must specify scope of duties and responsibilities of the authorized directors. In addition, the appointment must not allow the appointed person to have full authority to authorize the transactions that he/she has or may have conflict of interests with the Company or subsidiaries.
6. To conduct business operation ethically and with honesty and integrity, as well as pay sufficient attention to the business that they are the committee and have intention to continuously run the operation.
7. To be responsible, protect the benefits and rights of all shareholders and ensure that the Company's information is disclosed to the shareholders in accurate, complete, proper, and transparent manner.
8. To consider and approve business plan, annual expenditure including acquisition or disposal of assets, which exceeding the power of Executive Directors; including approve joint venture plan to expand business and approve loan except the loans for operating cash flow which approved by Executive Director.

However, that above authorization must comply with rules, regulations, and resolutions that approved by the Board of Directors and must not authorize the transactions that may have conflict of interests with the Company or subsidiaries. In addition, the transactions must be presented to the Board of Directors for their considerations. The Board of Directors have authorized the Authorized Directors to perform general operating tasks except for the following tasks that must be authorized by the Shareholders' meeting.

1. The transaction that are required by law to receive the Shareholders' Meeting approval such as transfers or dispose of operations, increase capital, merger and acquisition, etc.
2. The transactions that might lead to any conflict of interests as well as are required by laws and/or regulations of the Stock Exchange of Thailand to receive the Shareholders' Meeting approval.

The transactions as specified below should be approved by the Board of Directors' Meeting and the Shareholders' Meeting with not less than three-fourth of the voting right of the Shareholders who are present at the meeting and have the right to vote.

1. To sale or transfer the whole or any significant parts of the Company.
2. To purchase or acquire business of other companies or private company.
3. To engage in, amend or cancel the rental agreement of the whole or any significant business of the Company, to assign others to manage the Company and to merge the Company with others with a purpose of profit sharing.
4. To amend the Company's memorandum of association.
5. To increase or decrease registered capital.
6. To liquidate the Company.
7. To issue bonds.
8. To merge the Company with other company.

Criteria and Procedures of Directors and Executives Nomination

The Board of Director shall consist of not less than five (5) persons. Not less than one-half of the number of such directors must reside within the Kingdom of Thailand.

According to the Company's Articles of Association, at the annual general meeting of shareholders, one-third of the directors shall leave. If one-third is not a round number, the number closest thereto shall be the applicable number. The departed directors may be re-elected. However, the directors shall be a qualified person with experiences and possess no characteristic prohibited by law. The Directors shall be elected at a shareholders meeting in accordance with the criteria and procedures as follows:

1. Each shareholder has one vote for one share.
2. Each shareholder may exercise all the votes he or she has under the criteria No. 1 to elect one or several persons as director or directors, but the shareholder may not split his or her votes between any directors or any group of directors.
3. Person who receives the highest vote arranged in order from higher to lower, in a number equal to that of the number of directors to be appointed, are elected to be the directors of the Company. In the event of a tie at a lower place, which would make the number of directors greater than the elected position, the Chairman of the meeting would have a casting vote.

If a Director's position becomes vacant due to reasons other than completion of term, the remaining Director will select a qualified candidate who possesses no forbidden characteristic as a replacement at the following Board of Directors' Meeting. To become a new director, the candidate shall be voted by not less than three-fourth of the remaining directors. An exception exists if the said directorial position has a period of less than 2 months to completion of term. In addition, the replacement director may serve only the period remaining to completion of the director whom he or she replaced

In the shareholders meeting, shareholders may have a resolution to discharge any directors before completion of terms. In such case, the votes of not less than three-fourth of the shareholders who attend the meeting and have the rights to vote with shares counted not less than one-half of total shares held by shareholders who attend the meeting and have the rights to vote are required.

Attendance of last year's meeting is summarized below:

Name of Director	Position	No. of attendance / Total of meeting (Times)
1. Mr. Wibool Phongratanadechachai	Chairman of the Board of Director	4 / 4
2. Mr. Komgrich Phongratanadechachai	Director / Chief Executive Officer	4 / 4
3. Mr. Satit Phongratanadechachai	Director / Managing Director	4 / 4
4. Miss Suputra Phongratanadechachai	Director / Chief Financial Officer	4 / 4
5. Mr. Charoenpong Ongwongsakul	Director / Deputy Managing Director	4 / 4
6. Mr. Manop Chiwatanasooton	Director / Chairman of the Audit Committee	4 / 4
7. Mr. Anutara Tantraporn	Director / Audit Committee	4 / 4
8. Mr. Patarathorn Thatsanasuwan	Director / Audit Committee	4 / 4

Board of Directors Remuneration

	Year 2006 / 2007		Year 2007 / 2008		Year 2008 / 2009	
	Amount (Baht)	Remu- nerations	Amount (Baht)	Remu- nerations	Amount (Baht)	Remu- nerations
1. Mr. Wibool Phongratanadechachai	60,000.00	Meeting	60,000.00	Meeting	60,000.00	Meeting
2. Mr. Komgrich Phongratanadechachai	-	-	-	-	-	-
3. Mr. Satit Phongratanadechachai	-	-	-	-	-	-
4. Miss Suputra Phongratanadechachai	-	-	-	-	-	-
5. Mr. Charoenpong Ongwongsakul	-	-	-	-	-	-
6. Mr. Manop Chiwatanasooton	36,000.00	Meeting	42,000.00	Meeting	60,000.00	Meeting
7. Mr. Anutara Tantraporn	36,000.00	Meeting	48,000.00	Meeting	48,000.00	Meeting
8. Mr. Patarathorn Thatsanasuwan	36,000.00	Meeting	48,000.00	Meeting	48,000.00	Meeting
9. Mr. Arthit Wuthikaro ^{/1}	45,000.00	Meeting	15,000.00	Meeting	-	-
10. Miss Arunrat Sukarnjanawattanachai ^{/2}	12,000.00	Meeting	-	-	-	-

Remark ^{/1} Retired by rotation in Annual General Meeting of Shareholders held on 26 November 2007

^{/2} Retired by rotation in Annual General Meeting of Shareholders held on 28 November 2006

Audit Committee

As at 31 July 2009, the Audit Committee consists of 3 Independent Directors as below:

- | | | | |
|----|-----------------|------------------|---------------------------------|
| 1. | Mr. Manop | Chiwatanasoonton | Chairman of the Audit Committee |
| 2. | Mr. Anutara | Tantraporn | Audit Committee |
| 3. | Mr. Pattarathon | Thatsanasuwan | Audit Committee |

The Audit Committee who has experiences in reviewing of the Company's financial statements is Mr. Manop Chiwatanasoonton, Chairman of the Audit Committee and presently resides in the position of Director of the Bureau of Industrial Management Development, Department of Industrial Promotion.

Roles and Responsibilities of the Audit Committee

The Audit Committee of the Company has the scope of duties and responsibilities according to rules and regulations of Security Exchange Commission and Stock Exchange of Thailand, and shall report the following duties and responsibilities to the Board of Directors.

1. To review and ensure that the financial statements are accurately and adequately disclose by cooperating with the Company's external auditor and executive who is responsible for the quarterly and annually financial statement. Also, to recommend the external auditor to review or audit any transactions deemed significant during the auditing period.
2. To review internal control system and internal audit system to ensure appropriateness and effectiveness by cooperating with external auditor and internal auditors. Moreover, to review an independence of the internal audit department and consider rotating or discharge chief of the internal audit department as well as other departments that responsible for internal audit activities.
3. To review and ensure whether the Company's operations comply with the rules and regulations of the Security Exchange Commission and the Stock Exchange of Thailand, as well as relevant laws.
4. To consider, select and nominate the independent external auditor and propose the auditor's remuneration to the Board of Director for the approval of the Shareholders' Meeting by considering the reputation, resources, capacity, as well as the experience of such external auditor.
5. To ensure the accuracy and completeness of the disclosure of connected transactions or transactions that may lead to any conflict of interests.
6. To prepare report on the activities of the Audit Committee and disclose such reports in the annual report of the Company. The report to be signed by the Chairman of the Audit Committee shall contain the following information:
 - » Opinion on the accuracy, completeness and reliability of the preparation process and the disclosure of information in the financial reports of the Company

- » Opinion on the sufficiency of the internal control system of the Company
 - » Opinion on the compliance with the Securities and the Stock Exchange Acts, regulations of the Stock Exchange of Thailand or any other laws relating to the business of the Company.
 - » Reasons to support the qualifications of the auditors of the Company for being appointed for another term
 - » Opinion on transactions with may have conflict of interests
 - » Number of Audit Committee meetings and attendance of each member of Audit Committee
 - » Overall opinion or notices from performing duties according to the Charter
 - » Any other reports deemed necessary for shareholders and general investors within the scope of duties and responsibilities as assigned by the Board of Directors of the Company and/or with the aim of complying with the law.
7. To perform any other operation assigned by the Board of Directors and deemed appropriate by the Audit Committee. For instant, reviewing the policy of financial management and risk management, reviewing the compliance with the business ethics of executives, collaborating with the Company's executives to review any important reports to be disclosed to the public as required by laws, such as the reports and analyses of management, and so on.
 8. The Audit Committee may seek the independent opinions from outside counselor as deemed necessary on the Company's expense.

Characteristics and criteria for the selection of Independent Director and Audit Committee

The Company does not set up a Nomination Committee for Audit Committee selection. Nevertheless, the Company has established guidelines and criteria for such selection process. The Board of Directors will determine qualified persons to become its members, based on their abilities, experiences, vision and reliability. The Audit Committee is appointed by the resolution from the Shareholders' Meeting, with 2-year term. The Audit Committee whose tenure has ended maybe reinstated. The Independent Director and Audit Committee should possess the following characteristics.

1. Independent Directors should be at least one third of all directors but not less than 3 persons.
2. Independent Directors are required to follow these guidelines;
 - 1) Hold not more than 1% of all voting shares in the Company, parent company, subsidiaries, associates, or entities that may have conflict of interest.
 - 2) Must not be an executive director, a former executive director, an employee, a consultant earning monthly salary, or person who has control over the Company, parent company, subsidiaries, associates, or entities that may have conflict of interest.
 - 3) Must not be a person who has either genetic or legal relationships in terms of parents, siblings, spouses, and spouses of the children of the Company's executives, major shareholders, and persons who have control over the Company and subsidiaries.

- 4) Must not have business relationships with the Company, parent company, subsidiaries, associates, or entities that may have conflicts in a way that preventing him / her to express an independent judgment, as well as not be or used to be a major shareholder.
- 5) Must not be or used to be an auditor of the Company, parent company, subsidiaries, associates, entities that may have conflict of interest, or major shareholder.
- 6) Must not render or used to render professional service including financial advisory that receive annual service fees of more than THB 2 Million from the Company, parent company, subsidiaries, associates, or entities that may have conflict of interest.
- 7) Must not be a director who has been appointed to represent the Company's directors, major shareholders, or shareholders who are related to the major shareholders of the company.
- 8) Must not possess any characteristics that preventing from expressing opinion regarding the Company's operation independently.

Executive Directors

As at 31 July 2009, the Company had 4 members of the Executive Director consisting of:

- | | | | |
|----|-----------------|----------------------|------------------------------------|
| 1. | Mr. Komgrich | Phongratanadechachai | Chairman of the Executive Director |
| 2. | Mr. Satit | Phongratanadechachai | Executive Director |
| 3. | Miss Suputra | Phongratanadechachai | Executive Director |
| 4. | Mr. Charoenpong | Ongwongsakul | Executive Director |

Executive Director's Roles and Responsibilities

1. Has authority to order, plan, and manage the Company operation according to the policy settled by the Board of Directors.
2. Determine the strategy of the Group's operations.
3. Determine business plans, investment guidelines, and fund raising solutions according to the Group's policies.
4. Approve any agenda prior to submitting to the Board of Directors.
5. Hire, appoint, transfer, discharge, determine wages, provide pensions, and raise monthly salaries, remunerations, and bonuses of the position of department managers or above.
6. Consider and set welfare of employees to be consistent with situations, customs, and relevant laws.
7. Approve the investment, purchasing and disposing of the Group's assets as well as sourcing and procurement, borrowing, lending activities, and engaging in business contracts or undertaken in legal act, which related to normal business and objectives of the Group under the authority levels stated in the Company's Codes of Conduct.

The Executive Director also has the authority to make decisions relating to any normal business transactions of the Company, which does not include approval of transactions which may cause a conflict of interest with the Company or its subsidiary according to the Stock Exchange of Thailand's regulations. The Executive Director is required to obtain approval from the Board of Director or Shareholders for connected transactions in accordance with the Company's Articles of Association or relevant laws, except for normal business transactions already covered by existing guidelines approved by the Board.

Management Team

1.	Mr. Komgrich	Phongratanadechachai	Chief Executive Officer
2.	Mr. Satit	Phongratanadechachai	Managing Director
3.	Miss Suputra	Phongratanadechachai	Deputy Managing Director / Chief Financial Officer
4.	Mr. Charoenpong	Ongwongsakul	Deputy Managing Director
5.	Miss Walailuk	Kuhapensang	General Manager
6.	Miss Boontip	Phetry	Deputy General Manager / Accounting and Financial Manager

Company Secretary

Mrs.Parichard	Phongratanadechachai
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Executive Director Remunerations

Remuneration Details	Year 2006 / 2007		Year 2007 / 2008		Year 2008 / 2009	
	Persons	Amount	Persons	Amount	Persons	Amount
		(Baht Million)		(Baht Million)		(Baht Million)
Total Salary	6	6.30	6	7.30	6	7.02
Total Bonus	6	0.50	6	0.70	6	0.70
Total	6	6.80	6	8.00	6	7.72

Details of All Directors and Executives

No	Name	Age (Years)	Academic Qualifications	Share Holding between executive (%)	Family relations	Previous 5 year experience	
						Year	Position Company
1	Mr. Wibool Phongratanadechachai	65	- N/A - - Director Accreditation Program (DAP) 26/2004 Thai Institute of Director Association (IOD)	2.50	Father	1995 – Present	Chairman of the Board of Directors City Steel Pel. * (Authorized Directors)
2	Mr. Kongrich Phongratanadechachai	37	- MBA : Business Administration, Strayer University, USA - BBA : Business Administration, Assumption University - Director Accreditation Program (DAP) 27/2004 Thai Institute of Director Association (IOD)	2.57	Mr. Wibool's son	2002 – Present 1995 – Present 1995 – 2002	Director / Chief Executive Officer Chairman of Executive Director Director / Managing Director City Steel Pel. City Steel Pel. City Steel Co., Ltd. * (Authorized Directors)
3	Mr. Satit Phongratanadechachai	34	- MBA : Business Administration, Shenandoah University, USA - BBA : Business Administration, Assumption University - Director Accreditation Program (DAP) 26/2004 Thai Institute of Director Association (IOD)	2.50	Mr. Wibool's son	2002 – Present 2002 – Present	Director / Managing Director Executive Director City Steel Pel. City Steel Pel. * (Authorized Directors)

No	Name	Age (Years)	Academic Qualifications	Share Holding between executive (%)	Family relations	Previous 5 year experience	
						Year	Position Company
4	Miss Suputra Phongratnadechachai	27	- MBA : Business Administration, San Francisco State University, USA	2.50	Mr.Wibool's daughter	2003 – Present	Director / Chief Financial Officer City Steel Pcl.
			- BBA : Business Administration, Assumption University			2003 – Present	Executive Director City Steel Pcl.
			- Director Accreditation Program (DAP) 26/2004			* (Authorized Directors)	
			Thai Institute of Director Association (IOD)				
5	Mr. Charoenpong Ongwongsakul	31	- B.Eng : Electrical Engineering King Monkut's University of Technology Thonburi	0.30	Brother of Mr.Komgrich's spouse	2005 – Present	Director / Chief Financial Officer City Steel Pcl.
			- Director Accreditation Program (DAP) 61/2007			2001 – 2005	Engineering Manager Seagate Technology (Thailand) Co., Ltd.
			Thai Institute of Director Association (IOD)				
6	Mr. Manop Chiwatamasoonton	53	- M.A. : Social Development Kasetsart University	0.12	-	2006 – Present	Independent Director / Chairman of the Audit Committee City Steel Pcl.
			- B.Econ : Economics (Public Finance) Ramkhamhaeng University			2005 – 2006	Independent Director / Audit Committee City Steel Pcl
			- Director Accreditation Program (DAP) 27/2004 Thai Institute of Director Association (IOD)			2007 – Present	Director, Bureau of Industrial Management Development, Bureau of Industrial Management Development,
						2004 – 2007	Plan and Policy Analysis Level 9 Department of Industrial - Promotion
						1998 – 2004	Plan and Policy Analysis Level 8 Department of Industrial - promotion

No	Name	Age (Years)	Academic Qualifications	Share Holding between executive (%)	Previous 5 year experience		
					Year	Position	Company
7	Mr. Anutara Tantraporn	38	- MA : Animation & Interactive Multimedia, Visual Communication RMIT University, Australia - Grad. DIP : Animation & Interactive Multimedia, Visual Communication RMIT University, Australia - Cert. DIP : Computer Aided Art & Design, School of Art and Design, RMIT University, Australia - Director Accreditation Program (DAP) 61/2007 Thai Institute of Director Association (IOD)	-	2006 – Present	Independent Director / Audit Committee Chief Technology Officer Executive Director Business Technology Advisors Manager of Software Application Specialist	City Steel Pcl. Learn Balance Group Ideosseed Co., Ltd. Pharam 3 Group Honda Automobile Co., Ltd. College of Management - Mahidol University Bangkok Bank Pcl.
8	Mr. Pattarathon Thatsanasuwan	34	- LL.B. : Law, Ramkhamhaeng University - B.Sc. : Science, Chandrakasem Rajabhat University - Director Accreditation Program (DAP) 61/2007 Thai Institute of Director Association (IOD)	-	2006 – Present 2003 – Present 2003 – Present 2007 2002 – 2003	Independent Director / Audit Committee Partner Juristic Person - Project Manager Advisor Counselor	City Steel Pcl. Pattarathon and Friend Law Office Donjaedee Mansion Project 2 17 Enterprise's Group Co., Ltd. Netivit -Law Office

No	Name	Age (Years)	Academic Qualifications	Share Holding between executive (%)	Family relations	Previous 5 year experience		
						Year	Position	Company
9	Miss Walailuk Kuhapensang	46	- Upper Secondary School	0.00 ^{/1}	-	2006 - Present	General Manager	City Steel Pel.
			Metropolis Non-Formal Education Center			1997 – 2006	General Manager / Director /	City Steel Pel.
			- Director Accreditation Program (DAP)				Executive Director	
			27/2004			1995 - Present	Production Manager	City Steel Co., Ltd.
			Thai Institute of Director Association (IOD)					
10	Miss Boontip Phetruy	34	BBA : Management, Accounting	0.00 ^{/1}	-	2006 – Present	Deputy General Manager /	City Steel Pel.
			Phuket Rajabhat University				Accounting and Financial	
						2002 – Present	Manager Accounting and Financial Manager	City Steel Pel.

Remark ^{/1} Hold 15 shares, equal to 0.0000005%

Details of Subsidiaries' Directors

	Subsidiaries		
	Siam ISO Pro	Mark Worldwide	City Steel Product
	Co., Ltd.	Co., Ltd.	Co., Ltd.
1. Mr.Wibool Phongratanadechachai	A, /	A, /	-
2. Mr.Komgrich Phongratanadechachai	B, /, //	B, /, //	A, /, //
3. Mr.Satit Phongratanadechachai	C, /, //	C, /, //	/, //
4. Miss Suputra Phongratanadechachai	D, /, //	D, /, //	D, /, //
5. Mr.Charoenpong Ongwongsakul	E	E	C
6. Mr.Manop Chiwatanasoonton	-	-	-
7. Mr.Anutara Tantraporn	-	-	-
8. Mr.Pattarathon Thatsanasuwan	-	-	-

Remark A = Chairman of the Board of Director B = Chairman of Executive Director, CEO
 C = Managing Director D = CFO
 E = Deputy Managing Director / = Director
 // = Executive Director

Corporate Governance

The Board of Directors determines to follow the Code of Best Practices of director of listed company and also emphasizes on good Corporate Governance in consistent with the guidelines of the Stock Exchange of Thailand by considering overall stakeholders and social responsibilities. The Company promises to follow the Best Practices of Corporate Governance as below;

1. Corporate Governance Policy

To maintain a sustainable growth, the Company and the Board of Directors has determined the corporate governance policy as follows:

1. Operate clearly and verifiably, and adequately disclose important information to all related parties in a timely manner.
2. Manage carefully and responsibly with skill and efficiency to maximize shareholder wealth.
3. Implement appropriate and effective internal control systems, evaluate risk factors, along with regularly set strategies, make corrective actions, and monitor risk management.
4. Treat all shareholders and stakeholders equally and fairly.
5. Segregate clearly structures, duties, and responsibilities of each Board of Committee.
6. Monitor and encourage all directors, management, and employees to operate and do business ethically and fairly.

2. The Shareholders' Rights

The rights to receive company information

The Company forwarded the invitation letter to attend the meeting and agenda details, containing sufficient information for Shareholders' consideration. The documentation was distributed to Shareholders 7 days prior to the meeting. The Company records the resolutions and opinions of the meeting in full, shareholders may subsequently review these minutes for reference.

The rights to vote and express opinion

The Chairman shall be responsible for appropriate time management and encouraging shareholders to give their opinions and ask questions freely.

The rights to be treated fairly and equally with all other shareholders

All shareholders shall be treated equally according to shareholders' rights that they deemed to possess.

3. The Stakeholders' Rights

The Company emphasizes on the rights of all stakeholders as follow:

- Employees :** The Company treats all employees equally, fairly, conforms to the laws, and pays appropriate salaries and welfares.
- Business partners :** The Company follows trade rules when purchasing products from the business partners, referring to the contracts and regulations.
- Customer :** The Company is responsible to its customers by keeping high quality and standards for products and services at a reasonable price.
- Competitors :** The Company performs by the competitive rules; avoiding dishonesty and unfair practices designed to destroy the competitors.
- Community :** The Company emphasizes to preserve the environment by responsible and take care of the Company's activities so not to affect the social and community environment.

4. Shareholder Meetings

In each meeting, the documentation regarding date, time, place, and meeting agenda are distributed to shareholders at timely manner prior to the meeting. The Company allocates adequate time for the meeting and encourages shareholders to express opinions, give recommendations, and raise questions during the meeting.

The Company also neatly and safely keeps all the certified shareholders' minutes of meeting so the documents will be monitor easily.

5. The Leadership and Vision

Leaderships and vision of the Board of Directors according to the best practices of good corporate governance are listed below:

- ▶▶ The Board of Directors participates in the formulation (or provides its approval) of the vision, mission, strategies, business plan, goals, and budget of the Company. It also oversees that management operates efficiently and effectively in accordance with the predetermined business plan and budget, with a view to creating the highest economic value for the business, and the greatest degree of stability for shareholders.
- ▶▶ The Board of Directors ensures that the Company has a system of internal controls, internal audit activities, and risk management measures. The Board of Directors monitors the progress of such activities on a regular basis through Audit Committee's Meetings and Board of Directors' Meetings.
- ▶▶ The Board of Directors monitors management's operation to be consistent with the predetermined policy except for transactions that may have conflict of interests or transactions that required shareholders' opinion, according to regulations of the Security Exchange Commission and the Stock Exchange of Thailand.

- ▶▶ The Board of Directors determines and provides a clear distinction between the roles, duties, and responsibilities of the Board of Directors and the Executive Board, as per the details contained under the heading “Management Structure”

6. Conflicts of Interest

The Board of Directors thoroughly handles transactions that may have conflict of interests as well as monitor the uses of the Company’s inside information for personal interests as follows:

- ▶▶ Transactions that may have conflict of interests

The Board of Directors is well informed of the transactions that may have conflict of interests. If such transactions have to be done, the Board of Directors will consider those transactions carefully and properly by relying on the Company’s benefits. In the case, that the Company has any transactions that causes conflict of interests, the Company will propose those transactions to the Audit Committee to verify and give opinions on those transactions, which consequently propose to the Board of Directors. Furthermore, the Company will strictly conduct the transactions that may have conflict of interests according to rules and regulations of the Stock Exchange of Thailand.

- ▶▶ Supervision of the usage of inside information

The Company has a policy to prohibit directors and management in using the Company’s information for his/her personal advantage either directly or indirectly according to details in supervision of inside information usage.

7. Business Ethics

The Company has determined the Business Ethics for the Board of Directors, Executive Management, and all personnel to be the Code of Conducts for all related persons to perform their duties fairly and honestly as well as the etiquettes in treating all stakeholders and community as follow:

Ethics for business operation

The Company shall operate its business with responsibilities, transparency, integrity, and competitiveness by treating all stakeholders with fairness and equality as below:

- | | |
|---------------------------------|--|
| Shareholder : | The Company shall operate the business with full ability and aims to obtain the good operating results for the wealth of the shareholders. |
| Customers : | The Company shall manufacture goods and render services of good quality to meet customers’ needs and at reasonable prices. |
| Suppliers or Creditors : | The Company shall deal with suppliers, debtors, or creditors on a fairly cooperation basis. |
| Competitors : | The Company shall operate the business within the good competition rules. |

Employees :	The Company shall give priority to develop the employees' quality of life.
Nation :	The Company shall operate its business to create improvement and development to the nation under proper customs, regulations, and relevant laws.
Community :	The Company shall avoid committing any acts that would jeopardize the environment and natural resources.

Ethics of the Board of Directors

1. Act in accordance with the statement of Business Conduct and practice ethical business conduct prescribed by the Company.
2. Act in accordance with laws, purposes, and policies of the Company, as well as resolutions of the shareholders' meeting, and safeguard the Company benefits.
3. Perform their duties with responsibility and employing management skills and abilities to create prosperity and appropriate returns for the Company.
4. Emphasize on responsibility to the shareholders and stakeholders when performing their duties.
5. Should not take advantages by using the position in the Company, should not disclose the Company important information to outsiders, and should not exploit the undisclosed information for own benefits, as well as should not act in any way that may create conflict of interests.

8. Balance of power by Non-Executive Director

The Company appoints director to avoid allowing one person or group of people with authority to make decisions alone. These directors judge the effectiveness of management and build examination mechanisms and counterbalances. The Board of Directors in the Company consists of 8 directors who are

4 Executive members

4 Non-executive members

There are 3 independent directors or equal to 37.50% of all directors.

9. Merging or Splitting of Titles

The Company's Chairman of the Board is not the same person as the Chairman of the Executive Director or the CEO, but both are related by blood. However, the Company clearly divided scopes of roles responsibilities between the Chairman of the Board of Directors, the Chief Executive Officer (CEO) with a clear stipulation. In addition, the Company has 3 Independent Directors/Audit Committee, which facilitates a suitable balance and monitor management operation. Moreover, the Company has Internal Audit Department, which report directly to the Audit Committee and responsible for controlling and auditing the operation of the Company in accordance with its policy.

10. Remuneration of Directors and Executives

The remuneration of Directors and Executive shall be set at an appropriate amount, which is in the same level of the industry, and sufficient to motivate and maintain qualified personnel. The remuneration of the directors shall be paid as meeting allowance according to the number of attendance, which shall be approved by Shareholders Meeting.

For the Executives, the Company shall provide remuneration according to the performance of each executive and the Company operation result.

11. Directors Meeting

It is the Company policy to hold a directors meeting at least 4 times a year and additional meeting may be held if appropriated. In each meeting, the agenda must be stated clearly and appointment letter shall be distributed 7 days prior to the meeting so that there is sufficient time for the directors to study all information before attending the meeting.

12. Sub-Committee

The Board of Directors shall appoint 3 Audit Committees to assist in corporate governance which the scope of authority is stated clearly and the Board of Executive Director is to manage the Company according to company policy. Even though there is no sub-committee to determine the remuneration, there are the primary procedures in considering suitable remuneration by comparing with remuneration data of similar-sized company in the same industry together with the Company operation result.

13. Internal Control and Internal Audit System

In order to achieve effective results in both executive and operation levels, the Company has specified clear and appropriate criteria and procedure in internal control system. The duty and authority of operating staff and executives are stipulated clearly in written. The duties of operator staff, supervisor, controller, and evaluator are separated to achieve proper counterbalance and counter investigation. Apart from this, there are internal financial controls by establishing financial report system to be submitted to responsible executives accordingly.

The Audit Committee has reviewed the adequacy, suitability, and efficiency of the internal control system through the cooperation between the management team and the internal auditor. The result can be concluded that the operation and the management of the Company have been operated under adequate internal control system. The overall operation of the Company has arranged the working principle which can be counted as an adequate control and supervise that can bring the confident that the Company will be able to accomplish its objectives.

Internal Audit Department is also set up to assure that the main operation and financial activities of the Company are effectively carried out in accordance with its policy. In order that the Internal Audit Department can work independently on investigation and counterbalance, the Board of Directors has specified that the Internal Audit Department report directly to the Audit Committee and evaluated by the Audit Committee.

14. Report of the Board of Directors

The Board of Directors has to take responsibility for financial statements and information disclosed in the annual report. The financial statements are presented in accordance with general accepted accounting principles and Thai Accounting Standard by employing proper accounting policy on a consistency basis. In addition, important information is adequately disclosed in the Notes to Financial Statements.

The Board of Directors arranges the Audit Committee to review the Company's Financial Statements in terms of accuracy and adequacy, as well as the Company's internal control and internal audit system in terms of sufficiency and appropriateness.

The Audit Committee has an opinion that, the Company sufficiently and properly maintains internal control system and acceptable risk management, which in turn ensure that the financial statements are presented fairly and accurately.

15. Relationship with Investors

The Board of Directors realizes the important of accurate and timely disclosure, including disclosure of financial information and other information that may affect the Company's share price. Such disclosure will be done through Stock Exchange of Thailand and the Company's website. Moreover, the Company has assigned Miss Boontip Phetruy as a contact person or investor relation to provide information about the Company to investors, shareholders, financial analysts, and relevant parties. The contact information are Tel (038) 782-064-68 or www.citysteelpl.com or ir@wkpgroup.com

Supervision of Inside Information Usage

The Company has a policy of controlling and supervising the use of its inside information to gain profit from trading of the Company's securities in advance. Significant information shall be informed only to the Company's executives while only some parts of the information necessary for work conduct will be provided to the Company's employees. In addition, the Company prescribed measures of controlling and preventing its Director, Executive, and employees from using the Company's secret information for their own benefits. Employees found breaking of the Company's regulations would be subjected to penalties that are clearly specified. Details of the regulation concerning the inside information usages are as follow:

1. Director, Executive, and employee of the Company must keep the Company's secret and/or the Company's inside information.
2. Director, Executive, and employee of the Company must not disclose the Company's secret and/or inside information for their own or for other person benefits either directly or indirectly and whether they gain earnings in return or not.
3. Director, Executive, and employee of the Company must not buy, sale, transfer or receive the transfer of Company's securities by using Company's secret and/or inside information. They must not engage in any legal activities by using Company's secret and/or inside information that may cause damage to the Company either directly or indirectly. Closed relative of the Director, Executive, and employee of the Company are also subjected to this regulation. (Closed relative means person who related by blood, by marriage and by legal registration such as father, mother, spouse, child, brother, sister, uncle and aunt including spouse of these persons.)
4. Director, Executive, and employee of the Company must not buy, sale, transfer or receive transfer of Company's securities for the period of 1 month before the Company's financial statement is disclosed to the public.

The Company has set disciplinary penalty for person who violates the above regulation. The penalty shall vary as deem appropriate and ranging from spoken warning, written warning, putting on probation, work suspension, discharging, or ceasing of employment without compensation.

In addition, the Company has informed its executive about their duties to report the holding of Company's securities as well as penalties prescribed in the Securities and Exchange Act B.E.1992.

Dividend Policy

The Company has a policy to pay approximately 40% of its net profit after tax and legal reserve as dividends. However, the dividend payout maybe changed according to future investment plans and any other actions that deemed necessary and appropriate. The changes in dividend payments should be under the condition that those actions must be taken for the best interests of shareholders, such as the provision for loan repayment, the new investment in business expansion, or in the case of any adverse change that might affect the Company's cash flow. The Board of Directors is authorized to consider the dividend payment, however, the resolution of dividend payment must be proposed for the approval of shareholders' meeting except for the case of interim dividend payment as the Board of Directors has the authority to approve before informing the interim payment to the subsequent shareholders' meeting.

For the Subsidiary Companies, the Board of Directors of the subsidiaries will consider their policy year by year. However, the resolution of dividend payment must be proposed for the approval of shareholders' meeting of the subsidiaries. The dividend maybe changed according to operating performance, financial position, and investment plan of the Company or the Group.

The Company paid dividend for 2007/2008 operation performance at Baht 0.14 per share or equal to 40% of net profit after tax and legal reserve.

Related Party Transactions

Amounts and Ending Balances of Related Party Transactions

During the years, the Group had significant business transactions with related parties, which could be summarized as follows.

Person/Juristic Person who may have conflicts of interests	Relationship	Transactions Details	Transactions Amounts (Million Baht)		Audit Committees' opinion on Related Party Transactions And necessity and appropriateness of Transactions
			Year	Year	
			2007/2008	2008/2009	
1. Siam C.T.P. Industrial Company Limited	- Phongratanadechachai family is the major shareholders of Siam C.T.P. Industrial Company Limited with 100% proportion of total share. In addition Mrs. Kheng Phongratanadechachai and Mr. Bundit Phongratanadechachai, Mr. Wibool	(1) The Company - Electricity Expenses	0.95	0.76	The Company purchases electricity from Siam C.T.P. Industrial Company Limited. Actual volume of electricity used is calculated from the meter volume at the power generator and rate for electricity expenses is the exact rate that Provincial Electricity Authority charges to Siam C.T.P. Industrial Company Limited.
Business: Manufacturing and sales of metal automotive accessories	Phongratanadechachai's spouse and son are the directors of Siam C.T.P. Industrial Company Limited				Audit Committees' opinion: This transaction is appropriate and fairly determined in both commercial terms and pricing policy, and also generates benefits to the Company.
Address: 88 Moo.4					
Bypass Road, Nongmaidaeng, Muang, Chonburi, 20000					

Measurement or Procedure for the Approval of Connected Transaction

The Company has policy for future related transactions with persons who may have conflict of interest; the Company will proceed using the appropriate consideration and procedures as follows:

1. Related transaction of normal business and ongoing will be done on underlying normal commercial terms with fairness, reasonableness, and verifiability. The Audit Committee will review the connected transactions in terms of rationale and fairness every quarter.
2. In case of a related transaction outside normal business practice, the Company will have the Audit Committee review and provide opinions on the rationale of such transaction and appropriateness of terms. In case that Audit Committee has no experiences or expertise on any connected transaction arises, the Company would seek independent counselor or authorized auditor to give the opinion for such transaction and propose to Board of Directors or shareholders' meeting as deemed necessary. During the voting process, the persons who may have conflict of interest shall not have the rights to vote for those particular transactions. The Company would disclose any connected transactions in the note to audited financial statements.

The Audit Committee together with Executive Management have reviewed connected transactions based on the appropriateness and concluded that the connected transactions occurred during the year 2008/2009 were rationale and appropriate in both pricing policies and business terms and create benefits to the Company.

Policy and Future Trend of Connected Transaction

In the future, the Company may have connected transactions if it seemed appropriate. However, the Company shall abide by the rules and regulations of the Securities and Exchange Act, The Stock Exchange of Thailand's rules and regulations and other applicable laws. Additionally, the Company shall disclose any connected transactions in the notes to audited financial statements according to generally accepted accounting principles and also disclose in the annual report.

In order to comply with the Securities and Exchange Act (No. 4) B.E. 2551 which effective on 31 August, 2008, the Company has proposed for approval of the principles of connected transaction between the Company and subsidiaries and directors, executive managements, and related parties regarding normal business transactions or supported normal business transactions under general business terms from the Board of Directors to allow the management to approve transactions if such transactions meet the terms and conditions of the principles that have been approved.

Management Discussion and Analysis

Financial Position

Assets

As at 31 July 2009, the Group's total assets were Baht 821.05 million, which primarily consisted of properties plants and equipments and cash and cash equivalents in the proportion of 41.68% and 32.72% of total assets, respectively. The Group's total assets increased by Baht 8.66 million or increased by 1.07% compared to those in the accounting period 2007/2008 which as at 31 July 2008 were Baht 812.39 million. The increase in the Group's total assets mainly derived from increases in cash and cash equivalents that increased by Baht 185.45 million, which resulted from a decrease in trade accounts receivables collected during the year 2008/2009 and a reduction of inventories as well as a sales of investment in available-for-sales securities. As a result, the Group's cash and cash equivalents have increased quite a lot compared to those of last year.

Quality of Assets

▶▶ Trade Accounts Receivables - Net

The Group employs very cautious credit policies and considers a lot of criteria in order to grant a line of credit to customers. The criteria include past business transactions with the customers, the customers' financial positions, project quantities and amounts, repetition of orders, and current economic situation. For new customers the Group may request deposits of 20% to 30% of the project amounts. Normally, the Group grants credit term of 30 days for general customers and credit term of 30 – 90 days for major customers who have long-term relationship with the Group. Because of adverse impacts of the economic crisis in the past year, the Group was more thorough in granting credit to customers by selling in cash and collecting deposits from new customers in order to reduce default risks from trade accounts receivables, which resulted in a decrease in the Group's trade accounts receivables compare to the year 2007/2008.

As at 31 July 2008, the Group's outstanding trade accounts receivables were Baht 131.00 million, and as at 31 July 2009 were Baht 80.38 million, which decreased by Baht 50.62 million or equal to 38.64%. All of the outstanding balances of trade accounts receivables were not yet due and less-than-3-month overdue, which conformed to the Group's credit policies. The trade accounts receivables aging schedules as at 31 July 2008 and 2009 were presented as follows.

(Unit : Thousand Baht)

Trade accounts receivable	31 July 2008	31 July 2009
Current receivables	91,570	43,587
Past due less than 3 months	39,425	36,790
Less: Allowance for doubtful accounts	-	-
Trade accounts receivables – net	130,995	80,377

Because of most of the Group's customers are medium to large companies or multinational corporations who have strong financial positions as well as the Group's cautious credit policies by screening each customer's financial positions before granting credits and requesting deposits from some of new customers, all trade accounts receivables could be collected. Therefore the Group did not set any provision for doubtful accounts both in 2007/2008 and 2008/2009. However, the Group had a portion of overdue trade accounts receivables. Those trade accounts receivables were past due less than 3 months, which resulted from the customers' billing and payment policies that set the payment dates after the actual due dates.

» Inventory

As adopting just-in-time inventory strategy, the Group's products are delivered immediately after the production processes are finished. In addition, raw materials will be purchased once the Group received purchase confirmations from the customers. Therefore, the Group inventory balance is quite low and raw materials balance will be kept for the average 8 – 10 weeks. Although the Group adopt just-in-time strategy and does not have policy to keep raw materials for speculative purpose, amounts and quantities of inventory kept by the Group also depend on overall market situation.

As at 31 July 2009, the inventory balance was Baht 61.48 million, decreased from the balance as at 31 July 2008 of Baht 121.27 million by Baht 59.43 million or 49.01%. A decline in total inventory was caused by a decrease in work in process and raw material and factory supplies. The Group's inventory balances as at 31 July 2008 and 31 July 2009 were presented below.

(Unit : Thousand Baht)

Inventory	31 July 2008	31 July 2009
Finished products (to be delivered)	19,841	35,331
Work in process	25,244	787
Raw materials and supplies	76,189	25,718
Total	121,274	61,836
Less: Allowance from declining in value	-	-
Inventory – net	121,274	61,836

The Group does not set provision for allowance from declining in value of inventory since all of the products are custom made products which will be delivered to the customers once the products are finished. Also, raw materials and supplies are made of metal which rarely decline in economic value. Moreover, all of the finished products were under the delivery process to send to the customers.

▶ Assets under construction and installation

Assets under construction and installation of the Group as at 31 July 2009 was Baht 90.72 million which primarily consisted of machines under installation and factories and office building under construction of the Company's subsidiary – Mark Worldwide.

Liquidity

For the period 2008/2009 the Group's net cash flows from operating activities were Baht 202.69 million, increased by 163.11% from Baht 39.58 million in the period 2007/2008. A rise in cash flows from operating activities primarily due to a decrease in inventory and trade accounts receivables. A drop in trade accounts receivables was caused by collection of outstanding receivables balances from last year and also corresponded with the Group's more thorough credit policies. On the other hand, a decline in inventory balances was derived from an improved inventory management and a delivery of the Group's products to the customers. According to the mentioned factors, the Group's cash and cash equivalents were dramatically increased compared to those of the last period.

The Group's liquidity ratios equaled to 9.02 times, 11.16 times, and 31.87 times and quick ratios equaled to 6.55 times, 7.67 times, and 27.55 time in 2006/2007, 2007/2008, and 2008/2009. According to the liquidity figures, the Group's liquidity is financially sound. The Group has strong financial position and does not have any problems regarding to liquidity issues since most of the Group's total assets are current assets and the Group also has only a limited amount of current liabilities.

Since the Group has high liquidity and has significant amounts of cash on hand, the Group purchases most of raw materials and supplies in cash in order to get cash discounts. As employing this policy, the Group's average payment period was quite low, equaled to 10.25 days in 2007/2008 and 9.49 days in 2008/2009. For average age of inventory, the Group's average age of inventory equaled to 71.20 days in 2008/2009, which was close to 80.37 days in 2007/2008 and consistent with Group's policies and production processes. In addition, the Group's average collection period was very close for the last two period, which equaled to 62.45 days in 2007/2008 and 64.74 days in 2008/2009. The average collection period figures were considered as normal since the Group's credit terms for most customers were 30-60 days.

During the period 2007/2008, the Group's cash flows used in investing activities was Baht 136.15 million. Cash outflows from investing activities mostly used in constructing of production facilities and office building and purchasing of machines and equipments for business expansion in subsidiary as well as investing in available-for-sale securities and bill of exchange. On the other hand, in the year 2008/2009, the Group had cash inflows from investing activities of Baht 24.76 million, which arised from sales of investment in available-for-sale securilies that invested in 2007/2008.

The Group's net cash flows from financing activities for both the year 2007/2008 and 2008/2009 were Baht 42 million, which were the amounts of annual dividend payment to shareholders.

Suitability of Capital Structures

▶▶ Shareholders' equity

As at 31 July 2009, shareholders' equity of the Group was Baht 806.18 million increased by Baht 34.46 million or increased by 4.47% compared to Baht 771.72 million in 2008. An increase in shareholders' equity mainly due to an increase in retained earnings. The Group's debt to equity ratios were very small, equaled to 0.05 times in the year 2007/2008 and 0.02 times in the year 2008/2009 since the Group's sources of funds for business expansion largely came from an issuance of additional shares and earnings from operation. Furthermore, as the Group had a good amount of cash on hand and made payment of accounts payable in cash in order to get cash discounts, the current liabilities of the group were relatively low.

▶▶ Liabilities

As mentioned earlier, the major sources of funds for business expansion derived from internal sources. So all of the Group's liabilities were short-term liabilities consisted of trade accounts payable, corporate income tax payable, and other current liabilities included advance received for goods from customer. The Group did not have any long-term loan from external sources or short-term borrowings from financial institution.

Operating Results

Overviews

The Group's revenues primarily comes from the manufacturing and sales of metal products as well as rendering services related to metal products which can be classified into 3 categories. 1) Manufacturing and sales of Metal Structures, Storage Systems and Material Handling Equipments, and Other Metal Products. 2) Manufacturing and sales of Semi Products and Rendering of World Class Steel Services. 3) Sales of Industrial Materials used in factories.

The Group's total revenues in 2006/2007, 2007/2008, and 2008/2009 were Baht 502.90 million, Baht 600.04 million, and Baht 593.36 million, increased by 19.32% in 2007/2008 and decrease by 1.11% in 2008/2009. A decline in the Group's total revenues in the year 2008/2009 was attributable to impacts of economic recessions and political problems in the country, which deteriorated purchasing power and demand of customers and ultimately affect the Group's total revenues.

The Group's expenses consisted of the followings:

- 1) Cost of sales and services were Baht 327.36 million, Baht 435.42 million, and Baht 462.90 million in 2006/2007, 2007/2008, and 2008/2009, attributable to 65.09%, 72.57%, and 78.01% of total revenues.
- 2) Selling expenses were Baht 14.04 million in 2006/2007, Baht 12.41 million in 2007/2008, and Baht 9.53 million in 2008/2009, equaled to 2.79%, 2.07%, and 1.61% of total revenues respectively.
- 3) Administrative expenses were Baht 29.81 million, Baht 35.16 million, and Baht 30.08 million, which equaled to 5.93%, 5.86%, and 5.07% of total revenues in 2006/2007, 2007/2008, and 2008/2009.
- 4) Director and management remuneration were Baht 7.02 million, Baht 8.26 million, and Baht 7.94 million in 2006/2007, 2007/2008, and 2008/2009, which equaled to 1.40%, 1.38%, and 1.34% of total revenues.

Net incomes for the accounting period 2006/2007, 2007/2008, and 2008/2009 were Baht 116.93 million, Baht 101.26 million, and Baht 80.43 million accounted for 23.25%, 16.88%, and 13.56% of total revenues.

Revenues

The Group's total revenues for the last three years classified by products categories were as follows.

1. Revenues from manufacturing and sales of Metal Structures, Storage Systems and Material Handling Equipments, and Other Metal Products made up the highest portion of total revenues compared to revenues from other categories, which equaled to 64.42%, 54.65%, and 53.76% of total revenues in 2006/2007, 2007/2008 and 2008/2009.
2. Revenues from manufacturing and sales of Semi products and rendering of World Class Steel Services accounted for 26.10%, 30.81%, and 35.10% of total revenues in 2006/2007, 2007/2008, and 2008/2009.
3. Revenues from sales of Industrial Materials equaled to 6.72%, 13.60%, and 10.19% of total revenues in 2006/2007, 2007/2008, and 2008/2009.

Almost all revenues from these 3 activities derived from domestic sales. The largest part of export revenues were from sales of Metal Structures, Storage Systems and Material Handling Equipments, and Other Metal Products. Export revenues were relatively low compared to revenues from products sold domestically. Export revenues were Baht 12.60 million, Baht 9.75 million, and Baht 9.74 million or equaled to 2.51%, 1.63% and 1.60% of total revenues in 2006/2007, 2007/2008, and 2008/2009 respectively.

Cost of Sales and Gross Profit

The Group's cost of sales and services comprised of cost of raw materials and supplies, cost of merchandised products, labor cost, and overheads which included depreciation of plants, machines, tools, and equipments used in production. For the year 2008/2009, cost of sales and services increased by 6.31% from Baht 435.42 million in 2007/2008 to Baht 462.90 million. As cost of sales and services increased and total revenues decreased, the proportion of cost of sales and services to revenues from operation rose from 72.57% in the year 2007/2008 to 78.01% in the year 2008/2009.

A decline in operating revenues was affected by the world economic difficulties and political uncertainty that impeded the growth of the country economies and diminished consumer demands. Because of the aforementioned circumstances along with the Group's cost-plus-margin pricing policy, the Group had reduced products selling prices in order to stimulate the demands for the Group's products and consequently resulted in a slightly decline in the Group's gross profits. The Group's gross profits were Baht 161.65 million, Baht 158.95 million, and Baht 124.79 million attributable to gross profit margin of 33.06%, 26.74%, and 21.23% in the period 2006/2007, 2007/2008, and 2008/2009, respectively.

Selling and Administrative Expenses and Finance cost

For the period 2008/2009 the Group's selling expenses were Baht 9.53 million, decrease from last year balance of Baht 12.41 million by Baht 2.88 million or 23.21%. The Group's administrative expenses and director and management remuneration also decreased from the year 2007/2008. For the period 2008/2009, the Group's administrative expenses were Baht 30.08 million, decreased by 14.44% from Baht 35.16 million in 2007/2008, and director and management remuneration were Baht 7.94 million, decreased by 3.87% from Baht 8.26 million in 2007/2008. The decreases in selling expenses, administrative expenses, and director and management remuneration were resulted from the economic crisis that encouraged the Group to reduce costs and expenses and to enhance management systems and processes to become more efficient.

For finance cost, during past years, since the Group utilized funds from shareholder's equity and retained earnings from operation to finance daily business activities and invest in production facilities, the Group did not have short-term loans or long-term loans from financial institutions and other sources of funds. So the Group did not incur any finance cost.

Net Profit

For the period 2006/2007, 2007/2008, and 2008/2009, the Group's net profits were Baht 116.93 million, Baht 101.26 million, and Baht 80.43 million with net profit margins of 23.25%, 16.88%, and 13.55%, respectively. The Group's net profit decreased by 13.41% in 2007/2008 and 20.57% in 2008/2009. The decline in the Group's net profits was influenced by the decreases in products selling prices and the Group's gross profit margin. The financial crisis in the United States and critical political and economic situations in the country led to a stagnant growth of industrial sectors and diminishing investment of private sector. The Group had to reduced products selling prices in order to stimulate the demands for the Group's products under those circumstances, which finally brought down the Group's net profits.

Auditor Remuneration

During the year 2008/2009, the Company and its subsidiaries paid auditing fees to Dharmniti Auditing Company Limited of Baht 995,000.

Report of Independent Auditor

To The Shareholders and Board of Directors of
 City Steel Public Company Limited

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

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

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



(Mr. Pojana Asavasontichai)

Certified Public Accountant (Thailand) No. 4891

Dharmniti Auditing Company Limited

Bangkok, Thailand

September 26, 2009

2009/991/8415

Consolidated and Company Financial Statement

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 JULY 2009 AND 2008

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	268,597,930	83,154,640	70,727,147	17,368,711
Short-term investment	8	49,000,000	-	9,000,000	-
Investments in available-for-sale securities	9	11,606,222	97,686,112	1,778,182	18,574,605
Trade accounts receivable	10				
Related parties	6	-	-	525,798	5,852,510
Other parties		80,377,499	130,995,266	40,106,979	90,421,645
Inventories	11	61,835,692	121,274,052	18,169,738	54,089,286
Other current assets					
Advance paid for goods		781,158	11,411,299	10,991	4,052,149
Input tax refundable		1,189,642	5,148,225	-	4,009,404
Others		327,981	3,950,915	97,158	106,758
TOTAL CURRENT ASSETS		473,716,124	453,620,509	140,415,993	194,475,068
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	12	2,314,829	2,196,284	1,732,458	1,701,554
Investments in subsidiaries accounted					
for under cost method	13	-	-	376,819,880	376,819,880
Deposits paid for purchases of assets		1,794,393	1,794,393	-	-
Property, plant and equipment, net	14	342,209,872	353,507,531	63,681,353	72,165,116
Intangible assets, net	15	1,009,909	1,265,580	1,009,909	1,265,580
TOTAL NON-CURRENT ASSETS		347,329,003	358,763,788	443,243,600	451,952,130
TOTAL ASSETS		821,045,127	812,384,297	583,659,593	646,427,198

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

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (CONT.)

AS AT 31 JULY 2008 AND 2009

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2009	2008	2009	2008
LIABILITIES					
CURRENT LIABILITIES					
Trade accounts payable					
Related parties	6	86,726	89,381	662,068	20,212,998
Other parties		9,298,157	14,927,474	5,055,254	9,911,544
Other current liabilities					
Advance received for goods		544,736	17,456,138	155,174	475,024
Corporate income tax payable		1,294,500	3,799,030	1,294,500	3,741,051
Others		3,641,389	4,391,409	1,043,864	1,677,209
TOTAL CURRENT LIABILITIES		14,865,508	40,663,432	8,210,860	36,017,826
TOTAL LIABILITIES		14,865,508	40,663,432	8,210,860	36,017,826
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up					
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Share premium		166,145,195	166,145,195	166,145,195	166,145,195
Difference on reorganization of entities					
under common control	3.2	(15,380,000)	(15,380,000)	-	-
Unrealized gain (loss) on change in value of investments					
in available-for-sale securities	9	(7,777,395)	(3,808,410)	5,087	239,333
Retained earnings					
Appropriated - statutory reserve		27,164,000	26,800,000	27,164,000	26,800,000
Unappropriated		336,027,819	297,964,080	82,134,451	117,224,844
Equity attributable to the equity of parent		806,179,619	771,720,865	575,448,733	10,409,372
Equity Minority interest		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY		806,179,619	771,720,865	575,448,733	610,409,372
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		821,045,127	812,384,297	583,659,593	646,427,198

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

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED JULY 31, 2009 AND 2008

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
REVENUES					
Sales		578,910,475	580,924,553	238,130,334	316,954,619
Service income		8,782,109	13,452,171	8,780,109	13,164,677
Dividend income		687,500	-	-	-
Other income		4,982,176	5,666,811	2,073,019	4,785,922
Total revenues		593,362,260	600,043,535	248,983,462	334,905,211
EXPENSES					
Cost of sales and services		462,898,048	435,420,579	211,229,067	274,417,404
Selling expenses		9,535,517	12,409,407	4,303,164	5,145,677
Administrative expenses		30,082,804	35,164,613	15,759,473	19,844,721
Management benefit expenses		7,935,955	8,258,350	7,935,955	8,258,350
Total expenses		510,452,324	491,252,949	239,227,659	307,666,152
Profit before finance cost and corporate income tax		82,909,936	108,790,586	9,755,803	27,239,059
Finance cost		-	-	-	-
Profit before corporate income tax		82,909,936	108,790,586	9,755,803	27,239,059
Corporate income tax	19	(2,482,337)	(7,533,477)	(2,482,336)	(7,066,675)
Net profit		80,427,599	101,257,109	7,273,467	20,172,384
Profit attributable to					
Equity holder of parent (99.99%)		80,427,599	101,257,109	7,273,467	20,172,384
Minority interest (0.01%)		-	-	-	-
		80,427,599	101,257,109	7,273,467	20,172,384
Earnings per share					
Net profit		0.27	0.34	0.02	0.07
Weighted average number of ordinary share (Share)		300,000,000	300,000,000	300,000,000	300,000,000

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

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED JULY 31, 2009 AND 2008

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to the equity holders of parent									
	Issued and paid-up share capital	Share premium	Difference on reorganization of entities under common control	Unrealized gain on change in value of investments in available-for-sale securities		Retained earnings		Unappropriated	Total	Minority interest
Note						Appropriated				
Beginning balance, as at August 1, 2007	300,000,000	166,145,195	(15,380,000)	64,052	25,783,982	239,722,989	716,336,218	-	716,336,218	-
Available-for-sale securities										
Profit (loss) recognized directly in equity	-	-	-	(3,872,462)	-	-	(3,872,462)	-	(3,872,462)	-
Net income (expense) recognized directly in equity	-	-	-	(3,872,462)	-	-	(3,872,462)	-	(3,872,462)	-
Net profit for the year	-	-	-	-	-	-	101,257,109	-	101,257,109	-
Total recognized income (expenses)	-	-	-	-	-	-	101,257,109	-	101,257,109	-
Statutory reserve	-	-	-	-	1,016,018	(1,016,018)	-	-	-	-
Dividend paid	21	-	-	-	-	(42,000,000)	(42,000,000)	-	(42,000,000)	-
Ending balance, as at July 31, 2008	300,000,000	166,145,195	(15,380,000)	(3,808,410)	26,800,000	297,964,080	771,720,865	-	771,720,865	-
Available-for-sale securities										
Profit (loss) recognized directly in equity	-	-	-	(1,130,042)	-	-	(1,130,042)	-	(1,130,042)	-
Transfer to gain on sale	-	-	-	(2,838,943)	-	-	(2,838,943)	-	(2,838,943)	-
Net income (expense) recognized directly in equity	-	-	-	(3,968,985)	-	-	(3,968,985)	-	(3,968,985)	-
Net profit for the year	-	-	-	-	-	-	80,427,599	-	80,427,599	-
Total recognized income (expenses)	-	-	-	-	-	-	80,427,599	-	80,427,599	-
Statutory reserve	-	-	-	-	364,000	(364,000)	-	-	-	-
Dividend paid	21	-	-	-	-	(41,999,860)	(41,999,860)	-	(41,999,860)	-
Ending balance, as at July 31, 2009	300,000,000	166,145,195	(15,380,000)	(7,777,395)	27,164,000	336,027,819	806,179,619	-	806,179,619	-

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

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEARS ENDED JULY 31, 2009 AND 2008

(Unit: Baht)

	Separate financial statements						
	Note	Issued and paid-up share capital	Share premium	Difference on reorganization of entities under common control	Unrealized gain on change in value of investments in available-for-sale securities		Total
					Retained earnings	Unappropriated	
Beginning balance, as at August 1, 2007		300,000,000	166,145,195	-	64,052	25,783,982	632,061,707
Available-for-sale securities							
Profit (loss) recognized directly in equity		-	-	-	175,281	-	175,281
Net income (expense) recognized directly in equity		-	-	-	175,281	-	175,281
Net profit for the year		-	-	-	-	-	20,172,384
Total recognized income (expenses)		-	-	-	-	-	20,172,384
Statutory reserve		-	-	-	-	1,016,018	-
Dividend paid	21	-	-	-	-	(42,000,000)	(42,000,000)
Ending balance, as at July 31, 2008		300,000,000	166,145,195	-	239,333	26,800,000	610,409,372
Available-for-sale securities							
Profit (loss) recognized directly in equity		-	-	-	403,819	-	403,819
Transfer to gain on sale		-	-	-	(638,065)	-	(638,065)
Net income (expense) recognized directly in equity		-	-	-	(234,246)	-	(234,246)
Net profit for the year		-	-	-	-	-	7,273,467
Total recognized income (expenses)		-	-	-	-	-	7,273,467
Statutory reserve		-	-	-	-	364,000	-
Dividend paid	21	-	-	-	-	(41,999,860)	(41,999,860)
Ending balance, as at July 31, 2009		300,000,000	166,145,195	-	5,087	27,164,000	575,448,733

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

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JULY 31, 2009 AND 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Profit before corporate income tax	82,909,936	108,790,586	9,755,803	27,239,059
Adjustments to reconcile to net cash provided by (used in) operating activities: -				
Depreciation and amortization	25,387,048	28,983,562	9,767,445	10,671,582
Gain on sales of investments in available-for-sale securities	(3,121,370)	(1,130,673)	(732,243)	(1,130,673)
Gain on exchange of fixed assets	(13,225)	-	-	-
Income from investment	(2,464,485)	(4,490,223)	(796,133)	(2,986,797)
Profit from operating activities before changes in operating assets and liabilities	102,697,904	132,153,252	17,994,872	33,793,171
(Increase) decrease in operating assets				
Trade accounts receivable	50,617,766	(55,779,985)	55,641,377	(69,381,905)
Inventories	59,438,360	(48,135,393)	35,919,547	(7,845,895)
Other current assets	18,324,199	27,093,198	8,060,162	27,112,077
Increase (decrease) in operating liabilities				
Trade accounts payable	(5,631,972)	5,228,009	(24,407,220)	25,373,499
Other current liabilities	(17,661,423)	(13,236,027)	(953,193)	(22,366,726)
Cash received from (used in) operating activities	207,784,834	47,323,054	92,255,545	(13,315,779)
Corporate income taxes paid	(5,099,407)	(7,740,641)	(4,928,888)	(7,086,127)
Net cash flows provided by (used in) operating activities	202,685,427	39,582,413	87,326,657	(20,401,906)

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

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED JULY 31, 2009 AND 2008

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Cash flows from investing activities				
Increase in deposits restricted at financial institutions	(118,545)	(243,508)	(30,904)	(228,778)
Cash paid for additional investments in subsidiaries	-	-	-	(28,120,000)
Proceeds from sales of investments in available-for-sale securities	134,932,275	94,018,672	44,994,420	94,018,672
Interest received	1,776,985	4,490,223	796,133	2,986,797
Dividend income	687,500	-	-	-
Cash paid for short-term investment	(49,000,000)	-	(9,000,000)	-
Cash paid for available-for-sale securities	(49,700,000)	(171,159,250)	(27,700,000)	(88,000,000)
Cash paid for purchases of fixed assets	(13,820,492)	(61,976,499)	(1,028,010)	(58,057,599)
Cash paid for purchases of intangible assets	-	(1,279,270)	-	(1,279,270)
Net cash flows provided by (used in) investing activities	24,757,723	(136,149,632)	8,031,639	(78,680,178)
Cash flows from financing activities				
Dividend paid	(41,999,860)	(42,000,000)	(41,999,860)	(42,000,000)
Net cash flows provided by (used in) financing activities	(41,999,860)	(42,000,000)	(41,999,860)	(42,000,000)
Net increase (decrease) in cash and cash equivalents	185,443,290	(138,567,219)	53,358,436	(141,082,084)
Cash and cash equivalents at beginning of period	83,154,640	221,721,859	17,368,711	158,450,795
Cash and cash equivalents at end of period	268,597,930	83,154,640	70,727,147	17,368,711
Supplemental cash flows information: -				
Cash and cash equivalents consisted of: -				
Cash on hand	418,301	391,922	131,611	125,071
Cash at bank - Saving account	153,071,409	82,668,598	25,518,758	17,180,963
- Current account	98,220	94,120	66,778	62,677
- Fixed deposit 3 months	10,000	-	10,000	-
Short-term investment	115,000,000	-	45,000,000	-
	268,597,930	83,154,640	70,727,147	17,368,711

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

CITY STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JULY 31, 2009 AND 2008

1. GENERAL INFORMATION

(a) Legal status and address

City Steel Public Company Limited is a public company incorporated and domiciled in Thailand and its registered address is as follows :

88/3 Moo 4, Bypass Road, Tumbol Nongmaidaeng, Amphur Muang, Chonburi.

(b) Nature of the Company's business

The Company is principally engaged in the manufacture and sale of metal structures, storage system and material handling equipment, and fabricated metal parts, as well as the provision of one-stop metal processing services and the sale of metals.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

3. BASIS FOR CONSOLIDATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the financial statements of the Company and the following subsidiaries which were incorporated in Thailand as follows :

Company's name	Nature of business	Percentage of		Assets as a percentage		Revenues as a	
		shareholding		to the consolidated total		Percentage to the	
		July	July	July	July	July	July
		31, 2009	31, 2008	31, 2009	31, 2008	31, 2009	31, 2008
Siam ISO Pro Co., Ltd	Manufacture and sale of metal products	99.99	99.99	22.92	17.16	11.70	12.25
Mark Worldwide Co., Ltd	Manufacture and sale of metal products	99.99	99.99	51.91	51.92	47.87	33.63

- 3.1 Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- 3.2 The excess of the acquisition cost of the investment in subsidiary under common control over the fair value of the subsidiary's net assets as at the acquisition date is shown as a separate item in shareholders' equity under the caption "Difference on reorganization of entities under common control" in the consolidated balance sheet and the Company's balance sheet.

4. ADOPTION OF NEW ACCOUNTING STANDARDS

4.1 Adoption of new accounting standards during the year

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

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

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

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Recognition of revenues and expenditures

Sales of goods

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

Service revenue

Service revenue is recognized when services have been rendered.

Dividends

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

Expenditures are recognized on an accrual basis.

5.2 Cash and cash equivalents

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

5.3 Trade accounts receivable

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

5.4 Inventories

Finished goods and work in process are valued at the lower of cost (First in - First out) and net realizable value. Cost includes all production costs and factory overheads.

Raw materials and factory supplies are valued at the lower of cost (First in - First out) and net realizable value and are charged to production costs whenever consumed.

5.5 Investments

- a) Short-term investment less than 3 month and over than 3 month

Short-term investment less than 3 month that not subject to withdrawal restriction presented under cash equivalent are state at cost and recognized accrued interest on the straight-line basis.

Short-term investment over than 3 month that not subject to withdrawal restrictions presented under short-term investment are state at cost and recognized accrual interest on the straight-line basis.

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

The fair value of unit trusts is determined from their net asset value and the fair value of equity is determined from the latest offer price of the Stock Exchange of Thailand as at the end of the period.

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

In the event the Company and its subsidiaries reclassify investments in securities, such investments are adjusted to their fair value as at the reclassification date. Differences between the carrying amount of the investments and their fair value on that date are included in determining income or recorded as surplus (deficit) from change in the value of investments in shareholders' equity, depending on the type of investment which is reclassified.

5.6 Property, plant and equipment and Depreciation

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

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

Buildings	20	years
Machinery and equipments	5-10	years
Furniture, fixtures and office equipments	5	years
Motor vehicles	5	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

5.7 Intangible assets and Amortization

Intangible assets are computer software pending for amortization. Amortization is calculated by the straight-line method over the estimated useful lives of 5 years.

5.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiaries operations.

5.9 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currencies outstanding at the balance sheet date are translated into Baht at the exchange rates ruling on the balance sheet date.

Gains and losses on exchange are included in determining income.

5.10 Impairment of assets

The Company and its subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Company and its subsidiaries make an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

5.11 Employee benefits

Salary, wages, bonuses and contributions to the social security fund and provident fund are recognized as expenses when incurred.

5.12 Corporate income tax

Corporate income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

5.13 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, which affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

5.14 Earnings per share

Basic earnings per share are calculated by dividing net income for the year by the weighted average number of ordinary shares outstanding during the year.

6. RELATED PARTY TRANSACTIONS

During the years, the Company and its subsidiaries had significant business transactions with related parties, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and those companies. Below is a summary of those transactions.

(Unit : Million Baht)

	For the years ended July 31				Price Policy
	Consolidated financial		Separate financial		
	statements		statements		
	2009	2008	2009	2008	
<u>Transactions with related companies</u>					
Electricity expenses	0.8	0.9	0.8	0.9	Cost
Rental expenses	1.6	2.0	1.6	1.9	Based on contract
<u>Transactions with subsidiaries</u>					
(eliminated from consolidated financial statements)					
Sales of finished goods and raw materials	-	-	8.7	9.4	Cost plus margin and cost
Purchases of finished goods and raw materials	-	-	0.2	24.6	Cost plus margin and cost
Service	-	-	0.9	2.9	Based on contract
Electricity	-	-	1.4	0.7	Cost
Purchase fixed assets	-	-	-	57.3	Book value
Rental income	-	-	0.1	0.3	Based on contract
Service income	-	-	0.4	0.4	Based on contract
Gasoline expenses	-	-	0.6	0.1	Cost
Car rental expenses	-	-	0.3	-	Based on contract

The balances of the accounts as at July 31, 2009 and 2008 between the Company and those related companies are as follows :

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
		As at July 31, 2009	As at July 31, 2008	As at July 31, 2009	As at July 31, 2008
Relationship					
<u>Trade accounts receivable - related parties</u>					
Siam ISO Pro Co., Ltd.	Subsidiary	-	-	140,598	32,100
Mark Worldwide Co., Ltd.	Subsidiary	-	-	385,200	5,820,410
Total trade accounts receivable - related parties		-	-	525,798	5,852,510
<u>Trade accounts payable - related parties</u>					
Siam ISO Pro Co., Ltd	Subsidiary	-	-	575,342	1,719,617
Mark Worldwide Co., Ltd.	Subsidiary	-	-	-	18,404,000
Siam C.T.P. Industry Co., Ltd.	Common				
	shareholders	86,726	89,381	86,726	89,381
Total trade accounts payable - related parties		86,726	89,381	662,068	20,212,998

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :

(Unit : Baht)

	Consolidated		Separate financial statements	
	As at July 31, 2009	As at July 31, 2008	As at July 31, 2009	As at July 31, 2008
Cash on hand and petty cash	418,301	391,922	131,611	125,071
Cash at banks - Saving account	153,071,409	82,668,598	25,518,758	17,180,963
- Current account	98,220	94,120	66,778	62,677
Fixed deposit 3 months	10,000	-	10,000	-
Short-term investment (less than 3 month)	115,000,000	-	45,000,000	-
	268,597,930	83,154,640	70,727,147	17,368,711

Cash at bank-saving account bear interest at the floating rate which are set by bank.

8. SHORT-TERM INVESTMENT

This account consisted of :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at July 31, 2009	As at July 31, 2008	As at July 31, 2009	As at July 31, 2008
Short-term investment - Bill of exchange	49,000,000	-	9,000,000	-
	49,000,000	-	9,000,000	-

9. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

This account consisted of :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at July	As at July	As at July	As at July
	31, 2009	31, 2008	31, 2009	31, 2008
Investments in available-for-sale securities - at cost				
- Open fund	2,224,367	84,335,272	1,773,095	18,335,272
- Common Stock	17,159,250	17,159,250	-	-
Total	19,383,617	101,494,522	1,773,095	18,335,272
Add : Unrealized gain (loss) on change in value of investments	(7,777,395)	(3,808,410)	5,087	239,333
Investments in available-for-sale securities - fair value	11,606,222	97,686,112	1,778,182	18,574,605

10. TRADE ACCOUNTS RECEIVABLE

As at July 31, 2009 and 2008, the outstanding balances of trade accounts receivable comprise receivables of Thai baht that are not yet due and past due less than 3 months.

11. INVENTORIES

This account consisted of :

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	As at July	As at July	As at July	As at July
	31, 2009	31, 2008	31, 2009	31, 2008
Finished goods	35,330,712	19,840,711	-	-
Work in process	786,691	25,244,213	786,691	6,840,315
Raw materials	25,718,289	76,189,128	17,383,047	47,248,971
Total	61,835,692	121,274,052	18,169,738	54,089,286

12. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

Deposits of the Company and its subsidiaries have been pledged as security against bank guarantees issued by a bank on behalf of the Company and its subsidiaries as security required in the normal course of business of the Company and its subsidiaries.

13. INVESTMENTS IN SUBSIDIARIES ACCOUNTED FOR UNDER COST METHOD

As at July 31, 2009 and 2008, investments in subsidiaries accounted for under cost method represent investments in ordinary shares in the following subsidiaries.

(Unit : Baht)

Company's name	Equity %	Paid-up share capital		At equity method		At cost method	
		As at Jul 31, 2009	As at Jul 31, 2008	As at Jul 31, 2009	As at Jul 31, 2008	As at Jul 31, 2009	As at Jul 31, 2008
Siam ISO Pro Company Limited	100	112,000,000	112,000,000	187,899,730	194,417,880	111,999,940	111,999,940
Mark Worldwide Company Limited	100	280,200,000	280,200,000	454,062,327	377,997,943	280,199,940	280,199,940
Total investments in subsidiaries				641,962,057	572,415,823	392,199,880	392,199,880
Less : Allowance for impairment of investments in subsidiary				(15,380,000)	(15,380,000)	(15,380,000)	(15,380,000)
Total investments in subsidiaries				626,582,057	557,035,823	376,819,880	376,819,880

14. PROPERTY, PLANT AND EQUIPMENT, NET

This account consisted of :

(Unit : Baht)

	Consolidated financial statements				Balance As at Jul. 31, 2009
	Balance As at Jul. 31, 2008	Additions	Deduction	Transfers in (out)	
At cost					
Land	58,858,269	-	-	-	58,858,269
Building	83,644,067	-	-	-	83,644,067
Machinery and equipment	185,927,975	736,929	(175,000)	7,560,000	194,049,904
Vehicle	36,539,112	1,502,150	-	-	38,041,262
Furniture and office equipment	8,979,938	55,981	-	-	9,035,919
Work in progress	86,581,268	11,700,433	-	(7,560,000)	90,721,701
Total	460,530,629	13,995,493	(175,000)	-	474,351,122
Less Accumulated depreciation :					
Building	6,543,575	4,142,412	-	-	10,685,987
Machinery and equipment	66,544,376	15,426,316	(13,225)	-	81,957,467
Vehicle	28,263,799	4,293,824	-	-	32,557,623
Furniture and office equipment	5,671,348	1,268,825	-	-	6,940,173
Total	107,023,098	25,131,377	(13,225)	-	132,141,250
Property, plant and equipment, net	353,507,531				342,209,872

Depreciation for the year

2009 (Baht 19.57 million included in cost of sales and services and the balance in administrative expenses)	25,131,377
2008 (Baht 21.00 million included in cost of sales and services and the balance in administrative expenses)	28,969,872

(Unit : Baht)

	Separate financial statements				
	Balance As at	Additions	Deduction	Transfers in	Balance As at
	Jul. 31, 2008			(out)	Jul. 31, 2009
<u>At cost</u>					
Building	18,190,380	-	-	-	18,190,380
Machinery and equipment	92,793,188	322,030	-	-	93,115,218
Vehicle	18,680,219	-	-	-	18,680,219
Furniture and office equipment	5,311,781	55,981	-	-	5,367,762
Machine under installation	-	650,000	-	-	650,000
Total	134,975,568	1,028,011	-	-	136,003,579
<u>Less</u> Accumulated depreciation :					
Building	2,562,968	908,894	-	-	3,471,862
Machinery and equipment	37,896,410	7,463,875	-	-	45,360,285
Vehicle	18,049,885	603,240	-	-	18,653,125
Furniture and office equipment	4,301,189	535,765	-	-	4,836,954
Total	62,810,452	9,511,774	-	-	72,322,226
Property, plant and equipment, net	72,165,116				63,681,353

Depreciation for the year

2009 (Baht 8.37 million included in cost of sales and service and the balance in administrative expenses)	9,511,774
2008 (Baht 6.96 million included in cost of sales and service and the balance in administrative expenses)	10,657,892

A subsidiary has mortgaged land and construction with a total net book value as at July 31, 2009, of Baht 168.35 million (July 31, 2008 : Baht 164.75 million) to secure credit facilities from financial institution.

As at July 31, 2009 and 2008, certain plant and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 54.7 million and 34.9 million, respectively (the company : Baht 49.8 million and 34.9 million, respectively).

15. INTANGIBLE ASSETS - NET

This account consisted of :

(Unit : Baht)

	Consolidated financial statements/Separate financial statements			
	Balance As at			Balance As at
	July 31, 2008	Additions	Deduction	July 31, 2009
<u>At cost</u>				
Computer software	1,279,270	-	-	1,279,270
<u>Less</u> Accumulated amortization	13,690	255,671	-	269,361
Intangible assets - net	1,265,580			1,009,909

Amortization for the year (Included in administrative expenses)

2009	255,671
2008	13,690

16. LOAN FACILITIES FROM FINANCIAL INSTITUTIONS

The Company obtained loan facilities from local commercial banks totaling Baht 300 million (July 31, 2008 : Baht 155 million). These loans are guaranteed by directors of the Company and their assets, two subsidiaries and the subsidiary's land and construction thereon.

17. CORPORATE INCOME TAX

Corporate income tax is calculated at the rate of 25 percent of taxable income, which is calculated from the profit before corporate income tax by adding back certain expenses which are non-deductible for tax computation purposes.

A subsidiary was granted promotional privileges by the Board of Investment. The tax privileges include exemption from corporate income tax on profits from the promoted activities.

18. PROMOTIONAL PRIVILEGES

Under the Investment Promotion Act B.E. 2520, the Board of Investment has granted Siam ISO Pro Company Limited promotional privileges for the manufacture of metal equipment and tool under the certificate No. 1528(2)/2546, subjected to certain imposed conditions, the privileges include the followings :-

- A fifty percent reduction of import duty on machinery as approved by the Board.
- Profit from the promoted activities, up to a maximum of 100% of the total investment made, excluding the price of land and working capital, are exempted from corporate income tax for a period of three years commencing as from the date of first earning operating income (Ended August 2, 2007).

Under the Investment Promotion Act B.E. 2520, the Board of Investment has granted Mark Worldwide Company Limited promotional privileges for the manufacture of metal equipment and tool under the certificate No. 1263(2)/2549, subjected to certain imposed conditions, the privileges include the followings :-

- a) A fifty percent reduction of import duty on machinery as approved by the Board.
- b) Profit from the promoted activities, up to a maximum of 100% of the total investment made, excluding the price of land and working capital, are exempted from corporate income tax for a period of three years commencing as from the date of first earning operating income (Started August 2, 2007).

Revenues of the Company and its subsidiaries for the years ended July 31, 2009 and 2008 as classified by the promoted and non-promoted operations are as follows :-

(Unit : Baht)

	2009			2008		
	Promoted activity	Non-Promoted activity	Total	Promoted activity	Non-Promoted activity	Total
Domestic revenues						
Sales	288,397,152	-	288,397,152	238,476,697	-	238,476,697
Other income	604,780	-	604,780	188,084	-	188,084
Total domestic revenues	289,001,932	-	289,001,932	238,664,781	-	238,664,781

19. CORPORATE INCOME TAX

Corporate Income Tax Consisted of :

(Unit: Baht)

	Consolidated		The Company's only	
	For the year ended July 31,		For the year ended July 31,	
	2009	2008	2009	2008
Main Components of Corporate Income Tax Expense (Revenue)				
Profit before Corporate Income Tax	82,977,661	112,255,156	9,755,803	27,239,059
Entries Adjusted to Arrive at Taxable Profit				
Expenses - Not Tax Deductible	1,063,146	2,162,281	288,243	1,084,844
Expenses (Reversal) - Tax Deductible	(114,700)	(110,429)	(114,700)	(57,203)
Taxable profit	83,926,107	114,307,008	9,929,346	28,266,700
Corporate Income Tax Expenses	2,482,337	7,533,477	2,482,336	7,066,675

20. PROVIDENT FUND

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 2 percent of the basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. For the year ended July 31, 2009 and 2008 the contributions by the Company and its subsidiaries amounted in total of Baht 0.87 million and Baht 0.88 million, respectively (the Company : Baht 0.86 million and 0.87 million, respectively.)

21. DIVIDEND

A meeting of the Board of Directors of the Company held on September 24, 2008 approved a resolution to propose a dividend of Baht 0.14 per share for the year 2007/2008, totaling Baht 42.0 million. This resolution was approved by the ordinary meeting of the shareholders on November 27, 2008. The Company paid a dividend to the shareholders in December 2008.

A meeting of the Board of Directors of the Company held on September 24, 2007 approved a resolution to propose a dividend of Baht 0.14 per share for the year 2006/2007, totaling Baht 42.0 million. This resolution was approved by the ordinary meeting of the shareholders on November 26, 2007. The Company paid a dividend to the shareholders in December 2007.

22. EXPENSE BY NATURE

Significant expenses by nature are as follow :

(Unit : Baht)

	For the year ended July 31,			
	Consolidated		Separate	
	2009	2008	2009	2008
Raw material and consumable used	311,705,834	297,574,067	166,706,616	164,865,870
Change in inventories of finished goods and work in process	8,967,521	(6,080,073)	6,053,624	24,222,672
Depreciation and amortization	25,387,048	28,983,562	9,767,445	10,671,582
Gain (loss) on exchange rate	(2,591,315)	(2,783,173)	14,933	(3,485)
Employee benefit cost	45,775,771	53,457,163	22,491,052	26,646,236

23. FINANCIAL INFORMATION BY SEGMENT

The core operations of the Company and its subsidiaries are carried on in the single geographic area of Thailand. These comprise the manufacture and sale of metal fabrication, storage system and material handling equipment, and fabricated metal parts, as well as the provision of one-stop metal processing services and the sale of metals. Most sales, operating profits and assets of the Company and its subsidiaries pertain to the manufacture and sale of metal products.

24. COMMITMENTS AND CONTINGENT LIABILITIES

24.1 Capital commitments

As at July 31, 2009, a subsidiary had an outstanding commitment on a machinery and equipment purchase agreement of Baht 0.4 million (July 31, 2008 : Baht 0.4 million).

24.2 Operating lease commitments

As at July 31, 2009, the Company had outstanding lease commitments amounting to approximately Baht 0.2 million per month.

24.3 Guarantees

As at July 31, 2009 and 2008, there were outstanding bank guarantees of approximately Baht 1.3 million and 1.8 million, respectively (the company : Baht 0.7 million and 1.3 million, respectively) issued by a bank on behalf of the Company and subsidiaries in respect of certain performance bonds as required in the normal course of business.

24.4 Others

The Company had outstanding commitment in respect of uncalled portion of investments in its subsidiaries approximately Baht 56.8 million.

25. FINANCIAL INSTRUMENTS

25.1 Financial risk management

The Company and its subsidiaries financial instruments, as defined under Thai Accounting Standard No.32 “Financial Instruments : Disclosure and Presentations”, principally comprise cash and cash equivalents, trade accounts receivable, investments and trade account payable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and subsidiaries do not have

high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the balance sheet.

Interest rate risk

The Company and its subsidiaries exposure to interest rate risk relates primarily to their cash at banks. However, since most of the Company and its subsidiaries financial assets bear floating interest rates so the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at July 31, 2009 classified by type of interest rates are summarized in the table below.

(Unit : Million Baht)

Consolidated financial statements	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets				
Cash and cash equivalents	268	-	268	0 - 1.0
Short-term investment	49	-	49	1.0 - 1.5
Investments in available-for-sale securities	-	11	11	-
Trade accounts receivable	-	80	80	-
Deposits with restrictions	2	-	2	0.75 - 1.50
	319	91	410	
Financial liabilities				
Trade accounts payable	-	9	9	
	-	9	9	

(Unit : Million Baht)

Separate financial statements	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
Financial assets				
Cash and cash equivalents	71	-	71	0-1.0
Short-term investment	9	-	9	1.0-1.5
Investments in available-for-sale securities	-	2	2	-
Trade accounts receivable	-	41	41	-
Deposits with restrictions	2	-	2	0.75-1.50
	82	43	125	
Financial liabilities				
Trade accounts payable	-	6	6	
	-	6	6	

Foreign currency risk

The Company and its subsidiaries exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

25.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

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

26. RECLASSIFICATION

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

(Unit : Baht)

	For the year ended July 31, 2008			
	Consolidated		Separate	
	financial statements		financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Accounts				
Selling and administrative expenses	-	55,619,371	-	33,035,748
Selling expenses	12,409,408	-	5,145,677	-
Administrative expenses	35,164,613	-	19,844,721	-
Management benefit expenses	8,258,350	-	8,258,350	-
Director's remuneration	-	213,000	-	213,000

27. SUBSEQUENT EVENTS

A meeting of the Board of Directors of the Company held on September 26, 2009 approved a resolution to propose a dividend of Baht 0.11 per share for the year 2008/2009.

The Company will propose the resolution of the above meeting of the Board of Directors for adoption by the Annual General Meeting of the shareholders.

28. GLOBAL ECONOMIC CRISIS

Due to the financial crisis in the United States during the mid of the year 2008, the financial, equity, and derivative markets are highly fluctuated. The economy is adversely affected. The unstable financial conditions and economic recession spreads all over the world and definitely affects financial and economic situation in Thailand. The crisis significantly affects the financial status and the operation including a decline in value of assets. Since there still is an uncertainty on the economic conditions, this financial statement has been prepared on the estimates and assumptions that considered to be appropriated with the current economic situation. However, this financial statement may be negatively affected by an array of future unfavorable events.

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on September 26, 2009.

Appendix : Company's Products



MAKE THE RIGHT FIRST TIME



PROFESSIONAL IN METAL TECHNOLOGY



A1. RACKING SYSTEM

ADVANCED SYSTEM



AS & RS



AS & RS



VERTICAL CAROUSEL



POWERED MOBILE RACKING SYSTEM

MODULAR SYSTEM



SELECTIVE RACKING SYSTEM



SELECTIVE RACKING SYSTEM



SELECTIVE RACKING SYSTEM



SELECTIVE RACKING SYSTEM



SELECTIVE RACKING SYSTEM



SELECTIVE RACKING SYSTEM



DRIVE-IN RACKING SYSTEM



DRIVE-IN RACKING SYSTEM



DRIVE-IN RACKING SYSTEM



DRUM RACKING SYSTEM



MEDIUM RACKING SYSTEM



ROLL SUSPENSION RACKING SYSTEM



FLOW THROUGH RACKING SYSTEM



NARROW AISLE RACKING SYSTEM



NARROW AISLE RACKING SYSTEM



PUSH BACK RACKING SYSTEM

SPECIAL SYSTEM



BAR RACK



GLASS RACK



PLATTERNER



CANTILEVER



LIVE RACK/ORDER PICKING SYSTEM



SLIDE RACKING SYSTEM

A1. RACKING SYSTEM

PIPE RACK SYSTEM

1. SPECIFICATION & FEATURES OF METAL JOINT



GA - 1



GA - 2



GA - 3



GA - 4



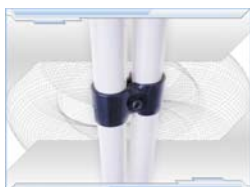
GA - 5



GA - 6



GA - 7



GA - 8

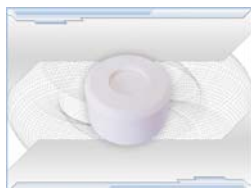


GA - 9

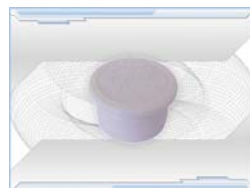


PLACON SUPPORT B

2. GENERAL & MATERIAL



GAP - 3



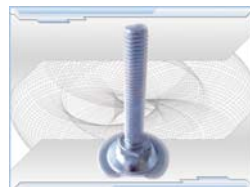
GAP - 4



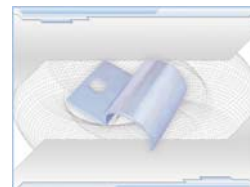
CASTER SUPPORT



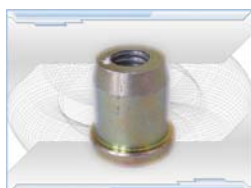
CASTER WHEEL



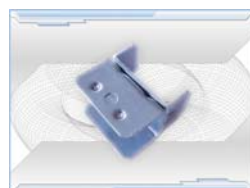
ADJUSTER



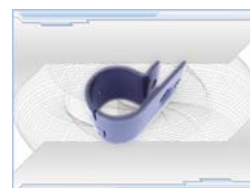
BASE LOCKER



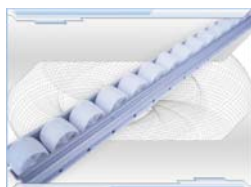
ADJUSTER BUSHING



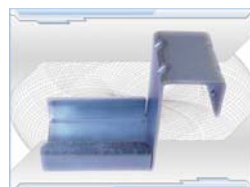
CONVEYOR STABILIZER



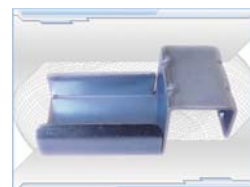
LOCK METAL



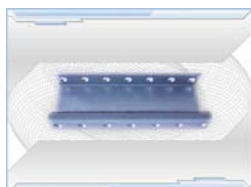
PLACON GP40A



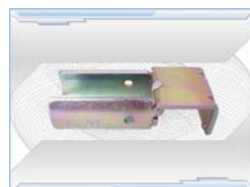
PLACON SUPPORT A



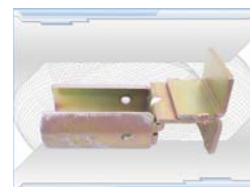
PLACON SUPPORT A1



PLACON SUPPORT C



SLIDE SUPPORT A



SLIDE SUPPORT B

3. FOR MANY PURPOSES



A1. MEZZANINE PLATFORM



SHELVING BASE SYSTEM



SHELVING BASE SYSTEM



RACKING BASE SYSTEM



STRUCTURAL BASE SYSTEM

A1. SHELVING SYSTEM



RETAIL SHELVING SYSTEM



RETAIL SHELVING SYSTEM



RETAIL SHELVING SYSTEM



RETAIL SHELVING SYSTEM



EURO SHELVING SYSTEM



RETAIL SHELVING SYSTEM



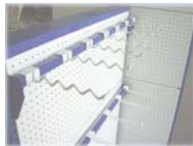
RETAIL SHELVING SYSTEM



DISCOUNT DISPLAY



RETAIL CART



ACCESSORIES



ACCESSORIES



T-SHELVING SYSTEM



VDO-CD-DVD SHELVING SYSTEM



SLOT ANGLE SHELVING SYSTEM



STORAGE BOX SHELVING SYSTEM



BOOK & MAGAZINE SHELVING SYSTEM



CLEAN SHELVING SYSTEM

A1. CONSTRUCTIONAL PRODUCT



METAL FORM



METAL FORM



METAL FORM



METAL FORM

A1. METAL FABRICATION



STORAGE TENT



B1. CABINET & LOCKER



CABINET



CABINET



CABINET



LOCKER



LOCKER

B1. MOBILE SHELVING SYSTEM



GENERAL PURPOSE



DOCUMENT



CENTRAL FILING



SLIDE SHELVING SYSTEM

B1. CART & DOLLY



AIRPORT TROLLEY



CARRY CART



IN-PROCESS DOLLY



IN-PROCESS DOLLY



RETAIL & STORE
CART



WIRESHMESH CART

B1. DOCK EQUIPMENT



DOCK BOARD



LANDING RUN

B1. HANDLING EQUIPMENT



CRANE LIFT



DRUM
CARRIER



DRUM HANDLING
EQUIPMENT



HAND LIFT



HAND PALLET



DRUM LIFT



LIFT TABLE



STACKER

B1. CONVEYOR SYSTEM



BELT CONVEYOR



CURVE CONVEYOR



EXTENDAFLEX
CONVEYOR



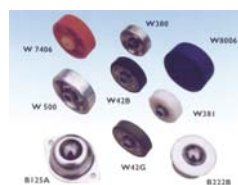
MOTORIZED CONVEYOR



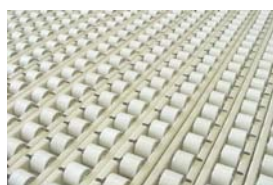
ROLLER CONVEYOR



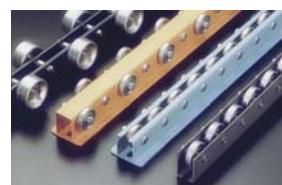
ROLLER CONVEYOR



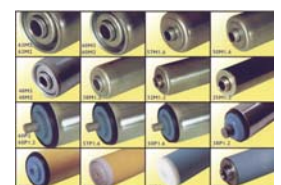
BALL TRANSFER UNIT



FLOW TRACK & SKATE
WHEEL



FLOW TRACK & SKATE
WHEEL



GRAVITY ROLLER

B1. PALLET



METAL PALLET



MODULAR
PALLET



ROLL PALLET



LONG SPAN PALLET



IN-PROCESS PALLET



ROOF PALLET



PLASTIC PALLET

STACKTAINER



B2. STAINLESS STEEL PRODUCT



B2. DISPLAY BOOTH & DISPLAY STAND



B2. OTHER PRODUCT



CASTER & WHEEL



CONTAINER



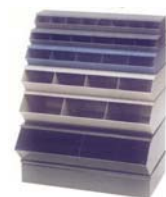
PLASTIC BOX



TOOL
STORAGE



COMPUTER CASE
& COUNTER



METAL BOX

FIRST CLASS STEEL SERVICE

- LASER CUTTING
- ROBOT WELDING
- STEEL PUNCHING
- PIPE CUTTING
- STEEL SHEET ROUNDING
- STEEL JOINTING/WELDING
- STEEL BENDING
- STEEL SHEET FORMING
- STEEL SHEET PERFORATING
- PAINTING/COATING
- CUT TO LENGTH
- STEEL NOTCHING
- STEEL SHEET STAMPING
- PIPE CUTTING



CNC LASER CUTTING MACHINE 4,000 WATTS

Max. thickness SS 22 mm.
SUS 12 mm.
AL 10 mm.



CNC HYDRAULIC TURRET PUNCH PRESS



Press capacity 30 tons
Punching accuracy ± 0.1 mm.

CNC HYDRAULIC PRESS BREAK 30 MACHINES

Capacity up to 1,000 tons
Bending length up to 12,000 mm.
Auto backgauge
CNC Hydraulic crowning system



CNC HYDRAULIC SWING BEAM SHEAR 15 MACHINES



Cutting length up to 6,200 mm.
Max. thickness SUS 9 mm.
SS 16 mm.

NC HYDRAULIC 3 ROLL PLATE BENDING MACHINE



Maximum width 3 meters



WELDING ROBOT



OTC - Daihen Almega series

SINGLE CRANK POWER PRESS 40 MACHINES



Capacity 10 - 260 tons

AUTOMATIC BAND SAW 10 MACHINES



Maximum Cut

Round pipe 16"

Rectangular pipe 16"x16"

HYDRAULIC DEEP DRAW PRESS 400 TONS

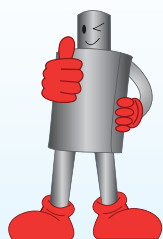


Bolster area 1,200 x 2,500 mm.

AUTOMATIC EPOXY POWDER COATING LINE

Film thickness	60 - 80 micron
Infrared oven temperature	0 - 250 °C
Standard color	Blue, Orange, Ivory, White, Grey, Black, Yellow
Maximum size	W 800 x H 1,200 x L 12,000 mm.





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