

One Stop Metal Service

ANNUAL REPORT
รายงานประจำปี 2552 '09

บริษัท ไทยง้วนเมทัล จำกัด (มหาชน)
THAI YUAN METAL PUBLIC COMPANY LIMITED



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Message from the Chairman



2010 was another challenging year, the world economic crisis since end of year 2008 continuously through mid of year 2009, as well as Thailand had encountered the unstable political problem for the whole year of 2009, caused most industries shrunk, then rebounded during end of year 2009

Performance of year 2009, Thai Yuan Metal Public Company Limited reported total revenue of Baht 4,421.4 million compared to Baht 5,687.3 million of 2008, revenue decreased Baht 1,265.9 million or 22.25% due to the aforementioned reasons. However, top management viewed that though there was economic crisis, the Company could also seek opportunity by using this period of time invested nearly Baht 200 million improving factory and adding new machines in order to support the expansion of business in 2010 which gradually improved. In addition, the Company has invested in another subsidiary, which manufacture black hot roll pipe, to support the future growth of company.

Even though there was economic fluctuation, Major factors that contribute to company success and satisfactory operating outcome are dedication and commitment of all staff members, and transparency and good corporate governance of board of directors. Moreover, our management team has continuously developed even more effective and efficient working process which made me confidence that company can sustain its operation even during unstable situation.

On behalf of the Board of Directors, we would like to express our appreciation for shareholders, customers, business partners, financial institutions, and private sectors concerned of their full support in the Company's operation. We also are very grateful to our executives and staff who have performed their duties with full responsibilities and commitment to improve the Company's potential for the steady and ongoing growth in the future.

Ms. Ratana Jirapongtrakul
Chairman

General Information

INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARY



The Company

Name	:	Thai Yuan Metal Public Company Limited
Location	:	7/4, 7/6 Moo 1 Ekkachai Road, Khae lai, Kratumban, Samutsakorn 74110
Homepage	:	http://www.thaiyuanmetal.com
Company Registration	:	0107549000106
Business Operation	:	The company runs business as a trader and supplier of a wide variety of steel products: raw materials such as hot rolled coil; transformed steel such as coil slitting, steel sheet , hot formed product, cold formed product ; and other steel products. The company also processes some types of steel such as steel sheet, coil slitting, steel flat bar, steel angle bar, steel channel bar, steel pipe, and steel Rip C channel.
Telephone	:	(662) 811-2506-8 /(662) 811-3561-3
Fax	:	(662) 814-9353
Registered capital	:	400,000,000 baht
Common Shares	:	4,000,000,000 shares
Par Value	:	0.10 Baht
Paid Capital	:	400,000,000 baht

Its Subsidiary

Name	:	Thainguan Logistic Company Limited
Location	:	7/8 Moo 1 Ekkachai Road, Khae lai, Kratumban, Samutsakorn 74110
Company Registration	:	0745551000218
Business Operation	:	To operate Logistic
Telephone	:	(662) 811-2506-8 / (662) 811-3561-3
Fax	:	(662) 814-9353
Registered capital	:	10,000,000 baht
Common Shares	:	100,000 shares
Par Value	:	100 Baht
Paid Capital	:	10,000,000 baht
Shareholding structure	:	80 % held by Thai Yuan Metal Public Company Limited and the rest 20% held by other shareholder. The other shareholder is not related person according to notification of the board of governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction, 2003

Its Subsidiary

Name	:	T.Y.K. Industry Company Limited
Location	:	7/4, 7/6 Moo 1 Eakkachai Road, Khae lai, Kratumban, Samutsakorn 74110
Company Registration	:	0745552002940
Business Operation	:	Manufacture black pipe
Telephone	:	(662) 811-2506-8 / (662) 811-3561-3
Fax	:	(662) 814-9353
Registered Capital	:	50,000,000,000 baht
Common Shares	:	500,000 shares
Par Value	:	100 Baht
Paid Capital	:	37,500,000 Baht (At 31 December 2009)
Shareholding Structure	:	70% held by Thai Yuan Metal Public Company Limited and the rest 30% held by other shareholder. The other shareholder is not related person according to notification of the board of governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transaction, 2003

Referrals and Their locations

Securities Register

Company	:	Thailand Securities Depository Co., Ltd..
Address	:	2/7 Moo 4 The Stock Exchange of Thailand Buliding Floor 2, North Park Viparvaderangsit Road, Thongsonghong Laksi, Bangkok 10210 Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	(662) 596-9000
Fax	:	(662) 832-4994

Auditor

Company Name	:	Grand Audit Company Limited
Auditor	:	Mr.Chanunkorn Satiraprapakul
Audit License No	:	6554
Address	:	140/46-47 ITF Tower, 21st Floor, Silom, Suriyawong, Bangrak, Bangkok 10500
Telephone	:	(662) 671-3181-2
Fax	:	(662) 671-3183

Financial Highlights

(Thousand Baht)

	2009	2008	2007
Data from financial Statement			
Revenue from sales	4,328,074	5,678,492	5,013,479
Gross Profit	14,789	263,342	255,700
Net Profit	4,824	41,405	126,720
Total Assets	1,978,537	1,665,180	1,488,651
Total Liabilities	1,104,119	766,838	633,713
Shareholder's Equity	874,418	898,342	854,938
Financial Ratio			
Gross Profit Margin	0.36%	4.64%	5.10%
Net Profit Margin	0.11%	0.73%	2.45%
Return on Assets	0.26%	2.49%	6.74%
Return on Equity	0.54%	4.61%	19.62%
Current Ratio (times)	1.41	1.83	2.16
Debt to Equity Ratio (times)	1.26	0.85	0.74



The Company divides its operations into two categories, as follows :

1. Steel Trading and Warehousing

The company's products can be divided into 3 main products, as follows:

1.1 Hot Rolled Flat product

This product is passed the production process of the local manufactures. The feature of Hot Rolled Flat Product is sheet, which has different width, length and dept. There are two types. The first type is Hot-Rolled Coil with the depth from 1.0 millimeter to 13.0 millimeters. The second type is Hot-Rolled Plate with the dept from 8 millimeters to 100 millimeters. The company procures Hot-Rolled Coil and Hot-Rolled Plate from local manufactures and sells them to steel traders and steel manufactures. These customers use these products to produce other steel works. These products are widely used in several industries such as construction, machinery and ship building.

1.2 Long Product

1) Hot Formed product

These products are passed the hot forming process, which are H-Beams, I-Beams, wide flange, steel bar, steel channel bar, steel channel and steel flat bar. The company procures these products and sells to trader and the customers in construction industry.

2) Cold Formed product

These products are reformed without heating process. This type of products includes steel channel bar, steel angle bar, rip c-channel and steel pipe. The steel pipe which company procures is suitable for construction industry. The company procures these products and sells to trader and the customers in construction industry.

1.3 Other steel products

The company purchases other steel products to accommodate the customers such as cold rolled sheet and stainless steel sheet.

2. Coil Center

The company processes hot rolled coil to steel works according to customers' specifications. These products can be divided as follows:

2.1 Cutting

This involves the cutting of hot rolled coil into several sizes according to customers' specifications. The company has the whole steel cutting machines which are slitting machine, shear cutting machine and hydraulic guillotine shear. The full production capacity is 77,000 tones per year. The utilization rate is 46.08 percent and 38.17 percent of full production capacity in 2008 and 2009, respectively.The utilization rate of 2009 dropped due to closing factory for repair for 4 months.

The company divides these products into two categories, as follows;

1) Slitting Coil

Hot rolled coil is cut into smaller width according to customers' specifications and is rolled into a coil. The customers use it to cut or to form the rip c-channel or steel pipe.

2) Cutting Sheet and Flat Bar

This involves the cutting of hot-rolled coil into varying lengths and widths according to customers' specifications. The company has cutting machines, which are able to cut the steel sheets with the width ranging between 1,000 millimeters and 1,550 millimeters, the thickness ranging between 1.2 millimeters and 12 millimeters and the length ranging between 1,200 millimeters and 7,500 millimeters. For flat bar, the production process is by taking 6,000 millimeters cutting sheet and cut along its length. As a result, 25 to 500 millimeters flat bar is obtained. The customers use these products as raw material from their production processes such as construction industry, agricultural machine industry and other industries.

2.2 Cold-Appearance

The company divides these products into two categories, as follows:

1) Steel pipe and Rip C-Channel

The company produces and sells steel pipe and Rip C-Channel for several industries. At the present, the companies has three steel pipes and rip c-channel manufacturing machines. The full production capacity is 35,000 tones per year. (Calculated from 8 working hours per day and 300 working days per year) The utilization rate is 43.70 percent and 37.34 percent of full production capacity in 2008 and 2009, respectively. The Utilization rate of 2009 dropped due to closing factory for repair for 4 months. The company can produce the pipe with the length of the customers' specification. The steel pipe which company produces is suitable for the construction industry. The customers use these steel pipes to produce many forms of steel work which mostly used in construction industry.

2) Steel Angle Bar and Steel Channel Bar

The company manufacture and sell steel angle bar and steel channel bar by folding the steel flat bar. The full production capacity is 1,500 tones per year. (Calculated from 8 working hours per day and 300 working days per year) The utilization rare is 23.73 percent and 21.53 percent of full production capacity in 2008 and 2009, respectively.

The company received Thai Industrial Standards Institute license No. TIS. 1228-2549 for Cold Appearance steel product.

2.3 White Plate

In 2009 the Company had installed new 4 White plate machines, composed of 2 cutting machines and 2 slitting machines, for forming white roll coil into white plate or slit according to customers' need. The 4 machines were fixed at end of 2009. The Company expected these machines will add capacity for another 80,000 Ton/year, which will increase new products for selling from 2010 onwards.





The company's income structure

The distribution value	2009		2008		2007	
	Million baht	Ratio	Million baht	Ratio	Million baht	Ratio
Trading						
1.Hot rolled coil	1,184.61	26.80	925.86	16.28	1,528.81	29.5
2.Steel sheet	14.98	0.34	44.08	0.78	17.62	0.34
3.Hot formed Appearance steel	1,714.04	38.77	2,470.60	43.45	1,556.24	30.03
4.Cold formed Appearance steel	528.72	11.96	791.74	13.93	566.94	10.94
5.Other*	168.24	3.81	174.22	3.06	145.35	2.81
Total Trading	3,610.59	81.67	4,406.50	77.50	3,814.96	73.62
Processing						
1. Coil slitting	68.87	1.56	43.37	0.76	84.05	1.62
2. Steel sheet	272.13	6.16	552.50	9.72	530.06	10.23
3. Steel flat bar	71.39	1.61	152.11	2.68	100.02	1.93
4. Steel angle bar and steel channel bar	8.00	0.18	21.93	0.39	11.90	0.23
5. Steel pipe and Rip C - Channel	297.09	6.72	502.10	8.83	472.47	9.12
Total Processing	717.48	16.23	1,272.00	22.37	1,198.50	23.13
Grand Total	4,328.07	97.90	5,678.50	99.87	5,013.46	96.75
Other income**	92.71	2.10	9.50	0.13	168.17	3.25
Total Revenues	4,420.78	100.00	5,688.00	100.00	5,181.63	100.00

Note : * Other products such as Galvanized steel pipe and Zine sheet

**Other income such as the revenue from selling steel scraps, Interest income, Cash receipt from management for trade account receivable

Distribution channel

In 2008 and 2009, the company sold all of products to local customers. The company can divide its customers into three categories, as follows:

1. Wholesaler : These customers purchase products, which the company purchases from manufactures directly and the company products, to sell to their customers. The revenue from this customer group accounts for 72.85 percent and 59.84 percent of the total revenue in 2008 and 2009, respectively. There is not any customer accounting for more than 10 percent of total revenue. The amount of the revenue which wholesalers sell to the construction customers is seasonal. It decreases in the third quarter, which is rainy season.

2. The manufacturers in several industries such as agricultural machine industry : This customer group includes water pump manufacturer, pushcart manufacturers and etc. These customers purchase goods mainly from steel service center. Because of the diversification of these customers the revenue from the customer group is stable all the year. The revenue from this customer group accounts for 22.21 percent and 27.99 percent of the total revenue in 2008 and 2009, respectively. There is not any customer accounting for more than 10 percent of total revenue.

3. The contractors and the users : The revenue from this customer group accounts for 4.94 percent and 12.17 percent of the total revenue in 2008 and 2009. There is not any customer accounting for more than 10 percent of total revenue. The amount of the revenue from the contractors is seasonal. It decreases in the third quarter, which is rainy season

Marketing and Competitive Situation

1. Marketing Strategies

1) Since the Company has variety of products, customers can order from the company instead of order from many distributors. The company can serve customers' need well, especially, wholesaler and construction clients, which are major customers.

2) Metal products, both bought for trading and manufactured by the company received Thai Industrial standard Institute license from Ministry of Industrial, and the company has quality assurance system before deliver goods. Incase of damages, new goods will be resubmitted immediately.

3) The company has services to deliver products to customers either in Bangkok, outer ring of Bangkok or near by provinces.

4) The company can immediately serve customers' need due to variety of products, efficient inventory control system, and on time delivery.

5) The company separates marketing team by customer locations in order to closely take care customers and know their needs.

6) The company seriously focus on creating value added to the firm, by developing and giving product knowledges to staff in order that they can give good advise and service to customers.

2. Competition

Because the company operates as coil service center and steel manufacture, the company divides the competitive situation as follow:

1. The coil service center
   There are many coil service centers in Thailand but most of them are small manufacturers. There are only two large manufacturers and six medium manufacturers in this market. The company is one of the medium manufacturers. Therefore, the level of competition for large and medium manufactures is moderate. Moreover, at the present the production is not sufficient for the customers' demand.

2. The steel pipe and rip c-channel manufacture
   The competition in this market is in high level because there are approximately 50 steel pipe and rip c-channel manufactures in this market. The company divides the competition of steel pipe and rip c-channel into three groups according to their production capacity.

   - The large steel pipe and rip c-channel manufactures have production capacity more than 100,000 tones per year. There are nine large manufacturers.
   - The Medium steel pipe and rip c-channel manufactures have production capacity ranging from 50,000 tones per year to 100,000 tones per year. There are approximately 13 Medium manufacturers.
   - The small steel pipe and rip c-channel manufactures have the capacity less than 50,000 tones per year. The rest of the manufacturers are small manufacturers. The steel pipe and rip c-channel manufacturing capacity of the company is 35,000 tones per year. Therefore, the company is small manufacturer.

Merchandise Suppliers

Production

At the present the company has one factory with the full production capacity of 110,000 tones per year. The average utilization rare is 85 percent and 47 percent of full production capacity in 2008 and 2009, respectively. After fixing new 4 machines and improving old machines, expected the capacity will be increased to 190,000 Tons per year 2010 onwards.

Raw material and product procurement

At the present the company procures hot rolled coil with the standard size of thickness, width and length from the local manufacturers. There are only two local manufacturers, which are Sahaviriya Steel industry Public Company Limited and G J Steel Public company Limited. Nevertheless, when the price of hot rolled coil in foreign market is lower than one in domestic market, the company is able to import the raw material from foreign market.

Environmental Impact

The environmental Impact of steel manufacturer is the noise pollution. However, the company controls the noise not to affect the environment by design the factories. Moreover, the company is examined by Department of industrial Works annually. The environment of the factory is according to the standard and is not affect the environment.

Moreover, the company has never been sued about the pollution and has never been warned or charged or charged by the government agent according to the environmental laws.



Risk factors



(1) The risk associated with the volatility of the price of raw material

The company purchased all of hot rolled coil from the local manufacturers with the range 39.03% of all purchases in 2009. Therefore, the volatility of hot rolled coil price affects the company's cost and the company's selling price.

However, if the price of steel products tends to stable or increase, the company uses the cost plus policy to set the selling price of all products. The company uses the raw material cost, expenses and profit to set the selling prices. Therefore, the company can maintain the profit margin and the company can adjust the selling price according to the changing of raw material prices. When the selling prices tend to decrease, the company accelerates to sell all of products. If the customers wish to order the goods in advance, the company will collect the advance payment from them and will order the goods from the manufacturers. This can lower the risk associated with the volatility of hot rolled coli price.

Moreover, the company follows the changing of raw material prices closely to order the raw material and to manage the inventory properly. The company has the policy to decrease the inventory when the price of raw material tends to decrease and to increase the inventory when the price of raw material tends to increase. In the normal situation, the company has the policy to keep the inventory for 45 days. From these policies, the changing of the raw material price will not affect the company's operational performance significantly.

(2) Risk associated with the reliability on major steel producers

At the present, there are only two hot rolled coiled manufacturers in Thailand. Hence, there may be a risk if these major domestic steel producers are unable to deliver their products to the Company as scheduled and if the Company is unable to provide substitute products to fill its customers orders.

However, the company has purchased hot rolled coil from these manufacturers for a long time and has never defaulted on payment. These make the company has close relationship with the manufacturers. Moreover, the company plans the production and informs the purchasing amount of raw material in advance. The company has never experienced a delivery problem with these suppliers, when the steel price situation is normal or the steel price tends to increase. Therefore, the company believes that the company will not be affected by this problem. If there is such problem, the company is able to import hot rolled coil from foreign. In the past, the company imported hot rolled coil from Russia, India, and China. The import of hot rolled coil takes two to three weeks, which is longer than purchase them from local manufacturers.

(3) The risk associated with the changing law about the competition

1) <u>The Anti- Dumping Measures</u>

The dumping on steel market in Thailand from 2001 to 2002 lowered the local hot rolled coil price and affected local steel manufacturers. This also leaded to more price competition of steel transformers. Thai government imposed anti-dumping duties on imports of hot-rolled steel from 14 countries for a period of five years. This measure will end in 2008. From this measure, the foreign hot rolled coil is more expensive than the local on. Moreover, it lowers the price competition of structural steel. Therefore, when this measure

ends, the price of hot rolled coil may fluctuate because of the foreign dumping. This may lower the competitive of the company if the company is unable to find the cheaper raw material sources.

2) Free Trade Area

At the present, Thailand has Free Trade Area Agreement with ASEAN countries and Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for ASEAN Free Trade Area (AFTA). Hot rolled coil and steel pipe are on the normal track, which Thailand has to lower tariff on import goods to zero within 2010. The tariff rate of hot rolled coil from ASEAN countries is two to five percent depending on type and size. The tariff rate of steel pipe from ASEAN countries is five percent. Moreover, it is possible that Thailand will make Free Trade Area agreement with other countries in the future. So the imported hot rolled coil and steel pipe may be cheaper and there may be more foreign competitors. However, the import of hot rolled coil and steel pipe have disadvantage about the transportation duration and transportation cost. Moreover, if the import hot rolled coil and steel pipe is cheaper that local ones, the company is able to import them as in the past.

(4) Risk of impact from unstable political problem

The impact of financial crisis and economic fluctuation since end of third quarter of 2008, resulting metal prices declined until second quarter of 2009. Though in the second half of 2009 metal prices trend to rebound, but not as high as the prices of 2008. In addition the uncertainty of Thailand politic has also impacted since end of 2009 through 2010.



Capital Structure



(1) Company's Securities

The Company has the registered capital are as follows:-

Registered capital	400,000,000	Baht
Paid-up capital	400,000,000	Baht
Ordinary Shares	4,000,000,000	Shares
Par value	0.10	Baht

(2) Shareholder

The 10 major shareholders as at the book closure date on March 15, 2010 are as follows:-

	Name		No. of Shares	%
1	Ms. Ratana	Jirapongtrakul	1,200,000,000	30.00
2	Mr. Panu	Jarupilun	300,000,000	7.50
3	Ms. Arisa	Jirapongtrakul	300,000,000	7.50
4	Mr. Boonchai	Jirapongtrakul	300,000,000	7.50
5	Mr. Booncherd	Santudpanich	170,000,000	4.25
6	Mr. Boonchoke	Santudpanich	170,000,000	4.25
7	Mr. Karu	Kunavutiakul	160,000,000	4.00
8	Mr. Nirum	Ngamchamnunrit	135,450,000	3.39
9	Mr. Artit	Urekittiroj	94,631,400	2.37
10	Mr. Suvetch	Tansiriwattanakul	77,003,400	1.93

(3) Dividend payment policy

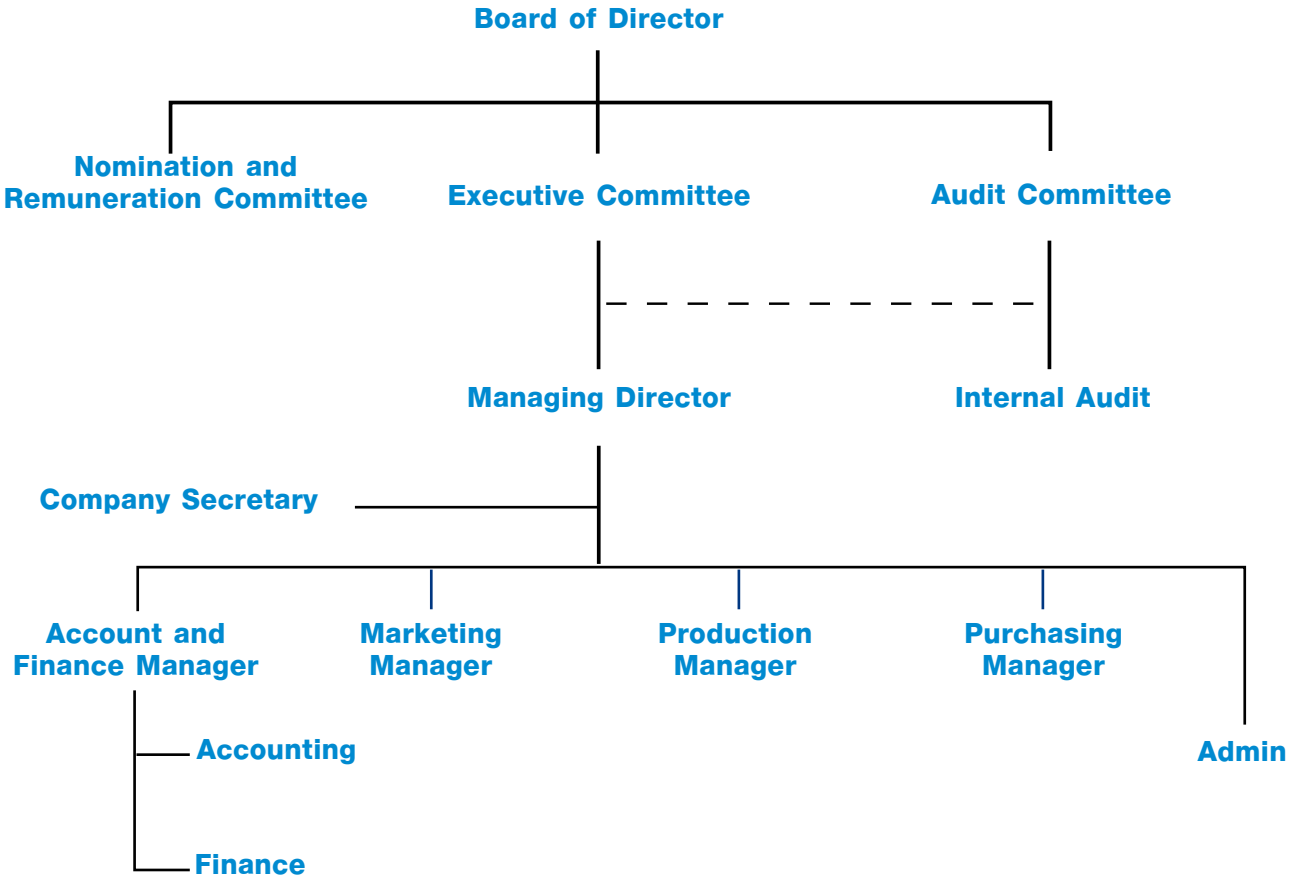
The Company has the policy to pay dividend to shareholders at the rate not less than 50% of net profit after tax, except in the case that the company has new investment project.



The Company's Management Structure

Organization Chart of Thai Yuan Metal Public Company Limited

(As at December 31, 2009)



The Management Structure of the Company consists of the Board of Directors and the 3 committees including the Audit Committee, the Executive Committee and the Nomination and Remuneration Committee whose scope of responsibilities and functions could be summarized as follows:-

The Board of Directors

On February 23, 2010 the Board of director comprises of 8 members as follows:-

1. Ms. Ratana	Jirapongtrakul	Chairman of directors
2. Mr. Panu	Jarupilun	Director
3. Mr. Boonchai	Jirapongtrakul	Director
4. Mr. Booncherd	Santudpanich	Director
5. Ms. Nathita	Jiradejdumrong	Director
6. Mr. Prachuab	Chaiyasan	Independent Director
7. Mrs. Seenual	Tasanapant	Independent Director
8. Mr. Teerapong	Thanarukvudhikorn	Independent Director

Note : No1. was appointed as Chairman on February 23, 2010.
No. 8 was appointed as independent director and Audit Committee on February 23, 2010 to replace Mr. Prajin Kecharananta
Secretary of the Board of Director committee: Ms. Supisa Cheavarakul

Definition

• **Independent Directors:** mean outside directors who are not the Company's executives or employees, not executive directors or authorized signatory directors, and are independent from major shareholders, executives and stakeholders. Non-executive directors are able to equally protect the benefits of as shareholders, and prevent conflict of interest between the Company and involved persons and have qualifications and independence as required by the SET and SEC as follows:

1. Does not hold more than 1% of the total number of voting shares in the parent Company, or of any of its subsidiaries or joint venture companies or in any entity likely to give rise to a conflict of interest, shares held by related persons to be included in the calculation in accordance with directive 258 of the Securities Act.
2. Does not take part in administering the work, is not a contractor or an employee or consultant in receipt of a regular salary and is not in a position to exert control over the Company, its subsidiaries, joint ventures or fellow-subsidiaries or on any entity likely to give rise to a conflict of interest (at present, and in the two years prior to his appointment).
3. Is not related by blood or marriage to (i.e. is not the father, mother, spouse, sibling or child of or the spouse of a child of an Administrator, major shareholder or other person in a position of authority or candidate as Administrator or person in a position of authority Company or any of its subsidiaries.
4. Does not have business dealing with the Company:

    4.1 Is not an auditor of the Company

    4.2 Does not provide other professional services to the Company such as legal or financial consultancy or appraisal worth more than Bt.2m per year.

    4.3 Does not have habitual related party transactions by way of rent or lease, whether as lesson or lessee, of real estate, or concerning assets/services or the receipt or provision of financial assistance with a value exceeding Bt.20m or 3% of NTA, whichever is the lower, including transactions carried out in the one year prior to the carrying out of and given transaction.

    He must not have business relations as defined in 4.1 to 4.3 above at present, nor in the two years prior to his appointment except where there is necessary and proper reason and in any case not continuously or constantly. An Independent Director or Audit Committee Member may have relations that go beyond those stipulated while performing his office, but only after obtaining the unanimous prior approval of the Company's Board of Directors and subject to the relationship being disclosed per Form 56-1, in the Annual Report and in the letter of invitation to the Shareholders' Meeting in the event that the Shareholders' Meeting is to be asked to renew the term of office of the Independent Director or Audit Committee Member concerned.

5. Has not been appointed to represent a Director or major shareholder or other shareholder that is a related party to a major shareholder.

6. Does not have any other characteristic limiting his independence.

7. An Independent Director having the characteristics set out in points 1 to 6 above may be given powers by the Board of Directors to decide on matters involving the Company, its subsidiaries, its joint ventures or fellow-subsidiaries or entities likely to have a conflict of interest on a collective decision basis.

Authorized Directors of the Company:

Ms. Ratana Jirapongtrakul co-sign with Mr. Boonchai Jirapongtrakul or Ms. Nathita Jiradejdumrong together 2 persons and affix company's seal. Mr. Booncherd Santudpanich co-sign with Ms. Ratana Jirapongtrakul or Mr. Boonchai Jirapongtrakul or Ms. Nathita Jiradejdumrong together 2 persons and affix company's seal.

Note : Changed the authorities according to Executive Committee meeting No.1/2010 on February 23,2010.

Duties and Responsibilities:

1. The authority and function according to the Civil and Commercial Code, including other laws which specify to be the authority and function of the committee or the group of the committee in the public company.

2. The authority and function according to the company regulations that is defined to be for the committee group.

3. Consider approval long-term plan, budget plan, and the annual investment budget.

4. Run the company's business according to laws, objectives, and the regulations of the company as well as the resolution of the shareholder meeting

5. Plan the administration policy of the company all until the checking turn over of the company

6. Define other regulations of the company

7. Appoint board of directors or assign to one or more committees or any individual operate instead of the committee and in the limit responsibility that the board should have and has the right to cancel, ignore, edit, or change the mentioned authority.

8. Consider and approve the important activities that are related to the company or are appropriate to make benefit for the company

   Except for these following issues that can operate only when permission has been given by the shareholder meeting. The committee who may have gain or loss or conflict in other benefits with the company or the sub company cannot vote for those issues.

   - The topic that the law has defined must have the resolution from the shareholder meeting.
   - Making the list in which the committee has gain and loss and in the area of law or regulations of the stock market defined have to be authorized from the shareholder meeting.
   - Other than that, the following criteria must get the consent from the board meeting and the shareholder meeting with the vote not less than 3 out of 4 of the attending shareholders who have the rights to vote:
     - selling or transferring the company's business all or just important parts
     - buying or receiving the transfer of the other companies or public companies as the company's property
     - making, editing, or canceling the contract regarding renting the company's business all or just important parts; assigning others to manage the company's business or adding the business with other individuals with the objective of sharing profits and loss with each other
     - editing the memorandum or the company's regulation
     - increasing or decreasing capital, issuing the debenture, combining or canceling the business
     - other issues according to the law

Audit Committee:

On February 23, 2010 the Audit Committee comprises 3 independent directors with 3 years term as follow:-

1. Mr. Prachuab	Chaiyasan	Chairman of the Audit Committee
2. Mrs. Seenual	Tasanapant	Audit Committee
3. Mr. Teerapong	Thanarukvudhikorn*	Audit Committee

The Audit Committee number 2 has adequate expertise and experience to review creditability of the financial reports. (detail of Audit Committee's experiences is on Information of Directors and Managements of the Company)

Secretary of the audit committee: Ms. Supisa Cheavarakul

Note : *No. 3 was appointed as independent director and Audit Committee on February 23, 2010 to replace Mr. Prajin Kecharananta

Duties and Responsibilities:

1. to review the Company's financial reporting process to ensure that it is accurate and adequate;
2. to review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. to review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. to consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend meeting with the auditor without the presence of the executive directors at least once a year;
5. to review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. to prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
   (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
   (b) an opinion on the adequacy of the Company's internal control system,
   (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
   (d) an opinion on the suitability of an auditor,
   (e) an opinion on the transactions that may lead to conflicts of interests,
   (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
   (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with this charter, and
   (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and
7. to perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

Executive Committee:

On December 31, 2009 the Executive committee of comprises 4 members as follows:-

1. Ms. Ratana	Jirapongtrakul	Chairman of the Executive Committee
2. Mr. Boonchai	Jirapongtrakul	Executive Director
3. Mr. Sila	Wangphornphra	Executive Director
4. Mr. Prasertsuk	Nudthaisong	Executive Director

Duties and Responsibilities:

1. Empower of decide the significant operations by specified scope works, purpose, discipline, policy, type or size of duties within their authorities including govern general operation, production, customer's relation and must responsible to Board of Directors.
2. Consider all investments including purchasing ,selling company's fixed assets and propose to Broad of Directors.
3. Consider about the purchasing. Each time of buying raw ingredients should not more 20,000 tons.
4. Have the authority to act and be representative of the business to the third party in the related business and giving benefit to the business
5. Consider to collect the company funds for presenting to the company committee.
6. Approve the appointment of the company consultants in other issues that are necessary to the operations.
7. Run the business that relates to the general administration of the company.
8. Consider to approve the operation plans of each company department and to approve the requests from other departments that exceed the authority of such departments.
9. If the operation plans' budget of is over than the approved amount, it must be submitted to the Board of Directors for approval.

That is, the assignment of such authority, the managing director must act according to the rules and regulations that have been approved by the committee. They must not approve any issue that they or opposed individuals may gain or loss, or are opposed to the benefits in other ways with the company and sub company. They must also reveal the following issues to the committee of the company for consideration.

Things other than what has been mentioned, Executive committee is not allowed to do unless it has been assigned from the committee meeting occasionally.

Nomination and Remuneration Committee:

The company's Board of Director meeting No.1/2010 held on 23 February 2010 had its resolution to appoint the Nomination and Remuneration Committee and also approved Duties and Responsibilities in the following matters:-

The Nomination and Remuneration Committee comprises 3 members as follows:-

1. Mrs. Seenual	Tasanapant	Chairman of the Nomination and Remuneration Committee
2. Mrs.Nartsine	Sarnvanichpitak	Nomination and Remuneration Committee
3. Ms. Nathita	Jiradejdumrong	Nomination and Remuneration Committee

Note : No.1 was appointed as chairman of the Nomination and Remuneration Committee on February 23, 2010 to replace Mr. Prajin Kechararanta Secretary of the Nomination and Remuneration Committee: Ms. Supisa Cheavarakul

Duties and Responsibilities:

1. Define the scope of work and method on the selection and recruitment of directors and sub-committee whose tenure have ended or unoccupied position for submission of the Board's consideration and/or further to shareholders' meetings for approval.
2. Define the method and practice of appropriate compensation for directors and sub-committee to the Board and/or further to Shareholders' meetings for approval.
3. Report to the Board of Director the results of Nomination and Remuneration Committee meetings or other matters that the Board of Directors should be informed.
4. Perform any tasks assigned by the Board of Directors.

Executives:

On December 31, 2009 the executives[1] comprises of 5 members according to definition of the Securities and Exchange Commission (SEC) as follows:-

1.	Mr. Boonchai	Jirapongtrakul	Managing Director
2.	Mr. Pornthep	Pripaisalkij	Chief Financial Officer
3.	Mr. Sguan	Chaichusorn	Marketing Manager
4.	Mr. Sila	Wangphornphra	Manufacturing Manager
5.	Mr. Prasertsuk	Nudthaisong	Purchasing Manager

Note : [1]"Executives" mean directors, managers or those who hold the first four positions lower than the managers (who hold the highest position of the Company), those who hold the position equivalent to the four executives including those who hold management positions in accounting or finance division from division managers or equivalent onwards.

Duties and Responsibilities of Managing Director:

1. Consider the annul budget allocation as proposed by the management before submission to the Board for approval. Managing Director will also make immediate approval of changes and additions of the interim annual budget when there is no Board meeting and report to the next Broad meeting.
2. Consider buying raw ingredients should not more than 250 Million Baht or weight 10,000 tons and buying Tool equipment should not more than 10 Million Baht. If it exceeds the value that can approve, let present to ask for approval to the executive board of director meeting.
3. Approve the important investment budget stated in the annual budget of the company. Such budget had already been approved by the committee or had been approved in principle by the Board of Directors.
4. Approve the principle of business expansion as well as joint investment with other companies and submitting to the Board of Directors for approval.
5. Approve the appointment of the person who has the authority to sign the company's check and financial documents including contracts, accounting documents and general documents.
6. To be a management consultant on financial policy, marketing, personnel a administration, etc. which concerning the company's business operation.
7. Allocated bonus or compensation approved by the Board of Directors to the company's employees and workers or any person who has done the works for the company.
8. Approve the appointment, transfer and termination of employee.
9. Report to the Board of Directors and the Executive Committee immediately in case of occurred corruption, suspicion of corruption, illegal operation or any other unusual activity or operation which may affect the reputation and financial status of the company significantly,

That is, the assignment of such authority, the Managing director must act according to the rules and regulations that have been approved by the committee. They must not approve any issue that they or opposed individuals may gain or loss, or are opposed to the benefits in other ways with the company. They must also reveal the following issues to the committee of the company for consideration.

Things other than what has been mentioned, the managing director will not be able to do unless it has been assigned from the committee meeting occasionally.

Company Secretary:

The Board of Director realizes the significance of the roles and duties of the secretary of the Company to ensure compliance with the best practices for the directors of listed companies of the Securities and Exchange Commission, the Board of Director shall thus appoint Company Secretary with the duties and responsibilities as follows:

(1) Preparing and keeping the following documents:
   (a) a register of directors;
   (b) a notice calling director meeting, a minute of meeting of the board of directors and an annual report of the company;
   (c) a notice calling shareholder meeting and a minute of shareholders' meeting;

(2) Keeping a report on interest filed by a director or an executive;

(3) Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

Nomination of Directors and Management

1. Nomination of Directors:

Under the Company regulations, one-third of the directors must leave the Board at every annual general meeting. In the case that total number is not divisible by three, the number closest to one-third must used with the exit of the director who stays the longest with the Board of directors. The exit director maybe re-elected to the Board.

Recruitment of directors is under the responsibility of Nomination and Compensation Committee. The committee will screen candidates with qualifications predetermined in Company regulations and qualification in section 68 of the Public Company Limited Act B.E. 2535 (1992) and the related announcements of the Securities and Exchange Commission and tabled them to the Board for consideration before submission to shareholders' meetings to decide and appoint them under the following methods:

1. A shareholder has a score equal to one voice.
2. Committee election can be made through an individual or a group to be committee according to shareholder meeting. To vote, no matter individual or group who the shareholder vote will be the vice according to the number of stocks that the shareholder holds (follow previous step) in which the mentioned shareholder can not divide their voices to any individual more or less than others.
3. The individuals who receive the majority of the votes (from greatest to least) will be those who win the election of they fulfill the number of required committees. In the case that the individual gets the same number of votes, but one gets more than the required number of the committee at that time, the chairman will be the one to decide who will win the tie.

Since 2009, shareholders have been allowed to take part in the proposal of candidates for selection. The selection method and process are posted on www.thaiyuanmetal.com, and investors are informed of the information through SET's IT information channel (portal). However, no shareholder has proposed any name for consideration in 2009.

2. Nomination of Management:

- Nomination of Managing Director: The Executive Committee will conduct a preliminary screening of candidates with the required qualifications, knowledge, skills, and experience; then, table them to the Nomination and Compensation Committee for consideration and endorsement before submitting the final list to the Board of Director for consideration.
- Nomination of Executives: The Managing Director will select and appoint candidates with the qualifications, knowledge, skills, and experience suitable for each executive position. The recruitment will be done under the human resources department's regulations.

Remuneration of the Directors and Management Team

Remuneration in Cash for the Year Ending 31 December 2009

Directors' Remuneration ; Meeting Allowance and Operating Compensation

Name		Title	Meeting Allowance (baht/year)
1. Mr. Panu	Jarupilun	Chairman	120,000
2. Ms. Ratana	Jirapongtrakul	Director	80,000
3. Mr. Boonchai	Jirapongtrakul	Director	80,000
4. Mr. Booncherd	Santudpanich	Director	80,000
5. Mr. Prachuab	Chaiyasan	Independent Director/Chairman of Audit Committee	200,000
6. Mr. Prajin	Kechararanta*	Independent Director/Audit Committee/Chairman of the Nomination and Remuneration Committee	180,000
7. Mrs. Seenual	Tasanapant	Independent Director/Audit Committee/ Nomination and Remuneration Committee	174,000
8. Ms. Nathita	Jiradejdumrong	Director/Nomination and Remuneration Committee	94,000
9. Mrs. Nartsine	Sarnvanichpitak	Nomination and Remuneration Committee	14,000
		operating compensation	**500,000**
		Total	**1,522,000**

Note : No.6 had resigned from director on January 8, 2010

Management Remuneration

Unit : Baht

Remuneration	Total (person)	Salary/Bonus/Other
Directors as management	2	5,200,000
Executives	4	4,235,900
	Total	**9,435,900**

Other remunerations

-None-



The Board of Director has recognized the importance on following the best practices of good corporate governance. The Company has determined that its policies on the best practices of good corporate governance as stated by the Stock Exchange of Thailand and then brought principles mentioned as a guide of how to operate the company to get the most benefit of running the business and support clearness, efficiency of the management so that Shareholders, the investors, and all relating Investor Relation as follows.

The policy regarding corporate governance

1. All information must be clearly presented and on time.
2. Directors and management persons must be sufficiency managed.
3. The principle of operating business must be benefited to shareholders.
4. Risk management must to controlled and minimized loss.
5. Ethics must be used for operating a business.

Good Corporate Governance Compliance

In 2009, the company duly complied with the principles of good corporate governance for listed companies 2006 in these following five principles:

1. RIGHTS OF SHAREHOLDERS

The company values shareholders' rights by refraining from violating or infringing on such rights as follows:

1. **Fundamental legal rights:** The Company facilitated the exercising of the management of share transfers by reliable registrars.
2. **Right to receive significant information:** The Company disclosed up-to-date information through its website for shareholders to stay abreast of significant Company news, changes, and the information disclosed under regulations. As a rule after disclosure to the Stock Exchange of Thailand (SET), this is posted on the website.
3. **Right to attend meetings and vote:** The Company facilitated all shareholders' attendance at meetings and exercising of their votes. In the annual general meeting (AGM) of 2009, it instituted a management system to promote and support such rights before the meeting date, during the meeting, and after the meeting date as detailed in AGM Checklist published by the Securities and Exchange Commission (SEC).

2. EQUITABLE TREATMENT OF SHAREHOLDERS

In 2009, The Company values the equality of all shareholders. Its practical guidelines to promote genuine equality include the following:

1. **Fair exercising of shareholders' rights at Annual General Meetings (AGM)**

   Before the meeting date:

   - The Company allows each shareholder to propose agenda items for consideration at their meeting ahead of the actual meeting date and also to nominate candidates for directors and Shareholders are allowed to submit written questions about agenda items ahead of the meeting date through its website. In 2009, no shareholder proposed their own agenda and nominates candidates for the Company Directors.

- The Company has authorized Thailand Securities Depository Co., Ltd as the share registrar to deliver invitation letters enclosed with minutes of the previous meeting, annual report, documents to supplement decision making in each agenda, explanations and information of the independent directors, steps to attend the meeting, special regulations relating to the shareholder's meeting, the meeting venue and proxy form to all shareholders at least seven days before the meeting. Such information is also made available through the Company website at www.thaiyuanmetal.com and announced in the newspapers for three consecutive days before the meeting to inform the shareholders in advance.
- Through the meeting notice, the Company informs shareholders of meeting participation criteria, providing them with a list of independent directors on proxy forms designed by the Ministry of Commerce. This proxy forms also provide for shareholders' written opinions on balloting.

Shareholders' Meeting:

- The Company provides two hours before each meeting for registration and even after that, it allows shareholders who still want to attend the meeting to do so and register their attendance without losing their rights and they still have the voting right for the items remaining on the agenda. Souvenirs and food as well as refreshments are also offered to those attending.
- The Company Secretary informs the meeting about the meeting criteria and rules as the procedures for balloting and provides shareholders with the voting right, equivalent to the number of shares held. One share yields one vote.
- The Company encouraged the meeting to use voting ballots and encouraged shareholders to exercise the voting right in selecting director. Prepared ballots for individual director and distributed them to the shareholders during registration before the meeting began. Details of the voting scores were recorded in the Annual General Meeting of the Shareholders for the Year 2009. The Voting ballots key documentation are systematically compiled and may be inspected for subsequent reference.
- The Company allows shareholders to fully express their views and raise their questions. The Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director and CEO attend all meetings to address questions clearly.

After the meeting date:

- The Company Secretary records all significant information at an AGM, such as the Directors in attendance; the clarifications of the Chairman of the Board of Directors, the Chairman of Audit Committee, the Managing Director. It includes questions raised and opinions expressed by shareholder; the method for voting and counting votes; the number of votes for, against or non-voting on an Issue; and any other relevant information.

- The Minutes of the Meeting are forwarded to the Stock Exchange of Thailand within 14 days of the Meeting and are also posted on the company's website. This allows shareholders to inspect the accuracy of resolutions and make suggestions for any other details to be recorded prior to proposing the approval of the said Minutes at the next Shareholders' Meeting.

In 2008, the Company organized the Extraordinary General Meeting of the Shareholders No.1/2008 on 14 July 2008. In preparation for the meeting, the Company also provided sufficient time for the shareholders to study the information prior to the meeting.

2. Control and Prevention of the Use of Inside Information:

- The company sets to have the protection against bringing company information to be used by setting unit that know information and will not reveal it to other unrelated individuals or group.
- The Company administrator who receives the financial of the company will not use the benefit from the mentioned information before reveal to the public. The administrators cannot buy or sell the company's assets for a period of one month before the financial budget will be presented to the public.
- When the company assets register in the stock exchange in Thailand, the company has set that the committee and administrator have functioned in reporting asset holding in the company according to

the Sections 59 so that it would be as announced of the National Election Committee Office 14/1997 about making and revealing the report of asset holding on May 12, 1997 and have set the penalty according to the Possession and Stock Exchange Act, 1992 and the regulations of Stock Exchange in Thailand. This includes setting the penalty for those searching for their own benefit from using the company's internal information for personal use reveal to others, thus damaging the company. There will be consideration concerning the punishment according to the situation such as verbal warning, written warning, suspension, including halt employment by firing or dislodge.

- In making connected transactions, the company strictly manages the approval procedure in its best interests. Transactions with possible conflicts of interest are raised for the Audit Committee's scrutiny before submitting to the Board and shareholders' meetings for consideration, if applicable. The Company discloses complete important information in compliance with the regulation.

3. ROLES OF STAKEHOLDERS

In 2009, The Company gives the importance to the right to all group of individuals who gain or loss, no matter if they will gain or loss inside or outside. Because the company realizes the support from those who gain or loss, which will create abilities in competition and make profit for the company, it is considered to bring success to the company on the long-term. These are the important details;

- Staffs	:	Equitable treatment and reasonable benefits to all staff.
- Traders and Creditors	:	Fair treatment and follow terms and conditions stated in agreement.
- Customer	:	Create a satisfaction to the customer, take care and be responsible for the customer by emphasizing the product quality, qualified service.
- Competitors	:	Avoid unfair competition, and practice business ethics.
- Community/Social	:	The Company considers the environment by being responsible of taking care of making sure there is no effect on the environment of the public and society

In addition, it has instituted a communication channel for requests, opinions and suggestions with the Board of Director to enable parties to make useful recommendations provided a box to receive comment at the front of the office or by website or email at ty__info@thaiyuanmetal.com, ty__audit@thaiyuanmetal.com. The Company's Secretary who receives and summarizes all topics, and to the Audit Committee, and Board of Directors. The Company gives importance to the secrecy of information received in order to build confidence to sender, and complaint will only be known to assigned and related persons.

4. DISCLOSURE OF INFORMATION AND TRANSPARENCY

In 2009, The Company highly values the disclosure of financial and other information through various channels for shareholder, investors and stakeholders to equally reach the information as follows:-

- Disclose assorted significant information, including financial information, shareholding structure, good corporate governance and company information submitted to SET through its ELCID system, Annual Report, Form 56-1, notice to shareholders' meeting, minutes of shareholders' meetings in both Thai and English, is regularly updated at www. thaiyuanmetal.com
- On the investor relationship side, currently, the company is in the process of setting the specific unit, but has appointed to the Ms. Nathita Jiradejdumrong, communicate with the institutional investor, shareholders, including the analyzer and the related government agency.

5. RESPONSIBILITIES OF THE BOARD

In 2009, the company has responsibility and leadership and vision from to be Good Corporate Governance as follows:

1 Composition of the Board:

- In 2009, the Board consisted of 8 directors-three non-executives and two executive. Three were independent directors. Information about the terms of each director appears in the annual report, Form 56-1.

- Chairman and Managing Director are individual but they are the relation. Their experience different are advantageous for each department. However, company had divided clearly the authority for each company committee and administration and 3 company's non administration committee for balancing and auditing of company administration.
- The Board has not only defined a formal and transparent recruitment procedure for directors, to be executed by the Nominating and Remuneration Committee, bust has made it possible for shareholders to nominate suitable persons for selection.
- Terms of Directors:

  As stated in company regulations, each director's term is three years, in line with that stated in the Public Company Limited Act. It is also stipulated that the Audit Committee can be in office for up to three consecutive terms.
- Company Secretary

  Ms. Supisa Cheavarakul, has bee assigned to serve as Company Secretary. This person is a regular employee. Who can be contacted by email at ty__info @thaiyuanmetal.com.

2. Sub Committees

The Board of Directors has set up a series of key sub-committees which are composed of knowledgeable persons and those with appropriate expertise to help supervise and examine several issues and assignments to ensure their accuracy, transparency and completeness before submitting to the Board of Directors for approval or acknowledgement on case-by-case basis to support the Company's administration and management:

- The Audit Committee

  This committee consists of three independent and with one well-versed in such fields. The term of each committee is three years.
- The Nomination and Remuneration Committee

  This committee consists of three Directors, one member be from an outsiders and one member is officer include five members.
- The Executive Committee

  This committee consists of two executive directors and two executive include four members. Executive committee was authorized to administration.

3. Role and responsibilities of the Board of Directors

1. The committee has to involve in determining the vision, duty, strategy, objectives, business plan and budget of the company, including supervision to the management to operate according to the business plan and the defined budget efficiently. This is done to add more value to the business and more security to the shareholders.
2. The committee has to set the internal control system, internal checking, and standard in risk administration efficiently. They have to follow the operation in that issue constantly in the company meeting.
3. The committee has the superintended administration department according to company's policy exclude contrariety or any benefit and the matter which were consider by shareholder as the definition of Stock exchange of Thailand.
4. The committee must consider the setting and separate the roles and responsibility between the committee, audit committee, and management clearly (according to item The Company's Management Structure) including communicating role, duty and responsibility to the committee, and management and staff of the company constantly.

4. Code of Conduct & Business Ethic

The Company had set up code of conduct and business ethics for directors, management team and all employees to conduct with transparency, honesty and morality to all groups and social.

5 Items that may have opposition to benefit

To avoid oppositions in benefits, the committee has looked over carefully whenever an issue with oppositions emerges. Including setting the policy and way of taking care, not letting the administrator and those related use the company's internal information to benefit themselves as follows:

1. Items that may have conflicts of interest:

   The Board of Directors acknowledge the rules and requirements relating to conflicts of interest between related business entities. Where such conflicts have arisen they are shown in the table Related Party Transactions and in all cases have been addressed in accordance with SEC, SET regulations such that prices and condition of procurement are the same as would apply in normal third party "arm's length" transactions. The Related Party Transactions table provides details of the parties concerned, contract value, and reason/necessity for relationship and is repeated in Form 56-1.

2. Supervision in using internal information:

   Do not let the administrator or the unit that knows the internal information reveal to outsiders or any irrelevant individuals who do not buy or sell the assets of the company in a period of one month before the financial statement is distributed to the public. (Detail of Supervision in using internal information on section 2 (2)

6. The internal checking and controlling systems

The company has given importance to the internal control system, both in administration level and the operation level to have received the efficiency. It has set the duty, the authority in operation of the operators and administrators in writing. They have been controlled for the asset using to make use and have separation of roles, the control follower, and the evaluator to create a balance and check each other appropriately. In addition, there are internal controls that relate to the financial system, in which the company has set to have the financial report system to present to the administrator according to the work line. The company has still organized the internal checking to assure that the main operation and important financial activities have operated according to the way defined efficiently, including checking the operation by law and the regulation relating to the company (compliance control) and for the internal checking unit have independence, able to do checking duties and fully balance. The committee defined to have the internal checking unit reports the checking result directly to the audit committee and receive the evaluation from the audit committee also.

7. Balance of Power by Non-Executives

The Company's Board of Director as at 23 February 2010 comprises 8 reputable members, as follows:

- Executive Director 2
- Non-Executive Director 3
- Independent directors 3 (37.50% of the total Board Directors)

8. The Board of Directors' Meeting

The Company requires regular meetings every quarter and has set the meeting's schedule in advance throughout the year in order to enable all directors to manage their time to attend every meeting to protect the Company interests. The Company may call an additional meeting if needed. Invitation letters enclosed with the meeting's agenda and other documents would also be delivered to all directors at least seven days ahead of the meeting so that the Board of Directors has sufficient time to study information. Generally, the meeting would take about 2-3 hours. Minutes of the meeting and important issues have been prepared accurately and completely at appropriate time. Minutes of the meeting which have gone through an acknowledgement of the Board of Directors would be filed properly for later examination of the Board of Directors, shareholder, and related parties, and for references.

Meeting Attendance and Remuneration of the Directors in 2009

Name		Attendance/Meeting			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Term of Director Term
1. Mr.Panu	Jarupilun	4/4			Apr 2009-2012
2. Ms.Ratana	Jirapongtrakul	4/4			Apr 2007-2010
3. Mr.Boonchai	Jirapongtrakul	4/4			Apr 2008-2510
4. Mr.Booncherd	Santudpanich	4/4			Apr 2007-2010
5. Mr.Prachuab	Chaiyasan	4/4	4/4		Apr 2009-2012
6. Mr.Prajin	Kechararanta	4/4	4/4	2/2	Apr 2008-2011
7. Mrs.Seenual	Tasanapant	4/4	4/4	2/2	Apr 2008-2011
8. Ms.Nathita	Jiradejdumrong	4/4		2/2	Apr 2009-2012
9. Mrs.Nartsine	Sarnvanichpitak	-	-	2/2	-

Note : - No 6 had resigned form director on January 8, 2010. Mr. Teerapong Tanarukvudhikorn was appointed on February 23, 2010 to replace with the rest of the term.

- No 9 Nomination and Remuneration committee was assigned from outsider.

9. Self assessment of the Board of Directors

The Board of Directors is required to perform a Board Self-Assessment to be used to review the Board of Directors' duties. In 2009, The Company using from The Stock Exchange of Thailand's Corporate Governance Center. The Board of directors has the opinions that, the board was operating, efficiently, understood it role and responsibilities. The board had good understanding the company's and business situations and each director has dedicated to make effective contribution to the Board's Performance.

10. Remuneration of directors and executives

Remuneration of directors and executives is made transparent and offered at a proper rate compared with the industry's offer and according to contributions of each member of the Board of Directors. Remuneration of the Board of Director will be subject to the Shareholder's meeting, while remuneration of the high-ranking management is offered according to principles and policies imposed by the Board of Director based on operating performance of the Company through consideration and approval of the Selection Committee.

Compensation of the executives follows the rules and policy in which the committee has set. It connects the business profit of the company and the operation result of each executive.

11. Director and Management Development

The Company has promoted training and upgrading knowledge to related parties such as the Directors, the Audit Committee, Management and the Company's Secretary to improve the performance about the best practice of good corporate governance. Newly appointed Directors would also be provided adequate information of the Company, relevant regulations and information about the Company's business before taking office and take charge of the Company's corporate governance. Program Company directors have attended seminars and trainings with the Thai Institute of Directors Association (IOD).

As well, The Company as focusing on participation in seminars and courses pertaining knowledge and development, and skill development of the Board of Directors. The Company's directors who have gone through training courses and seminars organized by IOD are as follows

Directors		Course			
		Director Certificate Program (DCP)	Director Accreditation Program (DAP)	Audit Committee Program (ACP)	Understanding the Fundamental of Financial Statements (UFS)
1. Mr.Panu	Jarupilun		Class 54/2006		
2. Ms.Ratana	Jirapongtrakul		Class 54/2006		
3. Mr.Boonchai	Jirapongtrakul	Class 79/2006	Class 54/2006		
4. Mr.Booncherd	Santudpanich	Class 79/2006	Class 54/2006		
5. Mr.Prachuab	Chaiyasan	Class 83/2007	Class 54/2006		
6. Mrs.Seenual	Tasanapant	Class 79/2006	Class 55/2006	Class 17/2007	
7. Ms.Nathita	Jiradejdumrong		Class 62/2007		Class 10/2007
8. Mr.Teerapong	Thanarukvudhikorn		Class 59/2006		

Control and Prevention of the Use of Inside Information

Detail Control and Prevention of the Use of inside Information on section 2 : Equitable Treatment of Shareholders

Labor dispute

(1) The total of company employees as on December 31, 2009 were 144 persons (not include administrators). This consists of the employee according to the work lines as follows.

Department	Numbers of Permanent Staff (Person)
	2009
1. Office	67
2. Factory	77
Total	144

In a period of the past three years. The company did not have any conflicts about labor.

(2) Employee's compensation

The total compensations of the employee who were not the administrators of the company and sub-company (including coming in and going out of the employee during the year) in 2009 was 21.65 million baht. This compensation was in the form of salary, Bonus wage, overtime wage, living expenses and long time supportive fund

Personnel development policy

Corporate was definite the personnel development policy as following.

1. Employees will get and understand in ISO 9001 by training. Employees can applicability this knowledge to their job efficiently and practicably.
2. Employees will get in-house and outside training for improvement their knowledge and potentials in their job.

Core Value

Corporate was definite corporate core value to motivate employee in thinking and attitude in same direction as

T = Team Work

H = Honest

A = Alert

I = Initiative

Y = Yield

U = Utilization

A = Accountability

N = Natural








Related Party Transactions

The Summary of the Listing Between each Other of the Company, Subsidiary, and the Relevant Companies or with the person who may have the benefit conflict in the year 2008 and year 2009 as follows:

	Relationship	Type of Category	Description of Category	Value (Million Baht) 2008	Value (Million Baht) 2009	The Needs and Necessity
1. Thai Nguan Ethanol Public Company Limited	Mr.Panu Jarupilun, Ms.Ratana Jirapongtrakul, Mr.Boonchai Jirapongtrakul and Mr.Booncherd Santudpanich Are Director and Shareholder of the Company	1. The income from selling the Merchandise	• The Company sells structural steel to Thai Nguan Ethanol Public Company Limited	2.36	3.81	- The structural steel selling is the normal trading. The price that the company sells structural steel to the Thai Nguan Ethanol Public Company Limited is the market price and the price selling to the third party.
		2. Account receivable	• The normal business that related to the merchandise selling	1.00	1.32	
2. Kim Heng Loha Co., Ltd.	Mr.Vichit Lohajaroon is a brother - in - law of Ms.Ratana Jirapongtrakul	1. The income from selling the Merchandise	• The company sells all kind of steel products to Kim Heng Loha Co., Ltd.	359.32	275.08	- The steel selling is the normal trading. The price that the company sells structural steel to the Kim Heng Loha Co., Ltd. is the market price and the price selling to the third party.
		2. Account receivable	• The normal business that related to the merchandise selling	67.22	39.66	
3. V.P. Wire Mesh Co., Ltd	Mr.Pasit Sittisirinukul and Mrs.Wanna Sittisirinukul are the cousin - in - law and a niece of Ms.Ratana Jirapongtrakul respectively	1. The income from selling the Merchandise	• The company sells all kind of steel products to V.P. Wire Mesh Co., Ltd.	4.61	8.81	- The steel purchasing - selling is the normal trading. The price that the company sells structural steel to the V.P. Wire Mesh Co., Ltd.. is the market price and the price selling to the third party.
		2. Account receivable	• The normal business that related to the merchandise selling	0.07	0.89	
		3. Purchase raw materials and other goods	• The company purchase all kind of steel products from V.P. Wire Mesh Co., Ltd.	0.13	-	
		4. Account payable	• The normal business that related to the merchandise purchasing	0.17	0.55	

	Relationship	Type of Category	Description of Category	Value (Million Baht)		The Needs and Necessity
				2008	2009	
4. Nam Tai Steel Co., Ltd.	Mr.Suwit Jirapongtraukul and Mrs.Wanna Sittisirinukul are nephew and niece of Ms.Ratana Jirapongtrakul	1. The income from selling the Merchandise	• The company sells rolled steel and steel sheet to Nam tai Steel Co., Ltd.	120.09	7.54	- The steel purchasing - selling is the normal trading. The price that the company sells structural steel to the Nam Tai Steel Co., Ltd.. is the market price and the price purchasing -selling to the third party.
		2. Account receivable	• The normal business that related to the merchandise selling	1.23	-	
		3. Purchase raw materials and other goods	• The company purchase all kinds of steel products from Nam Tai Co., Ltd.	201.83	16.55	
		4. Account payable	• The normal business that related to the merchandise purchasing	1.24	-	
5. Mahachai Steel Inter Co., Ltd.	Ms.Chayada Ngamchamnunrit is sister of Ms.Ratana Jirapongtrakul	1. Purchase raw materials and other goods	• The company purchase steel rod from Mahachai Steel Inter Co., Ltd.	65.48	1.32	- The steel purchasing is the normal trading. The price that the company sells structural steel to the Mahachai Steel Inter Co., Ltd.. is the market price and the price selling to the third party.
6. Kimseng Steel Co., Ltd.	Mrs.Athitthan Jirapongtrakul and Mr.Surachai Jirapongtrakul are cousin of Ms.Ratana Jirapongtrakul respectively	1. The income from selling the Merchandise	• The Company sells Appearance Iron to Kimseng Steel Co., Ltd.	15.43	-	- The steel purchasing - selling is the normal trading. The price that the company sells structural steel to the Kimseng Steel Co., Ltd.. is the market price and the price purchasing-selling to the third party.
		2. Purchase raw materials and other goods	• The Company purchase steel rod from Kimseng Steel Co., Ltd.	6.15	18.54	

	Relationship	Type of Category	Description of Category	Value (Million Baht)		The Needs and Necessity
				2008	2009	
7. Metal Inter Co., Ltd.	Mr.Niwat Ngamchamnunrit and Ms.Chayada Ngamchamnunrit are nephew and a sister of brother - in - law of Ms.Ratana Jirapongtrakul respectively	1. The income from selling the Merchandise	• The Company sells Appearance Iron to Metal Inter Co., Ltd.	2.89	-	- The steel purchasing - selling is the normal trading. The price that the company sells structural steel to the Metal Inter Co., Ltd.. is the market price and the price purchasing -selling to the third party.
		2. Purchase raw materials and other goods	• The Company purchase steel rod from Metal Inter Co., Ltd.	2.02	0.35	
		3. Account payable	• The normal business that related to the merchandise purchasing	-	3.18	
8. Kimchai Steel Co., Ltd.	Mrs.Rukkana Santudpanich is sister of Ms.Ratana Jirapongtrakul	1. The income from selling the Merchandise	• The Company sells Appearance Iron to Kimchai Steel Co., Ltd.	4.89	2.62	- The steel selling is the normal trading. The price that the company sells structural steel to the Kimchai Steel Co., Ltd.. is the market price and the price selling to the third party.
		2. Account receivable	• The normal business that related to the merchandise selling	0.63	-	
9. Thai Ping Ethanol Co., Ltd.	Mr.Panu Jarupilun, Ms.Ratana Jirapongtrakul, Mr.Boonchai Jurapongtrakul and Mr.Booncherd Santudpanich, Director and Shareholder of the company	1. The income from selling the Merchandise	• The company sell structural steel to Thai Ping Ethanol Co., Ltd.	57.77	3.17	- The steel selling is the normal trading. The price that the company sells structural steel to the Thai Ping Ethanol Co., Ltd.. is the market price and the price selling to the third party.
		2. Account receivable	• The normal business that related to the merchandise selling	51.71	1.39	
		3. Others income		0.01	-	

	Relationship	Type of Category	Description of Category	Value (Million Baht)		The Needs and Necessity
				2008	2009	
10. Mahachai Steel Center Co., Ltd.	Mr.Nirum Ngamchamnunrit, Mr.Nirun Ngamchamnunrit and Ms.Ratda Jirapongtrakul are younger brother - in - law, older brother - in - law and sister of Ms.Ratana Jirapongtrakul	1. Purchase raw materials and other goods 2. Account payable	• The company purchases rolled steel from Mahachai Steel Center Co., Ltd. • The normal business that related to the merchandise purchasing	25.32 2.66	242.72 2.88	- The steel purchasing - selling is the normal trading. The price that the company sells structural steel to the Mahachai Steel Center Co., Ltd.. is the market price and the price purchasing - selling to the third party.
11. Kimchua Steel Co.Ltd	Mr.Viroj Jirapongtrakul is nephew of Ms.Ratana Jirapongtrakul	1. The income from selling the Merchandise	• The Company sells Appearance Iron to Kimchua Steel Co., Ltd.	18.57	-	- The steel selling is the normal trading. The price that the company sells structural steel to the Kimchua Steel Co., Ltd.. is the market price and the price selling to the third party.
12. Kim Nguan Enterprise Co., Ltd.	Ms.Ratana Jirapongtrakul and Mr.Boonchoke Santudpanich, Director and Shareholder of the Comapny	1. The income from selling the Merchandise 2. Account receivable 3. Purchase raw materials and other goods	• The Company sells spare part and mechanical equipment from Kim Nguan Enterprise Co., Ltd.	0.00 0.00 0.01	0.07 0.04 0.05	- The purchasing spare part and mechanical equipment for maintenance the machine as the price selling to the third party.

Necessity and Reasonableness of Connected Transactions.

Connected party transactions with related companies or any persons who may have conflict of interest in the past year were the normal trading such as the merchandise purchasing, merchandise distributing. The company has the policy to let the audit committee consider and give the opinion to such listing. The audit committee will bring the market price of others to compare with the price of listing between each other to consider every details were disclosed in Note To Financial Statement No.22 in year 2009.

For the listing between each other that is not the normal trading such as bellowed from director, the company has the policy to let the audit committee consider and give opinion to such listing before the company does to that list. Also, the committee who may benefit or lose cannot vote.

Policy or Trend of listing between each other

In the future, if the company has the need to do the list between each other with the person who may have the conflict with the company, the company has the policy to set the condition according to the nature of normal business and is the market price that can compare with the price occurred to the third party. The company will let the audit committee to check and give opinions regarding the appropriateness of the price and the logic of the listing

Listing between each other that may happen in the future must be practiced by the committee according to other regulations that is defined and the committee must not approve any listing that they or the persons who may have the conflict in any manner with the company and must open such list to the company committee to let them consider. The company must practice to the law regarding the possession and stock exchange and discipline, announce, order, or regulation of the stock exchange of Thailand, including the practice according to the regulation of opening information about doing the list that are related and receiving or distributing the assets of the company or sub-company.

If there is any listing between each other of Asia Metal Public Company Limited and the sub-company that occurs with the person who make the conflict in benefit or has benefits and losses or has the conflict in benefit that is not the normal trading, the company will let the audit committee give opinions concerning the price, compensation rate, including the need and appropriateness of that list. In the case that the audit committee has no experience in considering the listing between each other that may occur, the company will let the independent evaluator or the expert as the one who give opinion regarding the listing between each other to make the decision of the audit committee, committee, or the shareholders according to each situation. The company will open the list between each other in the note for financial statements, the annual information list form (form 56-1) and the annual report of the company (form 56-2).

Report of the Audit Committee on Corporate Governance

Dear Shareholders

The Audit Committee, composed of independent director, Mr. Prachuab Chaiyasan, Chairman of the Audit Committee, Mrs. Seenual Tasanapant and Mr. Teerapong Thanarukvudhikorn, Audit Committee Director, who were qualified according to the Regulation and one of the Directors has adequate experiences and capable to review creditability of the financial report. The Audit Committee reviews performance against its charter issued by the Board of Directors, which aligns with the regulations of the Stock Exchange of Thailand (SET).

On January 8,2010 Mr. Prajin Kecharananta had resigned form Director, Board of Director appointed Mr. Teerapong Thanarukvudhikorn as Audit Committee on February 23,2010.

For the past year of 2009, the Audit Committee held a total of 4 meetings. Each Audit Committee director attended every meeting with managing director, management executives, external auditors and internal auditors with independence in reporting, expressing opinion and giving recommendations. Significant tasks were summarized as follows:

1. **Reviewed company's quarterly and audited financial statements of 2009,** which reported financial status and operation in 2009 and related transactions as stated in financial statement including management's clarification prior submission to the Board of Directors. The financial statements were stated in line with general accepted accounting principles and carried out an adequate information disclosure.

2. **Reviewed the internal control system and the internal audit;** reviewed audit operations, audit reports and gave advise on quarterly basis and viewed that internal control systems were adequate and internal audit systems were appropriate and efficient.

3. **Compliance with Relevant Laws and Regulations;** Reviewed that the Company complied with the laws and regulations of the Securities Exchange of Thailand and laws related to the company business. The Audit Committee did not find any significant incompliance to the law.

4. **Consider Appointing the External Auditors and audit fee for year 2010,** proposed to the Board of Director asking for the approval from the Annual Shareholder's Meeting for the year 2010 to appoint Mr.Chanunkorn Satiraprapakul CPA.No 6554 of Grand Audit Co., Ltd, or Mr. Jadesada Hungsapruek CPA No.3759 from Karin Audit Co., Ltd. to serve as the Company's external auditor for the year 2010, with the audit fee of Baht 602,000 for the Company and subsidiaries.

5. **Review the Connected transactions or transactions that may have conflict of interests** to comply with the laws and Regulation of the Stock Exchange of Thailand (SET), and Securities and Exchange Commission (SEC). The Audit Committee had given opinion that connected transactions with persons or related parties were company operations which conducted under the normal trading conditions in line with all necessity of business with reasonable prices and maximized the company benefits.

In conclusion, Audit Committee had perfectly performed the role identified in the scope and responsibilities assigned by Board of Directors, and fully used all independent in controlling, expressing opinion and suggestions. In the Audit Committee's opinion the Company had reported financial statement information and operation with good internal control, internal auditing and proper risk management. All operations were conducted in line with laws, regulations and obligations. Related transactions were disclosed and performed in line with good governance, prudent, and reliable.



Mr. Prachuab Chaiyasan
Chairman of the Audit Committee

Report of the Board of Director's Responsibility to the financial Report

The Board of Director of Responsibility information to Financial Report

The Board of Director is responsible for financial statement of Thai Yuan Metal Public Co., Ltd.. which included all financial information as in our annual report. This financial statement has been made in applicable practice methods regularly as general accountancy standards. It has also revealed enough information as in its prcised remark in order to be beneficial for our shareholders and investors thoroughly.

The Board of Director who has also made the efficient processes of risk management and internal control appropriately. These processes can be ensuring that our information protections in particular to preserve all company assets effectively, moreover to prevent fraud or any significant abnormal operations.

The Board of Director has appointed the Audit Committee to responsible for reviewing all accountancy policies and financial report accuracies. In charge of verification all internal controls, internal audit system together with risk operating processes as already mentioned in annual report.

The financial statement has been verified by auditor from AST Master Co., Ltd. with good cooperation from Board of Director to provide all related information in order to support their audit and independent in expressing opinion. The auditor's opinion was already expressed in our financial report as part company annual report.

Thus, the board of director has concluded that our internal control systems are satisfactory. And the financial statement of Thai Yuan Metal Public Co., Ltd. for year ended December 31, 2009 can be reliable and conformed to laws and regulations.

Ms. Ratana Jirapongtrakul
(Chairman)

Mr.Boonchai Jirapongtrakul
(Managing Director)



Financial Ratio

		For Consolidated Financial Statement		For Separated Financial Statements		
		2009	2008 (Restated)	2009	2008 (Restated)	2007
Liquidity Ratio						
Current ratio	(times)	1.41	1.83	1.42	1.82	2.16
Quick ratio	(times)	0.68	0.97	0.68	0.97	1.16
Cash flow liquidity ratio	(times)	(0.26)	0.06	(0.27)	0.06	0.70
Receivables turnover	(times)	5.88	8.09	5.88	7.91	5.32
Collection period	(day)	61.18	44.51	61.17	45.50	67.73
Inventory period	(times)	7.53	9.47	7.52	11.00	10.29
Inventory Turnover period	(day)	47.79	38.00	47.89	32.71	34.98
Account payable turnover	(times)	70.48	59.70	70.50	72.16	70.79
Payment period	(day)	5.11	6.03	5.11	4.99	5.09
Cash Cycle	(times)	103.87	76.47	103.96	73.22	97.62
Profitability Ratio						
Gross profit margin	(%)	0.36	4.65	0.54	4.74	5.10
Operating Profit Margin	(%)	(1.51)	2.00	(1.53)	2.01	1.12
Other Income Ratio	(%)	2.10	0.14	2.10	0.17	3.25
Cash to Profit Ratio	(%)	376.77	37.06	374.46	37.01	1,554.24
Net profit margin	(%)	0.11	0.73	0.10	0.76	2.45
Return on equity	(%)	0.54	4.61	0.49	4.93	19.62
Efficiency Ratio						
Return on assets	(%)	0.26	2.49	0.24	2.74	6.74
Return on fixed assets	(%)	4.82	23.03	4.56	30.56	113.94
Assets turnover	(times)	2.43	3.42	2.44	3.61	2.75
Financial Ratio						
Debt to equity ratio	(times)	1.26	0.85	1.28	0.85	0.74
Interest coverage	(times)	(10.10)	6.05	(10.21)	6.05	20.39
Cash Basis	(times)	(1.20)	0.44	(1.33)	0.43	104.17
Dividend rate	(%)	-	96.60%	-	92.59%	-
Net profit per share (Fully Diluted)	(baht)	0.001	0.010	0.001	0.010	0.040
Book value per share*	(baht)	2.19	2.25	2.16	2.25	2.14

		For Consolidated Financial Statement		For Separated Financial Statements		
		2009	2008 (Restated)	2009	2008 (Restated)	2007
Growth Ratio						
Assets	(%)	18.82%	0.00%	18.82%	11.86%	-34.51%
Liabilities	(%)	43.67%	0.00%	43.34%	21.05%	-65.49%
Total revenue	(%)	-22.26%	0.00%	-22.28%	9.77%	20.49%
Administrative expenses	(%)	-21.04%	0.00%	-21.03%	12.24%	20.93%
Net profit (loss)	(%)	-88.35%	0.00%	-90.05%	-65.91%	9.09%

Management Discussion on Operations

The Company's operation results and financial status of year 2008 - 2009 were as follows:

Profit and Loss Statement

Total revenues of the Company for the year ended December 31, 2009 equaled Baht 4,421.4 million compared with Baht 5,687.3 million (Restated) of year 2008, decreasing Baht 1,265.9 million or 22.26%. Revenues decreased due to economic declining in the first half of 2009, then gradually improve in the second half. However, average steel price of 2009 decreased from year 2008 around 40%.

Cost of goods sold for year 2009 presented Baht 4,313.3 million compared with Baht 5,415.3 million in year 2008, cost of goods sold decreased Baht 1,102 million in line with decreasing of sales. However, gross profit margin of 2009 was lower than of year 2008 owing to drastically decreasing of 2009 sell prices. Selling and administrative expenses of year 2009 equaled to Baht 45.4 million in the normal range of year 2008. Finance costs was also reduced Baht 9.6 million or 30% from previous year due to declining of interest rate. In addition there was a reversal of loss from impairment of inventories amount Baht 53.9 million and additional provision for doubtful debt Baht 36.5 million as an extraordinary item in 2009, resulting the Company showed net profit for year 2009 equaled Baht 4.8 million, compared to net profit of Baht 41.4 million in 2008, decreasing of profit Baht 36.6 million or 88.4%.

Balance sheet

Total Assets of the Company as of December 31, 2009 equaled Baht 1,978.5 million compared with Baht 1,665.2 million (Restated) of year 2008, assets increased Baht 313.3 million due to increasing of accounts receivable around Baht 145.6 million, resulting from sale increased during ending period of the year, increasing of advance money for inventories Baht 129.5 million for reserved stocks and new investments in new godowns and building improvements in 2009 about Baht 105 million.

Total Liabilities increased from Baht 766.8 million in 2008 to Baht 1,104.2 million in year 2009, increasing of Baht 337.4 million mainly due to additional borrowing of short-term loan around Baht 400 million as working capital for increasing sale volume and reserved stocks, resulting D/E ratio increased from 0.85 as at December 31, 2008 to 1.26 as at December 31, 2009.

Factors which might affected future plan

Analysis of factors which might affected to future operation result and financial status of the company and subsidiary was already mentioned in caption "Risk Factors".

Audit Fee

Auditor from Grand Audit Co., Ltd was not related party to the company. Amount Baht 430,000 was paid as auditor fee for year 2009 for the auditing financial statements of the company. No other fee was paid.

Report of Certified public Accountant

To The Board of Directors and Shareholders of Thai Yuan Metal Public Company Limited

I have audited the consolidated balance sheet as at December 31, 2009, the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended of Thai Yuan Metal Public Company Limited and subsidiaries, I have also audited the separate balance sheet as at December 31, 2009, the separate statements of income, changes in shareholders' equity and cash flows for the year then ended, of Thai Yuan Metal Public Company Limited. These financial statements are the responsibility of the Company's managements as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my audit. The consolidated financial statements of Thai Yuan Metal Public Company Limited and subsidiaries and the separate financial statements of Thai Yuan Metal Public Company Limited for the year then end December 31, 2008 (before restatement),as presented herein for comparative purpose, were audited by other auditor whose report dated February 27, 2009 expressed an qualified opinion.

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

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position as at December 31, 2009, and the consolidated results of their operations and cash flows for the year then ended of Thai Yuan Metal Public Company Limited and subsidiaries and the separate financial statements referred to above present fairly, in all material respects, the company's financial position as at December 31, 2009 and the results of its operations, and cash flows for the year then ended of Thai Yuan Metal Public Company Limited, in accordance with generally accepted accounting principles.

(CHANUNKORN SATIRAPRAPAKUL)
Certified Public Accountant Registration No. 6554

Grand Audit Co., Ltd.
Bangkok.
February 23, 2010

Balance Sheets

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2009 AND 2008

Baht

	Notes	Consolidated financial statements		Separate financial statements	
		December 31, 2009	December 31, 2008 "Restated"	December 31, 2009	December 31, 2008 "Restated"
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		24,861,537.28	57,384,913.96	21,900,755.36	54,704,658.32
Trade accounts receivable					
- Related companies	8, 22.2	43,297,380.00	121,890,261.03	43,297,380.00	121,864,261.03
- Other companies - net	8	677,229,371.44	567,222,524.29	677,116,989.72	567,222,524.29
Inventories - net	9	573,680,771.32	571,570,091.70	573,680,771.32	571,570,091.70
Advance payment for purchase of goods - net	10	211,702,542.05	82,205,366.55	211,702,542.05	82,205,366.55
Loan to - related company	22.2	-	-	8,000,000.00	-
Receivable - Revenue department		21,929,394.25	-	21,929,394.25	-
Other current assets		4,337,879.63	831,333.44	1,757,725.96	718,331.04
Total current assets		1,557,038,875.97	1,401,104,490.97	1,559,385,558.66	1,398,285,232.93
NON-CURRENT ASSETS					
Investments in subsidiaries	11	-	-	34,250,000.00	8,000,000.00
Property, plant and equipment - net	12	362,465,428.39	206,973,422.47	309,374,786.77	201,862,498.14
Assets not used in operations - net	13	15,113,567.26	13,139,350.00	15,113,567.26	13,139,350.00
Computer software - net	14	527,109.16	571,556.06	527,109.16	571,556.06
Prepaid corporate income tax		43,383,981.60	43,383,981.60	43,383,981.60	43,383,981.60
Deposits		8,000.00	8,000.00	8,000.00	8,000.00
Total non-current assets		421,498,086.41	264,076,310.13	402,657,444.79	266,965,385.80
TOTAL ASSETS		1,978,536,962.38	1,665,180,801.10	1,962,043,003.45	1,665,250,618.73

The accompanying notes to financial statements are an integral part of these financial statements

Balance Sheets (Cont'd)

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2009 AND 2008

Baht

	Notes	Consolidated financial statements		Separate financial statements	
		December 31, 2009	December 31, 2008 "Restated"	December 31, 2009	December 31, 2008 "Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	15	1,050,219,789.95	641,014,101.00	1,050,219,789.95	641,014,101.00
Trade accounts payable					
- Related companies	22.2	6,052,562.43	4,031,444.86	6,052,562.43	4,031,444.86
- Other companies		25,642,084.54	86,674,032.75	25,451,562.37	86,589,967.68
Advance received from sales of goods		8,254.57	308,490.30	8,254.57	308,490.30
Current portion of liabilities under hire-purchase agreements		719,450.40	-	-	-
Payable from acquisition of assets		7,447,443.98	11,391,313.02	7,447,443.98	11,391,313.02
Accrued expenses		5,950,574.80	9,959,473.63	6,302,678.40	10,462,010.48
Other current liabilities		5,691,200.42	13,459,740.89	4,126,685.25	13,317,096.32
Total current liabilities		1,101,731,361.09	766,838,596.45	1,099,608,976.95	767,114,423.66
NON-CURRENT LIABILITIES					
Liabilities under hire-purchase agreements - net		2,388,071.78	-	-	-
Total liabilities		1,104,119,432.87	766,838,596.45	1,099,608,976.95	767,114,423.66
SHAREHOLDERS' EQUITY					
Share capital					
Authorized shares					
4,000,000,000 ordinary shares of Baht 0.10 each		400,000,000.00	400,000,000.00	400,000,000.00	400,000,000.00
Issued and paid-up shares					
4,000,000,000 ordinary shares of Baht 0.10 each	16	400,000,000.00	400,000,000.00	400,000,000.00	400,000,000.00
Premium on ordinary shares		191,479,600.00	191,479,600.00	191,479,600.00	191,479,600.00
Retained earnings					
Appropriated for legal reserve	18	14,520,000.00	14,520,000.00	14,520,000.00	14,520,000.00
Unappropriated		255,273,606.34	290,454,112.51	256,434,426.50	292,136,595.07
Total parent's shareholders' equity		861,273,206.34	896,453,712.51	862,434,026.50	898,136,195.07
Minority interest		13,144,323.17	1,888,492.14	-	-
Total shareholders' equity		874,417,529.51	898,342,204.65	862,434,026.50	898,136,195.07
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,978,536,962.38	1,665,180,801.10	1,962,043,003.45	1,665,250,618.73

The accompanying notes to financial statements are an integral part of these financial statements

Statements of Income

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2009	2008 "Restated"	2009	2008 "Restated"
Revenues					
Sales		4,328,073,836.28	5,678,491,942.91	4,328,073,836.28	5,678,491,942.91
Service income		651,144.06	805,798.95	-	-
Compensation for guarantee selling price of inventory from supplier		32,689,649.14	-	32,689,649.14	-
Reversal of loss on diminution of inventories		53,891,525.59	-	53,891,525.59	-
Other income		6,132,269.62	7,966,926.27	6,126,810.78	9,499,950.85
Total revenues		4,421,438,424.69	5,687,264,668.13	4,420,781,821.79	5,687,991,893.76
Expenses					
Cost of sales and services		4,313,285,803.00	5,415,250,618.43	4,304,705,537.21	5,409,381,599.77
Selling expenses		16,272,991.94	25,177,537.82	26,456,207.65	25,177,537.82
Administrative expenses		21,871,877.70	19,073,100.20	20,929,043.90	24,475,354.07
Managements' remuneration		7,204,000.00	7,894,000.00	6,604,000.00	7,294,000.00
Loss on diminution of inventories		-	85,129,025.54	-	85,129,025.54
Doubtful debts		35,604,082.63	12,913,401.81	35,604,082.63	12,913,401.81
Total expenses		4,394,238,755.27	5,565,437,683.80	4,394,298,871.39	5,564,370,919.01
Profit before finance costs and income tax		27,199,669.42	121,826,984.33	26,482,950.40	123,620,974.75
Finance costs		(22,294,985.74)	(31,881,880.75)	(22,186,608.97)	(31,881,880.75)
Profit before income tax		4,904,683.68	89,945,103.58	4,296,341.43	91,739,094.00
Income tax		(80,848.82)	(48,540,474.39)	-	(48,540,474.39)
Net profit		4,823,834.86	41,404,629.19	4,296,341.43	43,198,619.61
Net profit attributable to:					
Equity holders of the parent		4,818,003.83	41,516,137.05	4,296,341.43	43,198,619.61
Minority interest of the subsidiaries		5,831.03	(111,507.86)	-	-
Net profit		4,823,834.86	41,404,629.19	4,296,341.43	43,198,619.61
Basic earnings per share					
Net income attributable to equity holders of the parent	19	0.001	0.010	0.001	0.011
Weighted average number of ordinary shares (shares)		4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000

The accompanying notes to financial statements are an integral part of these financial statements

Consolidated Statements of Changes in Shareholders' Equity

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Baht

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Minority interest	Total
				Legal reserve	Unappropriated		
Balance as at January 1, 2008		400,000,000.00	191,479,600.00	12,150,000.00	251,307,975.46	-	854,937,575.46
Minority interest in investment in subsidiary		-	-	-	-	2,000,000.00	2,000,000.00
Legal reserve		-	-	2,370,000.00	(2,370,000.00)	-	-
Net profit		-	-	-	45,713,994.77	(111,507.86)	45,602,486.91
Balance as at December 31, 2008		400,000,000.00	191,479,600.00	14,520,000.00	294,651,970.23	1,888,492.14	902,540,062.37
Balance as at January 1, 2009,							
As previously reported		400,000,000.00	191,479,600.00	14,520,000.00	294,651,970.23	1,888,492.14	902,540,062.37
Prior year adjustment	6	-	-	-	(4,197,857.72)	-	(4,197,857.72)
Balance as at January 1, 2009, As restated		400,000,000.00	191,479,600.00	14,520,000.00	290,454,112.51	1,888,492.14	898,342,204.65
Minority interest in investment in subsidiary		-	-	-	-	11,250,000.00	11,250,000.00
Net profit		-	-	-	4,818,003.83	5,831.03	4,823,834.86
Dividends paid	17	-	-	-	(39,998,510.00)	-	(39,998,510.00)
Balance as at December 31, 2009		400,000,000.00	191,479,600.00	14,520,000.00	255,273,606.34	13,144,323.17	874,417,529.51

The accompanying notes to financial statements are an integral part of these financial statements

Separate Statements Of Changes In Shareholders' Equity (Cont'd)

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Baht

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total
				Legal reserve	Unappropriated	
Balance as at January 1, 2008		400,000,000.00	191,479,600.00	12,150,000.00	251,307,975.46	854,937,575.46
Legal reserve		-	-	2,370,000.00	(2,370,000.00)	-
Net profit		-	-	-	47,396,477.33	47,396,477.33
Balance as at December 31, 2008		400,000,000.00	191,479,600.00	14,520,000.00	296,334,452.79	902,334,052.79
Balance as at January 1, 2009,						
As previously reported		400,000,000.00	191,479,600.00	14,520,000.00	296,334,452.79	902,334,052.79
Prior year adjustment	6	-	-	-	(4,197,857.72)	(4,197,857.72)
Balance as at January 1, 2009, As restated		400,000,000.00	191,479,600.00	14,520,000.00	292,136,595.07	898,136,195.07
Net profit		-	-	-	4,296,341.43	4,296,341.43
Dividends paid	17	-	-	-	(39,998,510.00)	(39,998,510.00)
Balance as at December 31, 2009		400,000,000.00	191,479,600.00	14,520,000.00	256,434,426.50	862,434,026.50

The accompanying notes to financial statements are an integral part of these financial statements

Statements of Cash Flows

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2009	2008 "Restated"	2009	2008 "Restated"
Cash flows from operating activities					
Profit before income tax		4,904,683.68	89,945,103.58	4,296,341.43	91,739,094.00
Adjustments to reconcile profit (loss) to net cash provided by (used in) operating activities					
Depreciation		8,919,608.95	6,390,720.62	7,375,656.91	5,694,949.21
Loss on diminution of inventories (reversal of)		(53,891,525.59)	85,129,025.54	(53,891,525.59)	85,129,025.54
Amortization of computer software		44,446.90	1,131.14	44,446.90	1,131.14
Gain on disposal of equipment		(79,314.42)	(42,212.18)	(31,468.96)	(1,514,011.72)
Unrealized gain on exchange rate		-	(427,826.88)	-	(427,826.88)
Doubtful debts		35,604,082.63	12,913,401.81	35,604,082.63	12,913,401.81
Interest expenses		22,294,985.74	31,881,880.75	22,186,608.97	31,881,880.75
Profit from operating activities before changes in operating assets and liabilities		17,796,967.89	225,791,224.38	15,584,142.29	225,417,643.85
Decrease (increase) in operating assets					
Trade accounts receivable					
- related companies		78,592,881.03	(97,178,121.84)	78,566,881.03	(97,152,121.84)
- other companies	7	(146,603,587.78)	125,853,582.00	(146,491,206.06)	125,853,582.00
Inventories		51,780,845.97	(244,731,698.88)	51,780,845.97	(244,731,698.88)
Advance payment for purchase of goods		(129,497,175.50)	134,021,650.35	(129,497,175.50)	134,021,650.35
Receivable - Revenue department		(21,929,394.25)	5,833,681.64	(21,929,394.25)	5,833,681.64
Other current assets	7	(3,226,998.78)	(419,227.82)	(816,237.26)	(370,803.80)
Deposits		-	510,000.00	-	510,000.00
Increase (decrease) in operating liabilities					
Trade accounts payable					
- Related companies		2,021,117.57	3,884,930.06	2,021,117.57	3,884,930.06
- Other companies		(61,031,948.21)	27,510,460.17	(61,138,405.31)	27,426,395.10
Advance received from sales of goods					
- Related company		-	(107,879.00)	-	(107,879.00)
- Other companies		(300,235.73)	(4,740,096.35)	(300,235.73)	(4,740,096.35)
Accrued expenses		(5,069,109.87)	4,388,825.41	(5,219,543.12)	4,891,362.26
Other current liabilities		(7,768,540.47)	12,291,883.06	(9,190,411.07)	12,149,238.49
Cash received (paid) operating activities		(225,235,178.13)	192,909,213.18	(226,629,621.44)	192,885,883.88
Paid for interest expenses		(21,234,774.70)	(31,665,910.89)	(21,126,397.93)	(31,665,910.89)
Paid for income tax		(367,738.23)	(119,044,497.60)	(230,499.66)	(118,979,919.22)
Net cash provided by (used in) operating activities		(246,837,691.06)	42,198,804.69	(247,986,519.03)	42,240,053.77

The accompanying notes to financial statements are an integral part of these financial statements

Statements of Cash Flows

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2009	2008 "Restated"	2009	2008 "Restated"
Cash flows from investing activities					
Cash paid for acquisition of investments in subsidiaries		-	-	(26,250,000.00)	(8,000,000.00)
Proceeds from disposal of equipment		115,601.39	170,000.00	31,471.96	1,514,018.72
Cash paid for purchase of plant and equipment	7	(163,941,988.14)	(84,627,569.53)	(118,406,034.84)	(78,693,092.97)
Cash paid for computer program		-	(500,000.00)	-	(500,000.00)
Cash paid for purchase of assets not used in operaions	7	(1,400,000.00)	(10,479,712.00)	(1,400,000.00)	(10,479,712.00)
Net cash used in investing activities		(165,226,386.75)	(95,437,281.53)	(146,024,562.88)	(96,158,786.25)
Cash flows from financing activities					
Increase in bank overdrafts and short-term loans from financial institutions		409,205,688.95	105,772,929.98	409,205,688.95	105,772,929.98
Cash paid for loan to related company		-	-	(8,000,000.00)	-
Cash paid for liabilities under hire-purchase agreements		(916,477.82)	-	-	-
Cash paid for dividends		(39,998,510.00)	-	(39,998,510.00)	-
Proceeds from minority interest in investments in subsidiaries		11,250,000.00	2,000,000.00	-	-
Net cash provided by financing activities		379,540,701.13	107,772,929.98	361,207,178.95	105,772,929.98
Net increase (decrease) in cash and c ash equivalents		(32,523,376.68)	54,534,453.14	(32,803,902.96)	51,854,197.50
Cash and cash equivalents, beginning of the years		57,384,913.96	2,850,460.82	54,704,658.32	2,850,460.82
Cash and cash equivalents, end of the years		24,861,537.28	57,384,913.96	21,900,755.36	54,704,658.32

The accompanying notes to financial statements are an integral part of these financial statements

Notes to Financial Statements

THAI YUAN METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
DECEMBER 31, 2009 AND 2008

1. General Information

Thai Yuan Metal Public Company Limited is listed on the Stock Exchange of Thailand on August 9, 2007 The principal business operations of the Company are selling and transforming hot rolled coils and sheets and structural steels.

The office is located at 7/4, 7/6 Moo 1 Soi Bangborn 5, Eagachai Rd., Carerai District, Kratumban , Samutsakorn.

2. Basis Of Preparation

These consolidated financial statements and interim separate financial statements are prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission.

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

The consolidated financial statements include the fimancial statements of Thai Yuan Metal Public Company Limited and subsidiaries.

"The Company" represents "Thai Yuan Metal Public Company Limited," while "The Group" represents Thai Yuan Metal Public Company Limited and subsidiaries are as follows :

Companies	Country of registration	Percentage of holding 2009	Percentage of holding 2008	Type of business
Subsidiaries				
Thainguan Logistic Company Limited	Thailand	80	80	Logistic service
T.Y.K.industrail Company Limited	Thailand	70	-	Manufacturing and distributing steel pipe

The consolidated and separate financial statements have prepared under the historical cost convention except as disclosed in the accounting policies below.

For the convenience of the user, an English translation of the consolidated and separate financial statements has been prepared from the financial statements that are issued in the Thai language.

3. New accounting standard, new financial reporting standards and amendments to accounting standards

Revised standards that are effective for the period beginning on or after January 1, 2009 and revised accounting framework.

TAS 36 (revised 2007)	Impairment of assets
TFRS 5 (revised 2007)	Non-current assets held for sale and discontinued operations (formerly TAS 54)

Accounting Framework (revised 2007) (effective June 26, 2009)

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

Those two standards and accounting framework do not have a material impact on the financial statements being presented.

The revised accounting standards and new accounting standards which are effective for the period beginning on or after January 1, 2011 and January 1, 2012 and which were not early adopted by the Group are as follows:

Effective for the period beginning on or after January 1, 2011

TAS 24 (revised 2007)	Related party disclosure (formerly TAS 47)
TAS 40	Investment property

Effective for the period beginning on or after January 1, 2012

TAS 20	Accounting for government grants and disclosure for government assistance

The Group's management has determined that the revised standard and the new standards will not significantly impact the financial statements being presented.

Thai Accounting Standards were renumbered with an effect on June 26, 2009 following an announcement by the Federation of Accounting Professions.

4. Significant accounting policies

The principle accounting policies adopted in the preparation of the consolidated and separate financial statements are as follows:

4.1 Cash and cash equivalents

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

4.2 Trade accounts receivable

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

4.3 Inventories

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

4.4 Investment in subsidiaries

Subsidiaries, which are those entities in which the Company has power to govern the financial and operating policies, are consolidated. Subsidiary is consolidated from the date on which controls is transferred to the Company and are no longer consolidated from the date that control ceases.

Investments in subsidiaries is reported by using the cost method of accounting in the separate financial statements.

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

4.5 Assets not used in operations

Assets not used in operations included land and building are initially recorded at cost. Building is stated at historical cost less accumulated depreciation.

Depreciation of building is calculated on the straight line method to write off the cost of each asset (20 years), except for land which is considered to have an indefinite life.

4.6 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Building and equipment are stated at historical cost less accumulated depreciation.

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

Buildings and structures	20 years
Machineries and equipment	5 - 10 years
Fixtures and office equipment	5 years
Motor vehicles	5 years

When assets are sold or retired, the Company will eliminated their costs and accumulated depreciation from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

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

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

Construction in progress are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

4.7 Computer software and amortization

Computer software is stated at cost less accumulated amortization and amortized using the straight line method over its useful live (5 years).

4.8 Impairment of assets

Property, plant and equipment, assets not used in operations and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.9 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services excluding output tax, rebates and discounts. Revenue from sales of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer.

Service income is recognized when performance of service.

Interest income is recognized on an accrual basis.

4.10 Foreign currency translation

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

4.11 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents and trade accounts receivable. Financial liabilities carried on the balance sheet include bank overdraft and short-term loans from financial institutions, trade accounts payable and other accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.12 Related parties

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

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

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

5. Significant accounting judgment and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows

5.1 Allowance for doubtful accounts

In determining and allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5.2 Allowance for diminution of inventories

The Company maintains an allowance for diminution of inventories to reflect impairment of inventories. The allowance is based on consideration of market price of each category.

5.3 Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimate useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.4 Litigation

The Company has a result of litigation. The Company's management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the balance sheet date.

6. Prior year adjustment

The Company has made following adjustment to brought forward retained earnings by adjustment for prior year error from over recorded of inventories which was previously recorded interest expense from trust receipt and warehouse rental as cost of brought forward inventories from year 2008. According to the Company made adjustment which has been accounted for retrospectively. The effect of adjustment is leaded to decrease in inventories and retained earnings as at January 1, 2009 amounting to Baht 4,197,857.72 and net income for the years ended December 31, 2008 decreased by the same amount. Earnings per share for the year ended December 31, 2008 decreased in Baht 0.001 per share.

7. Supplement disclosure of cash flows information

Supplement disclosure of cash flows information for the years ended December 31, 2009 and 2008 are as follows ;

Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Trade accounts receivable - other company (increase) decrease in balances sheet (after reconciling with non-cash item)	(145,610,929.78)	125,853,582.00	(145,498,548.06)	125,853,582.00
Adjust Trade accounts receivable transferred assets not used in operations to settle on debts	(992,658.00)	-	(992,658.00)	-
Trade accounts receivable - other company (increase) decrease in statements of cash flows	(146,603,587.78)	125,853,582.00	(146,491,206.06)	125,853,582.00
Other current assets increase per balance sheet (after reconciling with cash paid for withholding tax)	(3,219,656.78)	(419,227.82)	(808,895.26)	(370,803.80)
Adjust Advance payment for purchase of assets not used in operations	(7,342.00)	-	(7,342.00)	-
Other current assets increase in statements of cash flows	(3,226,998.78)	(419,227.82)	(816,237.26)	(370,803.80)
Purchase of fixed assets	(164,022,119.10)	(96,018,882.55)	(114,462,465.80)	(90,084,405.99)
Adjust Increase in liabilities under hire-purchase agreements	4,024,000.00	-	-	-
Increase (decrease) in payable from acquisition of plant and equipment	(3,943,869.04)	11,391,313.02	(3,943,869.04)	11,391,313.02
Cash paid for purchase of plant and equipment	(163,941,988.14)	(84,627,569.53)	(118,406,034.84)	(78,693,092.97)
Acquisition of assets not used in operations during the year	(2,400,000.00)	(13,139,350.00)	(2,400,000.00)	(13,139,350.00)
Adjust Trade accounts receivable transferred assets not used in operations to settle on debts	992,658.00	2,659,638.00	992,658.00	2,659,638.00
Advance payment for purchase of assets not used in operations	7,342.00	-	7,342.00	-
Cash paid for purchase of assets not used in operations	(1,400,000.00)	(10,479,712.00)	(1,400,000.00)	(10,479,712.00)

8. Trade accounts receivable - net

Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Related companies				
Trade accounts receivable	35,062,315.75	121,443,626.04	35,062,315.75	121,417,626.04
Post dated cheques received	8,235,064.25	446,634.99	8,235,064.25	446,634.99
Total trade accounts receivable-related companies	43,297,380.00	121,890,261.03	43,297,380.00	121,864,261.03
Other companies				
Trade accounts receivable	328,075,669.15	357,318,881.38	327,963,287.43	357,318,881.38
Post dated cheques received	397,671,186.73	222,817,044.72	397,671,186.73	222,817,044.72
Total other companies	725,746,855.88	580,135,926.10	725,634,474.16	580,135,926.10
Less :Allowance for doubtful accounts	(48,517,484.44)	(12,913,401.81)	(48,517,484.44)	(12,913,401.81)
Trade accounts receivable-other companies, net	677,229,371.44	567,222,524.29	677,116,989.72	567,222,524.29

Outstanding trade accounts receivable as at December 31, 2009 and 2008 can be analyzed as follows ;

Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Related companies				
In due	16,464,834.07	33,155,214.77	16,464,834.07	33,129,214.77
Over due up to 3 months	26,010,546.85	51,023,350.73	26,010,546.85	51,023,350.73
Over due 3 - 6 months	387,494.34	8,004,752.25	387,494.34	8,004,752.25
Over due 6 - 12 months	434,504.74	29,706,943.28	434,504.74	29,706,943.28
Total	43,297,380.00	121,890,261.03	43,297,380.00	121,864,261.03
Other companies				
In due	468,094,475.47	374,733,128.35	467,982,093.75	374,733,128.35
Over due up to 3 months	180,409,478.74	184,726,689.84	180,409,478.74	184,726,689.84
Over due 3 - 6 months	8,946,237.36	4,832,932.14	8,946,237.36	4,832,932.14
Over due 6 - 12 months	43,529,177.41	15,279,631.84	43,529,177.41	15,279,631.84
Over due over 12 months	24,767,486.90	563,543.93	24,737,486.90	563,543.93
Total	725,746,855.88	580,135,926.10	725,634,474.16	580,135,926.10
Less : Allowance for doubtful accounts	(48,517,484.44)	(12,913,401.81)	(48,517,484.44)	(12,913,401.81)
Net	677,229,371.44	567,222,524.29	677,116,989.72	567,222,524.29

9. Inventories - net

Baht

	Consolidated and separate financial statements	
	2009	2008 (Restated)
Finished goods	604,465,387.88	656,246,233.85
Less : Allowance for diminution of inventories	(30,784,616.56)	(84,676,142.15)
Net	573,680,771.32	571,570,091.70

10. Advance payment for purchase of goods - net

Baht

	Consolidated and separate financial statements	
	2009	2008
Advance payment for purchase of goods	212,155,425.44	82,658,249.94
Less : Allowance for diminution of advance payment for purchase of goods	(452,883.39)	(452,883.39)
Net	211,702,542.05	82,205,366.55

11. Investments in subsidiaries

Separate financial statements

	Paid-Up Capital (Baht)		Proportion of Share Holding (%)		Baht At Cost	
	2009	2008	2009	2008	2009	2008
Thainguan Logistic Co., Ltd. (logistic service)	10,000,000.00	10,000,000.00	80	80	8,000,000.00	8,000,000.00
T.Y.K.Industry Co., Ltd (manufacturing and distributing pipe)	37,500,000.00	-	70	-	26,250,000.00	-
					34,250,000.00	8,000,000.00

12. Property, plant and equipment - net

	Consolidated financial statements (Baht)						
	Land	Buildings and structure	Machineries and equipment	Fixtures and Office equipment	Motor vehicles	Construction in progress	Total
As at December 31, 2008							
Cost	70,816,000.00	61,218,636.68	31,849,428.92	7,787,972.37	8,977,434.97	88,292,643.32	268,942,116.26
Less : Accumulated Depreciation	-	(27,489,862.26)	(27,036,488.91)	(5,082,388.42)	(2,359,954.20)	-	(61,968,693.79)
Net book value	70,816,000.00	33,728,774.42	4,812,940.01	2,705,583.95	6,617,480.77	88,292,643.32	206,973,422.47
Transactions during the year ended December 31, 2009							
Opening net book value	70,816,000.00	33,728,774.42	4,812,940.01	2,705,583.95	6,617,480.77	88,292,643.32	206,973,422.47
Add : Additions	-	-	291,255.08	244,742.27	13,337,300.00	150,148,821.75	164,022,119.10
Transfer in (out)	-	62,717,911.61	69,810,748.20	-	-	(132,528,659.81)	-
Less : Disposal	-	-	-	-	(132,157.54)	-	(132,157.54)
Depreciation	-	(3,358,298.28)	(2,125,835.36)	(1,016,157.78)	(1,897,664.22)	-	(8,397,955.64)
Ending net book value	70,816,000.00	93,088,387.75	72,789,107.93	1,934,168.44	17,924,959.01	105,912,805.26	362,465,428.39
As at December 31, 2009							
Cost	70,816,000.00	123,936,548.29	101,951,432.20	8,032,714.64	21,993,027.30	105,912,805.26	432,642,527.69
Less Accumulated depreciation	-	(30,848,160.54)	(29,162,324.27)	(6,098,546.20)	(4,068,068.29)	-	(70,177,099.30)
Net book value	70,816,000.00	93,088,387.75	72,789,107.93	1,934,168.44	17,924,959.01	105,912,805.26	362,465,428.39

	Separate financial statements (Baht)						
	Land	Buildings and structure	Machineries and equipment	Fixtures and Office equipment	Motor vehicles	Construction in progress	Total
As at December 31, 2008							
Cost	70,816,000.00	61,218,636.68	31,849,428.92	7,755,412.39	3,225,511.41	88,292,643.32	263,157,632.72
Less : Accumulated Depreciation	-	(27,489,862.26)	(27,036,488.91)	(5,076,357.45)	(1,692,425.96)	-	(61,295,134.58)
Net book value	70,816,000.00	33,728,774.42	4,812,940.01	2,679,054.94	1,533,085.45	88,292,643.32	201,862,498.14
Transactions during the year ended December 31, 2009							
Opening net book value	70,816,000.00	33,728,774.42	4,812,940.01	2,679,054.94	1,533,085.45	88,292,643.32	201,862,498.14
Add : Additions	-	-	291,255.08	215,113.97	-	113,955,796.75	114,462,165.80
Transfer in (out)	-	62,717,911.61	69,810,748.20	-	-	(132,528,659.81)	-
Less : Disposal	-	-	-	-	(3.00)	-	(3.00)
Depreciation	-	(3,358,298.28)	(2,125,835.36)	(1,004,144.59)	(461,595.94)	-	(6,949,874.17)
Ending net book value	70,816,000.00	93,088,387.75	72,789,107.93	1,890,024.32	1,071,486.51	69,719,780.26	309,374,786.77
As at December 31, 2009							
Cost	70,816,000.00	123,936,548.29	101,951,432.20	7,970,526.36	3,103,803.74	69,719,780.26	377,498,090.85
Less Accumulated depreciation	-	(30,848,160.54)	(29,162,324.27)	(6,080,502.04)	(2,032,317.23)	-	(68,123,304.08)
Net book value	70,816,000.00	93,088,387.75	72,789,107.93	1,890,024.32	1,071,486.51	69,719,780.26	309,374,786.77

The Company entered into the memorandums with regard to the changes of collateral with the financial institutions to release the collateral being land, building and machineries thereon of the Company. By doing that, the Company provided the Negative Pledge to the financial institutions instead. Therefore, property, plant and equipment of the Company have no any obligations as collateral as at December 31, 2009.

As at December 31, 2009, the Company has gross carrying amounts that are fully depreciated. These are still in active use amounting of approximately Baht 28.89 million (December 31, 2008 : Baht 28.31 million).

13. Assets not used in operations - net

Asset not used in operation comprising land and building repossessed from trade accounts receivables

Baht

	Consolidated and separate financial statements		
	Land	Building	Total
For the year ended December 31, 2009			
Opening net book value	7,639,350.00	5,500,000.00	13,139,350.00
Add : Additions	173,600.00	2,226,400.00	2,400,000.00
Less : Depreciation	-	(425,782.74)	(425,782.74)
Ending net book value	7,812,950.00	7,300,617.26	15,113,567.26

14. Computer software - net

Baht

	Consolidated and separate financial statements
For the year ended December 31, 2009	
Opening net book value	571,556.06
Less : amortization	(44,446.90)
Ending net book value	527,109.16

15. Bank overdrafts and short-term loans from financial institutions

Baht

	Interest rate of (per annum)		Consolidated and separate financial statements	
	2009	2008	2009	2008
Bank overdrafts	6.13 - 6.75	-	219,789.95	-
Promissory notes	2.00 - 3.20	3.50 - 4.81	1,050,000,000.00	350,000,000.00
Trust receipts	-	3.85 - 6.90	-	291,014,101.00
Total			1,050,219,789.95	641,014,101.00

As at December 31, 2009 and 2008 the Company has bank overdrafts from several financial institutions amounting to Baht 95.00 million bear interest at the rates ranging from MOR per annum. The Company has short-term loans from several financial institutions amounting to Baht 3,320.46 million bear interest at the rates ranging from MLR per annum.

The bank overdrafts and short-term loans from financial institutions are unsecured loans, only the Negative pledge is provided.

16. Share Capital

According to the resolution of the extraordinary shareholders' meeting held on July 14, 2008 the shareholders had the resolution to approved the change in par value of shares from Baht 1 per share to Baht 0.10 per share. After the change, the number of issued and paid-up ordinary shares will change from 400 million shares to 4,000 million shares. The Company registered the change in par value of shares with the Ministry of Commerce on July 28, 2008.

shares. The Company registered the change in par value of shares with the Ministry of Commerce on July 28, 2008.

As at December 31, 2009 and 2008, the authorized share capital was Baht 400 million comprising the number of ordinary shares of 4,000 million shares with a par value of Baht 0.10 per share. The issued and paid up share capital was Baht 400 million comprising the number of ordinary shares of 4,000 million shares with a par value of Baht 0.10 per share.

17. Dividends Paid

At the extraordinary shareholders' meeting held on April 3, 2009, the shareholders approved to pay dividends amounted Baht 40.00 million at Baht 0.01 per share a total of 4,000 million shares from operations in the year 2009 and the Company has already paid such dividends on April 30, 2009.

18. Legal reserve

Under the provisions of the Thai Public Company Limited Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve equal to 10% of authorized share capital. The reserve is not available for dividend distribution.

19. Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares during the period. The Company adjusted the number of ordinary share to coincide with the change on par value of registered share as discussed in Note 16 assuming that such change had taken place since the beginning of the period. The basic earnings per share for the year ended December 31, 2008 have recalculated for comparison purposes with those of current period.

20. Expenses by nature

Expense by nature for the years ended December 31, 2009 and 2008 are as follows ;

Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Changes in finished goods	(74,536,474.55)	(22,274,378.88)	74,536,474.55	22,274,378.88
Purchase of finished goods	4,357,134,342.83	5,410,904,783.92	4,357,134,342.83	5,410,904,783.92
Depreciation and amortization	8,964,055.28	6,391,851.76	7,420,103.81	5,696,080.35
Staff costs	31,944,602.61	34,691,146.78	29,501,183.81	32,779,603.78
Transportation and distribution expenses	12,176,606.13	13,648,785.89	18,593,400.04	16,868,530.57
Utilities expenses	3,461,217.43	4,552,477.91	3,438,643.43	4,533,936.43
Repairs and maintenance expenditure	4,871,474.62	3,429,059.92	3,314,001.13	2,314,878.53
Commission and sales promotion	4,003,787.95	8,349,881.70	3,981,709.95	8,349,881.70
Loss on diminution of inventories	-	85,129,025.54	-	85,129,025.54
Doubtful debts	35,604,082.63	12,913,401.81	35,604,082.63	12,913,401.81

21. Segment information

The Group is engaged in the business of manufacturing and distributing many types of coils and of logistic service. The Group operates in one geographical area in Thailand. The segment information can be classified into 2

segments as follows ;

A) Transactions relating to sales of coils

B) Transactions relating to logistic service

Revenues and expenses classified by segment for the years ended December 31, 2009 and 2008. Assets and liabilities as at December 31, 2009, and 2008 are as follows ;

	For the year ended December 31, 2009 (Baht)				
	A	B	Total	Eliminated	Total
Sales	4,328,073,836.28	-	4,328,073,836.28	-	4,328,073,836.28
Service income	-	11,425,833.19	11,425,833.19	(10,774,689.13)	651,144.06
Total revenues	4,328,073,836.28	11,425,833.19	4,339,499,669.47	(10,774,689.13)	4,328,724,980.34
Cost of sales and services	(4,304,705,537.21)	(8,883,068.15)	(4,313,588,605.36)	302,802.36	(4,313,285,803.00)
Gross profit	23,368,299.07	2,542,765.04	25,911,064.11	(10,471,886.77)	15,439,177.34
Compensation for guarantee selling price of inventory from supplier	32,689,649.14	-	32,689,649.14	-	32,689,649.14
Reversal of loss on diminution of inventories	53,891,525.59	-	53,891,525.59	-	53,891,525.59
Other income	6,127,035.98	65,233.64	6,192,269.62	(60,000.00)	6,132,269.62
Selling expenses	(26,456,207.65)	(591,473.42)	(27,047,681.07)	10,774,689.13	(16,272,991.94)
Administrative expenses	(21,320,340.90)	(611,536.80)	(21,931,877.70)	60,000.00	(21,871,877.70)
Managements' remuneration	(6,604,000.00)	(600,000.00)	(7,204,000.00)	-	(7,204,000.00)
Doubtful debts	(35,604,082.63)	-	(35,604,082.63)	-	(35,604,082.63)
Finance costs	(22,186,608.97)	(108,376.77)	(22,294,985.74)	-	(22,294,985.74)
Income tax	-	(80,848.82)	(80,848.82)	-	(80,848.82)
Net profit	3,905,269.63	615,762.87	4,521,032.50	302,802.36	4,823,834.86

Other information;

	As at December 31, 2009 (Baht)				
	A	B	Total	Eliminated	Total
Property, plant and equipment - net	345,567,811.77	17,831,265.40	363,399,077.17	(933,648.78)	362,465,428.39
Other assets	1,655,154,099.88	3,612,685.08	1,658,766,784.96	(42,695,250.97)	1,616,071,533.99
Total assets	2,000,721,911.65	21,443,950.48	2,022,165,862.13	(43,628,899.75)	1,978,536,962.38
Liabilities	1,101,178,956.95	11,385,726.89	1,112,564,683.84	(8,445,250.97)	1,104,119,432.87

	For the year ended December 31, 2008 (Baht)				
	A	B	Total	Eliminated	Total
Sales	5,678,491,942.91	-	5,678,491,942.91	-	5,678,491,942.91
Service income	-	6,984,846.42	6,984,846.42	(6,179,047.47)	805,798.95
Total revenues	5,678,491,942.91	6,984,846.42	5,685,476,789.33	(6,179,047.47)	5,679,297,741.86
Cost of sales and services	(5,409,381,599.77)	(6,146,579.24)	(5,415,528,179.01)	277,560.58	(5,415,250,618.43)
Gross profit	269,110,343.14	838,267.18	269,948,610.32	(5,901,486.89)	264,047,123.43
Other income	9,499,950.85	64,043.08	9,563,993.93	(1,597,067.66)	7,966,926.27
Selling expenses	(25,177,537.82)	-	(25,177,537.82)	-	(25,177,537.82)
Administrative expenses	(24,475,354.07)	(859,849.54)	(25,335,203.61)	6,262,103.41	(19,073,100.20)
Managements' remuneration	(7,294,000.00)	(600,000.00)	(7,894,000.00)	-	(7,894,000.00)
Loss on diminution of inventories	(85,129,025.54)	-	(85,129,025.54)	-	(85,129,025.54)
Doubtful accounts	(12,913,401.81)	-	(12,913,401.81)	-	(12,913,401.81)
Finance costs	(31,881,880.75)	-	(31,881,880.75)	-	(31,881,880.75)
Income tax	(48,540,474.39)	-	(48,540,474.39)	-	(48,540,474.39)
Net profit (loss)	43,198,619.61	(557,539.28)	42,641,080.33	(1,236,451.14)	41,404,629.19

Other information;

	As at December 31, 2008 (Baht)				
	A	B	Total	Eliminated	Total
Property, plant and equipment - net	201,935,185.34	6,347,375.47	208,282,560.81	(1,236,451.14)	207,046,109.67
Other assets	1,463,315,433.39	3,321,794.89	1,466,637,228.28	(8,502,536.85)	1,458,134,691.43
Total assets	1,665,250,618.73	9,669,170.36	1,674,919,789.09	(9,738,987.99)	1,665,180,801.10
Liabilities	767,114,423.66	226,709.64	767,341,133.30	(502,536.85)	766,838,596.45

22. Transactions with related parties

22.1 Relationship

	Relationship
Thainguan Logistic Co., Ltd.	80% shareholding
Thainguan Ethanol PCL.	Cross shareholding
Taiping Ethanol Co., Ltd.	Cross shareholding
Kim Yuan Enterprise Co., Ltd.	Cross shareholding
Bearings Corporation Co., Ltd.	Cross shareholding
Kim Heng Loha Co., Ltd.	Close relative of directors
Kim Chua Steel Co., Ltd.	Close relative of directors

	Relationship
Kim Seng Steel Co., Ltd.	Close relative of directors
Kim Chai Steel Co., Ltd.	Close relative of directors
V. P. Steel & Wire Mesh Co., Ltd.	Close relative of directors
Numthai Steel Co., Ltd.	Close relative of directors
Metal Inter Co., Ltd.	Close relative of directors
Mahachai Steel Center Co., Ltd.	Close relative of directors
Mahachai Steel Inter Co., Ltd.	Close relative of directors

The pricing policies between the company and related companies are as follows ;

	Pricing Policy
Sales of goods	At normal business prices as same as other entities.
Other income	Price which had been agreed upon.
Disposal of fixed assets	Price which had been agreed upon.
Interest income	No interest charged
Purchase of raw materials and goods	At normal business prices as same as other entities.
Transportation expense	At normal business prices as same as other entities.

22.2 Balances of transactions between the Company and related companies

Balances of transactions with related companies as at December 31, 2009 and 2008 are as follows ;

Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Trade accounts receivable				
Thainguan Ethanol PCL.	1,323,559.73	996,828.46	1,323,559.73	996,828.46
Taiping Ethanol Co., Ltd.	1,388,509.36	51,709,945.42	1,388,509.36	51,709,945.42
Kim Yuan Enterprise Co., Ltd.	38,431.19	26,000.00	38,431.19	-
Kim Heng Loha Co., Ltd.	31,693,353.02	67,219,144.12	31,693,353.02	67,219,144.12
Kim Chai Steel Co., Ltd.	-	631,530.99	-	631,530.99
V. P. Steel & Wire Mesh Co., Ltd.	618,462.45	76,526.04	618,462.45	76,526.04
Numthai Steel Co., Ltd.	-	1,230,286.00	-	1,230,286.00
Total	35,062,315.75	121,890,261.03	35,062,315.75	121,864,261.03
Post date cheques receivable				
Kim Heng Loha Co., Ltd.	7,968,762.02	-	7,968,762.02	-
V. P. Steel & Wire Mesh Co., Ltd.	266,302.23	-	266,302.23	-
Total	8,235,064.25	-	8,235,064.25	-
Total trade accounts receivable and post date cheques receivable	43,297,380.00	121,890,261.03	43,297,380.00	121,864,261.03

Loan to related company				
Thainguan Logistic Co., Ltd.	-	-	8,000,000.00	-
Trade accounts payable				
V. P. Steel & Wire Mesh Co., Ltd.	-	130,762.00	-	130,762.00
Numthai Steel Co., Ltd.	-	1,242,588.86	-	1,242,588.86
Metal Inter Co., Ltd.	3,176,779.07	-	3,176,779.07	-
Mahachai Steel Center Co., Ltd.	2,875,783.36	2,658,094.00	2,875,783.36	2,658,094.00
Total	6,052,562.43	4,031,444.86	6,052,562.43	4,031,444.86
Accrued expenses				
Thainguan Logistic Co., Ltd.	-	-	424,867.41	348,542.85
Other accounts payable				
Kim Yuan Enterprise Co.,Ltd.	239.68	-	239.68	-
Bearings Corporation Co.,Ltd.	21,524.59	-	21,524.59	-
Total	21,764.27	-	21,764.27	-

22.3 Revenues and expenses transactions between the Company and related companies

Revenues and expenses transactions with related companies for the year ended December 31, 2009 and 2008 are as follows ;

Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Sales				
Thainguan Ethanol PCL.	3,808,238.41	2,362,164.99	3,808,238.41	2,362,164.99
Taiping Ethanol Co., Ltd.	3,154,076.70	57,772,943.70	3,154,076.70	57,772,943.70
Kim Heng Loha Co., Ltd.	275,075,794.57	359,318,438.96	275,075,794.57	359,318,438.96
Kim Chua Steel Co., Ltd.	-	18,565,701.90	-	18,565,701.90
Kim Seng Steel Co., Ltd.	-	15,434,508.41	-	15,434,508.41
Kim Chai Steel Co., Ltd.	2,621,857.33	4,891,810.03	2,621,857.33	4,891,810.03
V. P. Steel & Wire Mesh Co., Ltd.	8,807,951.26	4,614,380.84	8,807,951.26	4,614,380.84
Numthai Steel Co., Ltd.	7,542,514.10	120,099,899.90	7,542,514.10	120,099,899.90
Metal Inter Co., Ltd.	-	2,889,950.20	-	2,889,950.20
Total	301,010,432.37	585,949,798.93	301,010,432.37	585,949,798.93
Revenue from transportation				
Taiping Ethanol Co., Ltd.	16,500.00	-	16,500.00	-
Kim Yuan Enterprise Co., Ltd.	70,700.00	-	70,700.00	-
Total	87,200.00	-	87,200.00	-

Baht

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Other income				
Thainguan Logistic Co., Ltd.	-	-	60,000.00	83,055.94
Taiping Ethanol Co., Ltd.	-	11,324.20	-	11,324.20
Total	-	11,324.20	60,000.00	94,380.14
Selling vehicles				
Thainguan Logistic Co., Ltd.	-	-	-	1,514,018.72
Purchase of goods and supplies				
Kim Yuan Enterprise Co., Ltd.	50,420.58	14,400.32	50,420.58	14,400.32
Bearings Corporation Co., Ltd.	66,595.80	-	66,595.80	-
Kim Seng Steel Co., Ltd.	18,540,587.50	6,152,822.00	18,540,587.50	6,152,822.00
V. P. Steel & Wire Mesh Co., Ltd.	545,156.86	172,700.00	545,156.86	172,700.00
Numthai Steel Co., Ltd.	16,552,073.70	201,833,763.20	16,552,073.70	201,833,763.20
Metal Inter Co., Ltd.	12,773,821.52	2,022,538.45	12,773,821.52	2,022,538.45
Mahachai Steel Center Co., Ltd.	242,716,374.40	25,320,732.00	242,716,374.40	25,320,732.00
Mahachai Steel Inter Co., Ltd.	1,314,999.09	65,485,927.85	1,314,999.09	65,485,927.85
Total	292,560,029.45	301,002,883.82	292,560,029.45	301,002,883.82
Transportation expense				
Thainguan Logistic Co., Ltd.	-	-	10,774,689.13	6,179,047.47

Movements of loan to related company for the year ended December 31, 2009 are summarized as follow:

	As at January 1, 2009	Movement during the period		As at December 31, 2009
		Increase	Decrease	
Loan to related company				
Thainguan Logistic Co., Ltd.	-	8,000,000.00	-	8,000,000.00

23. Financial instruments

As at December 31, 2009, the Group are not engaged in the trading of any derivative financial instruments for speculative purposes.

A) Liquidity Risk

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

B) Foreign Currency Risk

As part of the international trading, the Company have significant exposures to market risks from changes in foreign exchange rates. However, as at the balance sheet date, the Company did not adopt any derivative strategies to manage such exposures.

C) Interest Rate Risk

The Group was exposed to interest risks because it held deposits to and loans from financial institutions. However, The Group believed that the future fluctuation on market interest rate would not provided significant effect to their operation and cash flow, therefore, no financial derivative was adopted to manage such risks.

D) Credit Risk

The Group is exposed to credit risks mainly relating to their trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with their receivables.

E) Fair Value

The financial assets and liabilities include cash and cash equivalents, trade accounts receivable, bank overdrafts and short-term loans from financial statements trade accounts payable and accrued expenses. Their carried values approximate to their fair values.

24. Capital Commitments and Contingent liabilities

As at December 31, 2009, the Company has capital commitments and contingent liabilities as follows ;

A) COMMITMENTS

The Company has commitment for the construction agreement amounting of Baht 20.62 million.

B) CONTINGENT LIABILITIES

The Company has letters of guarantee issued by bank for the payment of electricity and utility fee amounting of Baht 0.46 million.

25. Reclassification

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

Baht

	Consolidated financial statements		Separate financial statements	
	As reclassification	As previously reported	As reclassification	As previously reported
Balance sheet as at December 31, 2008				
Property, plant and equipment - net	206,973,422.47	207,046,109.67	201,862,498.14	201,935,185.34
Assets foreclose	-	13,139,350.00	-	13,139,350.00
Assets not used in operations	13,139,350.00	-	13,139,350.00	-
Computer solfware - net	571,556.06	498,868.86	571,556.06	498,868.86
Statement of income for year ended December 31, 2008				
Cost of sales and services	5,415,250,618.43	5,415,528,179.01	-	-
Selling and administrative expenses	-	51,867,077.44	-	56,946,891.89
Selling expenses	25,177,537.82	-	25,177,537.82	-
Administrative expenses	19,073,100.20	-	24,475,354.07	-
Managements' remuneration	7,894,000.00	-	7,294,000.00	-

26. Approval of interim financial statements

These financial statements were authorized for issue by the authorized director on February 23, 2010.

Information of Directors and Managemenst

	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
1	Ms.Ratana Jirapongtrakul Chairman of Director/ Chairman of the Executive Board	60	- Primary School - Director Accreditation Program (DAP) 54	30.00	A Mother of Mr.Boonchai	1991 - Present 2002 – Present 2002 - Present 2006 - Present	- Chairman of Director/ Chairman of the Executive Board Thai Yuan Metal Public Company Limited - Director Thai Nguan Ethanol Public Company Limited - Director Kim Nguan Enterprise Co.,Ltd - Director Thai Ping Ethanol Co.,Ltd
2	Mr.Panu Jarupilun Director	63	- Bachelor's degree of Mechanical Engineering, Xian Jiaotong University - Bachelor's degree of International Business, Hunan University - Director Accreditation Program (DAP) 54	7.50	A Husband of Ms.Ratana	1991 - Present 2002 - Present 2006 - Present	- Director Thai Yuan Metal Public Company Limited - Director/ Chairman of the Executive Board Thai Nguan Ethanol Public Company Limited - Director Thai Ping Ethanol Co.Ltd

	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
3	Mr.Boonchai Jirapongtrakul Director/ Executive Director/ Managing Director	41	- year 12, Brisbane International College Australia - Director Accreditation Program (DAP) 54 - Director Certification Program (DCP) 79	7.50	Son of Ms.Ratana	1991 - Present 2006 - Present 2006 - Present	- Director/ Executive Director/ Managing Director Thai Yuan Metal Public Company Limited - Director Thai Nguan Ethanol Public Company Limited - Director Thai Ping Ethanol Co.,Ltd
4	Mr.Booncherd Santudpanich Director	40	- year 12 W.A.I.C Western Australia International Collage - Director Accreditation Program (DAP) 54 - Director Certification Program (DAP) 79	4.25	Brother of Mr.Boonchai	2006 - Present 2002 - Present 2006 - Present	- Director Thai Yuan Metal Public Company Limited - Director/ Managing Director Thai Nguan Ethanol Public Company Limited - Director Thai Ping Ethanol Co.,Ltd
5	Ms.Nathita Jiradejdumrong Director/ Nomination and Remuneration Committee	33	- MBA: Marketing Thunderbird, The American Gradate School of International Management - Director Accreditation Program (DAP) 62	None	Wife of Mr.Boonchai	2007 - Present	- Director/ Nomination and Remuneration Committee Thai Yuan Metal Public Company Limited

	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
6	Mr.Prachuab Chaiyasan Independent Director/ Chairman of the Audit Committee	66	- B.A (Political Science), Thammasat University - Honorary Doctorate Degree in Political Science - Director Accreditation Program (DAP) 54 - Director Certification Program (DCP) 83	None	-	2006 - Present 2006 - Present 2006 - Present 2006 - Present 2001 - 2006	- Independent Director / Chairman of the Audit Committee Thai Yuan Metal Public Company Limited - Chairman / Director / Chairman of the Audit Committee Thai Nguan Ethanol Public Company Limited - Director Thai Ping Ethanol Co.,Ltd - President of the University Council, Ramkhamhaeng University - Thai Trade Representative and Chairman of Joint Committee Thai-Laos on Business and Investment Promotion in Laos PDR
7	Mrs.Seenual Tasanapant Independent Director/ Audit Committee/ Nomination and Remuneration Committee	64	- Bachelor Degree of laws, Thammasat University - Bachelor Degree of accountancy, Thammasat University - Director Accreditation Program (DAP) 55 - Director Certification Program (DCP) 79 - Audit Committee Program (ACP) 17	None	-	2006 - Present 2007 - 2010 1998 - 2006	- Independent Director/Audit Committee/ Nomination and Remuneration Committee Thai Yuan Metal Public Company Limited - Advisor of the Board Committee Mahidol University Saving and credit co-op Ltd. - Manager Mahidol University Saving and credit co-op Ltd.

	Name	Age (Year)	Education	Total of Voting right experience (%)	Relationship with other management	Experience	
						Time	Position
8	Mr.Teerapong Thanarukvudhikorn Independent Director/ Audit Committee	56	- Bachelor Degree of Business Administrator (Accounting), Rajamangala University of Technology - Director Accreditation Program (DAP) 59	None	-	2010 - Present 2006 - Present 2001 - Present 1994 - Present 1991 - Present	- Independent Director/Audit Committee Thai Yuan Metal Public Company Limited - Independent Director/Audit Committee Thai Nguan Ethanol Public Company Limited - Executive Director House Holding Group Co.,Ltd - Executive Director Korn Kaen Royal Dragon Co.,Ltd - Executive Director Royal International Business Co.,Ltd
9	Mr.Pornthep Pripaisalkij Chief Financial Officer	50	- Master Degree in Administrative, Thammasat University	None	-	2009 – Present	- Chief Financial Officer Thai Yuan Metal Public Company Limited
10	Mr.Sanguan Chaichusorn Marketing Manager	60	- Diploma (Account)	None	-	2002 - Present	- Marketing Manager Thai Yuan Metal Public Company Limited
11	Mr.Sila Wangphornphra Executive Director/ Production Manager	38	- Bachelor Degree of Business Administration, Siam University	None	-	1995 - Present	- Executive Director/ Production Manager Thai Yuan Metal Public Company Limited
12	Mr.Prasertsuk Nudthaisong Executive Director/ Purchasing Manager	38	- Secondary School	None	-	1996 - Present	- Executive Director/ Purchasing Manager Thai Yuan Metal Public Company Limited

Details of Directors of the company in Subsidiaries and Associates

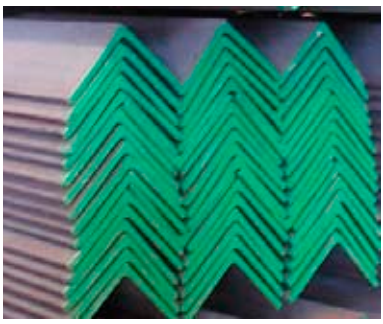
Name - Surname		TYM	Subsidiaries		Associates or Related Companies		
			TNL	TYK	TNE	TPE	KNB
1. Ms.Ratana	Jirapongtrakul	1,5,6	-	-	5	5	5
2. Mr.Panu	Jarupilun	5	-	-	5,6	5	-
3. Mr.Boonchai	Jirapongtrakul	3,5,7	5	5	5	5	-
4. Mr.Booncherd	Santudpanich	5	-	-	5,3	5	-
5. Ms.Nathita	Jiradejdumrong	5	-	-	-	-	-
6. Mr.Prachuab	Chaiyasan	2,5	-	-	1,2,5	5	-
7. Mrs.Seenual	Tasanapant	4,5	-	-	-	-	-
8. Mr.Teerapong	Thanarukvudhikorn	4,5	-	-	-	-	-

Remark :

- Symbol position of Director and Management
  - 1 = Chairman
  - 2 = Chairman of the Audit Committee
  - 3 = Managing Director
  - 4 = Audit Committee
  - 5 = Director
  - 6 = Chairman of the Executive Board
  - 7 = Executive Director
  - 8 = Executive
- Symbol of Company and Subsidiaries and Associates
  - TYM Thai Yuan Metal Public Company Limited
  - TNL Thai Nguan Logistic Company Limited
  - TYK T.Y.K. Industry Company Limited
  - TNE Thai Nguan Ethanol Public Company Limited
  - TPE Thai Ping Ethanol Company Limited
  - KNB Kim Nguan Enterprise Company Limited

One Stop Metal Service



บริษัท ไทยง้วนเมทัล จำกัด (มหาชน)

THAI YUAN METAL PUBLIC COMPANY LIMITED

7/4, 7/6 หมู่ 1 เอกชัย แคราย กระทุ่มแบน สมุทรสาคร 74110

โทรศัพท์ : (02) 8112506-8, 8112510-11 แฟกซ์ : (02) 8149353, 8112707