



2012

Annual Report



UMS....Being a part of your life



Unique Mining Services Public Co.,Ltd

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Financial Highlights

		2011 (Oct'10-Sep'11)	2012 (Oct'11-Sep'12)
Performance			
Sales Revenue	(Baht Million)	3,242.42	3,397.73
Total Revenue	(Baht Million)	3,315.35	3,427.65
Gross Profit	(Baht Million)	561.44	260.46
Net Profit	(Baht Million)	60.52	(288.26)
Earnings Per Share*	(Baht)	0.39	(1.88)
Financial Ratios			
Gross Margin	(Percentage)	17.14	7.60
Net Profit Margin	(Percentage)	1.83	(8.41)
Return on Average Equities	(Percentage)	6.03	(32.75)
Return on Average Assets	(Percentage)	1.72	(9.13)
Total Assets	(Baht Million)	3,569.68	2,745.05
Total Liabilities	(Baht Million)	2,529.99	2,024.32
Total Equities	(Baht Million)	1,039.69	720.74
Book Value Per Share*	(Baht)	6.78	4.70

*par value of Baht 0.50 per share



Message from the Chairman



Pol. Gen Chidchai Vanasatidya

Police General Dr. Chidchai Vanasatidya

In 2012, there are several important factors and incidents which may affect the company performance, including;

- The temporary closure of Suan Som plant since July 2011, according to the requirement of Samutsakorn province; while, in an attempt to reopen this plant, it is necessary to empty coal stock pile at this site within 15 months,
- Natural disaster during September – October 2011, which was put Nakornluang plant to be under siege with flood and unable to deliver coal to customers during that period,
- Descending trend of global coal price, whereas the benchmark price rapidly came down from 56.94 USD/ton in January 2012 to 46.38 USD/ton in July and it still moving downwards consecutively, the company is required to record additional provision for change in inventory value for this year,
- Change of Management and Directors to fit with coal industry operation.

Amidst these internal and external factors, board of directors is well aware of the effect of coal market price depreciation to our coal import and distribution business and the company is now fully prepared for it. In order to restore sales volume in this following year, the company aims to explore new market, keeps develop new products to serve customers' need which may vary along with economic condition and improves production process to lower the cost along with controls sales and administration expenses at their best efficiency. Company concerns and values our people; then, we shall have clearer Human Resources Management and career path development. We believe in building our personnel to be capable, moral and attached to the company which shall result in fully utilization of their potential. They are the most crucial foundation which shall lead the company to sustainable success.

The Company shall focus in determining strategic direction, controlling operation and managing overall risk, including seriously developing personnel potential development. Regarding to Corporate Social Responsibility, the company shall emphasize in providing activities related to youth development, education and creativity development. For environmental aspect, the company shall primarily concern communities around our sites. In our open-air warehouses, there shall be dust control by water spraying, coal pile cover sheath, planting tree along the fences, creating detention ponds and so on. In 2013, it would be a challenging year for the company to increase sales volume, decrease cost and reopen Suan Som plant.

The company board of directors feels very thankful to shareholders, customers, business partners, employee, lenders and all stakeholders for your continuous support. Board of directors determines to take care of the company with transparency, probity and integrity; to operate the company with righteousness and lawfulness and to maintain the best interest of shareholders and stakeholders with equality for the stability, prosper and sustainability of the business, society and environment. Board of directors strongly believes that with the capacity of skillful and experienced management team, this could build sustainable growth to the coal business of the company in the future.

Message from the Managing Director



Mr. Vichai Chuensuksawadi
Acting Managing Director

Dear Shareholders, Customers, Employees, Partners and Friends

Throughout fiscal year 2012, UMS continued to face many obstacles and challenges; internally and externally, and the company's strength was tested once again. During the multiple crises, Unique Mining Services demonstrated to all parties, our stability and competitiveness; despite having only one production base and the pressure of high competition and the declining trend of global coal prices. Now, we are fully evolved and prepared for all risk factors. Without strong support from all stakeholders, the company would not have been able to progress and survive during that period. As a part of management, I would like to express my gratitude to all.

Even though, the massive floods prevented us from selling and delivering products to our customers during the first quarter of this fiscal year (October - December 2011), the company's overall revenue was still increased by 4.79% against 2011, which showed our capacity to uphold our competitiveness in Thai coal market. Unfortunately however, there were several major factors that ultimately resulted in the company recording a net loss in fiscal year 2012. They are:

1. The increase in cost of goods sold: derived from the depreciation of Thai baht.
2. Extraordinary production expenses during the flood period.
3. The additional recorded provision for change in inventory value, as required by auditors to reflect current market situation in accordance with standard accounting procedures.
4. The increase in selling and administrative expenses, mainly from the increase of transportation expenses. Due to the temporary shutdown of Suan Som plant, we had to deliver to customers from our only active production base: At Nakorn Luang, Ayutthaya province.
5. The increase in financial expenses based on the appreciation of domestic interest rates compared to 2011.
6. Unrealized loss from the adjustment to fair market value of existing foreign exchange forward contracts and interest rate swap contracts, again as required by relevant accounting standards.

Although, we had a significant increase in financial burden last year, we managed to gain on foreign exchange of 26 million baths via foreign exchange volatility risk protection instruments.

While UMS recorded negative figures in the 2012 performance, some items listed also impacted other players. For example, the depreciation of Thai baht, the appreciation of local interest rates and the downward trend of the benchmark coal prices. In addition, other items such as statutory requirements of accounting standard.

The most direct factor that hurt our performance was the increase in transportation expenses since the closure of Suan Som plant. The company is aware of its priority and continues to adhere to the requirements stipulated by the Samut Sakorn provincial requirements. The company is on schedule with regards to the transfer of the existing coal stock pile and the required improvements of plant and port facilities. Therefore, the Suan Som plant should be able to reopen very soon.

Message from the Managing Director (Cont'd)

Despite severe competition in the market, the introduction of alternative fuels and the declining global coal price, the volume and market value of Thailand's coal industry is still projected to grow. This is due to the fact that coal is still a highly effective fuel with a relatively lower price and abundance. Therefore, coal should be the most favorable choice for business customers of various industries. This is especially relevant to those who would like to reduce their fuel cost during the global economic slowdown.

The company continues to adjust our marketing position and ensures ourselves to be a trustworthy provider of quality coal and provision of good services at an optimal price. UMS will provide going forward, wide variety of coal specifications in order to serve the particular requirements of each customer. At the same time, we are moving towards a leaner organization, shortening working processes and recruiting experienced persons in coal industry, to reinforce our management team. Meanwhile, we continue to enhance our workforces, who are the essence of the company.

With regards to our Corporate Social Responsibility policy, we continue to focus on the development of youth, education, environment and wealth of adjacent communities. We aim to be truly part of the nearby communities and aim to establish bring to same prosperity, social contributions, health and environmental protection to these communities.

On behalf of Unique Mining Services Public Company Limited, I am very grateful to all our customers, partners and UMS dedicated and committed team members. Your support is appreciated throughout several years of difficulty. Last but not least, I would like to thank all shareholders for your consistent strong belief in UMS.

Board of Directors



Police General Dr. Chidchai Vanasatidya (66 Years)
Chairman of the Board of Directors /
Independent Director / Audit Committee

• Education

- Ph.D. (Justice Administration) U.S.A.
- Master Degree in Police Management, U.S.A.
- Bachelor of Public Administration (Police)

• Directorship training program

- Director Accreditation Program (DAP) 75/2008 by the Thai Institute of Directors Association
- Diploma, National Defense College, The Joint State-private Sectors Course (Class1), National Defense College of Thailand
- Capital Market Academy Leadership Program, Capital Market Academy (CMA) Class 10/2010

• Period on Board (since listed company)

- From June 2012 to Present

* As Director and Audit Committee to replace Mr. Natthaphon Lilawatthananon and Chairman Of the Board of Directors to replace M.L. Chandchutha Chandratat since June 11, 2012

• Working Experience

- Director, Merchant Partners Securities Public Company Limited
- Chairman of the Board of Directors, Erawan Sugar
- Vice Chairman of the Board of Directors, Siam City Bank PCL.
- Deputy Prime Minister and Minister of Justice
- Deputy Prime Minister and Minister of Interior
- Director, National Command Center of Combating Drugs
- Director, National Command Center of Combating Poverty
- Deputy Commissioner General, Royal Thai Police
- Chairperson, Committee on Police Reform for the People
- Secretary General, Narcotics Control Board
- Committee Member, Committee to Study and Give Recommendation to Increase Efficiency of the Management of National Monetary System to Prevent Repeating National Economics Crisis
- Assistant Commissioner General, Royal Thai Police
- Commissioner, Immigration Bureau, Royal Thai Police
- Commissioner, Royal Police Academy

• Positions in other companies

- Listed companies
 - Director Merchant Partners Securities Public Company Limited
- Non - listed companies
 - Chairman Thai-China Rayong Industrial Realty Development Co., Ltd.
 - Chairman of the Board of Directors Erawan Sugar Company Limited
 - President, Ubonrachathani Society
 - President, Education Council of Royal Police Cadet Academy

• Positions in companies which business may be competed with the Company - none -

• Number of shares held in the Company (as of November 14, 2012) - none -

- Meeting attendance for year 2012
 - 4 of 4 Board Meetings
 - 4 of 4 Audit Committee Meetings

Board of Directors (Cont'd)



Mr. Chalermchai Mahagitsiri (34 Years)
Vice Chairman of The Board of Directors

• Education

- Master of Business Administration Concentration in Business Finance from Boston University School of Management, USA
- Bachelor of Science in Business Administration Concentration in Finance from Suffolk University, USA

• Directorship training program

- Director Accreditation Program (DAP) 30/2004 by the Thai Institute of Directors Association
- Director Certification Program (DCP) 53/2005 by the Thai Institute of Directors Association

• Period on Board (since listed company)

- From June 2012 to Present
- * As Director to replace Mrs. Thitima Rungkwansiroj since June 11, 2012

• Working Experience

- Director and Executive Director, Thoresen Thai Agencies Public Company Limited
- Executive Vice Chairman, Mermaid Maritime Public Company Limited
- Chief Executive Officer, PM Group Company Limited
- Chief Executive Officer, Four-One-One Entertainment Company Limited
- Director, Posco-Thainox Public Company Limited
- Director, Thai Film Industries Public Company Limited
- Director, Lakewood Country Club Company Limited

• Positions in other companies

- Listed companies
 - Director and Executive Director, Thoresen Thai Agencies Public Company Limited
 - Executive Vice Chairman, Mermaid Maritime Public Company Limited
 - Director, Posco-Thainox Public Company Limited
 - Director, Thai Film Industries Public Company Limited
- Non - listed companies
 - Chief Executive Officer, Four-One-One Entertainment Company Limited
 - Director, Lakewood Country Club Company Limited
 - Chief Executive Officer, PM Group Company Limited
 - Director, Petrolift Inc.
 - Director, Soleado Holdings Pte. Ltd.

• Positions in companies which business may be competed with the Company

- none -

• Number of shares held in the Company (as of November 14, 2012) - none -

• Meeting attendance for year 2012 - 4 of 4 Board Meetings

Board of Directors (Cont'd)



M.L. Chandchutha Chandratat (46 Years)
Directors

• Education

- M.B.A. from the University of California at Berkeley, USA
- B.S. (magna cum laude) in Economics from the University of Minnesota, USA

• Directorship training program

- Directors Certification Program (DCP) 70/2006 by the Thai Institute of Directors Association

• Period on Board (since listed company)

- From October 2009 to Present
- * October 2009 to Present
- * October 2010 to June 2012, take a position of Chairman of The Board of Director and changed to Director since June 11, 2012

• Working Experience

- Morgan Stanley Dean Witter Asia (Singapore) Pte. Ltd.
- J.P. Morgan Asia Ltd.
- Bangkok Bank Plc.
- Bank of America in San Francisco (U.S.A.), Hong Kong and Bangkok

• Positions in other companies

- Listed companies
 - President & Chief Executive Officer Thoresen Thai Agencies Plc.
 - Executive Director
Mermaid Maritime Plc. (listed in the Singapore Exchange Securities Trading Ltd.)
- Non - listed companies
 - Director
Athene Holdings Ltd.
Soleado Holdings Pte. Ltd.
Baconco Co., Ltd.
Baria Serece
Petrolift Inc.
Thoresen Shipping Singapore Pte. Ltd.
Thoresen (Indochina) S.A.
UMS Lighter Co., Ltd.
UMS Transport Co., Ltd.
UMS Coalbriquette Co., Ltd.
UMS Port Services Co., Ltd.
Ship owning subsidiaries of Thoresen Group
- Positions in companies which business may be competed with the Company - none -
- Number of shares held in the Company (as of November 14, 2012) - none -
- Meeting attendance for year 2012 - 10 of 11 Board Meetings

Board of Directors (Cont'd)



Mr. Chia Wan Huat Joseph (53 Years)
Director / Chairman of The Nomination
and Remuneration Committee

- **Education**

- Master's Degree (EMBA) from Sasin Graduate School of Business Chulalongkorn University in a joint program with Kellogg Graduate School of Management of Northwestern University
- Singapore Polytechnic with a Diploma in Production Engineering
- Completed Finance for Senior Executives at Harvard University

- **Directorship training program**

- Director Certification Program (DCP) 165/2012 by the Thai Institute of Directors Association

- **Period on Board (since listed company)**

- From June 2012 to Present
- * As Director to replace Mrs. Penroong Suwannakudt since June 11, 2012

- **Working Experience**

- Senior Executive Vice President, Advance Finance Public Company Limited

- **Positions in other companies**

- Listed companies
 - Director / Member of Executive Committee / Member of Corporate Governance Committee Thoresen Thai Agencies Public Company Limited
 - Director / Member of Executive Committee / Member of Audit Committee Mermaid Maritime Public Company Limited
- Non - listed companies
 - Senior Executive Vice President, PM Group Company Limited
 - Director, Qing Mei Pte. Ltd.

- **Positions in companies which business may be competed with the Company** - none -

- **Number of shares held in the Company (as of November 14, 2012)** - none -

- **Meeting attendance for year 2012**
 - 4 of 4 Board Meetings
 - 1 of 1 Nomination and Remuneration Committee Meetings

Board of Directors (Cont'd)



Miss Ausana Mahagitsiri (32 Years)
Director / The Nomination and
Remuneration Committee

• Education

- Master of Business Administration Concentration in Marketing and Strategic Management from Sasin Graduate Institute of Business Administration of Chulalongkorn University exchange program at Kellogg, Northwestern University, USA
- Bachelor of Science in Business Administration Concentration in Information System from Boston University School of Management, USA

• Directorship training program

- Director Accreditation Program (DAP) 30/2004 by the Thai Institute of Directors Association

• Period on Board (since listed company)

- From June 2012 to Present
- * As Director to replace Mr. Vichai Chuensuksawadi since June 25, 2012

• Working Experience

- Director, Thoresen Thai Agencies Public Company Limited
- Chief Operating Officer (COO), PM Group Company Limited
- Managing Director, Mountain Creek Development Company Limited

• Positions in other companies

- Listed companies
 - Director Thoresen Thai Agencies Public Company Limited
- Non - listed companies
 - Managing Director Mountain Creek Development Company Limited
 - Chief Operating Officer (COO) PM Group Company Limited

• Positions in companies which business may be competed with the Company - none -

• Number of shares held in the Company (as of November 14, 2012) - none -

• Meeting attendance for year 2012 - -of 3 Board Meetings

- -of 1 Nomination and Remuneration Committee Meetings

Board of Directors (Cont'd)



Mr. Ekavaj Amornvivat (51 Years)
Independent Director /
Chairman of Audit Committee

• **Education**

- MBA. Northrop University, Los Angeles, CA., USA.
- BA., Accounting Thammasat University

• **Directorship training program**

- Directors Accreditation Program (DAP) 84/2010, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 32/2010, Thai Institute of Directors (IOD)

• **Period on Board (since listed company)**

- April 9, 2010 - Present

• **Working Experience**

- Thai Capital Market Specialist, BNP Paribas
- Manager, Finance and Information Technology, Asian Marine Services
- Vice President, Investment Banking Dept., Ekkapat Finance and Securities
- Manager, International Investment Banking, Daiwa Securities
- Manager, International Sales & Marketing Foreign Trading Desk, Securities Department Dhana Siam Finance and Securities
- Assistant Manager, Financial Services Division Money Management Department, Siam Commercial Bank
- Assistant Manager, Sales Audit / Accounting Dept., Duty Free Shopper West, Los Angeles, USA.

• **Positions in other companies**

- Listed companies - none -
- Non - listed companies
 - CPA

• **Positions in companies which business may be competed with the Company** - none -

• **Number of shares held in the Company (as of November 14, 2012)** - none -

- **Meeting attendance for year 2012**
 - 11 of 11 Board Meetings
 - 9 of 9 Audit Committee Meetings

Board of Directors (Cont'd)



Mr. Suchart Thammapitagkul (63 Years)
Independent Director / Audit Committee /
Nomination and Remuneration Committee

• Education

- LL.B. Chulalongkorn University, Thailand (1973)
- BARRISTER-AT-LAW, Thai Bar Association (1974)
- LL.M. Harvard Law School, USA. (1978)

• Directorship training program

- Director Certification Program (DCP) 60/2005, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) 61/2005, Thai Institute of Directors (IOD)
- Role of the Compensation Committee (RCC) 11/2010, Thai Institute of Directors (IOD)

• Period on Board (since listed company)

- 2004 - Present

• Working Experience

- Member of the Board of Legal Education Standard, Faculty of Law, Assumption University
- Member of the National Economic & Social Advisory Council (NESAC)
- Vice President for Policy and Planning, Lawyers Council of Thailand
- Vice President for Academic Affairs, Lawyers Council of Thailand
- Vice Chairman, Legal Aid Committee, Lawyers Council of Thailand
- Dean of the Faculty of Law, Assumption University
- President of The Intellectual Property Association of Thailand
- Subcommittee for Foreign Affairs, Thai Bar Association
- Member of the Board of Intellectual Property Law Improvement and Development, Ministry of Commerce
- Subcommittee for Consideration of Thailand's Commitments on Intellectual Property Matters according to Last Protocol of the Uruguay Round Negotiation
- Subcommittee for Consideration of Thailand's Commitments on Copyright according to the Last Protocol of the Uruguay Round Negotiation
- Member of the Trademark Board, Department of Intellectual Property, Ministry of Commerce
- Vice President for Policy and Planning, Lawyers Council of Thailand
- Executive Director of the Institute of Advanced Legal Profession, Lawyers Council of Thailand
- Executive Director of the Institute of Advocacy Training, Lawyers Council of Thailand
- Secretary General of the Institute of Legal Education, Thai Bar Association
- Council and Country Head, ASEAN Intellectual Property Association (ASEAN IPA)
- President, Thailand Group of Asian Patent Attorneys Association (APAA)

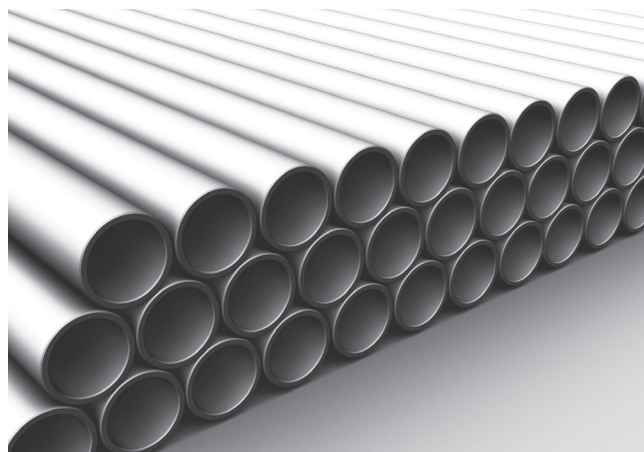
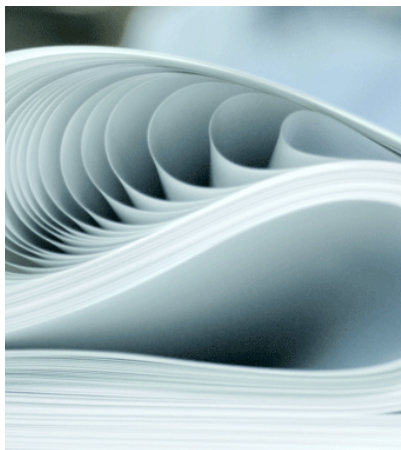
• Position in other companies

- Listed companies
 - Audit Committee and Independent Director Unimit Engineering Plc.
 - Modernform Group Plc.
 - MFEC Plc.
- Non-listed public company
 - Independent Director/Chairman of Audit Committee of TC Union Global Plc
- Non - listed companies
 - Council, Thai Bar Association
 - Professor of Business Law, Faculty of Business Administration, National Institute of Development and Administration (NIDA)
 - Part Time Lecturer, Faculty of Law, Chulalongkorn University
 - Member of the Board of Electronic Transaction
 - Chairman of the Arbitration Committee of The Thai Chamber of Commerce

• Positions in companies which business may be competed with the Company - none -

• Number of shares held in the Company (as of November 14, 2012) - none -

- Meeting attendance for year 2012 - 11 of 11 Board Meetings
 - 9 of 9 Audit Committee Meetings
 - 2 of 2 Nomination and Remuneration Committee Meetings



Customer Focus

UMS has been recognized as a Thailand leading coal distributor company for medium and small sized manufacturers. All of our products can be utilized in harmony with every stage of living - all you eat, use and wear is actually derived from coal, a fossil fuel products. That's why our products enjoy the warm welcome from customers globally.

Company's Information

Company's Name	Unique Mining Services Public Company Limited
Head Office	36/83 P.S. Tower Bld., 24th Fl., Soi. Sukhumvit 21(Asoke) Sukhumvit Road., Klongtoey Nua, Wattana, Bangkok 10110
Warehouses	1. Chaimongkol Warehouse 20, Moo 2, Chaimongkol (Baan Bo), Muang, Samutsakhon 74000 2. Suansom Warehouse 88/8, 88/9 Moo 5, Suansom, Ban Paew, Samutsakhon 74120 3. Nakornlaung Warehouse 108, Moo 2, Klongsakae, Nakornlaung, Ayudhaya 13260
Company Registration No.	0107547000095 (old no. 0107574700099)
Registered Capital	Baht 76,727,032, Common Stock 153,454,064 units
Paid-up Capital	Baht 76,727,032, Common Stock 153,454,064 units *par value of Baht 0.50 per share
Telephone No.	(+662) 664-1701-8
Fax No.	(+662) 664-1700, (+662) 259-2467
Homepage	www.umspcl.com

Securities Registrar

Company's Name	Thailand Securities Depository (Thailand) Co., Ltd. (TSD)
Head Office	62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone No.	(+662) 229-2800
Fax No.	(+662) 654-5642

Auditor

Auditor's Name	Chanchai Chaiprasit Certified Public Accountant (Thailand) No.3760
Company's Name	PricewaterhouseCoopers ABAS Limited
Head Office	15th Floor, Bangkok City Tower 179/74-80 South Sathorn Road Bangkok 10120, Thailand
Telephone No.	(+662) 344-1000
Fax No.	(+662) 286-5050



Best in Standard

We always pay its attention on continuous development of products and services including international manufacturing procedures to fulfill the customers' satisfaction. Guaranteed by honorable awards worldwide, this reassures our awareness of quality and global standard.

Nature of the Business

The company is engaged in importing superior quality coal with medium calorific value which creates low environmental impacts. The company imports coal from Indonesia for distribution to especially manufacturers in Bangkok, and nearby provinces from several domestic industries. The main target customers in the medium and small sized industries are those in food and beverage industries, pulp and paper industries and textile industries. Our company's coal import strategies have been adapted to match the engineering specification of the boiler of each client. Moreover, the company also participates in the coal procurement auctions of the cement and power generation industries as well.

Business Goals

The company aims to be the leader among the domestic coal distributors for medium and small sized manufacturers. Our company selects good coal specifications along with low environmental impacts to match each customer's requirement. Our company targets revenue growth by encouraging the move of customers to change from fuel-oil based to coal-based energy solution. Our company's coal-based energy solutions present a lower cost production base than fuel-oil based processing. We see it as imperative that we give our clients truthful knowledge and understanding about the application of coal as the lower cost fuel option which also provides enhanced environmental-friendly properties to their industrial applications. In addition, we have a policy to diversify risk of revenue structure by supplying the small and medium sized industrial customers in several industries without only depending on large sized industrial customers. We believe that this will mitigate business risk derived from any particular industry which may have negative impact from the business cycle. The company set business objectives aligned with environmental-friendly policies by implementing several measurements along with our business process to prevent and reduce any repercussion to environment.

Production and Service

There are a large number of natural reserves of solid fossil fuel like coal, found in more than 100 countries around the world. With its plentiful existence, coal has high stability in supply and high competitiveness in price which is lower than other kind of fuel, especially natural gas and bunker oil. Coal is natural fuel in solid state with major composition of Carbon. In general, coal appears in brown or black and can be classified into several types.

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

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

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

Privileges

Certificate No.	1499(2)/2551	1047(2)/2552
- Type of Business	Marine transportation, Type 7.2	Port Facility Service, Type 7.1
- Tax exemption for imported machine	Refer to BOI committee approval	Refer to BOI committee approval
- Corporate Tax Exempt on entity's net income deriving from business operation not over percentage of 100 of investment capital (excluding land value and working capital within 8 years which starts from the first date of income occur).	Start : Jun 24, 2008 Expire : Jun 23, 2016	Start : Jan 19, 2009 Expire : Jan 18, 2017
- Dividend received from the company under BOI Privilege is not included into tax calculation to pay for corporate tax throughout BOI Privilege period of the company.	Start : Jun 24, 2008 Expire : Jun 23, 2016	Start : Jan 19, 2009 Expire : Jan 18, 2017

Competition and Industry Outlook

Competition

Thailand coal distributor business has approximately 20 operators. The company's main competitors in large sized industries are Banpu Public Company Limited and Lanna Resources Public Company Limited, in middle sized industries are Asia Green Energy Public Company Limited and Energy Earth Public Company Limited, and there are approximately 15-20 competitors in the area of medium and small sized companies which company is the leader in this segmentation. Company tries to increase small and medium sized customers to avoid cost competition.

Item	Quantity (Million tonnes)				Growth (%)
	2010	2011	2011 (Jan.-Sep.)	2012 (Jan.-Sep.)	
Lignite Consumption	18.02	20.02	15.52	13.73	-11.51
Electricity Generation (EGAT)	16.00	17.16	13.14	12.67	-3.58
Industry	2.02	2.86	2.38	1.06	-55.46
Coal Consumption	16.90	16.33	12.58	13.78	9.57
Electricity Generation (SPP and IPP)	5.87	6.16	4.76	5.72	20.25
Industry	11.03	10.17	7.82	8.06	3.07
Total Demand	34.92	36.35	28.10	27.52	-2.07

Source: Energy Policy and Planning Office, Ministry of Energy



Clean Energy

Being aware of social and environmental responsibility, we are concern about good quality coal. As a part of the world, social and environmental responsibility must be enhanced to sustain the green zone for public benefits sustainably.

Industry Outlook

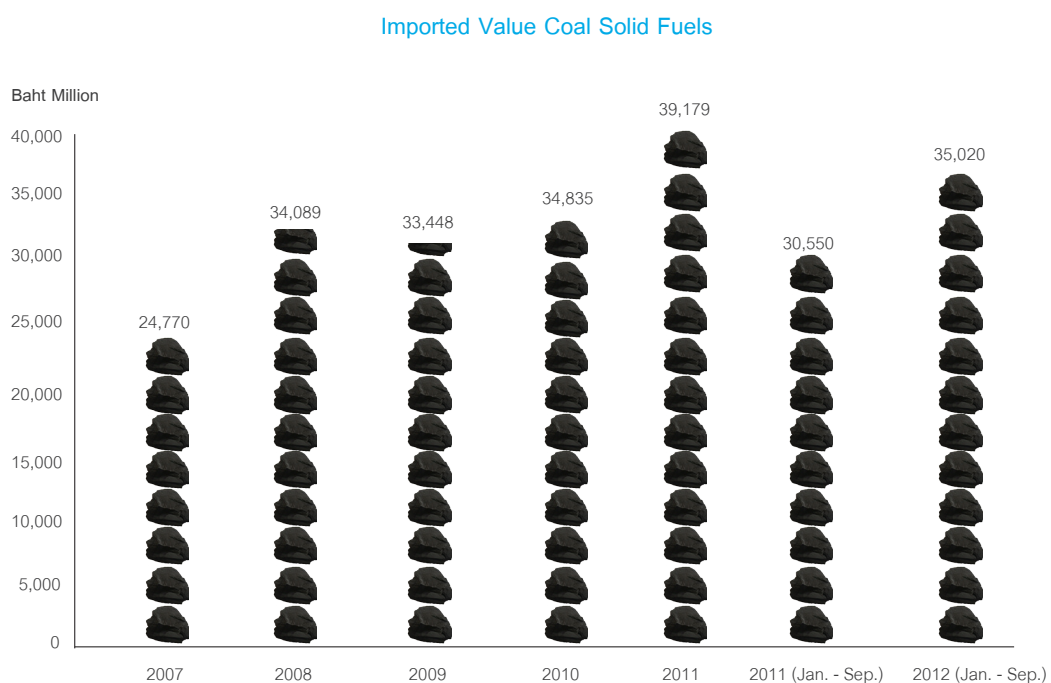
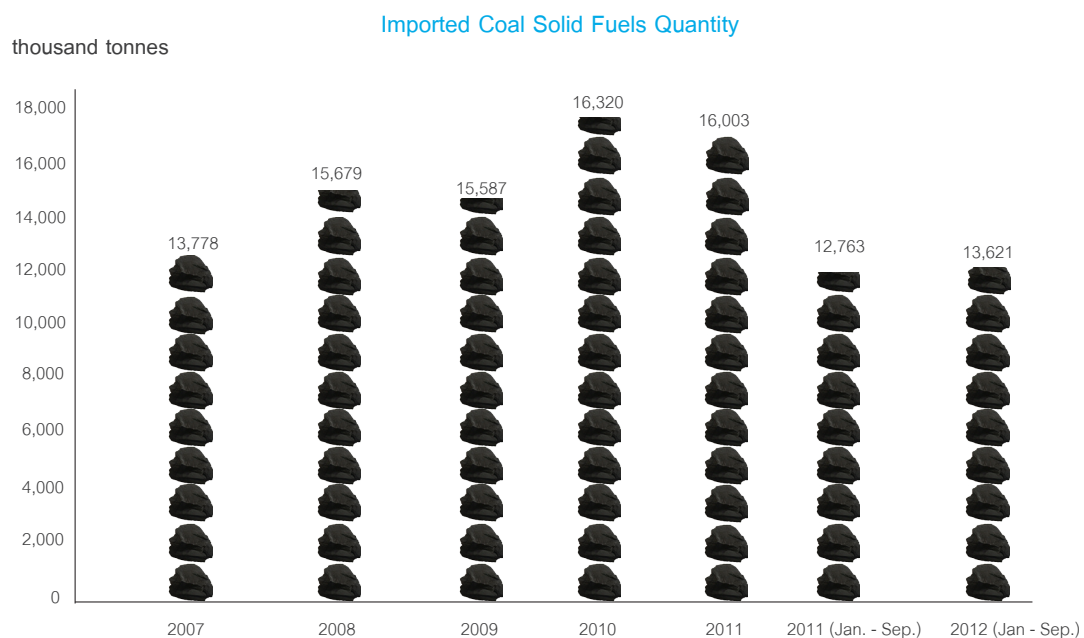
Coal and Lignite Consumption

In 2012 (Jan.-Sep.), coal and lignite consumption was approximately 27.52 million tonnes, similar to approximately 28.10 million tonnes in the same period last year. Lignite consumption of 13.73 million tonnes in 2012 was used by Electricity Generating Authority of Thailand (EGAT) for 12.67 million tonnes. The remaining 1.06 million tonnes was consumed by industrial sectors including cement, paper and food industry. Coal consumption in 2012 was recorded at 13.78 million tonnes, an increase of 9.57 percent was divided into the industrial sector consumption of 8.06 million tonnes and the remaining 5.72 million tonnes was consumed by electricity generation sector (SPP and IPP).

The major advantage of coal compared with fuel oil is that it can reduce production costs considerably, thus our company presents it as a customer base expansion strategy. Many customers tend to change from fuel oil to coal in order to reduce their production costs and enhance their competitiveness in the long-term. In 2010 and 2011, fuel oil consumption was 2,615 and 2,456 million litres respectively. In 2012 (Jan.-Sep.), fuel oil consumption was 1,854 million liters. Fuel oil consumption tends to decrease due mainly to its higher price compared to natural gas and coal. The average fuel oil price in 2012(Jan.-Sep.) was Baht 23.54 per litre. (Source: www.eppo.go.th), consequently, the market value in 2012 is estimated at Baht 58,191 million. This translates to a coal market value of approximately Baht 20,367 million (assuming that the coal price is lower than fuel oil by 65%). In 2011(Oct.11-Sep.12), coal sales revenue of our company was approximately Baht 3,398 million. Therefore, company still has plenty of room in the market for persuading these customers to change from fuel oil to coal due largely to the advantage of substantial energy cost reduction.

The imported volume of coal solid fuels had an upward trend from 2007 to 2011. The imported volume was 13,778 15,679; 15,587 16,320 and 16,003 thousand tonnes respectively. Meanwhile, the imported value was Baht 24,770 34,089; 33,448 34,835 and 39,179 million respectively. The imported volume of coal solid fuels in 2012(Jan.-Sep.) was 13,621 thousand tonnes with value of Baht 35,020 million, increased from the same period of 2011 that the import volume was 12,763 thousand tonnes with value of Baht 30,550 million.

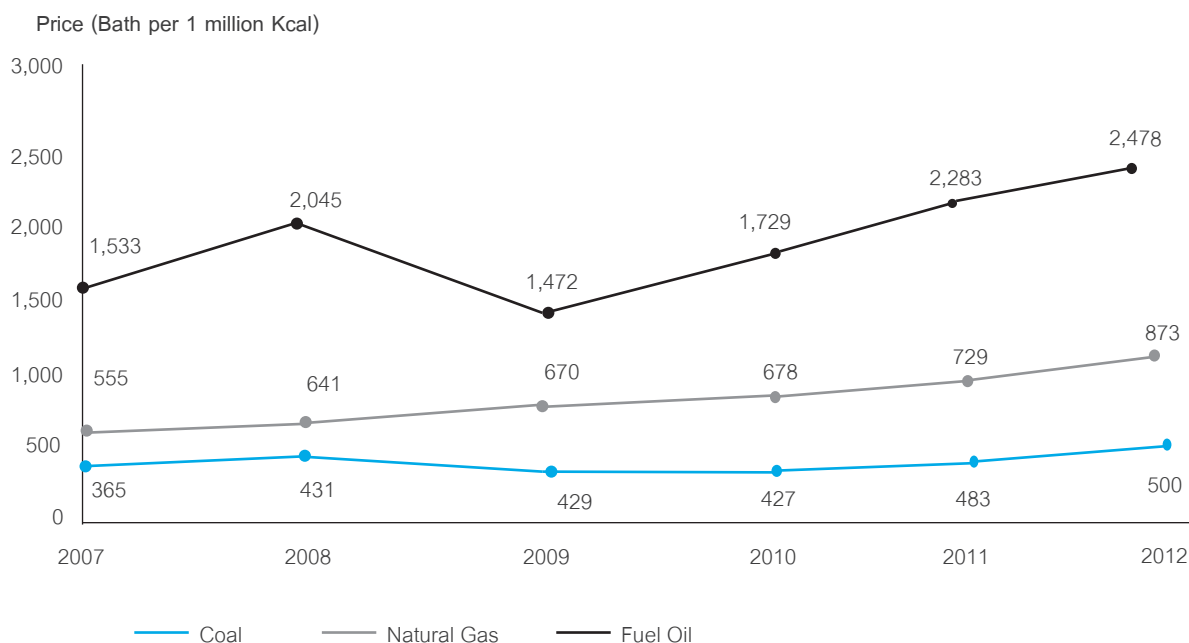




Source: Energy policy and planning office, Thailand

Based on demand data which was described earlier, the coal business outlook is very positive. Amongst high competition, production cost control is a key success factor, therefore, coal consumption tends to be more popular used instead of fuel oil which is more expensive and has an increasing price trend. Thus, there is a great opportunity for the company to expand customer base considerably.

Three fuels price comparison



Source: www.eppo.go.th, www.dmf.go.th and UMS

The coal price per unit of heating value was lower than fuel oil and natural gas (price of coal, fuel oil and natural gas exclude transportation cost) Therefore, the company can expand the market continuously by this outstanding point.

New product development

UMS's Research and Development department shall review and study various coal applications in many industries. The purpose of the research and development is to create value and to use with stoker coal fired boiler with higher efficiency and increase calorific value as well. Moreover, our research and development department has a policy to study coal applications from foreign countries to apply with domestic industries continually.

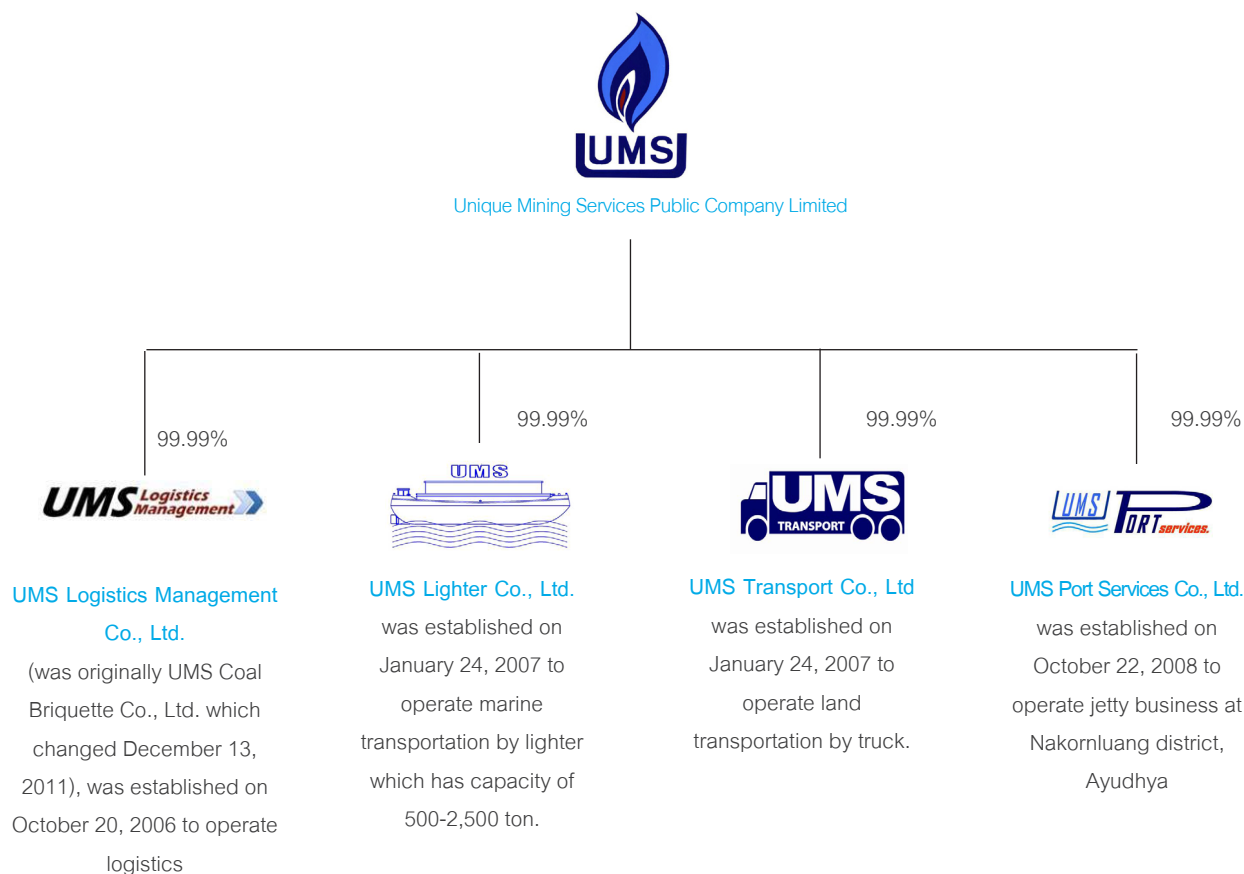


Sustainable Growth

Operate a sustainable business with reasonable profit objectives while promoting social stability and ethical integrity which highly competent personnel, good services and quality protection for the benefit of policyholders, employees, shareholders and the general public.

Company Structure

Unique Mining Services Public Company Limited (UMS) imports good quality coal, which has a medium calorific value and less negative impact to environment. Target groups of customers are food and beverages industry, pulp and paper industry, cement industry and textile industry. Company's strategies are tailor-made based upon imported coal that is matched to the engineering specification of each factory's boiler. Currently, the company has four wholly owned subsidiaries as follows:



Risk Factors

1. Risk from volatile cost of goods sold

The major factors which affect costs of goods sold are the coal price, freight rates and currency exchange rates which depend upon world market rates. Thus, the price volatility of these factors will directly impact the cost of goods sold. If the coal price and freight rates are increased whilst exchange rate is depreciated, the cost of goods sold will increase.

The price of coal and freight rates in the world move due to changes in demand and supply. The company has closely monitored the coal price and freight rates in order to manage its cost of goods sold more efficiently.

As the company imports coal from Indonesia and distributes it to the domestic industries, most of the cost of goods sold is denominated in USD currency while all of its revenue is in local currency. Thus; the company is exposed to foreign exchange risk. When the Thai Baht depreciates, its cost of imported raw material will be higher. However, the company reduces the foreign currency risk by using forward contracts for all costs of imports; therefore, this policy considerably mitigates foreign exchange rate risk.

2. Risk from new competitors

Since UMS business is coal trading which requires less investment in terms of equipment and machinery, there is an opportunity for new comers to enter the business, especially when there are only a few existing players in this market. Currently, many new competitors has entered coal distribution market, as a result, gross margin is narrowed. Therefore; the company has set key strategies to differentiate its products from other competitors. The company's management has utilized its extensive experience and know-how to screen and improve the quality of coal to match each type of boiler used in each industry as well as our ability to promptly give advice to our customers on technical and other services related enquiries.

At present, the company screens and improves coal quality to be optimal to each type of boiler used by small and medium sized manufacturers in order to ensure the highest efficiency and reduce the cost of production. Such an approach was well received by our customers. Moreover, with a large customer base, the company could import large volume of coal through large-scale-vessel and pay lower freight rates than by importing using smaller vessels. This is another barrier of entry for the new players who should require large amount of working capital up-front in order to compete with the company.



3. Risk from substitute products and market expansion

Generally, primary energy resources being used by domestic industries can be classified into 3 types including fuel oil, natural gas, and coal. Whilst, fuel oil was the most popular choice among manufacturing companies due to its availability and ease of use (ease of maintenance) natural gas has mostly been used in power plants due to its lower cost compared to bunker oil. Coal is still not in widespread use due to the lack of the knowledge and correct understanding by the user.

Historically, coal has a distinguished advantage in terms of cost over other sources of energy. Manufacturers require some capital investment to change their boiler from fuel oil to coal-fired. If all factors are considered including, the cost of fuel, operating expenses and maintenance cost, the manufacturers will break-even in 9-24 months. In the current situation, where cost of production becomes increasingly crucial for every industry, many companies have turned their attention to coal as an alternative source of energy. Besides, coal reserves are found in over 100 countries worldwide and are more abundant than other fuel sources which have enhanced coal's stability as a world source of energy. Therefore; the company expects that demand for coal will soar in the near future, in line with the company plan to expand customer base by persuading prospect customers to change their boiler from fuel oil to coal-fired.

4. Risk from environmental impact

Coal is classified into many types; ranking from the best heat generating quality and the least environmental hazard are Anthracite, Bituminous, Sub bituminous, and Lignite. While Lignite normally generates more polluted gas, the other types of coals with superior quality are more environmentally friendly.

Currently, the company imports bituminous and Sub-bituminous coal types which have superior quality and generates low sulphur (sulphur content is in range 0.1-1.5% while sulfur content in fuel oil is in range 0.1-3.0%) Thus; good quality coal creates less environmental impact to the atmosphere. In addition, the company has a closed storage system which complies with the government regulations and the company manages particulate dispersion cautiously. Specifically, it has managed to reduce particulate dispersion by covering coal stockyard with plastic sheet, spraying water, building high fences around the warehouse, checking air and water quality regularly, planting pine trees, covering plastic sheet around truck to prevent coal falling to the pavement and cleaning wheels of every truck before departure. Furthermore, the company is executing more effective preventive measurement such as closed system production base, dust dispersion control system of dust shield and water spraying to ensure the capacity of preventing environmental impact from company's operation.

In addition to the aforesaid preventive measurement, the company has launched promotion measurement for environment and community quality like the application of ISO 14001: 2004, the world renowned Environmental Management System (EMS), the application of energy management and energy conservation, the improvement of surrounding scenery and atmosphere and several projects for community and career development, youth and education development, public health and hygiene development and for culture, religion and public services.

Major Shareholders

Top ten major shareholders as of November 14, 2012 were shown in below table. (par value of 0.50 baht per share)

Shareholders' List	Number of Shares	Proportion (%)
1. Athene Holding Co., Ltd.	136,083,041	88.68
2. Mr. Chaiwat Cruecha-Em	3,969,500	2.59
3. Mr. Paisarn Tiyanich	500,000	0.33
4. Thai NVDR Company Limited	436,202	0.28
5. Mr. Wirat Banyongkhanan	304,400	0.20
6. Mrs. Sawinee Sinthu	266,600	0.17
7. Mr. Pinich Tatsanapirom	260,000	0.17
8. Miss Nichanan Juertiraluk	216,543	0.14
9. Mr. Nitat Sumitt	200,000	0.13
10. Mr. Sangchai Wasunthara	200,000	0.13
11. Other shareholders	11,017,778	7.18
Total	153,454,064	100.00

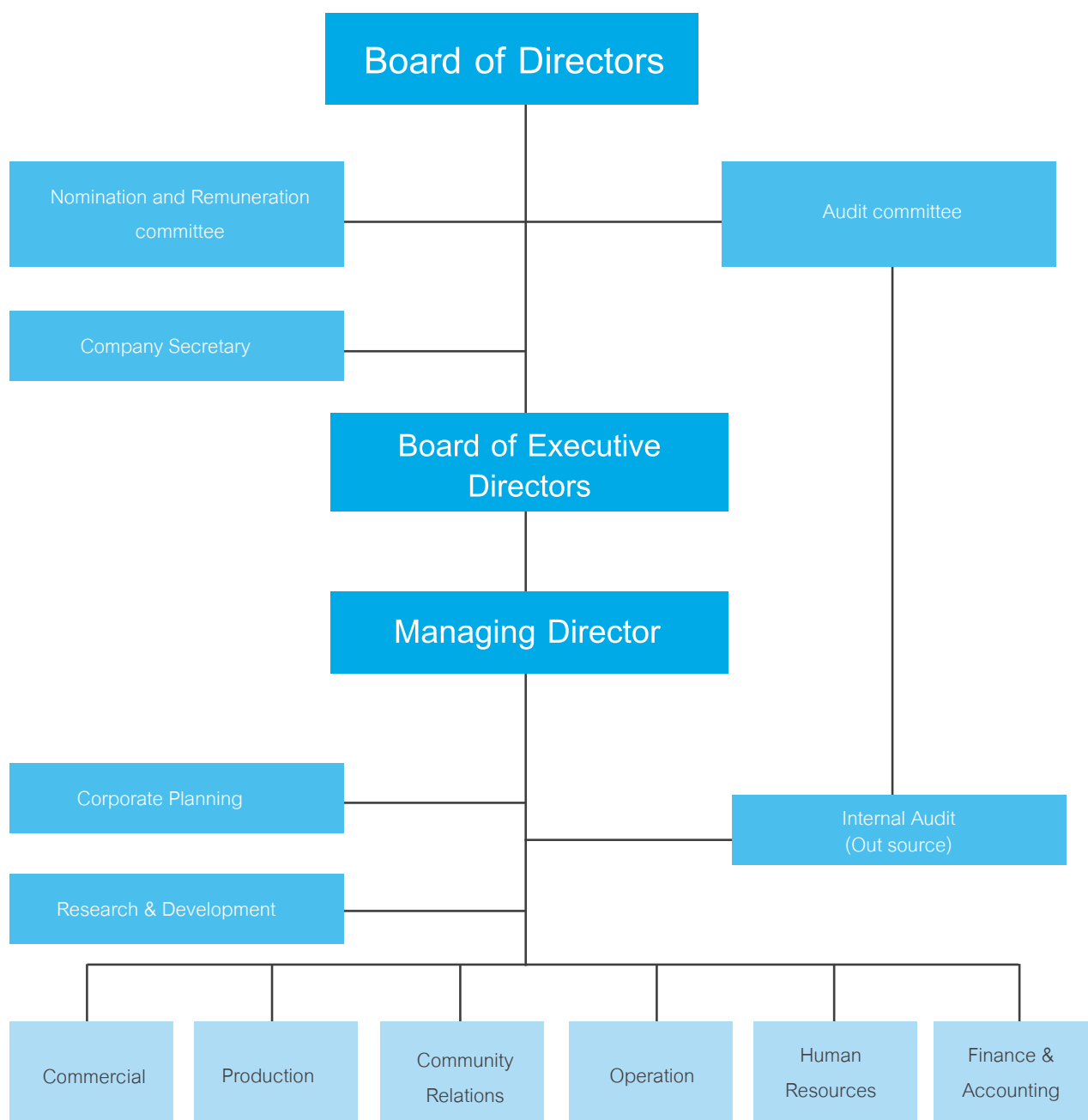
Dividend Payment Policy

The company has dividend payment policy not less than 40% of net profit after tax and legal reserve deduction. However it must be approved on the shareholders' meeting, except that the company and subsidiaries' need to expand business.



Management Structure

Organizational Chart, As of September 30, 2012



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

1. The Board of Directors

The Board of Directors consists of 7 directors as follows:

- | | | |
|----|---|---|
| 1. | Police General Dr. Chidchai Vanasatidya | Chairman of the Board of Directors / Independent Director |
| 2. | Mr. Chalermchai Mahagitsiri | Vice Chairman of the Board of Directors |
| 3. | M.L. Chandchutha Chandratat | Director |
| 4. | Mr. Chia Wan Huat Joseph | Director |
| 5. | Ms. Ausana Mahagitsiri | Director |
| 6. | Mr. Ekavaj Amornvivat | Independent Director |
| 7. | Mr. Suchart Thammapiitagkul | Independent Director |

Remark :

- Mr. Chalermchai Mahagitsiri as Director to replace Mrs. Thitima Rungkwansiroj, effective on 11 June 2012.
- Mr. Chia Wan Huat Joseph as Director to replace Mrs. Penroong Suwannakudt, effective on 11 June 2012.
- Police General Dr. Chidchai Vanasatidya as Director to replace Mr. Natthaphon Lilawatthanun, effective on 11 June 2012.
- Ms. Ausana Mahagitsiri as Director to replace Mr. Vichai Chuensuksawadi, effective on 25 June 2012.
- Police General Dr. Chidchai Vanasatidya as Chairman of the Board of the Directors to replace M.L. Chandchutha Chandratat, effective on 11 June 2012, M.L.Chandchutha Chandratat remain the position of Director.

Authorized directors to sign on behalf of the company are Mr. Chalermchai Mahagitsiri or Ms. Ausana Mahagitsiri signs jointly with Police General Dr. Chidchai Vanasatidya or M.L. Chandchutha Chandratat or Mr. Chia Wan Huat Joseph, being two persons, with affixation of the company's seal. Miss Charatsri Thainthipsiri is in charge of company secretary.

Duties and Responsibilities of the Board of Directors are as follows:

1. Authority and responsibility according to the Public Company Act and other related laws which are authorities and duties of Directors or Board of Directors of public company.
2. Authority and responsibility according to the articles of association of company which are defined to be of the Board of Directors.
3. Consider long term business plan, budget and annual investment plan.
4. Consider annual financial statements.
5. Consider annual salary adjustment budget, employees' bonus budget, managements' welfare, directors' remuneration and dividend payment to shareholders.
6. Establish management structure, appoint management, managing director and other committees as appropriate.
7. Supervise and manage company's performance in accordance with laws, company's objectives and articles of association as well as shareholders' resolutions.

If committees or connected persons are related to the transaction that may create any conflict of interest with company, the related committees are not permitted to vote on that transaction.

Besides the resolution of the Board of Directors, a three-quarter (3/4) vote of eligible shareholders present at the meeting is required to approve the following events:

- The sale or transfer of the whole or important parts of the business.
- The purchase or acceptance of transfer to other companies or private companies.
- The signing, amending or terminating of contracts with respect to the leasing of the whole or important parts of the business, the assignment of the management of the business of the company to other persons or business merger/acquisition with the purpose of profit and loss sharing.
- The amendment of memorandum of association or articles of association.
- The increase and decrease in capital, debenture issuance, merger/acquisition and wind up the company.

2. The Audit Committee

The Audit Committee consists of 3 directors as follows:

- | | | |
|--------------------------------|----------------|-----------------------------|
| 1. Mr. Ekavaj | Amornvivat | Chairman of Audit committee |
| 2. Mr. Suchart | Thammapitagkul | Audit committee |
| 3. Police General Dr. Chidchai | Vanasatidya | Audit committee |

Remark : - Police General Dr. Chidchai Vanasatidya as Audit Committee to replace Mr. Natthaphon Lilawatthanun, effective on 11 June 2012.

Duties and Responsibilities of Audit Committee are as follows:

1. Review company's financial reports accurately and adequately.
2. Review company's internal control and internal audit sufficiently and efficiently. Consider the independence of internal audit department and approve the appointment, change or retire head of internal audit department or other departments which are responsible for internal audit.
3. Review the company to complies with SEC and SET rules and regulations, and laws concerning the Company's business
4. Consider and propose for the appointment of the company's auditor who is independent with the company. Moreover, they shall propose the auditor fee and attend the meeting with auditor without management at least 1 time per year.
5. Consider connected transactions and conflicts of interest according to laws and regulations of SET to ensure the reasonableness and create most benefit to company.
6. Prepare Audit Committee report to disclose in the company annual report. Such report must be signed by chairman of audit committee and consists of the following
 - Opinions regarding the correctness, completeness and reliability of company's financial reports.
 - Opinions regarding the sufficiency of company's internal control system.
 - Opinions regarding the compliance with SET rules and regulations, and laws concerning the Company's business.
 - Opinions regarding the auditors qualification.
 - Opinions regarding the connected transactions.
 - Total attendance of audit committees and the attendance of each audit committee.
 - Opinions or notices regarding audit committee perform according to the charter.
 - Any transactions which shareholders or investors should know under duties and responsibilities assigned by the Board of Directors.
7. Any other matters assigned by the Board of Directors which approved by audit committee.

Audit committee terms

Terms of audit committee are three years. Audit committee members who are retired by rotation could be re-elected. In the case of an audit committee position which is vacant with any reasons except by retired by rotation, The Board of Directors could appoint anyone who has complete qualifications to be an audit committee member to fulfill the rest position. Terms of such position are those remaining for the period of the substituted audit committee.

3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 directors as follows

- | | | |
|----|----------------------------|---|
| 1. | Mr. Chia Wan Huat Joseph | Chairman of The Nomination and Remuneration Committee |
| 2. | Ms. Ausana Mahagitsiri | The Nomination and Remuneration Committee |
| 3. | Mr. Suchart Thammapitagkul | The Nomination and Remuneration Committee |

Remark : - Mr. Chia Wan Huat Joseph as The Nomination and Remuneration Committee to replace Mrs. Penroong Suwannakudt, effective on 25 June 2012

Duties and Responsibilities of The Nomination and Remuneration Committee are as follows:

1. Determine and propose the structure, composition and attribute of the BOD and any committees.
2. Propose the qualified candidate to be a director to the BOD so as to propose to shareholders' meeting to approve in case there are any vacancies in the BOD.
3. Determine and shortlist the appropriate candidate for MD and establish the replacement plan for top executives.
4. Nominate, promote, transfer and terminate the Company's top executives, i.e., MD, Vice MD including the executives of the subsidiaries
5. Recommend on the assessment of the performance of the executives.
6. Propose the remuneration structure for directors, MD and the management of the Company and its subsidiaries including meeting fee, annual bonus and any other benefits.
7. Determine the risk on the HR management.
8. Perform any other assignments appointed by the BOD

In order to accomplish the scope of work, NRC has the authority to direct the Company's employee to participate, opine and provide any related documents, NRC also has the right to hire an independent advisor to provide any related advises in which any other fee incurred will be charged to the Company.

4. The Board of Executive Directors

The Board of Executive Directors consists of 3 directors as follows :

- | | | |
|----|---|---|
| 1. | Police General Dr. Chidchai Vanasatidya | Chairman of the Board of Executive Director |
| 2. | Mr. Chalermchai Mahagitsiri | Executive Director |
| 3. | Mr. Chia Wan Huat Joseph | Executive Director |

Remark : Directors who retired as follow:

1. M.L. Chandchutha Chandratat was retired from the position of Executive Director since June 11, 2012
2. Mr. Vichai Chuensuksawadi was retired from the position of Executive Director since June 25, 2012
3. Mrs. Thitima Rungkwansirirotj was retired from the position of Executive Director since June 11, 2012
4. Mrs. Penroong Suwannakudt was retired from the position of Executive Director since June 11, 2012

Duties and Responsibilities of the Board of Executive Directors are as follows:

1. Define the policy, direction and operate the business according to the company policy.
2. Conduct the business strategies.
3. Conduct investment strategies and fund raising plans according to the company policy.
4. Authority to employ, appoint, dismiss, approve an employment rate, adjust salary and present the reward or bonus to person who employs as assistant managing director or higher position.
5. Determine the employees' welfare and remuneration according to company situation under effective law.
6. Consider the meeting agendas before requesting the approval from The Board of Directors.
7. Consider, approve investment projects, acquire and dispose fixed assets, and sign the commercial agreements according to the general company's transactions. Nevertheless, such transactions must be complied with laws and regulation which pass the approval of The Board of Directors.

All above approvals from the Board of Executive Directors, however, do not include the approvals of Executive Directors who have conflict of interest, as well as important transactions which need to request the approval from shareholders regarding to the purchase or disposal the company's important assets according to The Stock Exchange of Thailand laws and regulations.

Management (as of September 30, 2012)

Management of company consists of 7 persons as follows:

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

Duties and Responsibilities of Managing Director are as follows:

1. Determine the significant issues of company, mission, objectives, policy, overall operating performance, production, customer relationship and any responsibility to Board of Directors.
2. Approve the normal operational transactions within budget of Baht 1 million.
3. Consider fund raising issues and present to Executive Board.
4. Hire, appoint, dismiss as well as determine salary and bonus to the employees who rank below assistant to managing director position.
5. Act and represent the company to the outside related business and benefit to company.
6. Approve and appoint any advisors regarding to the necessity issues for business operation.
7. Perform the general administration of company.
8. Any other matters assigned by the Board of Directors and Executive Board.

All above approvals from Managing Director, however, do not include the approvals of Managing Director who may have a conflict of interest, as well as important transactions which need to request the approval from shareholders regarding to the purchase or dispose the company's important assets according to The Stock Exchange of Thailand laws and regulations .

Qualification of management

The management certifies that they have ethics, capability, and considerable experience, are honest and careful to protect the benefits of company. They have the intention to operate business continuously. Moreover, they understand and response to public as well as they don't have any prohibit qualifications according to Kor. Jor 12/2543 of SEC regarding to the permission and approval to sell new securities.

Compensation of directors and management

Compensation of Director

Name	Position	2012 (October 2011 – September 2012)			
		Allowance (Baht/Year)			
		Compensation (Baht/Year)	Board of Directors	Audit Committee	The Nomination and Remuneration Committee
1. Police General Dr. Chidchai Vanasatidya	Chairman of the Board of Directors	73,333.33	72,000	60,000	-
2. Mr. Chalermchai Mahagitsiri	Vice Chairman of the Board of Directors	13,333.33	15,000	-	-
3. L. Chandchutha Chandratat	Director	100,000	72,000	-	-
4. Mr. Chia Wan Huat Joseph	Director / Chairman of The Nomination and Remuneration Committee	73,333.33	60,000	-	9,000
5. Ms. Ausana Mahagitsiri	Director / The Nomination and Remuneration Committee	64,000	0	-	0
6. Mr. Ekavaj Amornvivat	Independent Director / Chairman of Audit Committee	240,000	165,000	162,000	-
7. Mr. Suchart Thammapitagkul	Independent Director / Audit Committee / The Nomination and Remuneration Committee	240,000	165,000	135,000	15,000

Remark :

- Mr. Chalermchai Mahagitsiri as Director to replace Mrs. Thitima Rungkwansiriroj, effective on 11 June 2012.
- Mr. Chia Wan Huat Joseph as Director to replace Mrs. Penroong Suwannakudt, effective on 11 June 2012.
- Police General Dr. Chidchai Vanasatidya as Director to replace Mr. Natthaphon Lilawatthanun, effective on 11 June 2012.
- Ms. Ausana Mahagitsiri as Director to replace Mr. Vichai Chuensuksawadi, effective on 25 June 2012.
- Police General Dr. Chidchai Vanasatidya as Chairman of the Board of the Directors to replace M.L. Chandchutha Chandratat, effective on 11 June 2012, M.L.Chandchutha Chandratat remain the position of Director.

Management Monetary compensation

Salary of managements (exclude Accounting Manager and Finance Manager) in 2012 was totaled Baht 7,442,556 (as of September 30, 2012) and bonus paid in December was not shown in Annual Report 2012.

Other compensation

The company has established provident fund for employees, under the condition to pay at 5, 7 and 10 percent of their revenue. In 2012, managements received total Baht 401,037.96 from this fund.

Corporate Governance

Principles of corporate governance and ethics

The company is committed to the good corporate governance principles in compliance with the guidelines of The Stock Exchange of Thailand and divided to five sections. The principles of good corporate governance will increase trust and long term competition with other companies. The details are as follows:

Group 1 Rights of Shareholders

The company values the importance of shareholders' right, therefore, the company assures that company's shareholders shall have the same basic right, namely rights to buy, sell, or transfer shares, rights to obtain adequate information, rights to participate and vote in the shareholders' meeting on significant issues and rights to share in the profits of the company. The details are as follows:

- (1) The company sends meeting notices in advance containing details of the agenda and related appendices together with the opinions of the Board of Directors, proxy forms determined by the Ministry of Commerce, a list of all Independent Directors, and a map showing the meeting venue. These notices also contain details about the documents which each shareholder needs to bring to the meeting, together with Company regulations on the meeting and voting procedures. In addition, shareholders may view information about each meeting agenda on the Company's website before receiving the notice by mail. The company allows registration of shareholders at least an hour prior to each meeting.
- (2) Before each meeting, the Chairman explains clearly how ballots are cast and counted under the Article of Association of the company. The company keeps its count of shareholders who have not yet voted on any agenda and shows ballots-counting summaries throughout the process. The Company will ask shareholder volunteers to witness ballot counts for greater transparency. To protect the rights of shareholders, the Company conducts balloting for each agenda separately.
- (3) The chairman allocates a suitable period of time for the meeting, conducts each meeting suitably and transparently, allowing through expression of views and queries before each ballot round and summarizes meeting resolutions on each agenda.

- (4) The meeting gives shareholders who come late a chance to vote on agenda still under consideration and not voted.
- (5) All directors attend each shareholder meeting. Directors are required to address relevant questions and concerns, posed by shareholders (if any).
- (6) The Company regularly disseminates information to shareholders via The Stock Exchange of Thailand's channel, media and publications, including its website.
- (7) The Company sets up a channel of minor shareholders to contact directly via E-mail addresses. Apart from these channels, minor shareholders can directly contact the Company's secretary or the investor relations unit.
- (8) The Company explicitly discloses shareholding structure in affiliated and subsidiary companies, therefore, shareholders feel confident of transparent management structure that are allowed to scrutiny.
- (9) The Company conducts its business efficiently for the sustainable growth of the Company and optimum returns to shareholders.

Group 2 Equality Treatment of Shareholders

The company values and treats all shareholders fairly through the following actions:

- (1) Allowing each shareholder to propose agenda for consideration at shareholders' meeting ahead of the actual meeting date, announced to all investors via The Stock Exchange of Thailand's news portal and Company's website in advance. Moreover, criteria for agenda proposals and screening processes are clearly defined on the corporate website.
- (2) Convening the meeting in sequence of agenda as specified in the notice and not adding agenda without notifying shareholders in advance, so that shareholders may have enough time for data assessment before making their decisions.
- (3) Providing shareholders with a list of all Independent Directors on the proxy forms that can decide balloting directors, to encourage them to dictate how they need to vote. These proxy forms serve as an option to appoint Independent Directors as their proxies, and a choice over which Independent Directors to entrust their views.
- (4) Encouraging shareholders to use ballots. "Voting tickets" provided for each significant agenda are collected at the meeting and then added up the pre-cast votes before announcing the resolution to the meeting. For transparency and reference, the company will file all voting tickets bearing witnesses' signatures.
- (5) Recording the minutes accurately and completely for sending it to The Stock Exchange of Thailand and the Securities and Exchange Commission within 14 days after the meeting. The minutes will also be posted on corporate website.
- (6) Establishing the Board of Directors' measurements to control the usage and prevent the misuse of internal information (insider trading) for personal benefit of concerned persons, including the Board of Directors, executives and staff in related department (including spouses and minor child of concerned persons).

In addition, if the Board of Directors or executives sell or buy the company shares, they are required to report the shareholdings to The Securities and Exchange Commission (SEC) within 3 working day period for public disclosure.

Group 3 The Roles of Stakeholders

The company commits responsibilities for all stakeholders to ensure sustainable mutual benefits, providing that the corporate administration or business operations of the company shall not have an impact on the rights of stakeholders or create damage to stakeholders. If damage occurs, the company determines the appropriate measures to benefit every party

- **Shareholders:** Besides the basic rights of shareholders and the rights stipulated by the laws and the company's article of association, such as rights to attend the shareholders' meetings and vote at the meeting, rights to freely express opinions at the shareholders' meetings, and rights to receive an appropriate return. The company gives shareholders the right, as the owner of the company, to make suggestions and comments on the company's affairs through the independent directors. Each comment and suggestion will be carefully considered and presented to the Board of Directors.
- **Employees :** The Company believes that employees are the most valuable assets. The company always develops competence of every employee to support business expansion plan. Furthermore, the company treats its employees in such a way that they feel happy to perform their assigned tasks, improve working environment to ensure safe, modern and healthy welfare appropriately.
- **Trading partners :** The Company purchases products and services according to commercial terms including perform the contracts with partners fairly.
- **Creditors :** The Company considers the conditions with all creditors appropriately subject to economic situation and complies with loans agreements.
- **Customers :** The Company takes care and responses to all customers by providing standard quality products as well as keeps their confidential data. In addition, the company set up customer relationship department to receive feedback, suggestions and opinions from customers.
- **Competitors :** Competitors will be treated fairly under normal competitive term and without any illegal practices to destroy them.
- **Communities :** The Company is responsible to environment of community and society. The company complies with related rules and regulations to protect stakeholders' right fairly.
- **Independent Auditor :** The Company cooperates with independent auditors to disclose information correctly and transparently.
- **Society :** The company continuously organizes activities to improve quality of communities such as environment, education and create jobs in community. (The Project detail is in the Sustainable Report 2012)

Group 4 Information Disclosure and Transparency

Information disclosure represents an important principle of good corporate governance. The company pays close attention to the information that needs to be disseminated to The Stock Exchange of Thailand and shareholders, particularly for its accuracy, adequacy, timeliness, and equitable treatment. The company will disclose information at www.umsplc.com, or contact to investor@uniquecoal.com by Mr. Montien Pienjunyawat, Senior Manager Finance and Investment Development Department. He is responsible for answer the questions. The Company has clear procedure for information disclosure to The Stock Exchange of Thailand under ordinary and urgent circumstances.

Disclosed information consists of financial and non-financial information in year 2012. The disclosure, particularly the reviewed/audited financial statements, is essentially accurate under generally accepted accounting principles. The reviewed/audited financial statements have also been endorsed by the Audit Committee and the Board of Directors before disclosure to shareholders. The Board of Directors also discloses the responsibility of financial report in the annual report. The company has disclosed connected transactions, management discussions and analysis, and CG report in the annual report and Form 56-1.

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

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

Group 5 Responsibilities of the Board of Directors

1. Structure

a. Composition

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

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

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

The Board of Directors consists of 7 members, 3 of them were independent directors which was accounted more than one-third of all directors set by The Stock Exchange of Thailand. The director who has completed his/her terms, one-third directors with the longest terms must retire. Directors who are retired by rotation could be re-elected.

Moreover, The Board of Directors also agreed for the issue of the number of companies where directors can serve to be one important key in considering for appointing the director. In addition, the company where each director serves has disclosed in attachment 2 of Form 56-1, annual report and corporate website.

c. Qualifications of Independent Director

The Independent Director shall consist of at least one-third of all director or not always less than three persons. The qualifications of independent director in accordance with rules and regulations of SEC are as follows.

- (1) holding shares not exceeding one per cent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the applicant;
- (3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary company;
- (4) neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office.
- (5) neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;

- (6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office;
- (7) not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;
- (8) not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;
- (9) not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operations.

d. Aggregation or Segregation of Position

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

e. Company Secretary

The Company has appointed a corporate secretary who is Ms. Charatsri Thainthipsiri. The roles and responsibilities are the following.

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

2. Sub-committees

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

Currently, the company has appointed two sub-committees, namely The Audit Committee and The Nomination and Remuneration Committee. Their member names, responsibilities, and report of each sub-committee are described in article 2 and 3 the Annual Report.

3. Business Ethics

The Board of Directors stipulated the business ethics in good corporate governance principles by conducting equitable treatment, transparency, auditable, and respect to the rights of all stakeholders which will create confidence and acceptance of efficient performance and transparency of company. The code of conducts consists of eight principles:

- Conflicts of interest
- Responsibility to shareholders
- Responsibility to employees
- Responsibility to customers
- Responsibility to trading partners
- Responsibility to competitors
- Responsibility to society and communities
- Follow-up the action

4. Conflicts of Interest

The company has policy to protect conflicts of interest which define the measurement to avoid any conflict and interest for personal benefit. The procedure for directors and employees are as follows:

1. Prohibit Directors, Management and employees bring inside information of company to use for their personal stock trading or use inside information to operate business which compete with the company or related business.
2. Avoid doing personal transaction related to the company which may cause conflict of interest.
3. If the company has any transactions which are beneficial to the company, the company shall treat such transaction on arm length basis. Directors and employees which have conflicts of interest shall not approve such transactions.
4. If the company has related transaction to Shareholders, Directors, Managements or related persons, the appointed Audit Committee shall approve on such transactions.

Connected transactions must be considered by The Board of Directors for reasonableness of the transactions and the Audit Committee shall approve the disclosure in the annual report and Form 56-1

5. The Board of Directors' Meeting

The meeting date of the Board of Directors has been specified in advance for each year while clear meeting agenda has been determined quarterly. Other agendas are jointly decided by the Chairman and Managing Director as necessary. However, each director may propose matters which they consider materially. In 2012, The Board of Directors convened totally 11 times. The Board of Directors always received an invitation, draft minute of meeting and complete supporting documents for consideration ahead of each meeting.

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

The minutes of meeting of the Board of Director's meeting covers all important issues and the resolutions were unanimously approved. The discussion and opinion of directors were clearly recorded. All documents were systematically filed under tight security. Generally, all directors attended every meeting except for legitimate reasons for absence. If he knows in advance, he will send an apology letter to the Chairman when they could not attend a meeting. Record of the Board of Directors' attendance in 2012 was as follows.

Director's Name		Attendance/Total Meetings (times)		
		Board of Directors	Audit Committee	The Nomination and Remuneration Committee
1.	Police General Dr. Chidchai Vanasatidya	4/4	4/4	-
2.	Mr. Chalermchai Mahagitsiri	4/4	-	-
3.	M.L. Chandchutha Chandratat	10/11	-	-
4.	Mr. Chia Wan Huat Joseph	4/4	-	1/1
5.	Ms. Ausana Mahagitsiri	-/3	-	-/1
6.	Mr. Ekavaj Amornvivat	11/11	9/9	-
7.	Mr. Suchart Thammapiitagkul	11/11	9/9	2/2

Remark :

- Mr. Chalermchai Mahagitsiri as Director to replace Mrs. Thitima Rungkwansiroj, effective on 11 June 2012.
- Mr. Chia Wan Huat Joseph as Director to replace Mrs. Penroong Suwannakudt, effective on 11 June 2012.
- Police General Dr. Chidchai Vanasatidya as Director to replace Mr. Natthaphon Lilawatthanun, effective on 11 June 2012.
- Ms. Ausana Mahagitsiri as Director to replace Mr. Vichai Chuensuksawadi, effective on 25 June 2012.
- Police General Dr. Chidchai Vanasatidya as Chairman of the Board of the Directors to replace M.L. Chandchutha Chandratat, effective on 11 June 2012, M.L.Chandchutha Chandratat remain the position of Director.

6. Compensation of Directors and Management

a. Directors' Compensation

The 2012 Annual General Shareholders' Meeting approved Directors and sub-committees' remuneration, taking into account the company's business, size, performance as well as the duties and responsibilities of The Board of Directors and sub-committees. The Directors' and sub-committees' remuneration packages for 2012 were the same as those of 2011 to accommodate the performance of the company. The details are as follows;

- the monthly compensation of 20,000 baht per person for the Company's Chairman and non-executive directors, with the attendance fee of 15,000 baht/time/person
- The attendance fee for the Audit Committee is 15,000 baht/time/person
- The attendance fee for the Nomination and Remuneration Committee is 7,500 baht/time/ person

The attendance fee of the Chairman of each committee will be 1.2 times of each committee. The attendance fee will be provided only Members who attended the meeting.

b. Compensation Policy for Subsidiaries' Board Members

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

c. Managing Director's Compensation

The Managing Director's compensation is determined clearly and transparently decided by the Chairman. Consideration is based on duties and responsibilities, linked to the Company financial results and annual performance evaluation.

d. Executives' Compensation

Managing Director will consider compensation of each executive appropriately for increasing salary of executives. Consideration is based on individual performance and company's financial results. In addition, performance compared with goals of each department was considered as well.

The company disclosed total compensation in Form 56-1. Besides, holding securities, warrant of individual were also disclosed transparently to support company's good corporate governance principles.

7. Development of directors and executives

The Board of Directors regularly improve themselves by attending seminar, courses and meetings organized by the Institute of Directors of Thailand (IOD), The Stock Exchange of Thailand, and SEC, and bring such knowledge to develop company further

8. Personnel

As of September 30, 2012, the company and subsidiaries had total 304 employees, consisting of 75 persons at head office, 200 persons at plant and 29 persons at subsidiaries which were divided to each department as follows:

Department	September 30, 2011	September 30, 2012
1. Administration	11	5
2. Commercial	33	31
3. Production	200	122
4. Community Relations	15	28
5. Finance and Accounting	26	24
6. Human Resources	15	13
7. Operation	20	16
8. Research & Development	37	28
9. Import & Export	6	4
10. Engineer	4	4
11. UMS Lighter Company Limited	15	13
12. UMS Port Services Company Limited	13	15
13. UMS Logistics Management Company Limited	0	1
Total	395	304

Compensation of the company and subsidiaries' employee in 2011 and 2012 were divided as follows:

Unit (Baht Thousand)

Compensation	2011	2012
Salary	85,133.54	72,415.68
Bonus	6,545.92	-*
Provident Fund and Social Security	6,102.19	4,288.77
Total	91,235.73	76,704.44

*bonus paid in December

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

Employee Development Policy

UMS began operation with an aim of distributing affordable energy in order to ease cost of production to customers. The company was established in 1994 by a few enterprising group of employee and nowadays UMS has been maintaining professional and effective coal business for 17 years by our most valuable asset which is human resource.

Human Resource: A key driver of organizational growth

The company has strengthening HR management in purpose of improving the organization's profitability by developing employee's mindsets and advocating paradigm shift. In other words, the organizational transformation is an imperative for sustainable development of the company. These are 4 major roles of HR for the company dynamic development.

1. Strategic Partner- HR participates in organizational Strategy Plan in terms of ensuring the human asset is fully aligned with the strategy and effective strategy implementation. In addition, HR also is in position to evaluate the performance in each organizational unit by using Performance Management System and apply KPI to reflect success of strategy plan. Moreover, HR has an important role to support Board of Directors as a consultant for organizational transformation to ensure the smooth transition.
2. Administrative Expert – The ability to improve performance both in HR internal unit and the overall organization is one of the important functions of HR. Starting with improve the internal unit, the HR department increase its efficiency of working system and standardize HR framework, given a clearly operational and strategic HR activity. Moreover, the department changes paradigm of its personnel from reactive to proactive to predict the possible problem in the future and prepare solution to support that circumstance.

Also, HR reconfigures its operational process to minimize working time but still maintain efficiency. For instance, the department improves recruitment procedure through QCC project and formalizes the Job description for each organizational unit to cover the company's required qualification.

3. Employee Champion – Performance Compensation is the most considerable for HR. To positively motivate employees and maintain sustainable human development, HR is restructuring salary and increases other benefits such as overtime or travel expense. In addition, the department has created the internal communication to develop a good strong employee relation and successfully higher employee commitment with the company.

The employee engagement activities are also important to build up good attitudes of employee to the company and HR served a valuable role in hosting employee events such as New Year party, Blood donation and other socially-oriented activities.

4. Change Agent – HR encourages employees to develop their capabilities to support organizational transition or major change that lead more profitability to the company. All through the year, the department has been offering training programs to develop employee's professional skill involving both technical program and managing program for 3 main units in the company which are Sourcing unit, Commercial unit and Production unit.

Moreover, HR prepares proper communication to help employees to understand the significant of change and with all the above 4 roles, HR strongly believes that we can assist employees to be flexible and effectively prepared for constant change in the future.

Connected Transaction

The Company had transaction with related companies which may have conflicts of interest in 2011 (Oct. 10 – Sep. 11) and 2012 (Oct. 11 – Sep. 12) as follows :

Related Company	Affiliation	Types of Transaction	Total Value in 2011 (Oct.10-Sep.11) (Baht)	Total Value in 2012 (Oct.11-Sep.12) (Baht)	Balance as of September 30, 2012 (Baht)
Thoresen Thai Agencies Plc.	Holds the 99.99% stake in Athene Holdings Co.,Ltd. Which holds 88.68% stake of the company	2012 : Services provided to company including production, sales, marketing strategies, ERP Implementation and business planning (2011 : Services provided to company including production, sales, marketing strategies, network system maintenance, and financial planning)	7,165,965	9,346,500	2,784,140
Thoresen Service Center Limited	Thoresen Thai Agencies Plc. Holds 99.9% stake in Thoresen Service Center Limited	Services provided to company including legal and network system maintenance	-	2,835,682	515,166
Thoresen Shipping and Logistics Ltd.	Thoresen Thai Agencies Plc. Holds 49.0% stake in Thoresen Shipping and Logistics Ltd.	Services provided to company was logistic management (inventory importation by vessels)	-	1,000,000	1,070,000

Necessity and Rationale

Thoresen Group (Thoresen Thai Agencies Plc., Thoresen Service Center Limited, Thoresen Shipping and Logistics Ltd.) has provided services to company including production, sales, marketing strategies, legal, Logistic (Inventory importation by vessels), ERP implementation, network system maintenance, and business planning. These will improve company's business and will maximize returns to company's shareholders, which are considered to be reasonable transactions.

Management Discussion and Analysis

In fiscal year 2010, the company has changed the accounting period from January 1 - December 31 to October 1 - September 30 to be in line with the accounting period of the parent company, Thoresen Thai Agencies Public Company Limited. The financial statements were summarized as follows.

Total revenues in 2011 and 2012 were recorded at Baht 3,242.42 and 3,397.73 million respectively or an increase of 4.79 percent. The company reported net loss of Baht 288.26 million in 2012, compared to net profit in 2011 of Baht 60.25 million. Coal consumption in 2012 continued to improve as Thai economic outlook have been still in good pace. After flood crisis during October-December 2011, demand for consumptions and investments recovered and have been growing. This directly benefited many industrial sectors which are the company's key customers such as foods and beverages industry, textiles industry, cement and paper industry. Eventually, the company generated revenues from consistent orders from abovementioned customers.

Overall past performance

A. Revenue

Revenue from coal sales in 2011 and 2012 were Baht 3,242.42 and 3,397.73 million respectively. Sales in 2012 increased 4.79% from last year while sales volume did not expand as a result of flood crisis during first quarter of 2012. The company could hardly deliver coal to customers which caused revenues shortage for 2 month or about Baht 400-500 million. However, after flood crisis, industries recovered and started production. Incorporated to strong economic, expansion in property sector and many infrastructure projects implemented by government, the company received large and consistent orders from large sized customers especially the cement industries. While the company's sales to its medium and small sized customers, comprising of companies in foods & beverages and textiles industries, was seen unchanged from earlier period as company could maintain its market share in this customer group.

B. Cost of goods sold

Major components of cost of goods sold consist of coal and freight charges. Cost of goods sold in 2011 and 2012 were Baht 2,689.60 and 3,159.21 million or 82.95 and 92.98 percent of sales revenue respectively. The ratio of cost of goods sold to sales revenue in 2012 significantly rose due mainly to increase of average import cost, depreciation of Thai Baht and extraordinary expenses occurred during flood crisis. Moreover, the company recognized Baht 107 million during 2012 as net realizable value of inventories. Such loss has been included in cost of sales in statement of comprehensive income, which also led to significant increase in cost of goods sold in 2012.

C. Selling and administrative expenses

Selling and administrative expenses in 2011 and 2012 were Baht 394.35 and 478.67 million or 11.89 and 14.44 percent of total revenue respectively. The ratio of selling and administrative expenses to total sales increased by higher transportation cost resulted from the temporary closure of Suan Som plant, Samutsakorn, in accordance with the announcement from the Samutsakorn province to all coal entrepreneurs in the Province to temporarily close their plants. Thus, the production base at Nakornluang district, Ayudhaya served all customers including customers in Samutsakorn area, leading to extraordinary high transportation cost. This circumstance is expected to be diminished after Suan Som plant re-operate.

The company's financial cost in 2011 and 2012 were Baht 83.58 and 106.36 million or 2.52 and 3.07 percent of total revenue respectively. In 2012, the company booked some loss for the net fair values of the forward foreign exchange contracts. In comparison of interest expenses, the company interest expenses in 2012 were slightly higher than same period last year by higher import cost and higher interest rate level. This led increase in financial cost of company's working capital to import coal together with company's existing loans. However, the company's interest expenses significantly declined after the second quarter of 2012 caused by additional loan payment, resulting from massive inventories release of the company.

D. Corporate Income Tax

Corporate income tax in 2011 and 2012 were Baht 62.75 and 0.12 million respectively. The company recorded corporate income tax in 2012 from profit of subsidiaries.

E. Profit

Gross profit margin in 2011 and 2012 were 17.14 and 7.60 percent respectively. Gross profit margin significantly declined mainly by sharp increase in cost of goods sold, affected by higher import cost and booking of net realizable value of inventories as mentioned. Furthermore, the proportion of sales to large-sized customers including big lot sales in 2012 was larger than 2011. Normally, these sales types deliver lower gross margin compared to SMEs customers.

Operating profit margin in 2011 and 2012 were 6.31 and (5.30) percent respectively. The company recorded net profit of 2011 and 2012 at 60.52 and (288.26) with net profit margin of 1.85 and (8.41) respectively. Net profit and margin declined significantly in 2012 due mainly to rises in cost of goods sold, booking of net realizable value of inventories and extraordinary high selling and administrative expenses by aforesaid reasons.

F. Return on Equity

Return on Equity in 2011 and 2012 were 6.03 and (32.75) percent respectively. In 2012, the company omitted to pay dividend to reserve cash for further business expansion.

Financial Status

Assets

Total assets as of September 30, 2011 and September 30, 2012 were Baht 3,569.68 and 2,745.05 million respectively. Most of them are current assets stood at Baht 2,597.50 and 1,822.13 million or 72.77 and 66.38 percent of total assets respectively. Current assets significantly declined by massive release of inventories and booking of net realizable value of inventories in 2012. This led inventories level declined from Baht 1,861.19 million in 2011 to Baht 1,086.65 million in 2012.

Non-current assets at September 30, 2011 and September 30, 2012 were Baht 972.17 and 922.92 million respectively. Most of these assets were land, machines and buildings composed of warehouse at Suansom sub-district in Samutsakhon province, machines and warehouse at Nakornluang, Ayuthaya province and investment in lighters.

Quality of assets

Trade and other receivables -net

Trade and other receivables -net as of September 30, 2011 and September 30, 2012 were Baht 657.47 and 639.22 million respectively. Trade and other receivables in 2012 remained in the same level with 2011 as no significant change in average sales per month. Days' accounts receivable of 2011 and 2012 were 69 to 70 days respectively. Days' accounts receivable were higher than credit policy which was generally set at 45 days resulted by larger proportion of sales to large-sized customers which take longer collection period. Nevertheless, it was still in line with normal business operation.

Inventories –net

Inventory-net as of September 30, 2011 and September 30, 2012 were Baht 1,861.19 and 1,086.65 million respectively. Days' sales in inventory of 2011 and 2012 were 240 and 168 days respectively. Days' sales in inventory declined significantly in 2012 as the company succeed to release a number of inventories by large and consistent orders from large-sized customers especially cement industry. Furthermore, the company recognized Baht 107 million during 2012 as net realizable value of inventories.

Liquidity

Liquidity ratio in 2011 and 2012 were 1.34 and 0.92 times respectively while company's quick ratios were 0.37 and 0.36 times respectively. Liquidity ratio changed materially in 2012 mainly due to some of the long-term portion of loans was presented as current liabilities. Such activity was performed because the company received a written consent from a financial institution for waiver of covenant breaches after the date of financial statements. Hence, the liquidity ratio in 2012 did not reflect the real financial solvency of the company. However, the loan will be presented as non-current liabilities in accordance with loan repayment schedule in the financial statements of subsequent period.

Optimum capital structure

At September 30, 2011 and September 30, 2012, debt to equity ratio stood at 2.43 and 2.81 times respectively. This ratio increased as a result of 20% of decreasing in liabilities, which lower than 31% decreasing in total equities. The company's gearing ratio stood at 2.10 and 2.39 times respectively. In 2012, the company's Interest-bearing debt considerably declined from 2011 about Baht 462 million as a result of loan repayment from cash inflow generated by massive inventories release of the company.

Report of the Audit Committee



Ekavaj Amornvivat
Chairman of the Audit Committee

Dear Shareholders of Unique Mining Services Public Company Limited

The audit committee comprises of 2 independent directors who have experiences in business management financial organization management and law, namely Mr. Ekavaj Amornvivat, chairman of Audit Committee, Police General Dr. Chidchai Vanasatidya (as Audit Committee to replace Mr. Natthaphon Lilawatthanun since June 11, 2012) and Mr. Suchart Thammakitakul, Audit Committee.

In accordance with the duties and responsibilities assigned by the Board of Directors, the Audit Committee held nine meetings during the fiscal year ended on September 30, 2012 with full attendance of all audit committee members. The Audit Committee, through various meeting with related managements, auditors and internal auditors to consider the following matters;

- Reviewing the Company's quarterly and annually financial statements before presenting to the Board of Directors to ensure that the statements are accurate, comply with rules and regulations, with sufficient disclosure and transparency. The Audit Committee also provided recommendations and suggestions to Board for the benefit of the company.
- Considering and approving the internal audit's work plan for the year 2012. The plan is conducted which prioritized by risk level review, risk management criteria and emphasize on effective and efficient compliance. The internal audit system is developed continuously to sustain good internal control system, and to make sure that the company has implemented appropriate risk management system. Accounting year ended September 30, 2012 KPMG Phoomchai Business Advisory Ltd., is in charge of Internal Audit duties for the company
- Proposing principles of good corporate governance and reviewing the company's compliance with the laws and regulations of Securities Exchange and Commission, The Stock Exchange of Thailand and the laws relating to the company's business.
- Audit committee studied, reviewed and approved a connected transaction to make sure that this transaction is transparency, and bring in benefit to the company. The decision was made by only independent directors and the transaction has been disclosed and complied with SET rules and regulations.
- Reviewing the performance and independence of the Auditors and nominating Mr. Kajornkheat Arunpairojchanakul Certificated Public Accountant No. 3445 Mr. Chanchai Chaiprasit Certificated Public Accountant No. 3760 and Ms. Nuttaporn Punudom Certificated Public Accountant No. 3430 of PricewaterhouseCoopers ABAS Company Limited to be auditor of the Company for the fiscal year 2012, as well as proposed their annual remuneration. This appointment will be submitted to the Board of Directors and to get the approval from shareholders' meeting.

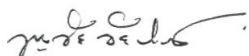
Report of the Auditor

To the Shareholders of Unique Mining Services Public Company Limited

I have audited the accompanying consolidated and company statements of financial position as at 30 September 2012 and 2011 of Unique Mining Services Public Company Limited and its subsidiaries and of Unique Mining Services Public Company Limited, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial positions as at 30 September 2012 and 2011, and the related consolidated and company results of operations, and cash flows for the years then ended of Unique Mining Services Public Company Limited and its subsidiaries and of Unique Mining Services Public Company Limited, in accordance with generally accepted accounting principles.



Chanchai Chaiprasit

Certified Public Accountant (Thailand) No. 3760

PricewaterhouseCoopers ABAS Ltd.

Bangkok

27 November 2012

Unique Mining Services Public Company Limited

Statements of Financial Position

As at 30 September 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
Notes		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	81,480,370	68,007,289	75,118,144	59,092,046
Trade and other receivables, net	8	639,222,846	657,471,216	629,953,756	650,061,432
Amounts due from related parties	27.2	-	-	659,278	1,631,921
Inventories, net	9	1,086,647,571	1,861,186,592	1,103,140,038	1,877,914,375
Other current assets		14,781,126	10,835,759	14,642,211	10,661,523
Total current assets		1,822,131,913	2,597,500,856	1,823,513,427	2,599,361,297
Non-current assets					
Investments in subsidiaries, net	10	-	-	137,706,803	137,706,803
Property, plant, and equipment, net	11	912,793,453	966,699,511	758,067,594	831,607,173
Intangible assets, net	12	8,432,297	3,545,378	8,304,988	3,231,294
Other non-current assets		1,695,447	1,931,416	1,685,339	1,916,415
Total non-current assets		922,921,197	972,176,305	905,764,724	974,461,685
Total assets		2,745,053,110	3,569,677,161	2,729,278,151	3,573,822,982

Director _____

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

Unique Mining Services Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 September 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	13	1,258,163,080	1,406,285,760	1,258,163,080	1,406,276,713
Trade and other payables	14	244,290,741	257,830,082	241,684,513	254,166,487
Amounts due to related parties	27.3	4,369,306	2,752,409	10,487,043	9,446,571
Shot-term loans from related parties	27.4	-	-	6,700,000	20,800,000
Current portion of long-term loans	15	422,047,756	200,964,000	410,047,756	188,964,000
Current portion of finance lease					
liabilities	16	944,392	1,304,169	944,392	1,304,169
Income taxes payable		-	1,240,156	-	-
Accrued expenses		42,551,842	51,902,326	41,254,667	50,761,775
Other current liabilities		3,840,616	19,867,398	3,428,474	19,357,371
Total current liabilities		1,976,207,733	1,942,146,300	1,972,709,925	1,951,077,086
Non-current liabilities					
Long-term loans	15	41,566,309	578,520,309	20,180,000	545,134,000
Finance lease liabilities	16	2,647,142	112,432	2,647,142	112,432
Employee benefit obligations	17	3,895,663	9,207,554	3,554,138	8,675,718
Total non-current liabilities		48,109,114	587,840,295	26,381,280	553,922,150
Total liabilities		2,024,316,847	2,529,986,595	1,999,091,205	2,504,999,236

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

Unique Mining Services Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 September 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity (Cont'd)					
Shareholders' equity					
Share capital	19				
Authorised share capital					
Ordinary shares 153,454,064 shares					
of par Baht 0.50 each		76,727,032	76,727,032	76,727,032	76,727,032
Issued and paid-up share capital					
Ordinary shares 153,454,064 shares					
of paid-up Baht 0.50 each		76,727,032	76,727,032	76,727,032	76,727,032
Premium on share capital	19	241,390,751	241,390,751	241,390,751	241,390,751
Retained earnings					
Appropriated - legal reserves	21	10,500,000	11,096,402	10,500,000	10,500,000
Unappropriated		392,118,480	710,476,381	401,569,163	740,205,963
Total shareholders' equity		720,736,263	1,039,690,566	730,186,946	1,068,823,746
Total liabilities and shareholders' equity		2,745,053,110	3,569,677,161	2,729,278,151	3,573,822,982

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

Unique Mining Services Public Company Limited
Statements of Comprehensive Income
For the years that ended on 30 September 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
Notes		Baht	Baht	Baht	Baht
Revenues					
Sales		3,397,726,302	3,242,415,208	3,397,726,302	3,242,415,208
Service income		29,922,782	33,169,322	-	
Total revenues		3,427,649,084	3,275,584,530	3,397,726,302	3,242,415,208
Costs					
Cost of sales		3,159,205,978	2,689,596,506	3,169,127,444	2,696,651,689
Cost of services		7,979,708	24,549,767	-	-
Total costs		3,167,185,686	2,714,146,273	3,169,127,444	2,696,651,689
Gross profits		260,463,398	561,438,257	228,598,858	545,763,519
Other income	24	36,415,675	39,768,390	40,041,254	33,324,144
Profits before expenses		296,879,073	601,206,647	268,640,112	579,087,663
Selling expenses		283,479,570	212,715,364	285,436,741	215,875,184
Administrative expenses		195,188,263	181,638,516	186,857,882	179,556,386
Financial costs		106,357,335	83,577,080	104,291,676	78,618,149
Total expenses		585,025,168	477,930,960	576,586,299	474,049,719
Profit (loss) before income taxes		(288,146,095)	123,275,687	(307,946,187)	105,037,944
Income taxes		(117,595)	(62,753,270)	-	(56,107,990)
Net profit (loss) for the years		(288,263,690)	60,522,417	(307,946,187)	48,929,954
Other comprehensive income (expense)		-	-	-	-
Total comprehensive income (expense) for the years		(288,263,690)	60,522,417	(307,946,187)	48,929,954
Earnings (losses) per share					
Basic earnings (losses) per share	25	(1.88)	0.39	(2.01)	0.32
Diluted earnings (losses) per share		(1.88)	0.39	(2.01)	0.31

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

Unique Mining Services Public Company Limited

Statements of Changes in Shareholders' Equity

For the years that ended on 30 September 2012 and 2011

	Notes	Consolidated					
		Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Unappropriated Baht	Total Baht
				Appropriated - legal reserves Baht			
Beginning balance as at 1 October 2011		76,727,032	241,390,751	11,096,402		710,476,381	1,039,690,566
Dividends paid	22	-	-	-		(30,690,613)	(30,690,613)
Adjustment		-	-	(596,402)		596,402	-
Total comprehensive expense for the year		-	-	-		(288,263,690)	(288,263,690)
Ending balance as at 30 September 2012		76,727,032	241,390,751	10,500,000		392,118,480	720,736,263
Beginning balance as at 1 October 2010		76,039,164	230,461,835	11,096,402		649,953,964	967,551,365
Increase in share capital from warrant conversion	19	687,868	-	-		-	687,868
Premium on paid-up share capital	19	-	10,928,916	-		-	10,928,916
Total comprehensive income for the year		-	-	-		60,522,417	60,522,417
Ending balance as at 30 September 2011		76,727,032	241,390,751	11,096,402		710,476,381	1,039,690,566

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

Unique Mining Services Public Company Limited
 Statements of Changes in Shareholders' Equity (Cont'd)
 For the years that ended on 30 September 2012 and 2011

	Notes	Company					
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total	
				Baht	Baht		Appropriated - legal reserves
Beginning balance as at 1 October 2011		76,727,032	241,390,751	10,500,000	740,205,963	1,068,823,746	
Dividend paid	22	-	-	-	(30,690,613)	(30,690,613)	
Total comprehensive expense for the year		-	-	-	(307,946,187)	(307,946,187)	
Ending balance as at 30 September 2012		76,727,032	241,390,751	10,500,000	401,569,163	730,186,946	
Beginning balance as at 1 October 2010		76,039,164	230,461,835	10,500,000	691,276,009	1,008,277,008	
Increase in share capital from warrant conversion	19	687,868	-	-	-	687,868	
Premium on paid-up capital	19	-	10,928,916	-	-	10,928,916	
Total comprehensive income for the year		-	-	-	48,929,954	48,929,954	
Ending balance as at 30 September 2011		76,727,032	241,390,751	10,500,000	740,205,963	1,068,823,746	

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

Unique Mining Services Public Company Limited
 Statements of Cash Flows
 For the years that ended on 30 September 2012 and 2011

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Net cash receipts from operating activities	26	538,414,382	80,082,459	518,252,445	69,417,958
Cash flows from investing activities					
Payments of short-term loans to related parties		-	-	(1,500,000)	-
Proceeds from short-term loans to related parties		-	-	1,500,000	32,983,860
Payments of investment in a subsidiary	10	-	-	-	(40,000,000)
Payments of property, plant and equipment acquisition		(31,234,545)	(92,026,905)	(29,287,569)	(112,306,097)
Proceeds from property, plant and equipment disposal		6,047,013	27,787,257	28,905,944	6,057,944
Payments of intangible assets acquisition	12	(6,041,454)	(2,794,196)	(6,041,454)	(2,957,361)
Net cash payments from investing activities		(31,228,986)	(67,033,844)	(6,423,079)	(116,221,654)
Cash flows from financing activities					
Net decrease in short-term loans from financial institutions		(145,244,482)	(202,670,214)	(145,244,482)	(202,670,214)
Proceeds from short-term loans from related parties		-	-	-	20,800,000
Repayment of short-term loans from related parties		-	-	(14,100,000)	-
Proceeds from exercised warrants		-	10,919,529	-	10,919,529
Proceeds from long-term loans	15	-	500,000,000	-	500,000,000
Repayments of long-term loans	15	(315,870,244)	(338,736,000)	(303,870,244)	(299,796,000)
Repayments of finance lease liabilities		(1,900,997)	(22,710,739)	(1,900,997)	(3,076,021)
Dividends paid		(30,687,530)	-	(30,687,530)	-
Net cash receipts (payments) from financing activities		(493,703,253)	(53,197,424)	(495,803,253)	26,177,294
Net increase (decrease) in cash and cash equivalents		13,482,143	(40,148,809)	16,026,113	(20,626,402)
Cash and cash equivalents at the beginning of the year		67,998,227	108,147,036	59,092,031	79,718,433
Cash and cash equivalents at the end of the year		81,480,370	67,998,227	75,118,144	59,092,031

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

Unique Mining Services Public Company Limited
 Statements of Cash Flows (Cont'd)
 For the years that ended on 30 September 2012 and 2011

Cash and cash equivalents as at 30 September 2012 and 2011 comprise:

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Cash on hand and deposit at banks	7	81,480,370	68,007,289	75,118,144	59,092,046
Bank overdrafts	13	-	(9,062)	-	(15)
		<u>81,480,370</u>	<u>67,998,227</u>	<u>75,118,144</u>	<u>59,092,031</u>

Non-cash transactions

Significant non-cash transactions for the years that ended on 30 September 2012 and 2011 are as follows:

		Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Unpaid liabilities and finance lease liabilities from purchase of fixed assets		7,871,829	12,784,534	7,871,829	12,784,534

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

Unique Mining Services Public Company Limited
Notes to the Consolidated and Company Financial Statements
For the years that ended on 30 September 2012 and 2011

1 General information

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

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

Branch offices are as follows:

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

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

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

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

These consolidated and company financial statements were authorised for issue by the Board of Directors on 27 November 2012.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below:

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and company financial statements are disclosed in Note 4.

2 Accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Comparative figures have been reclassified to conform with changes in presentation in the current year and to comply with the announcement of Department of Business Development Regulation dated 28 September 2011 in relation to the format of Financial Statements B.E. 2554, effective from 1 January 2011, the effects of the reclassification are as follows:

	Consolidated		
	Reclassification		
	As previously reported	increased (decreased)	Amounts after reclassification
	Baht	Baht	Baht
Statement of financial position as at			
30 September 2011			
Trade and other receivables, net	590,346,363	67,124,853	657,471,216
Inventories - spare parts and supplies	-	7,034,465	7,034,465
Other current assets, net	83,580,565	(72,744,806)	10,835,759
Other non-current assets	3,345,928	(1,414,512)	1,931,416
Trade and other payables	227,355,374	30,474,708	257,830,082
Other current liabilities	50,342,106	(30,474,708)	19,867,398

	Company		
	Reclassification		
	As previously reported	increased (decreased)	Amounts after reclassification
	Baht	Baht	Baht
Statement of financial position as at			
30 September 2011			
Trade and other receivables, net	586,030,345	64,031,087	650,061,432
Inventories - spare parts and supplies	-	6,714,434	6,714,434
Other current assets, net	79,992,531	(69,331,008)	10,661,523
Other non-current assets	3,330,928	(1,414,513)	1,916,415
Trade and other payables	224,707,885	29,458,602	254,166,487
Other current liabilities	48,815,973	(29,458,602)	19,357,371

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

2 Accounting policies (Cont'd)

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

New accounting standards, new financial reporting standards and amendments to accounting standards, which are relevant and have impact to the Group are as follows:

Effective for the period beginning on or after 1 January 2011

Thai Accounting Standard 1 (TAS 1) (Revised 2009)	Presentation of Financial Statements
Thai Accounting Standard 16 (TAS 16) (Revised 2009)	Property, Plant and Equipment
Thai Accounting Standard 24 (TAS 24) (Revised 2009)	Related-Party Disclosure
Thai Accounting Standard 27 (TAS 27) (Revised 2009)	Consolidated and Separate Financial Statement

Effective for the period beginning on or after 1 January 2013

Thai Accounting Standard 12 (TAS 12)	Income taxes
Thai Accounting Standard 21 (TAS 21) (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
Thai Financial Reporting Standard 8 (TFRS 8)	Operating Segments

TAS 1 (Revised 2009): The revised standard will prohibit the presentation of items of income and expenses in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. Entities can choose whether to present one statement (the statement of comprehensive income) or two statements (the statement of income and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning of the comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements whose period begins on or after 1 January 2011, and which period is the first to apply this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Group has adopted TAS 1 (Revised 2009) with effect from 1 October 2011. The Group chooses to present a single statement of comprehensive income.

TAS 16 (Revised 2009): the revised standard requires the entity include in costs of property, plant, and equipment an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item be depreciated separately. The Group applied component accounting and chose to adjust prospectively with an impact to an increase in depreciation expense of Baht 2,208,345 in the consolidated and company financial statements. The revised standard also requires an entity review useful life, residual value and depreciation method at least once each financial year-end. The Group has reviewed useful life and residual value of lighters with an impact to a decrease in depreciation expense of Baht 10,859,032 in the consolidated and company financial statements.

2 Accounting policies (Cont'd)

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

From reviewing useful lives of assets, the Group has changed estimated useful lives during the period as follows:

	Estimated useful lives (years)	
	2012	2011
Lighters	15 - 29	5 - 10
Machinery	1 - 10	5 - 10

New accounting standards, new financial reporting standards and amendments to accounting standards which are relevant and have impact to the Group are as follows: (Cont'd)

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

TAS 27 (Revised 2009): The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and gain or loss is recognised in profit or loss. The Group has adopted the standard prospectively for transactions with non-controlling interests with effect from 1 October 2011.

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

2 Accounting policies (Cont'd)

TAS 21 (Revised 2009): The revised standard requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income. The Group will apply this standard with effect from 1 October 2013. The application of the standard will be accounted for retrospectively. The management is currently assessing the impact of applying this standard.

TFRS 8: The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 October 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

2.3 Group Accounting - Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gain or loss on transaction between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

A list of subsidiaries is set out in Note 10.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

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

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

2.5 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition and bank overdraft. In the consolidated and company statement of financial position, bank overdrafts are shown within current liabilities.

2.6 Trade accounts receivable

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

2.7 Inventories

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

2.8 Intangible assets

The Group's intangible assets are computer software.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 - 10 years.

2 Accounting policies (Cont'd)

2.9 Property, plant, and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and impairments (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual value over the estimated useful lives, as follows:

Land improvements	3 - 20 years as per land lease contract
Buildings	3 - 20 years
Vehicles	5 years
Lighters	15 - 29 years
Machinery	1 - 10 years
Office equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains/losses, net' in profit or loss.

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

2.10 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.11 Leases

where a Group company is the lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant, or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant, or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

where a Group company is the lessor

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

2.12 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

2.13 Income taxes

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

The Group does not recognise income taxes payable or receivable in future periods with respect to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant, and equipment, allowance for net realisable value of inventories and employee benefits obligations.

2 Accounting policies (Cont'd)

2.14 Employee benefits

Provident fund

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

Retirement benefits

The retirement benefit is a defined benefit plan that an employee will receive on retirement according to Thai Labour Law depending on age and years of service.

The liability of retirement benefits is recognised in the consolidated and company statement of financial position using the present value of the obligations at the statement of financial position date and past service costs. The retirement benefit is calculated by an independent actuary using the projected unit credit method. The present value of the benefit obligations is determined by discounting the estimated future cash outflows using interest rates of referred government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related retirement liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statements of comprehensive income.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.16 Share capital

Ordinary shares are classified as equity.

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

2.17 Revenue recognition

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

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividends are recognised when the right to receive payment is established.

2 Accounting policies (Cont'd)

2.18 Dividends

Dividend are recorded in the consolidated and company's financial statements in the period in which the interim dividends are approved by the Board of Directors and the annual dividends are approved by the Company's shareholders.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments, such as forward foreign exchange contracts and interest rate swaps, to hedge certain exposures.

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

3.1.1 Foreign exchange risk

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

3.1.2 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Finance Director before execution. The Group sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which has the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at floating rates directly. Under the interest rate swaps, The Group agrees with the other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

3.1.3 Credit risk

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

3 Financial risk management (Cont'd)

3.1.4 Liquidity risk

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

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements. Such instruments are not recognised in the financial statements on inception, except for foreign currency forward contracts.

The Group recognised foreign currency forward contracts for all contracts at the date of purchasing foreign currency forward contracts with bank counter parties. The Group has an obligation to pay Thai Baht currency to the bank counter party meanwhile the bank counter party also has an obligation to provide foreign currency to the Group at the settlement date of each contract. As a result, the Group recognised such transaction into receivable and payable on forward contract. The variance between receivable and payable will be recorded into premium or discount from the purchase of forward exchange contract and recognised as an income or expense by the straight-line method over the period of each contract.

Receivable or payable under forward exchange contracts outstanding on the statement of financial position date which are amounts in foreign currency to be received from the bank on the specified date will be adjusted to Baht, using the exchange rate announced by Bank of Thailand as the reference rate. The difference arising from this adjustment is recognised as an income or expense in full amount.

Forward exchange contracts outstanding at the statement of financial position date are presented as net transaction under account "Forward exchange contracts receivable or payable".

Interest rate swap agreements protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken in statement of comprehensive income.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 18.

3.3 Fair value estimation

When a financial instrument is traded in an active market, its quoted market price provides the best evidence of fair value. The quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, it is the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date. When the Group has matching asset and liability positions, it may appropriately use mid-market prices as a basis for establishing fair values.

3 Financial risk management (Cont'd)

3.3 Fair value estimation (Cont'd)

When there is infrequent activity in a market, the market is not well established or small volumes are traded relative to the number of trading units of a financial instrument to be valued, quoted market prices may not be indicative of the fair value of the instrument. In these circumstances, as well as when a quoted market price is not available, estimation techniques may be used to determine the fair value with sufficient reliability to satisfy the Group. Techniques that are well established in financial markets include reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. In applying discounted cash flow analysis, an enterprise uses a discount rate equal to the prevailing market rate of interest for financial instruments having substantially the same terms and characteristics, including the creditworthiness of the debtor, the remaining term over which the contractual interest rate is fixed, the remaining term for repayment of the principal and the currency in which payments are to be made.

The fair value of interest rate swaps and forward foreign exchange contracts are calculated (using the rates quoted by the counterparty to the contracts) as if the contracts were terminated at the statement of financial position date.

4 Critical accounting estimates, assumptions and judgements

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

Revenue recognition

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

Allowance for net realisable value of inventories

The Company estimates allowance for net realisable value of coals by considering average current prices and trend of future selling price. The expected selling price in the future may vary based on coal market price, market demand and domestic competition circumstance.

Impairment of assets

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

4 Critical accounting estimates, assumptions and judgements (Cont'd)

Employee benefit obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for employee benefit obligations include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 17.

5 Capital risk management

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

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

6 Segment information

The Company's operations are import and sales of coal for domestic industrial usages. Its subsidiaries's main operations are providing boat conveyance and port services to the Company. These services are considered relevant to the import and sales of coal business and the transactions and balances are not material to the consolidated financial statements. Therefore, segment information has not been presented.

7 Cash and cash equivalents

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Cash on hand	144,848	108,421	111,729	10,974
Deposits held at call with banks	81,335,522	67,898,868	75,006,415	59,081,072
	<u>81,480,370</u>	<u>68,007,289</u>	<u>75,118,144</u>	<u>59,092,046</u>

The average interest rate on deposits held at call with banks was 0.75% per annum (2011: 0.87% per annum).

7 Cash and cash equivalents (Cont'd)

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Cash on hand and deposit at banks	81,480,370	68,007,289	75,118,144	59,092,046
Bank overdraft (Note 13)	-	(9,062)	-	(15)
	<u>81,480,370</u>	<u>67,998,227</u>	<u>75,118,144</u>	<u>59,092,031</u>

8 Trade and other receivables, net

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Trade account receivables	598,999,561	593,035,536	593,636,592	588,719,518
Prepayments	5,432,774	6,797,906	4,983,685	6,274,850
Accrued income	164,940	18,454,742	140,997	18,454,742
Taxes receivables	33,096,251	37,243,835	29,663,211	34,673,156
Other receivables	12,519,855	13,906,554	12,519,806	13,496,523
	<u>650,213,381</u>	<u>669,438,573</u>	<u>640,944,291</u>	<u>661,618,789</u>
<u>Less</u> Allowance for doubtful accounts				
- trade account receivables	(2,122,351)	(2,689,173)	(2,122,351)	(2,689,173)
- other receivables	(8,868,184)	(9,278,184)	(8,868,184)	(8,868,184)
	<u>639,222,846</u>	<u>657,471,216</u>	<u>629,953,756</u>	<u>650,061,432</u>

Trade accounts receivable as at 30 September can be analysed by aged as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Not overdue	217,050,576	313,067,991	215,214,546	312,966,635
Overdue				
- Up to 3 months	375,788,277	275,741,755	372,268,627	271,534,382
- 3 - 6 months	4,007,526	-	4,007,526	-
- 6 - 12 months	-	418,556	-	418,555
- Over 12 months	2,153,182	3,807,234	2,145,893	3,799,946
	<u>598,999,561</u>	<u>593,035,536</u>	<u>593,636,592</u>	<u>588,719,518</u>
<u>Less</u> Allowance for doubtful accounts	<u>(2,122,351)</u>	<u>(2,689,173)</u>	<u>(2,122,351)</u>	<u>(2,689,173)</u>
	<u>596,877,210</u>	<u>590,346,363</u>	<u>591,514,241</u>	<u>586,030,345</u>

9 Inventories, net

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Inventories	1,314,713,895	1,984,660,429	1,331,761,709	2,001,708,243
Spare parts and supplies	9,360,007	7,034,465	8,804,660	6,714,434
<u>Less</u> Allowance for net realisable value of inventories	(237,426,331)	(130,508,302)	(237,426,331)	(130,508,302)
	<u>1,086,647,571</u>	<u>1,861,186,592</u>	<u>1,103,140,038</u>	<u>1,877,914,375</u>

During the year, the Company recognised loss on net realisable value of inventories amount of Baht 107 million (2011: nil). Such loss have been included in cost of sales in statement of comprehensive income

As at 30 September 2012, the Company's partial inventories at a total value of Baht 461 million (2011: 1,028 million) have been pledged with a bank as security for long-term loans as mentioned in Note 15.

10 Investments in subsidiaries, net

Investments in subsidiaries as at 30 September 2012 and 2011 comprise investments in the following companies:

Name of subsidiaries	Nature of Business	Country of Incorporation	% Ownership interest	
			2012	2011
- UMS Logistics Management Co., Ltd. (Formerly : UMS Coal Briquette Co., Ltd.)	Logistics management (Formerly : Production and sale of coal briquette)	Thailand	99.9	99.9
- UMS Lighter Co., Ltd.	Boat conveyance	Thailand	99.9	99.9
- UMS Port Services Co., Ltd.	Port service	Thailand	99.9	99.9
- UMS Transportation Co., Ltd.*	Road transport	Thailand	99.9	99.9

* In 2012, the subsidiary ceased the operation.

The movements of investments in subsidiaries for the years that ended on 30 September are as follows:

	Company	
	2012	2011
	Baht	Baht
Beginning net book value	137,706,803	111,000,000
Additional investments	-	40,000,000
Impairment charge	-	(13,293,197)
Ending net book value	<u>137,706,803</u>	<u>137,706,803</u>

10 Investments in subsidiaries, net (Cont'd)

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

In 2011, the impairment charge of Baht 13.3 million for investments in UMS Transportation Co., Ltd. was made as a result of ceasing their operation. The recoverable amount represents the value in use which was determined based on calculation using pre-tax cash flow projection of financial budget approved by management. Impairment charge for the year 2011 was included in administrative expenses.

11 Property, plant, and equipment, net

Consolidated

	Land Baht	Land improvements Baht	Buildings Baht	Vehicles and lighters Baht	Machinery Baht	Office equipment Baht	Construction in progress Baht	Total Baht
As at 1 October 2011								
Cost	303,675,136	38,894,452	286,674,494	226,242,585	193,993,124	105,897,421	84,270,388	1,239,647,600
<u>Less</u> Accumulated depreciation	-	(12,261,224)	(53,334,869)	(70,552,791)	(65,474,512)	(68,160,481)	-	(269,783,877)
<u>Less</u> Allowance for impairment	(3,164,212)	-	-	-	-	-	-	(3,164,212)
Net book amount	300,510,924	26,633,228	233,339,625	155,689,794	128,518,612	37,736,940	84,270,388	966,699,511
For the year that ended on 30 September 2012								
Opening net book amount	300,510,924	26,633,228	233,339,625	155,689,794	128,518,612	37,736,940	84,270,388	966,699,511
Additions	-	564,400	496,400	5,240,161	3,741,466	3,174,096	13,105,317	26,321,840
Disposals, net	(4,724,212)	-	-	(804,822)	(1,161,599)	(45,115)	-	(6,735,748)
Transfer in/(out)	-	7,624,966	2,284,846	110,257	56,815,863	8,925,816	(75,945,376)	(183,628)
Reversal of allowance for impairment	3,164,212	-	-	-	-	-	-	3,164,212
Depreciation charge	-	(5,075,769)	(15,001,878)	(7,197,103)	(31,691,797)	(17,506,187)	-	(76,472,734)
Closing net book amount	298,950,924	29,746,825	221,118,993	153,038,287	156,222,545	32,285,550	21,430,329	912,793,453
As at 30 September 2012								
Cost	298,950,924	47,083,818	289,455,740	224,667,688	249,656,781	112,988,138	21,430,329	1,244,233,418
<u>Less</u> Accumulated depreciation	-	(17,336,993)	(68,336,747)	(71,629,401)	(93,434,236)	(80,702,588)	-	(331,439,965)
Net book amount	298,950,924	29,746,825	221,118,993	153,038,287	156,222,545	32,285,550	21,430,329	912,793,453

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

	Company							
	Land		Buildings		Vehicles		Machinery	
	Land Baht	improvements Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 October 2011								
Cost	303,675,136	38,894,452	286,492,210	35,632,387	193,993,124	103,647,805	84,270,388	1,046,605,502
Less Accumulated depreciation	-	(12,261,225)	(53,207,418)	(13,970,559)	(65,474,512)	(66,920,403)	-	(211,834,117)
Less Allowance for impairment	(3,164,212)	-	-	-	-	-	-	(3,164,212)
Net book amount	300,510,924	26,633,227	233,284,792	21,661,828	128,518,612	36,727,402	84,270,388	831,607,173
For the year that ended on								
30 September 2012								
Opening net book amount	300,510,924	26,633,227	233,284,792	21,661,828	128,518,612	36,727,402	84,270,388	831,607,173
Additions	-	564,400	496,400	4,290,067	3,741,466	2,836,405	12,446,126	24,374,864
Disposals, net	(4,724,212)	-	(19,976,523)	(804,822)	(1,161,600)	(1,106,897)	(62,500)	(27,836,554)
Transfer in/(out)	-	7,624,967	2,284,846	-	56,815,863	8,551,282	(75,460,585)	(183,627)
Reversal of allowance for impairment	3,164,212	-	-	-	-	-	-	3,164,212
Depreciation charge	-	(5,075,769)	(13,709,470)	(5,630,838)	(31,691,797)	(16,950,600)	-	(73,058,474)
Closing net book amount	298,950,924	29,746,825	202,380,045	19,516,235	156,222,544	30,057,592	21,193,429	758,067,594
As at 30 September 2012								
Cost	298,950,924	47,083,818	265,489,870	32,722,455	249,656,781	108,793,606	21,193,429	1,023,890,883
Less Accumulated depreciation	-	(17,336,993)	(63,109,825)	(13,206,220)	(93,434,237)	(78,736,014)	-	(265,823,289)
Net book amount	298,950,924	29,746,825	202,380,045	19,516,235	156,222,544	30,057,592	21,193,429	758,067,594

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

During the year 2012, the Company has reversed allowance for impairment of land amount of Baht 3.2 million due to disposal to a third party.

During the year 2012, The Company partially sold buildings and equipment to a subsidiary for the amount of Baht 22.86 million. The Company recognised gain on disposal of the assets for the amount of Baht 1.75 million in the statement of comprehensive income during the year.

Additions include Baht 4,205,607 (2011: nil) assets leased under finance leases.

The impairment charge of Baht 1 million for lands was made during the year 2011 as a result of they were crossed with high voltage cables and not allowed for any utilisation other than agriculture. The recoverable amount represents the net selling price which was determined with reference to market prices for equivalent assets by an independent valuer. Impairment charge for the year 2011 is included in administrative expenses.

As at 30 September 2012, property, plant, and equipment used as collateral for loan facilities can be summarised as follows:

- The Company's partial land and partial construction on the land located at Suansom Sub-District, Baanpaew District, Samutsakorn province have been mortgaged with a bank as collateral for long-term loans as mentioned in Note 15 at a total value of Baht 200 million (2011 : Baht 200 million).
- The Company's partial land and partial construction on the land located at Klong Sa-kae Sub-District, Nakornluang District, Ayudhaya province, have been mortgaged with a bank as collateral for long-term loans as mentioned in Note 15 at a total value of Baht 240 million (2011 : Baht 240 million).
- Twelve barges of a subsidiary, have been mortgaged with a bank as collateral for the bank overdrafts and long-term loans as mentioned in Notes 13 and 15, respectively, at a total value of Baht 125 million (2011 : Baht 125 million).

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

	Consolidated		Company	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cost - capitalised finance leases	5,427,382	16,056,280	5,427,382	16,056,280
<u>Less</u> Accumulated depreciation	(1,004,789)	(11,891,210)	(1,004,789)	(11,891,210)
Net book amount	4,422,593	4,165,070	4,422,593	4,165,070

12 Intangible assets, net

	Computer software	
	Consolidated	Company
	Baht	Baht
As at 1 October 2011		
Cost	8,979,963	8,084,983
<u>Less</u> Accumulated amortisation	(5,434,585)	(4,853,689)
Net book amount	3,545,378	3,231,294
For the year that ended on 30 September 2012		
Beginning net book amount	3,545,378	3,231,294
Additions	6,041,454	6,041,454
Transfer from property, plant, and equipment, net	183,627	183,627
Amortisation charge	(1,338,162)	(1,151,387)
Ending net book amount	8,432,297	8,304,988
As at 30 September 2012		
Cost	17,375,046	16,480,065
<u>Less</u> Accumulated amortisation	(8,942,749)	(8,175,077)
Net book amount	8,432,297	8,304,988

13 Bank overdrafts and short-term loans from financial institutions

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Bank overdrafts	-	9,062	-	15
Trust receipts	938,163,080	1,246,276,698	938,163,080	1,246,276,698
Short-term loans	320,000,000	160,000,000	320,000,000	160,000,000
	1,258,163,080	1,406,285,760	1,258,163,080	1,406,276,713

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

As at 30 September 2012, bank overdrafts amounting to Baht 5 million (2011: Baht 5 million) are secured by a subsidiary's barges as mentioned in Note 11. The Group has unused bank overdrafts and trust receipts facilities amounting to Baht 53 million and Baht 1,191 million, respectively (2011: Baht 73 million and Baht 1,413 million, respectively).

As at 30 September 2012, the Company has unused unsecured short-term loans facilities in form of promissory notes and bill of exchanges from local financial institutions amounting to Baht 155 million (2011: Baht 365 million).

14 Trade and other payables

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Trade payables	213,141,531	227,355,374	211,468,073	224,707,885
Other payables	24,267,784	28,264,410	23,376,653	27,373,517
Tax payable	6,881,426	2,210,298	6,839,787	2,085,085
	<u>244,290,741</u>	<u>257,830,082</u>	<u>241,684,513</u>	<u>254,166,487</u>

15 Long-term loans

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Long-term loans due				
- within 1 year	422,047,756	200,964,000	410,047,756	188,964,000
- later than 1 year but not later than 5 years	41,566,309	578,520,309	20,180,000	545,134,000
	<u>463,614,065</u>	<u>779,484,309</u>	<u>430,227,756</u>	<u>734,098,000</u>

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

As at 30 September 2012, the Company had breached certain loan covenants according to the requirements in loan agreements with 3 financial institutions. A financial institution issued waiver letter for testing of financial covenant to the Company before the date of financial statements. According to TAS 1 (Revised 2009) - Presentation of Financial Statements, the entity has to present the liability as current if an entity has breached an undertaking under a long-term loan agreement on or before the financial statements date, even if the lender has agreed, after the financial statement date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. As a result, the long-term portion of loans amounting to Baht 134 million was presented as current liabilities.

However, after the date of financial statements the Company additionally received a written consent from a financial institution for waiver of covenant breaches. The loan will be presented as non-current liabilities in accordance with loan repayment schedule in the financial statements of subsequent period.

15 Long-term loans (Cont'd)

The movements of long-term loans for the years that ended on 30 September 2012 and 2011 are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Beginning balance	779,484,309	618,220,309	734,098,000	533,894,000
Additions during the year	-	500,000,000	-	500,000,000
Repayments during the year	(315,870,244)	(338,736,000)	(303,870,244)	(299,796,000)
Ending balance	463,614,065	779,484,309	430,227,756	734,098,000

As at 30 September 2012, long-term loans are secured by subsidiaries' barges, the Company's partial land and partial construction on the land as mentioned in Note 11 and the Company's partial inventories as mentioned in Note 9.

As at 30 September 2012 and 2011, the Group and the Company do not have undrawn committed long-term loans facilities.

16 Finance lease liabilities

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Finance lease liabilities	4,020,309	1,460,526	4,020,309	1,460,526
<u>Less</u> Deferred interest	(428,775)	(43,925)	(428,775)	(43,925)
	3,591,534	1,416,601	3,591,534	1,416,601

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Finance lease liabilities due				
- not later than 1 year	944,392	1,304,169	944,392	1,304,169
- later than 1 year but not later than 5 years	2,647,142	112,432	2,647,142	112,432
	3,591,534	1,416,601	3,591,534	1,416,601

17 Employee benefit obligations

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Statements of financial position				
Retirement benefits	3,895,663	9,207,554	3,554,138	8,675,718
Statements of comprehensive income				
Retirement benefits	1,357,815	1,937,265	1,230,349	1,623,075

The movements of retirement benefits obligations are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Beginning balance	9,207,554	7,704,104	8,675,718	6,760,925
Current year service costs	1,210,854	1,600,660	1,097,630	1,319,400
Interest costs	146,961	336,605	132,719	303,675
Benefits paid during the year	(60,109)	(4,429)	-	-
Actuarial gains	(6,609,597)	(429,386)	(6,351,929)	-
Transfer from subsidiaries	-	-	-	291,718
Ending balance	3,895,663	9,207,554	3,554,138	8,675,718

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

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Current year service costs	1,210,854	1,600,660	1,097,630	1,319,400
Interest costs	146,961	336,605	132,719	303,675
Actuarial gains	(6,609,597)	(429,386)	(6,351,929)	-
Transfer from subsidiaries	-	-	-	291,718
Total (included in staff costs)	(5,251,782)	1,507,879	(5,121,580)	1,914,793

17 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Percentage	Percentage	Percentage	Percentage
Discount rate	3.68	4.50	3.68	4.50
Future salary increases	6.00	6.00	6.00	6.00
Mortality rate	0.01	0.01	0.01	0.01
Resignation rate	0 - 31.00	0 - 50.00	0 - 31.00	0 - 25.00

18 Financial instruments

Significant financial instruments are as follows:

18.1 Forward foreign exchange contracts

The Company entered into forward foreign exchange contracts with local financial institutions in order to hedge the foreign exchange risk relating to trust receipts. As at 30 September 2012, the outstanding contracts which settlement dates are between 15 October and 25 October 2012 (2011: between 21 October and 4 November 2011) are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
USD 3.1 million at rates Baht 30.93 - 31.19 per USD 1				
(2011 : USD 4.6 million at rates Baht 30.57 - 31.26 per USD 1)	96,556,300	142,209,000	96,556,300	142,209,000

The net fair values of the forward foreign exchange contracts at the statement of financial position date are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Favorable (unfavorable) on forward foreign exchange contracts	(883,985)	1,440,251	(883,985)	1,440,251

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

18 Financial instruments (Cont'd)

18.2 Interest rate swap contracts

On 11 August 2011, the Company entered into an interest rate swap contract against a long-term loan with a local financial institution to convert floating interest rate for Thai Baht fixed 6-month rate plus 1.25% per annum to fixed interest rate at 4.37% per annum. As at 30 September 2012, the outstanding long-term loan balance was Baht 245 million (2011: Baht 475 million) with a maturity date in February 2014.

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Unfavorable on interest rate swap contract	407,910	1,264,571	407,910	1,264,571

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

Fair value

The carrying amounts of the financial assets and financial liabilities approximate their fair value.

19 Share capital and premium on share capital

	Consolidated and Company			
	Number of issued and paid-up ordinary share Share	Issued and paid-up ordinary share Baht	Premium on share capital Baht	Total Baht
As at 1 October 2010	152,078,328	76,039,164	230,461,835	306,500,999
Issue of shares	1,375,736	687,868	10,928,916	11,616,784
As at 30 September 2011	153,454,064	76,727,032	241,390,751	318,117,783
Issue of shares	-	-	-	-
As at 30 September 2012	153,454,064	76,727,032	241,390,751	318,117,783

The total authorised number of ordinary shares is 153,454,064 shares (2011: 153,454,064 shares) with a par value of Baht 0.50 per share (2011: Baht 0.50 per share). All issued ordinary shares are fully paid.

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

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

20 Warrants

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

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

The movements of warrants for the years that ended on 30 September 2012 and 2011 are as follows:

	Consolidated and Company			
	30 September 2012		30 September 2011	
	No. of warrants	Share	No. of warrants	Share
Beginning balance	-	-	57,519,035	57,921,672
<u>Less</u> Exercised during the year	-	-	(1,366,212)	(1,375,736)
<u>Less</u> Expired	-	-	(56,152,823)	(56,545,936)
Ending balances	-	-	-	-

21 Legal reserves

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Beginning balance	11,096,402	11,096,402	10,500,000	10,500,000
Appropriation during the year	-	-	-	-
Adjustment	(596,402)	-	-	-
Ending balance	10,500,000	11,096,402	10,500,000	10,500,000

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

22 Dividend paid

At the annual general meeting of the shareholders of the Company held on 24 January 2012, the shareholders approved the appropriation of dividend of Baht 0.20 per share for operating result for the year that ended on 30 September 2011 for 153,454,064 shares, totaling of Baht 30,690,613. The dividends were paid to the shareholders on 20 February 2012.

23 Expenses by nature

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Changes in inventories		3,059,330,395	2,566,714,521	3,078,570,123	2,573,769,704
Transportation expenses		232,348,621	176,740,002	232,348,621	179,411,737
Staff costs		88,035,117	107,697,350	83,191,906	99,881,692
Depreciation charges	11	76,472,734	77,353,338	73,058,474	57,846,787
Amortisation charges	12	1,338,162	1,175,545	1,151,387	925,688
Repairs and maintenance		7,843,494	11,585,525	7,688,957	11,379,535

24 Other income

		Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Gains on exchange rate		26,229,697	3,495,851	26,227,725	3,486,740
Interest income		642,255	475,305	643,712	1,344,006
Gain on disposal of property, plant, and equipment, net		2,579,831	10,357,828	4,330,450	1,607,686
Other income		6,963,892	25,439,406	8,839,367	26,885,712
		<u>36,415,675</u>	<u>39,768,390</u>	<u>40,041,254</u>	<u>33,324,144</u>

25 Earnings (losses) per share

Basic earnings (losses) per share attributable to the shareholders of the parent are calculated by dividing the net profit (loss) attributable to the shareholders of the parent by the weighted average number of issued ordinary shares during the year.

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

25 Earnings (losses) per share (Cont'd)

	Consolidated		Company	
	2012	2011	2012	2011
Net profit (loss) for the year attributable to the shareholders of the parent (Baht)	(288,263,690)	60,522,417	(307,946,187)	48,929,954
Weighted average number of ordinary shares (Shares)	153,454,064	153,454,064	153,454,064	153,454,064
Weighted average number of ordinary shares under warrants (Shares)				
- UMS-W1	-	5,577,133	-	5,577,133
Number of ordinary shares that would have been issued at fair value* (Shares)				
- UMS-W1	-	(2,887,743)	-	(2,887,743)
Weighted average number of ordinary shares plus effect of assumed conversion (Shares)	153,454,064	156,143,454	153,454,064	156,143,454
Basic earning (loss) per share (Baht)	(1.88)	0.39	(2.01)	0.32
Diluted earning (loss) per share (Baht)	(1.88)	0.39	(2.01)	0.31

* Fair value of a common stock that is carried to calculate for dilutive rate on number of common stock from exercised warrants and is captured from average of daily closed price of common stock through the period from 1 October 2010 to 5 November 2010 (expired date). The said averaged fair values are Baht 16.31 per share.

26 Cash flows from operating activities

Reconciliation of net profits (losses) for the years that ended on 30 September 2012 and 2011 to cash flows from operating activities is as follows:

26 Cash flows from operating activities (Cont'd)

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Profit (loss) before income taxes		(288,146,095)	123,275,687	(307,946,187)	105,037,944
Adjustments for:					
Reversal of allowance for doubtful accounts		(976,821)	(3,583,698)	(566,821)	(3,314,621)
Allowance for net realisable value of inventories		106,918,028	-	106,918,028	-
Depreciation charge	11	76,472,734	77,353,338	73,058,474	57,846,787
Amortisation charge	12	1,338,162	1,175,545	1,151,387	925,688
Write-off of property, plant, and equipment		7,506	58,409	-	46,052
Write-off of intangible assets		-	365,563	-	659,563
Impairment charge on investment in a subsidiary	10	-	-	-	13,293,197
Impairment charge (reversal of impairment) on property, plant, and equipment	11	(3,164,212)	1,149,000	(3,164,212)	1,149,000
(Gain) loss on disposal of property plant, and equipment		681,230	(10,416,237)	(1,069,390)	(1,653,738)
Unrealised (gain) loss on exchange rates, net		(2,303,712)	3,414,233	(2,311,194)	3,763,496
Interest income	24	(642,255)	(475,305)	(643,712)	(1,344,006)
Interest expenses		106,357,335	83,577,080	104,291,676	78,618,149
Changes in operating assets and liabilities					
- Trade and other receivables		19,472,463	(8,383,602)	21,137,413	(10,300,274)
- Amounts due from related parties		-	-	980,124	(1,044,776)
- Inventories		667,620,992	(124,906,512)	667,856,308	(132,681,660)
- Other current assets		(3,782,129)	(8,235,041)	(3,519,677)	(8,169,975)
- Other non-current assets		235,968	(806,873)	231,077	(833,873)
- Trade and other payables		(5,727,971)	63,026,881	(4,670,606)	82,608,183
- Amounts due to related parties		1,616,898	219,352	1,040,472	(10,198,567)
- Accrued expenses		(3,630,802)	21,873,647	(3,825,564)	21,329,557
- Other current liabilities		(16,128,084)	1,365,498	(16,030,199)	1,636,632
Reversal of allowance for doubtful accounts -					
Employee benefit obligations		(5,311,891)	1,503,450	(5,121,580)	1,914,793
Cash generated from operations		650,907,344	221,550,415	627,795,817	199,287,551
- Interest received		642,255	475,305	643,712	1,415,086
- Interest paid		(112,077,017)	(78,124,353)	(109,973,219)	(72,875,574)
- Income taxes paid		(1,058,200)	(63,818,908)	(213,865)	(58,409,105)
Net cash receipts from operating activities		538,414,382	80,082,459	518,252,445	69,417,958

27 Related party transactions

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

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

The Company is controlled by Thoresen Thai Agencies Public Company Limited, incorporated in Thailand. The investments in subsidiaries are set out in Note 10.

The following material transactions were carried out with related parties:

27.1 Revenues and expenses

	Company	
	2012	2011
	Baht	Baht
For the year that ended on 30 September		
a) Service income		
Subsidiaries	1,083,950	3,275,000
b) Interest income		
Subsidiaries	50,187	970,193
c) Cost of services and service expenses		
Parent company	341,500	1,797,235
Subsidiaries	19,239,728	15,116,860
Other related parties	3,835,682	-
	23,416,910	16,914,095
d) Interest expense		
Subsidiaries	375,759	466,816
e) Capitalisation cost (included in intangible assets)		
Parent company	1,386,000	-

27 Related party transactions (Cont'd)

27.2 Amount due from related parties

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Subsidiaries	-	-	659,278	1,631,921

27.3 Amount due to related parties

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Subsidiaries	-	-	6,117,737	6,694,162
Parent company	2,784,140	2,752,409	2,784,140	2,752,409
Other related parties	1,585,166	-	1,585,166	-
	4,369,306	2,752,409	10,487,043	9,446,571

27.4 Short-term loans from related parties

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Subsidiaries	-	-	6,700,000	20,800,000

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

27.5 Directors' and management's remunerations

The compensations paid or payable to key management for the year that ended on 30 September were shown below:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Short-term employee benefits	21,321,380	15,129,770	21,321,380	15,129,770
Post employment benefits	(3,998,588)	681,230	(3,998,588)	681,230
	17,322,792	15,811,000	17,322,792	15,811,000

28 Commitments and contingent liabilities**28.1 Operating lease commitments**

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Within 1 year	9,151,553	10,408,702	9,151,553	10,408,702
Later than 1 year but not later than 5 years	4,225,706	7,216,800	4,225,706	7,216,800
	<u>13,377,259</u>	<u>17,625,502</u>	<u>13,377,259</u>	<u>17,625,502</u>

28.2 Commitments from sale and purchase contracts for steam coal

As at 30 September 2012, the Company has outstanding commitments relating to sale and purchase contracts for steam coal with foreign coal suppliers for the specific volume plus or minus 10%. The coal price shall be adjusted which is subjected to the quality of coal, as specified by a formula in the agreements. Moreover, the Company has outstanding commitments relating to sale contracts for steam coal with domestic enterprises for the specific volume plus or minus 10% at a fix price per contract.

28.3 Contingent liabilities

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

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Letters of guarantee issued by				
bank on behalf of the Group	3,044,000	3,044,000	3,044,000	3,044,000

29 Promotional privileges

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

Project 1 Promotion certificate No. 1499(2)/2551, dated 13 May 2008 for barge transportation business under category 7.2 mass and products transportation by barge. A subsidiary registered for operation with BOI on 8 May 2012.

Project 2 Promotion certificate No. 1047(2)/2552, dated 19 January 2009 for transportation by barge under category 7.1 services and public utility. A subsidiary registered for operation with BOI on 19 April 2012.

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

30 Significant events

In 2011, the governor of Samut Sakhon province issued an order to all coal trading operators in the province to cease all operations from 13 July 2011 onwards, until further notice.

However, on 2 February 2012, the Company entered into a memorandum of agreement with the Coal Transferring Oversight Committee according to the Samut Sakhon Governor Order no. 2426/2554 dated 23 November 2011. The memorandum requires the Company to transfer all inventory (coal) within the period from 1 December 2011 to 28 February 2013 (15 months) according to the procedures and requirements identified in the Memorandum. The Company's management believe that the Company fully executed all procedures and fulfilled all requirements as identified in the memorandum.



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