



ASIA METAL PLC.



Annual Report 2009

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Message from the Chairman

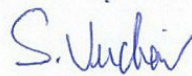
To All Shareholders

In the past year 2009, the world's financial crisis has affected the economy of major trading partners such as the United States, EU and Japan the major export market of Thailand. Although the important countries in Asia can continue to grow. However, the reduced purchasing power inevitably affected the Thailand's industrial economy.

The country's economic begin sending a clear signal of recovery from the last quarter of 2009 because of government measures to stimulate the economy such projects that Thailand should be strong which aims is to stimulate the economy during the next 2-3 years and will be the key to the economic growth of the country. Especially in terms of infrastructure investment that will impact on economic sectors and related industries.

In 2010, this will be another challenging year for the company's management team is committed to managed care and a dedication to creating good returns on investment of shareholders. I and all the Board would like to thanks to all executives and employees the knowledge, ability and increase the potential for continuous operation of the company through the economic crisis going well and has a great work for us regularly. Finally thank you to all shareholders in supporting the company throughout the time.

Sincerely,



(Mr. Virachai Suteerachai)

Chairman

Message from the Managing Director

To All Shareholders

In 2009, the Company has adjusted the plans and operations in consistent with the economic situation both domestic and foreign. The Steel overall situation in 2009 has compared to the same period of last year found that the overall production has declined, domestic demand decreased and the global economic recession. It also faced the problem of raw material price increases, demand in downstream industries such as steel, motor vehicles and parts industry, Industrial Electronics and steel used in the construction industry dropped significantly, but however the company is aware of the duties to overcome obstacles. In response to the company's shareholders to receive maximum return, the Company is focus in human resources development and technology areas for more efficiency in administration reduce costs and provide quality control and quality standards to meet the customer needs.

For the performance in 2009, Asia Metal Public Company Limited has a total revenues of Baht 3,776.74 million and a net profit of Baht 102.58 million which is 2.72 % of revenues due to company has good management and continuous product development. In 2008, the Company had sales volume of approximately 174,300 tons of products that the company has very carefully managed with the commitment of the management to the Company's good performance and the return to shareholders, and aiming towards corporate governance.

On behalf of the Board of Directors, thank you to all shareholders, client partners, financial institutions both domestically and abroad, government agencies, private sector and all relevant sectors to support the activities of the company with good management. I also thank to all staffs to perform their duties responsibly with the cooperation of the organizations to develop capabilities in all aspects. To add value to the shareholders, stakeholders and society as a whole, I wish you all to believe that the company is committed to create the business benefits and organizational development to continuously progress forever.

Sincerely,



(Mr. Chusak Yongvongphaiboon)

Managing Director

Audit Committee Report

The Audit Committee of Asia Metal Public Company Limited consists of 3 independent directors, coordinated with executive director of finance and the secretary of the company which appointed by the Board with duty to review the information related to financial reporting, Internal audit and inspection by a certified public accountant. With this, the Audit Committee are promoting and urging the company to follow the best practices of registered companies for Company's Corporate Governance and advice about risk management and better internal control systems for the executive.

In the year 2009, the audit committee had organized the meeting for 4 times, the meeting with certified public accountant to review accounting systems and internal controls, including the information and financial reports before presenting to the public, and the meetings to review the internal audit risk and determine the annual audit plan including the independent meetings with management to consult and the regulations of the Office of the Securities and Exchange Commission.

The opinion of the Audit Committee is that the internal control of Asia Metal Public Company Limited is powerful enough to ensure the assets of the Company that has defensive measure and good maintenance. The accounting records are appropriate with resources that are used effectively. The Audit Committee has proposed to the Board of Directors to appoint and Mr. Pradit Rodloituk, the certified auditor with License No. 218 and Ms. Nongram Laoareedilok as the certified auditor with license No. 4334 The SST Master Company Limited is the auditor of the company and the account for the year ended 31 December 2010, which appointing the auditor and the auditor fees is depending on the approval by the shareholders of the Company's Annual General Meeting which will be held on 26 April 2010.



Police General Jumpol Munmai
Chairman of the Audit Committee

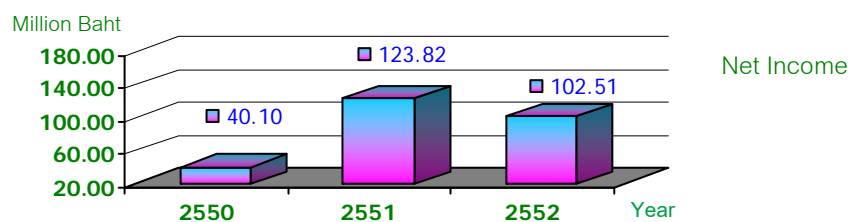
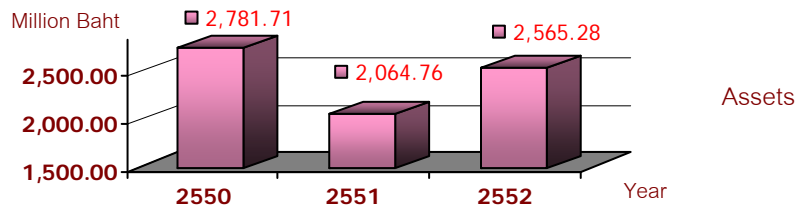
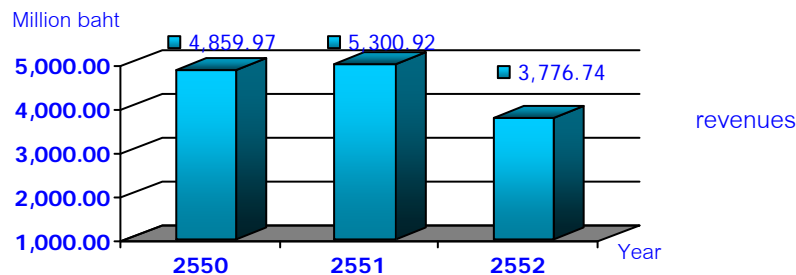
THE OVERALL OPERATION

Information as of December 31, 2552.

The Overall Financial Statements.

(Million Baht)

	2550	2551	2552
Current Assets	1,934.86	1,099.46	1,595.78
Property, Plant and equipment	689.67	830.37	912.85
Total assets	2,781.71	2,064.76	2,565.28
Total current liabilities	1,538.36	599.53	1,072.59
Total liabilities.	1,539.11	687.03	1,135.31
Total Common Stock	479.94	479.94	479.94
Shareholders' equity	1,242.60	1,377.73	1,422.00
Liabilities and Shareholder's equity	2,781.71	2,064.76	2,565.28
Revenues	4,859.96	5,300.92	3,776.74
Cost of sales	4,558.77	4,806.79	3,606.45
Profit Margin	301.19	494.13	170.30
Selling expenses	36.45	61.08	53.67
Cost management	57.87	53.30	49.04
Other revenues	33.56	14.18	12.88
Income from operation	117.01	263.31	140.51
Interest expense	51.85	58.43	28.01
Paid tax	25.05	81.07	9.98
Net Income	40.1	123.82	102.51



Data in General

The Asia Metal Public Company Limited (“company”) was established on March 9, 1993 with registered capital and paid the initial 30 million Baht by the group of Mr. Chusak Yongvongphaiboon for the business to service steel integrated includes the steel coils (Coiled) both hot-rolled (Hot-Rolled) and type Cold Rolled (Cold-Rolled) as well as the cut-and-steel sheet (Sheet) and steel coils Slitting Coils according of the size demanded by the customer. The company also the manufacturer and distributor of steel including structural steel and steel C-shape use at various industries. As of December 31, 2009, the company has registered capital of 549.97 million baht and paid up 479.93 million baht and the Yongvongphaiboon groups are also the executive and major shareholder in percent of 25.90 of paid up capital. The group of Khunying Pattama Leesawattrakul are holding 16.67 percent of the paid-up capital and the group of Suteerachai are also holding 17.87 percent of the paid-up capital.

The group of the company are consist of 3 subsidiaries as follows;

1. STC Steel Limited holds the shares of 99.99 percent, which operatest the production and distribution of pipe both round and square types with diameter of 0.5 inches (12 mm) to 4 inches (100 mm) with the production capacity of all types of pipe is 40,000 tons per year.
2. Asia Metal Fabrication Co., Ltd. K holds the shares of 55.00 percent, which operates the steel production design and contractor of plant.
3. Vientiane Bonded Warehouse Co.,Ltd. holds the shares of 40.00 percent, which operates in warehouse services. The company is under the construction and not yet started it’s business.

The Asia Metal Public Company Limited has divided the products and services by the nature of business in 2 types;

1. Steel Service Center

The company provides the steel products in terms of steel service center both types of hot rolled steel sheet coil and cold rollec sheet coil type. To sell to the wholesaler steel and customer from steel factories, which the customer will use to process the steel work that includes the services of cutting the steel in different sizes according to the order of the customer. The company is also the distributor of steel in different sizes according to the industrial’s demand emphasizing the services of service first after sells. The company is focused on customer satisfaction with regard to the quality of products first which in 2009, the revenue from the provision of steel products is 50.34 percent of the total revenue.

2. Processing Steel Products

The company provides the services of cutting steel, steel coil processing and steel metal sheet, and c-shaped steel structure. In year 2098, the company has obtained the revenues from processing steel products in total of 49.32% of the total revenue.

At present the group of the company has the production capacity and distribute all types of steel in total 165,000 tons per year divide into production capacity to 125,000 tons per year of the company is 125,00o tons per year, and of the subsidiaries is 40,000 tons per year, in which the company is divided the production capacity of steel

roll 20,000 tons per year, production capacity of steel is 47,500 tons per year, production capacity of steel is 20,000 tons per year, and production capacity of steel shaped C is 37,500 tons per year. By the year of 2009, the company used the total production capacity is 52.41 percent of the total production capacity. In particular of the production capacity of the subsidiaries is the capacity of steel both round and square types of 40,000 tons per year, which in 2009, the production capacity is 38,86 percent of the production capacity (see the details of the topic. Business operation of each product line).

The company has purchased the hot rolled feedstock as the raw material of the production from the manufacturer in the country such as; the companies in the group of Sahaviriya Steel Plc. Industries, Ltd., G Steel PCL and PLC. GJ Steel. The company has distributed the products to the customers within the country. The customers are divided into 2 groups, wholesalers of steel, the Group that operates in both wholesale steel in Bangkok and vicinity. The value of sales to this customer is accounted 60 percent of the total revenue of the company. And the operators in industries such as furniture industry, Industrial Electronics, Automotive industry, etc. The value of sales to this customer is accounted 40 percent of the total revenue of the company, and the Company is not selling to any customer more than 10 percent of the total revenue of the company.

The company has focused on the quality of products and services, including delivery on time. The products of the C-shaped steel structure has been accredited as the industry standard mark from the Ministry of Industry. And its system of quality management in manufacturing ISO 9001:2000 is used for administration in order to verify the customer to focus on the quality of products and services of the company. Furthermore, the Company is under the preparation of management system into integrated system ISO / TS 16949 with ISO 14001 and OHSAS 18001:2007 standards in order to enhance the standard production and management for the sustainable future of the company.

The performance over the past year, the company has the income from sales and services equal to 3,776.75 million baht with net profit is equal to 102.51 million as of 31 December 2009. The Company had the total assets equal to 2,565.28 million, total liabilities 1,135.31 million and shareholders' equity is equal to 1,429.96 million baht. The company has registered capital of 549.97 million divided into ordinary shares valued at 549.97 million shares is 1 baht per share with paid up registered capital of 479.94 million baht.

RISK FACTORS

1. Risk in Business

Risk from depending on big lots producers

Currently, the company has bought hot-rolled coil iron as the main raw ingredient and almost all from the big hotrolled coil producers in Thailand from 3 groups such as Sahaviriya Steel Industry, G Steel and the group of G J Steel, making the company had risks of lacking material if the three main companies will ever fail to supply it on time, and the company will not be able to search for back-up materials from others in time, according to the order from the customer.

However, due to good relationship among the company, the iron producer companies and the distributor companies as well as the company's has the plan and policy to store the inventory appropriately with the economic status and stock for at least 30-45 days to have enough quantity for production, the company believes that it will not affect or damage in buying the materials from the mentioned manufacturers. In addition to the purchase order from abroad to replace in time of deficient raw material within the country.

• Risk cause from fluctuation of material prices

Iron is the main raw material of the company, which is 95% from the sell cost, and the price will change according to the world market under the supply and demand of the producers and iron users around the world, as well as other factors that will affect the price such as exchange rates, tax rate for the import, that includes the surcharge etc. That makes the raw ingredient costs of the company will change at any time, and it brings risk to the company if it cannot adjust the selling prices according to the increased cost.

However, the company has closely follows the movement of the changing prices of raw materials as guidelines in ordering materials according to customers' need, including the setting of selling price. The company will consider the sell cost together with the market price at that time. If the raw ingredient price has the tendency to increase, the company will increase the volume of purchase order of raw materials and the company will use the policy of cost plus the profit to add the costs of raw materials and the expenses incurred with profit is to set the selling price that enable the company maintain the profitable parts. Because the company will adjust the prices from time to time according the adjustment selling price of raw material and will accelerate the sale of raw materials and quickly release the finished products in order to release the inventories as soon as possible. To follow-up the movement of raw ingredients and the policy of setting the selling price, the changing raw ingredient price will not affect the operation of the company significantly such as the year 2008 to year 2009 at a price of raw materials, fluctuations in price significantly, but due to the company has the sufficient cost, the company enable to maintain its earnings with less affected.

2. Risks from Administration and Management

• Risk from giving customers credit

On December 31, 2009, the company had accrued account for the amount of 380.71 million baht in 10.08 of the overall income of the company in 2009, with period of debt collecting on an average of 35.29 days. The debtors who had not paid for the grand total not more than 90 days the total of 130.32 million baht in total of 360.39 million baht in overall total 94.66 million baht of the total debtors. The company may face the risks since the customer might not be able to pay for the goods according to the terms or delay in payment, that might make the company encounter the liquidity problem or money loss.

However, the company has the rules in considering giving the customers credit based to customer's history, payment obligations, and credit limits. The company will not give credit and budget to any customer or group as special priority to prevent any risk that may occurred. Moreover, the company has sets the reserved capital for the debtors who have not paid for a long time, in which last year the company has the Allowance for Doubtful Accounts increased to 13.33 million baht because some account receivable are failure to pay the liabilities and the company is under the process of legal action.

• Risk from Interest Rates

On December 31, 2009, the company had a debt of ,072.591 million baht that had not been paid, and the debt was the result of borrowing from the financial institution the total of 936.15 million baht, mostly is the short term loan in the form of promissory note, having the interest rate from 2.45% to 4.85% per year and repayment shall between 1-3 months, to be used as a working capital for ordering from the iron factories. If the interest rate in the country has a tendency of increasing, they may make the interest of expenditure cost higher and have effects on the company's operations.

However, since the company has the product range that immediately serve needs of the customers, making the company maintain the sell volume of being not to decrease when compare to the regression rate of the local economy and world economy. That makes the company be able to pay for the interest, and in 2009, the company had the interest cost of 28.01 million baht in rate of 0.74% from selling and service. Which the group of the company believed that the fluctuation of future market interest rates do not affect the significant impact on operations and cash flows of the business.

● Risk in Exchange rate

In 2009 and 2008, the Company had an order value of foreign charge 5.34 percent and 7.43 percent of the total order value, respectively, a money order in U.S. dollars. Therefore, the company has the risk of currency fluctuations. From the past has used the derivatives to reduce the uncertainty of future cash flows arising from changes in foreign exchange rates. The strategy is to hedge trading foreign exchange contract in advance. The contract and the balance at the end of the period is in several issues.

As of 31 December 2009 no outstanding contracts.

As of 31 December 2008 has outstanding contracts.

1. One agreement between the Bangkok Public Bank the total of 1.0 million US Dollar made in advance agreement to sale in 34.94 baht per 1 US. Which some portion had been used and the remaining amount of 473,512.05 US Dollar is currently standing.

2. Five agreements between the Siam Commercial Public Bank in total of 1.1 US Dollar made in advance agreement to sale in 35.65 to 36.10 Baht per US Dollar.

In the future, the Company expects to continue to order from overseas, so the company will continue to maintain the policies to reduce the impact of exchange rate risk by using the following as appropriate in that such circumstances.

NATURE OF BUSINESS

The History

The Asia Metal Public Company Limited (“company”) was founded on March 9, 1993, with the paid up capital of 30 million baht. The objective was running the business as iron service center by cutting the big coil as a plate or roll according to the desired size of the customer, including to produce and distribute the shape steel that being used in other industries such as steel pipes and light lip channel.

Company’s Important Changes and Development

In 1993, the company engaged as the center for services to buy and sell the iron.

In 2002, the company has increased the capital from the 30 million baht to 100 million baht to expand the factory that had the company’s production capacity of finished iron to 160,000 tons per year.

In 2004, the company has transformed to public company limited and increase the registered capital from 150 million baht to 200 million baht. The value of PAR had changed from 100 baht per stock to 1 baht per stock, in which they had presented to sell new registered capital to the public total of 50 million stocks.

In 2005, the company has increased the registered capital from 200 million baht to 400 million baht to offer to sell to the previous shareholders at 1 baht to support the growth of the company.

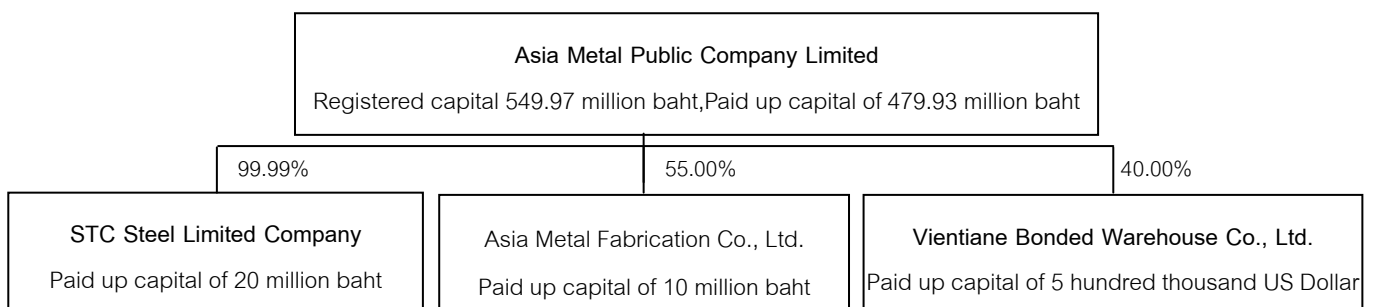
In 2006, on March, the company had stopped some machines to use that space to place the raw materials and readymade products that decreased the production capacity from 220,000 tons per year to 165,000 tons per year. Those machines will be installed in the branch factory of Chonburi.

In 2007, the company has increased the registered capital from 400 million baht to 550 million baht to sell to the public and to former shareholders, and to support the conversion of warrant.

In 2008, the company has increased the registered capital for two subsidiaries for the business expansion of the company in the future.

The Overall Business of the company’s group

The structure of the group of Asia Metal Public Company Limited as of December 31, 2009



Asia Metal Public Company Limited

The company was established to run the business of complete line of iron service center such as coil distribution for both hot-rolled and cold-rolled as well as being the iron transformation center such as sheets, slitting coils, steel pipes that have 1" (25 mm) – 2.5" (62.5 mm) in diameter, light lips channels, and delivery to customers by having the production rate of 125,000 tons per year, divided into 47,500 tons per year of sheets, 20,000 tons per year of slitting coils, 20,000 tons per year of steel pipes, and 37,500 tons of light lips channels per year.

STC Steel Company Limited

Engage in business as production and distribution the steel pipes of both circle and square types, that has 0.5" (12 mm) – 4" (100 mm) in diameter with production rate of steel pipe 40,000 tons per year.

Asia Metal Fabrication Co., Ltd.

Operates in designing iron structure product and construction by the teamwork of Asia Metal Fabrication Co., Ltd.

Vientiane Bonded Warehouse Co., Ltd.

Operates in warehouse services

Revenues Structure of the company

The revenues structures of Asia Metal Public Company Limited and subsidiaries are as follows:

Distribution Value	2007		2008		2009	
	Million Baht	Ratio	Million Baht	Ratio	Million Baht	Ratio
● Iron Service Centre						
1. Services of Iron Supply	2,371.22	48.79	2,325.64	43.87	1,900.10	50.31
2. Cutting Iron services	4.62	0.10	2.77	0.05	1.15	0.03
Total Income from iron service	2,375.84	48.89	2,328.41	43.92	1,901.25	50.34
● Iron Transformation Product						
1. Iron Sheet	1,072.24	22.06	1,422.68	26.84	739.03	19.56
2. Hot rolled strip in coils	141.90	2.92	231.33	4.36	170.84	4.52
3. Pipe	664.89	13.68	666.59	12.57	521.36	13.80
4. Light Lips Channel	594.94	12.24	596.95	11.26	431.76	11.43
Total Income from transformation	2,473.97	50.90	2,917.55	55.03	1,862.99	49.32
● others *	10.15	0.21	54.96	1.05	12.50	0.33
Total values from all distribution	4,859.96	100.00	5,300.92	100.00	3,776.74	100.00

Note: * Other income are obtain from distribution of scrap iron occurred from production process.

Aims of the business

The aims of the company is to be the manufacturer of high quality steel. Because the company has realized the importance of the steel industry which is growing at a rate much higher at present and in the future for the growth of the construction industry, furniture industry and automotive industry.

In addition of being the Manufacturer of quality steel. The company is also focused on integrated steel service center to mentioned that the company is able to offer the various steel products as the size according to customers demand, including the steel coils, steel plate, offering the customers the convenience in purchasing. Since the customer can designed the company to produce the produce according the size to be used while most companies will only produce the standard size. Moreover, the company is also the steel distributor such as H-Beam, I-Beam, Assava Metal, clean ColorBond used in electric appliance industry.

The company also has the policy to develop the quality, product reliability, the services of the company. Including taking into the account both internal and external environments of the company by applying the quality management in the production of ISO 9001:2000 to ensure to our customer that the product purchased is the standard product. The Company is developing its products to be certified as TS 16949 standard for the automotive industry. Developing a standard production pipe types including human resource development strategy is to improve the performance of machines. To upgrade the production and administration management of the company's future sustainability. There are also improving the landscaping at the work place of the employees. That is, the environment and the employees for their own good living condition.

Production Line

Product Characteristic and services

The company and subsidiaries company has divided the types of product and services into two categories as follows:

1) Iron product supply

The company has the service in supplying the iron products in terms of iron service center, both hot-rolled and cold-rolled types that distributed to iron wholesalers and customers who are the iron factories. The customers will transform the irons into various works, and the company also offer the cutting services of iron according to customer desired sizes.

In particular of imported products in 2009, the imports of cold rolled steel and steel coating from Korea and China are to sold to the customers in electrical appliances industry and construction industry.

2) Iron product transformation

2.1 Slitting Coil

The company provides the service of cutting iron into slitting coil by cutting the coil into small stripes according the width designed by the customers and rolling back for distribution. The company has 3 cutting machines to cut irons into slitting coil, with the production capacity equals to 20,000 tons per year. In 2009, the company has the production capacity of 62.90 of the installed production capacity.

2.2 Cutting Sheet

The company provides the service to cut the sheet by cutting coil into sheet according to the width and length designed by the customers. The company can cut the iron according to the width from 600 to 1,500 mm and the length from 300 to 6,100 mm. The company's has 3 cutting machines used to cut iron into slitting coil. The company has the production capacity equals to 47,500 tons per year. In 2009, the company has the production capacity of 62.90% of the installed production capacity.

2.3 Steel Pipe

The company has produces and distributes the steel pipes used in various industries. Currently, the company has machines that manufacture the steel pipes, which can produce the diameter of 12 mm to 100 mm. The hotrolled coil iron that is cut by given width is made into shape, and connected the iron sheet with high frequency wave. This high frequency machine is modern and efficient in production, making the steel pipes of the company had the quality and acceptable by the customers. The company has the full production capacity of 60,000 tons per year. In 2009, the company has used the production capacity 38.86% of the installed production capacity. The produced company steel pipes are circle, square, and rectangle types. Which the company can produced according to the length and width designed by the customers.

2.4 Light lips channel

The company produces and sells the light lips channel by shaping the cut slitting coil in the form of “C”, and used in construction industries as roof support. The company has 4 light lips channel machines with installed the production capacity equals to 37,500 tons per year. In 2009, the company has used the production capacity 55.23% of the installed production capacity.

The customers will use the iron products bought from the company as raw materials for production process in various industries such as automobile industry, electrical appliances industry and electronic industry, furniture industry, and other industries.

In 2009, the Company distributes the products to the customers within the country 95 percent of the revenue from selling and services, and sold to customers in abroad and entrepreneur in various industries of 5 percent from the revenue of selling and services.

Assets used in business.

Fixed assets used in the operations

As of December 31, 2009, the company had fixed assets used in the operations as follows:

Unit: Million baht

Type/Asset Characteristics	Nature of Assets	Value in the account	Obligation
1. Land			
- Area: 16 rai 3 ngan 5 square yard Located: 55, 55/1 Moo 2, Soi Wat Namdang, Sri Nakarin Road., Bangkaew, Bangplee, Samut Prakan	Owned by the company	112.71	(1) Mortgage in the amount of 400 million Baht
- Area: 100 rai 85 square yard* Located: 90/1 Moo 10, Sasiliam, Panatnikom, Chonburi	Owned by the company	44.59	(1) Mortgage in the amount of 600 million Baht
- Area: 80 rai 28 square yard** Located: 90/1, Moo 10, Sasiliam, Panatnikom, Chonburi	Owned by the company	2.11	None
- Area: 17 rai 34 square yard Located: 90/1, Moo 10, Sasiliam, Panatnikom, Chonburi	Owned by the company	6.18	None
- Area: 3 rai 82 square yard Located: 6/10 Moo 1, Soi Wat Namdang, Sri Nakarin Road, Bangkaew, Bangplee, Samut Prakarn	Owned by STC	21.38	None
- Area: 7 rai 36 square yard Located: Soi Wat Namdang, Sri Nakarin Road, Bangkaew, Bangplee, Samut Prakarn	Owned by STC	29.01	Transferred to foreclosed assets.

Type/Asset Characteristics	Nature of Assets	Value in the account	Obligation
2. 3 Factory Buildings - Company's Factory Building Located: 55, 55/1 Moo 2, Soi Wat Namdang, Sri Nakarin Road, Bangkaew, Bangplee, Samut Prakarn	Owned by the company	120.26	(1) Mortgage in the amount of 400 million Baht
- Factory Building of the company in Chonburi** Located: 90/1, Moo 10, Sasiliam, Patanikom, Chonburi	Owned by the company	202.24	(1) Mortgage in the amount of 600 million Baht
- Factory Building of subsidiaries Located: 6/10 Moo 1, Soi Wat Namdang, Sri Nakarin Road, Bangkaew, Bangplee, Samutprakarn	Owned by STC	25.86	None
3. Machine and equipment	Owned by the Company	365.75	None
4. Machine	Owned by STC	11.77	None
Total Assets		912.85	

The Investment Policy and Administration of Subsidiary and associate

The investment policy of the company will invest the business that will support and brings benefit to the business of the company or businesses that are in industries with tendency to have potential growth, and take into the account rate of return that received from the investment as important consideration. The company will do the control by sending the committee to be the representative according the proportion of holding the stock, and for the associate, the company will not involved in regulating as much. But just to send the representative from the company as the committee on that company, however the number of representative is based on the proportion of the stock holds by the company.

Major Shareholders

List of major shareholders as at the latest closing date on the record book 7 April 2009 (par value 1 Baht per stock)

No.	First Name/Last Name	Total of Stocks	% of Total Stocks
1	Group of Mr. Chusak Yongvongphaiboon		
	Mr. Chusak Yongvongphaiboon	76,700,000	15.98
	Ms. Phenchan Yothinaupamai	40,000,000	8.33
	Mr. Pornthape Yothinaupamai	7,650,000	1.59
	Group of Mr. Chusak Yongvongphaiboon	124,350,000	25.90
2	Khun ying Patama Leesawadtrakul	80,000,000	16.67
3	Group of Virachai Suteerachai		
	Mr. Virachai Suteerachai	45,800,000	9.54
	Mr. Win Suteerachai	40,000,000	8.33
	Group of Virachai Suteerachai	85,800,000	17.87
4	Mr. Chanatip Trivuth	20,000,000	4.17
5	Miss Orawan Pongtanyaluck	9,705,000	2.02
6	Mr. Pramot Kerdpanya	7,813,600	1.63
7	Mr. Jompol Tanaporn	5,333,800	1.11
8	MR.LEE JUI-CHUAN	5,056,600	1.05
9	Mr. Somsak Lejongpermpon	5,027,100	1.05
10	Ms. Sopana Piensamrit	4,840,000	1.01
11	Mrs. Nual-laoo Kiatsritanakorn	3,306,300	0.69
	Total	351,232,400	73.17

Profile of Increased Capital

Unit : Baht	Paid capital before the capital increase.	Additional Capital	Paid capital before the capital increase	Type of increased capital
2545	30,000,000	70,000,000	100,000,000	Offered to previous shareholders.
2546	100,000,000	50,000,000	150,000,000	Offered to previous shareholders.
2547	150,000,000	50,000,000	200,000,000	Offered to the public
2548	200,000,000	200,000,000	399,973,800	Offered to previous shareholders.
2549	399,973,800	150,000,000	549,973,800	Offered to previous shareholders and to the public

Investment in subsidiary

There are 2 subsidiaries and 1 associate of the company as of 31 December 2009 below;

1. STC Steel Company operates the manufacturing and distribution of pipe. The company holds the shares in STC Steel Co. 99.99%, with registered capital 20 million and paid up 20 million baht
2. Asia Metal Fabrication Co., Ltd. the business that provides the services to install the steel structures and contractors. The company holds the shares in Asia Metal Fabrication Co., Ltd. in 55.00%, registered capital 40 million and paid up 10 million baht.
3. Vientiane Bonded Warehouse Co., Ltd. operates in business of warehouse. The company holds the shares of 40.00%, registered paid-up capital 500,000 US Dollar.

Policy of dividend payment during the past 3 years.

It is our policy to pay dividends to the shareholders the rate of not less than 50 percent of the net profit after tax. Except in the case the company will invest in other projects. The policies for subsidiaries have paid dividends same as the company that will pay dividends to its rate of not less than 50 percent of net profit after tax. Except in the case the subsidiaries have another project. In 2008, the company has paid dividends for the performance of the year 2008 ended December 31, 2008 to the shareholders whose names appeared on the record book as of April 3, 2009 at 12:00 pm in rate of 0.10 per share, totaling 47.99 million representing 38.75 percent of the net profit in 2008, because the company is in the expansion of the 2nd company at Phanat Nikhom. The company has paid the dividends to the shareholders on May 25, 2009.

Governance and Management Structure

Management Structure

The company's Board of Directors consists of the Board of Directors and the Audit Committee. The Board of Directors and the administrators are qualified under Section 68 of the Public Limited Company Act BE 2535 (1992) and there is no prohibition announced by the Securities and Exchange Commission by virtue of Licenses and permits issued to sell the stocks and the regulations on the management that issued the assets. The Board of Directors has are as follows;

The Board of Directors

Names of the Board of Directors as of December 31, 2009 consist of 9 committee members.

Name-Surname			Position
1.	Mr. Virachai	Suteerachai	Chairman of the Committee
2.	Mr. Chusak	Yongvongphaiboon	Committee
3.	Mr. Tanakorn	Ritthibunlue	Committee
4.	Ms. Phenchai	Yothinaupamai	Committee
5.	Ms. Tharadee	Piamsamrit	Committee
6.	Mr. Chanathip	Trivuth	Committee
7.	Pol.Gen.Jumpol	Munmai	Chairman of the Audit Committee/Independent Committee
8.	Mrs. Thaisika	Praisangob	Audit Committee/Independent Committee
9.	Sub.Lt.Suree	Buranathanit	Audit Committee/Independent Committee

and Mrs. Saifon Saengdeenae is the company secretary

Authorized Signatory

The authorized signatory of the company consist of Mr. Chusak Yongvongphaiboon, Ms. Penchan Yothinaupamai and Ms. Tharadee Piamsamrit. Two of the three directors can jointly signed with affixed the seal of the company.

Duties of the Board of Directors

1. Powers and duties under the Civil and Commercial Code. As well as other laws which require the authority of the Board of Directors or the Company (Thailand) Limited.
2. Powers and duties prescribed by the regulations of the Company as for the Board of Directors.
3. Approval of long-term plans, Financial Planning and annual Investment budget.
4. The company's commercial operations in accordance of the law, Objectives and regulations of the company, and the resolution of the shareholders.

5. Planning and policy for the management of the company, and examine the performance of the Company.
6. Set the regulations of the company
7. Appoints the board of directors or assigned to any one director or more or other person acting on behalf of either of the director, and within the binding liability of the board should have, and has the rights to cancel, edit or change revoke such authority.
8. To consider and approve the other important activities related to the company or appropriate is to operate such bring the benefit to the company.

Unless exempted the following issues is done only when approved by the shareholders meeting. This issue requires the Board or anyone who may have gain or Stakeholders, or potential conflicts of interest with any other company or its subsidiaries, and the member who has an interest on it and has no rights to vote on such matter.

- The issues that the law requires the resolutions of the shareholders.
- The transaction and the director has gain an interest in the legal issues or terms of the Stock Exchange and must be approved by the shareholders meeting.
- In addition, if the following must be approved by the Board of Directors and shareholders meeting by the vote of not less than 3 in 4 of the total votes of shareholders who attend the meeting and entitled to vote.
 - Selling or transfer the business whether the entire or just important parts
 - Buy or accept the business of other companies or private companies to be the business of the company
 - To modify or discontinue the contract about renting the business of the company whether the entire or important part, or assigning someone to manage the business or merge with other persons with the aim to share profits and loss.
 - The amendment of the memorandum or regulations.
 - Increasing or reducing the capital cost, issuing the debenture, Merger or liquidation of the Company.
 - Any other matters required by the law.

Audit Committee

Names of the audit committee as of December 31, 2009 consisted of 3 committee members

Name-Surname		Position
1. Pol.Gen. Jumpol	Munmai	Chairman of the Audit Committee
2. Mrs. Thaisika	Praisangob	Audit Committee
3. Sub.Lt. Suree	Buranathanit	Audit Committee

Authority of the Audit Committee

1. Examine whether the company has accurately reported the financial and adequately disclosed by coordinating with the external auditors and executives responsible for the financial reporting through quarterly and

annually. The Audit Committee may recommend to the auditor to review or verify any item deems necessary and important during the time of audit.

2. Reviewing the company's internal controls and audit whether appropriate and effective. The review shall conduct together with the external auditors and internal auditors.
3. Review the Operation of the Company whether in accordance with the Securities and Exchange Law, Terms of the Stock Exchange or laws relating to securities business.
4. To select and nominate the auditor of the company, and to consider offering the compensation to the auditor with regard to credibility, adequacy of resources and quantity of audit work at the auditor's office as well as the experience of the personnel to be appointed as the auditor of the Company.
5. Consider the disclosure of the information in the event of a transaction or transactions that may have conflicts of interest to have the accuracy and completeness.
6. Operations of any delegated by the Board of Directors and Audit Committee agreement to review the policies such as financial management and risk management, review the compliance with ethical business executives, review with the leaders of major companies for the report to be presented to the public as required by the law, report and analysis of the management etc.
7. Report the activity of the Audit Committee and disclose in its annual report. The report will be signed by the Chairman of the Audit Committee, and such report should include the following information.
 - Commenting on the process of preparation and disclosures the financial reports in accuracy and completeness are reliable.
 - Comment on the adequacy of internal controls of the Company.
 - Reason to believe that the auditors of the Company are appropriate to be appointed them to another term.
 - Comment on the Operation of the Securities and Exchange Law, Terms of the Exchange, or laws relating to its business.
 - Any other reports that shareholders and investors should be aware under the scope of duties and responsibilities assigned by the Board of Directors.

Executive Board of Director

Names of the Executive Board of Director as of December 31, 2009, as follows;

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	Chairman of the Executive Board of Director
2.	Ms. Phenchai	Yothinaupamai	Executive Director
3.	Mr. Tanakorn	Ritthibunlue	Executive Director
4.	Ms. Tharadee	Piamsamrit	Executive Director

Duties of the Executive Board of Directors

1. To set the policy, strategy and financial structure, and other powers to be consistent and support the economy.
2. To give opinions on the business plans and annual budget proposed by the managing director for the presentation to the Board of Directors.
3. To supervise and monitor the operations of the company to be effective and suitable conditions of the business for the benefit of management and operations of the Company in accordance the objectives and regulations of the company.
4. Other actions delegated by the Board of Directors.
5. Have the power to decide to perform its normal banking business such as loans including providing the security to various banks etc.
6. Have the authority to approve the expenses for normal transaction costs of such operations and the cost of sales and management. The amount approved these items at a time, not more than 50 million per items, or the limit prescribed by the Board.

The Board of Directors may authorize the executive of the company the authority to acts any or several of the board deems necessary. The mandate of the above, the Board must comply the various agendas and approved by the Board at a time, and shall not approve any issues that he or persons who may have conflicts of interest, Stakeholders or potential conflicts of interest in any other manner with the Company and its subsidiaries , and shall must presented these issue to consider to the Board of Directors.

Administrator

Names of the Administrators of the Company as of December 31, 2009 as follows:

Name-Surname			Position
1.	Mr. Chusak	Yongvongphaiboon	Managing Director
2.	Ms. Phenchan	Yothinaupamai	Assistant Managing Director
3.	Mr. Tanakorn	Ritthibunlue	Director of Accounting and Finance
4.	Mr. Chichnok	Thomawong	Marketing Director
5.	Mr.Suntorn	Kumpipot	Director of the Factor
6.	Ms. Tharadee	Piemsamrit	Financial Manager

Duties of the Managing Director

1. Shall have the power to decide on major operations of the company by designing the scope, type or size of the mission, objectives, guidelines and policies within the scope of mandate, including to overseeing the overall operations, productivity and customer relationships, and be responsible to the Board.
2. The matters of procurement. The procurement of raw materials for each time production of not more than 10,000 tons, if the amount is over, it shall be presented for the approval from the next Board of Directors

meeting, including the investment expansion, sale of fixed assets which to be presented to the Board of Directors.

3. The power to act for and on behalf of their business to the third party and related businesses that will gain benefits to the business.
4. Consider the financing of the Company presented to the Board of Directors.
5. Approved the appointment of consultants required for various operations of the business.
6. Action related to the general administration of the business.
7. To consider and approve the action plans for each department of the company and approve the request from various departments with excess power to such departments.

The mandate of the above, the managing director must comply the various agendas approved by the Board at a time, and shall not approve any person or persons who may have conflicts of interest, Stakeholders or potential conflicts of interest in any other manner with the Company and its subsidiaries, and shall disclose such transactions to the Board of Directors consideration.

Any other than those mentioned above, the managing director shall not legible to do unless occasionally authorized from the meeting of the Board of Directors.

Report on Corporate Governance.

In order to ensure that the policy shall in compliance the Code of Best Practices, the company has adopted it as guideline for the operations for the benefit of the business of the company, and to enhance transparency. The effectiveness of management will bring confidence to the shareholders, Investors and relevant parties. Currently the company has complied with such principles as follows;

1. Policy on Corporate Governance

The Board has set the policy and direction of operations to increase the maximum economic value for the shareholders and the sustainable growth of the company in overseeing the management process in accordance with the prescribed policies and ensure that an effective internal audit.

2 The rights of shareholders

In 2009, the company has organized the shareholders meeting. In each conference the company has sent the notice of the meeting including the various information to inform the shareholders before the meeting date at least 14 days in advance accordance with the regulations of the company. Also completely prepared the agendas and to allow the shareholders to examine, inquiries and comments at the meeting, and each agenda has the opinion of the Director. In year 2010, the company has the policy to increase the period prior to sending the invitation and will add options to the shareholders by the Audit Committee that will be authorized from the shareholders to represent on behalf if in the event that the shareholders can not attend the meeting.

3 The rights of the stakeholder

The company has focused on the rights of all interested groups whether to gain or loss such as the employees and executives of the company or external stakeholders such as competitors, creditors, government agencies and other related organizations since the company will be realized the strong support from various stakeholders. This will create a competitive advantage and profit to the company which is considered a long-term success of the Company.

The important details as follows;

Business Partner : Build good relationship with business partner (seller: company : client) based on each advantages.

Client : Build customer's satisfaction, Caring and responsible to the customer by emphasis on product quality, service quality standards, fast and on time.

Creditor : The Company complies with the conditions of any loan agreement.

Community and Society: Environmental concerns, the company responsible and take care by not affect the environment of the community and society.

4 Shareholders meeting

All the board of directors attended the meeting held in 2009 except the Chairman of the Audit Committee because he was on urgent duty. The company understands that the meeting was important. To report and answered the questions of the shareholders about the several issues which the Chairman of the meeting has given the shareholder the opportunity to have equal rights in the checking the operations of the company. For the inquiries, comments and making suggestions, issues as well as the significant questions and comments in the minutes of the meeting.

In 2010, the company will still continue the above policies.

5 Leadership and vision

After the company is listed on the Stock Exchange of Thailand, the company has determined the policy that the Board of Directors have to increased and strict to their role in order to comply the good corporate governance. The directors of the Company will have the following roles.

- The Board of Directors shall involve in determining the vision, mission, strategic goals and business plan and budget, and supervise the management process in accordance with business plan and budget efficiently and effectively to add the economic value to maximum security and maximum stability to the shareholders.
- The Board is required to provide the Company's internal control system, Internal Audit and measures to manage the risk effectively, including the monitoring the action regularly during the meeting of the Directors.
- The Board will consider the formulation and separate the roles and responsibilities between the Board of Directors, Audit Committee, and management under Article 9.1 about the management structure, including the communication, roles and responsibilities of the directors, Management and employees on a regular basis.
- The Board of Directors must oversee the management and administration policies that clearly defined. The list does not include the conflict or interest as well as the items that need to get feedback from the shareholders of the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand

6 Conflict of Interest

To prevent the conflicts of interest, the Board of Directors oversees the item carefully when potential conflicts of interest. Including the policies and procedures for the management and care not related to the information contained within its exploitation as follows;

- The issues that may have the conflict of interest: The directors were aware of the conflict of interest, related issues that carefully considered each time. Including the performance in compliance the rules of the Stock Exchange. The price and conditions as transactions with third parties (Arm's Length Basis) and will provide the further details, contract value, partner, reason necessity in the annual report and Form 56-1.

Supervision in using the internal data

- Designed the Executive to report the changes in holding the securities to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act B.E. 2535 (1992).
- Prohibit the administration or agency that knows the information to disclose to any third party or not related individuals that no trading contract in a range of 1 month before the publication of financial statements.

7 Business Ethics

The company has set the ethical practices of the Management, Board and employees to adhere to all relevant as guidance in the performance of its mission honesty and justice, and treatment to the company, all groups of stakeholders, Public and society. That roles and functions are defined in the scope of the authority of the Board of Directors, Managing director and the regulations to operate the company. This issues has the penalty of disciplinary action.

8 The balance of non-executive directors.

As of December 31, 2009 the Company had total 9 members of the Board of Directors as detailed below;

- 4 Executive Directors
- 2 Directors
- 3 Audit Committee

As a result, the company has 3 independent directors representing 33.33 percent of all directors.

9 Combining or Separation of Position

The chairman is not the managing director. However, the managing director is representing in the group of major shareholders that held 33.82 percent of the registered and duly paid up. However, the structure of the Board is consist with 3 Audit Committees, which will cause the balance and review the management.

10. Remuneration of Directors and Executives

The company has the remuneration policies clearly and transparently. The remuneration is in the same with the industry and appropriate duties and assigned responsibilities, and high enough to attract and retain the qualified directors and has been approval during the shareholders meeting. The executive compensation shall in accordance with the principles and policies set by the Board of Directors which associated with the Company's operating results and performance of each executive.

A. Compensation in cash in 2009

The company pays the compensation to 5 non-executives committee

Name-Surname	Meeting fees (Baht) in 2008	Meeting fees (Baht) in 2009
1. Pol. Gen. Jumpol Munmai	360,000	360,000
2. Mr. Virachai Suteerachai	60,000	360,000
3. Sub.Lt. Suree Buranathanit	120,000	120,000
4. Mrs. Taisika Praisangob	120,000	120,000
5. Mr. Chanatip Trivuth	80,000	72,000

The other 4 Board of Directors of the company have no compensation as the director because the 4 board of directors are the administrators. Therefore they are being paid as the executive. The detail is as follows.

Unit: Thousand Baht

Particular	2008		2009	
	Salary and Bonus	Others*	Salary and Bonus	Others*
Director - the Executive (4 persons).	6,880.01	-	7,857.46	-
Executive (2)	1,907.70	-	3,049.07	-
Total	8,787.71	-	10,906.53	-

Note: * Other compensation such as social insurance, Medical fee and other expenses.

A. Other remuneration for the directors and administrators.

- none -

11. The Board meeting

The company has determined the meeting of the Committee regularly (at least 3 months each) and a special meeting as necessary. As agendas are set in advance and considered the term to follow-up the operations on a regular basis. By sending the invitation enclosed the agenda and documents before the meeting for a period of 7 days in advance to the Board of Directors has the sufficient time to study before attending the meeting. As well as to record the meeting in writing, and save the minutes of the meeting approved by the Board of Directors and examined by the Board of Directors and related parties.

Last 2009, the Board of Directors held 5 meetings as follows;

Name-Surname			Number of attending the meeting
1.	Mr. Virachai	Suteerachai*	5/5
2.	Mr. Chusak	Yongvongphaiboon	5/5
3.	Mr. Tanakorn	Ritthibunlue	5/5
4.	Ms. Phenchan	Yothinaupamai	5/5
5.	Ms. Taradee	Piemsamrit	5/5
6.	Pol.Gen. Jumpol	Munmai	5/5
7.	Mrs. Taisika	Praisangob	4/5
8.	Sub.Lt. Suree	Buranathanit	5/5
9.	Mr. Chanatip	Trivuth	5/5

12. Sub-committee

During the Annual General Meeting of Shareholders has appointed the Audit Committee to post on their position since 17 February 2004 to help oversee the affairs of the company. The powers and duties of the Audit Committee as detailed in Section 9.1 on the management structure. Currently, no sub-committee has set the Remuneration. However, today the company's remuneration will be based on compensation data, the same at the industry and similar size. including the consideration of the results of the Company.

13. Control and Internal Audit

The company is aware of how important is the internal controls and executive level and operational levels for effectively. Therefore, the authority of the executive has been designed in written clearly with the supervision of using the assets of the company to raise benefit, and separated each duties of the workers, monitoring and evaluation of control in part to achieve the balance and check properly, and internal controls related to the financial systems. The company provides the financial reports presented to the administrator according to responsible line. Also the company has set up the internal audit to ensure that the major operations and activities of major financial companies will follow the guidelines effectively. Including the review of laws and regulations relating to the company (Compliance Control) and can freely check the internal audit. Be able to review and balance fully. The Board of Directors has determined that the internal audit will report directly to the Audit Committee and evaluate the result from the audit committee so that the checking control system and internal audit will very independent.

14. Report of the Committee

The committee is responsible for the financial statements and consolidated financial statements of the Company and its subsidiaries (if any) and financial information that appears in the Annual Report. However, this financial statement is prepared in accordance with generally accepted accounting standards in Thailand. By choosing

the appropriate accounting policies and compliance on regular basis, carefully use the discretion and best estimate in the preparation, including the importance of adequate disclosure in the notes to the financial statements.

The committee has provided the system to maintain the effective internal control to ensure reasonably that the accounting records are accurate and complete enough to maintain the property held and to identify the weaknesses to prevent fraud or abnormal operation significantly.

In this regard, the General Meeting of shareholders is to appoint the Audit Committee, including the non-executive directors are responsible for the quality of financial reporting and internal control systems.

The committee has considered that the internal control systems of the company were at a satisfactory level, and can make a reasonably confident of its financial statements.

15. Relationship with the Investors

The board recognizes that the information about the company's financial and non financial all influence decision-making process of the investors and stakeholders of the company. Therefore, enjoin the administrative action in connection with the disclosure required to meet the real consistent, reliable and timely management focused of the company will abide. Therefore, the administrator of the company has considered that it is important and still maintain throughout the time. In particular of the relationship of the investor which currently the company is under the formation of assigning the specific department but the accounting and finance department has been assigned to communicate with the financial institutions, shareholders, analysts and related government sectors.

Administrators' Utilization Protection of Internal Information

1. The company sets to have the protection against bringing company information to be used by setting unit that know information and will not reveal it to other unrelated individuals or group.
2. The company administrator who receives the financial of the company will not use the benefit from the mentioned information before reveal to the public. The administrators cannot buy or sell the company's assets for a period of one month before the financial budget will be presented to the public.
3. When the company assets register in The Stock Exchange of Thailand, the company has set that the committee and administrator have functioned in reporting asset holding in the company according to the Sections 59 so that it would be as announced by the Securities and Exchange Commission about making and revealing the report of asset and have set the penalty according to the Securities and Exchange Act, 1992 and the regulations of the Stock Exchange in Thailand. This includes setting the penalty for those searching for their own benefit from using the company's internal information for personal use or reveal to others, thus damaging the company. There will be consideration concerning the punishment according to the situation such as verbal warning, written warning, and suspension, including halt employment by suspension or firing.

Personnel

The total of company and sub-company employees as on December 31, 2008 -2009 were 251 and 304 persons (not include administrators). This consists of the employee according to the work lines as follows

Department	Numbers of Permanent Staff (Person)2008	Numbers of Permanent Staff (Person)2009
1. Office	86	134
2. Factory	165	170
Total	251	304

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

Employee's compensation

The total compensations of the employee who were not the administrators of the company and sub-company (including coming in and going out of the employee during the year) in 2008-2009 was 61.29 million baht and 51.51 million baht. This compensation was in the form of salary, bonus, wage, overtime wage, living expenses, and long term supportive fund.

The policy of personnel development

The company has the policy in developing the staff by setting the internal training and external training regularly to increase the potential to our staff in increasing their knowledge and skill. This will make the staff able to do their jobs efficiently and also develop the organization to have the potential in competition both in the national level and the local level. It also has the policy in giving the compensation to the employees in the appropriate rate to attract and keep the employees to work with the company for long term.

Internal Control

Asia Metal Public Co., Ltd. committee by having the three audit committees join the meeting, the committee had evaluated the internal control system by asking information from the administrator and concluded that there were five internal control systems in the company:

1. Organization and environment
2. Risk administration
3. Operating control of the administrators
4. Information system and communication
5. Monitoring

The committee agreed that the company had the internal control system enough, including doing the business with major shareholders, committees, administrators, or the related persons with those mentioned above (according to the attached document 3, part 3, Item 3.3 to 3.7 of the sufficiency evaluation form of the internal control system. Such items were the questions about doing business with the ones who are related) sufficiently. For the internal control of other items, the committee agreed that the company had the internal control sufficiently at present.

In addition, the auditor from AST Master Company Limited had studied and evaluated the efficiency of internal control system of the account as seen necessary for the benefit in defining the outline of operating and checking appropriately. In 2008, the auditors did not have any notice. However, the internal checking unit had noted from the internal checking.

Lists between the companies

The details of related companies

Committee and company administrator of Asia Metal Public Co., Ltd. have relatives that are committees and/or shareholders of the related companies as follows:

Company	Business Type	Shareholding Ratio	
		Name of Shareholders	Percent
Permchaipanich Co., Ltd.	Plate wholesale that distribute directly to customers and who do the small industries that cut into sheets to use in production such as door lock, hinge, bicycle parts.	Group of Mr. Virachai Suteerachai	90.00
		Mrs. Sangchan Lee ³	3.50
		Mr. Chaiwat Saeung	3.33
		Mr. Metat Yongvongpaiboon	2.50
		Mrs. Suwannee Yongvongpaiboon	0.67
Steel Center (Thailand) Co., Ltd.	Plate wholesale and Viras sheet which can be used to produce containers such as milk cans and dessert containers.	Group of Mr. Virachai Suteerachai	96.00
		Others	4.00
Permsin Steel (Public) Co., Ltd.	Do the Cold-rolled iron business and cold-rolled iron service center. Cold-rolled iron can be used for exterior decoration which needs the smooth and thin surfaces such as the refrigerator tank, iron table, and iron cabinet.	Mr. Chukiet Yongvongpaiboon	43.19
		Mrs. Chamaiporn Yongvongpaiboon	12.00
		Mr. Chuchep Yongvongpaiboon	4.80
		Mr. Yuthapong Sridilert	9.20
		Mr. Virachai Suteerachai	3.75
		Others	27.06
Permsahai Steel Co., Ltd.	Do the cold-rolled iron business that distributes to OEM customer group such as the foreign traders who use the cold-rolled iron as a raw material.	Group of Mr. Virachai Suteerachai ²	40.20
		Mr. Paitoon Prempanijnukul	19.79
		Ms. Sakaorat Paoboon	19.79
		Mr. Jirawut Surapreechakul	19.79
		others	0.43
G Steel Public Co., Ltd.	Manufactured and distribute hot-rolled iron	Khunying Patama Leesawadtrakul	8.48
Taweechokepanich Co., Ltd.	Do the hot-rolled iron business.	Mr. Pornthape Yothinaupamai	49.42
		Mrs. Sangchan Lee	25.00
		Mrs. Wacharee Yotinaupamai	25.00
		others	0.58

- Note:
- Wholesale such as hot-rolled coil that is not according to standard size. It is the iron that occurred from the production of the hot-roll producer. For example, there is unequal thickness or width throughout the sheet which will distribute to the wholesalers for cutting and selling to customers who are small industries business owners:
 - Group of Mr. Virachai Suteerachai consists of Mr. Virachai Suteerachai and Mrs. Supaporn Suteerachai who are the uncle and aunt of Mr. Chusak Yongvongphaiboon, Mr. Taweechai Suteerachai.
 - Mrs. Sangchan Lee and Mr. Pornthape Yothinaupamai are the siblings of Miss Phenchan Yothinaupamai
 - The Siblings of Yongvongpaiboon that consist of Mr. Chukiet, Mr. Chuchep, Mrs. Chamaiporn, Mr. Chairaj, and Mrs. Suwanee.
 - Khunying Patama Leesawadtrakul is the major shareholder of Asia Metal Public Co., Ltd. of 16.67%.



The Company and its subsidiaries or associated and/or individuals who may have conflicts of interest arising in the year 2008

Particular	Relationship	Details	Value (million baht)	Opinion of Audit Committee
Taweechokepanich Co., Ltd. Business in retail hot rolled steel sheets.	Mr. Pomthape Yothinaupamai, Mrs. Sangchan Lee and Mrs. Watcharee Yotinaupamai are the signatory director and shareholder of Taweechokepanich Co., Ltd. the three are brother and sister and the mother of Ms. Phenchan Yothinaupamai, the director and the major holder of the company	The company sells its steel products to Taweechokepanich Co., Ltd. with balance at the end of the year The company purchases steel from Taweechokepanich Co., Ltd. with outstanding at year end	16.72 0.12 11.24 0.37	- Due to sales of products and services outsourcing cut steel, which is a normal trade. The sales prices of steel products and outsourcing services to cut the sale price is according to the market and prices are comparable with sales to the third parties. The Audit Committee has considered the above transaction. The transaction is reasonable to optimize the company. The sale purchase price of the company is comparable with the price - sell to outsiders.
Permsahai Steel Co., Ltd. Business in cold rolled steel sheets. Sold to OEM customers, including foreign carriers that use cold rolled steel sheet material	Mr. Taweechai Suteerachai the signatory director and major holder of Permsahai Steel Co., Ltd. the uncle of Mr. Chusak Yongvongphaiboon, the managing director and major holder of the company	The company sells its steel products with Permsahai Steel Co., Ltd. with balance at the end of the year	7.73 -0-	- Due to sales of products and services outsourcing cut steel, which is a normal trade. The sales prices of steel products and outsourcing services to cut the sale price is according to the market and prices are comparable with sales to the third parties. The Audit Committee has considered the above transaction. The transaction is reasonable to optimize the company. The sale purchase price of the company is comparable with the price - sell to outsiders.



Particular	Relationship	Details	Value (million baht)	Opinion of Audit Committee
Permsin Steel Works Public Co., Ltd. Cold rolled steel trading business and cold rolled steel service center. Cold rolled steel, which will be used to decorate outside to have smooth surface and light such as refrigerator cabinet table iron steel.	Mr. Chukiet Yongvongpaiboon, Mrs. Chamaipon Yongvongpaiboon, Mr. Chucheepong Yongvongpaiboon, the authorize director and major holder of Permsin Steel Works Public Co., Ltd. the young brother of Mr. Chusak Yongvongphaiboon, the managing director and major holder of the company. Mr. Virachai Suteerachai is the shareholder of Permsin Steel Works Public Co., Ltd. the uncle of Mr. Chusak Yongvongphaiboon, the managing director and major holder of the company	The company sells cold steel sheet to Permsin Steel Works Public Co., Ltd. balance at the end of the year The company buy cold rolled steel sheet by Permsin Steel Works Public Co., Ltd. to sell to its customers	28.13 -0- -0-	- Due to sales cold rolled steel sheet coil type which imported by the company. The company purchase the Cold roll strip steel to distribute to its customers which is a normal trade. The sale and purchase prices of cold rolled steel sheet with Permsin Steel Works Public Company, Inc. are a sales and the price is comparable with sales to the third parties. The Audit Committee has considered the above transaction. The transaction is reasonable to optimize the company. The sale purchase price of the company is comparable with the price - sell to outsiders.
G Steel Public Co., Ltd Business engaged to manufactures and sells hot rolled steel sheet coil type	Khunying Patama Leesawadtrakul, the major holder of G Steel Public Co., Ltd. and the major holder of the company	The company buy hot rolled steel sheet coil type from G Steel Plc with outstanding balance payable at the end of the year	426.54 -0-	- Purchase the hot rolled steel sheet coil type is a normal trade. The purchase price of hot rolled steel sheet coil type with G Steel Public Company Limited is the purchase price comparable to the third party. The Audit Committee has considered from the above transaction. The transaction is reasonable to optimize the company. The purchase price of hot rolled steel sheet coil type is comparable with the purchase price to outsiders.



Particular	Relationship	Details	Value (million baht)	Opinion of Audit Committee
GJ Steel Public Co., Ltd Business engaged to manufactures and sells hot rolled steel sheet coil type	Mr. Chanatip Trivuth Director of GJ Steel Public Co., Ltd. Director of the company	The company buy hot rolled steel sheet coil type from GJ Steel Plc with outstanding balance payable at the end of the year	75.19 -0-	Purchase the hot rolled steel sheet coil type is a normal trade. The purchase price of hot rolled steel sheet coil type with GJ Steel Public Company Limited is the purchase price comparable to the third party. The Audit Committee has considered from the above transaction. The transaction is reasonable to optimize the company. The purchase price of hot rolled steel sheet coil type is comparable with the purchase price to outsiders

Measure or Step for approval of listing between each other

For the future listing between each other which is the normal trading such as the merchandise purchasing, merchandise distributing, and cutting. The company has the policy to let the audit committee consider and give the opinion to such listing. The internal auditor will bring the market price of others to compare with the price of listing between each other and to consider every four months by the audit committee.

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

Policy or Trend of listing between each other

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

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

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



History of Executive and Director

Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
1. Mr. Virachai Suteerachai President and Chairman	59	Master of Political Science Ramkhamhaeng University MINI MBA. Thammasat University Bachelor's Degree. RCA INSTITUTE OF TECHNOLOGY. NEW YORK U.S.A. Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association.	9.54%	Uncle Mr. Chusak Yongvongphaiboon	2009 – Present 1988 – Present 1994 – Present 1976 – Present	President and Chairman, Asia Metal Public Company Limited Managing Director, Cosmo Land & House Co., Ltd. Managing Director, Cosmo Property Management Co.,Ltd. Managing Director, Sinteerachai Co., Ltd.
2. Mr. Chusak Yongvongphaiboon Managing Director and authorize signatory	47	Bachelor's Degree Assumption Business Administration Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and training of Director Certification Program (DCP) Batch No. 46/2004 on 25 August 2004 from Thai Institute of Directors Association	15.98%	Husband of Miss Phenchan	1993 – Present 2003 – Present	Managing Director, Asia Metal Public Company Limited Directors, STC Steel Co.,Ltd.



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
3. Ms. Phenchan Yothinaupamai Managing Director and Deputy Director authorized signatory	45	Certificate of Higher Vocational Education Assumption Commercial School. Passed the training Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and Certificate of Training Director Program (DCP) Batch No. 49/2004 on 7 October 2004 from Thai Institute of Directors Association.	8.33%	Wife of Mr. Chusak Yongvongphaiboon	1993 – Present 2003 – Present	Deputy Managing Director, Asia Metal Public Company Limited Directors, STC Steel Co.,Ltd
4. Ms. Taradee Piensamrit Executive Director and authorized and finance manager	33	Bachelor's Degree Assumption Business Administration. Passed the training of Director Accreditation Program (DAP) Batch No. 21/2004 on 21 July 2004 from Thai Institute of Directors Association.	-	-	2005 – Present 2003 – Present 2003 – 2005 1998 – 2003	Finance manager, Asia Metal Public Company Limited Directors, STC Steel Co.,Ltd. Head of Finance , Asia Metal Public Company Limited Head of Finance, Cosmo Creation Co., Ltd. Bowling services



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
.5. Mr. Tanakorn Ritthibunlue Committee and Director of Finance and account	42	Bachelor of Business Administration, Accounting Ramkhamhaeng University. Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 from Thai Institute of Directors Association.	-	-	2005 – Present 2003 – Present 2002 – 2005 1996 – 2002	Director of Finance and Accounting, Asia Metal Public Company Limited Directors, STC Steel Co.,Ltd. Manager Finance and Accounting, Asia Metal Public Company Limited Manager Finance and Accounting, Sinteerachai Co., Ltd. Business in two steel plates steel Vilas
6. Police General Jumpol Munmai Chairman of Audit Committee and Independent Director	59	Political Science of Administration, Master, Graduate Institute of science of Administration. Passed the training of DAP Batch No. 64/2004 ACP Batch No. 19/2007 and UFS Batch No. 10/2007.	-	-	2004 – Present 2008 – Present 2008 2006 – 2008	Chairman of Audit Committee and Independent Director, Asia Metal Public Company Limited Deputy Chief of Royal Thai Police Advisor (SorBor 10) Advisor of Prime Minister, government official



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
7. Sub Lt. Suree Buranathanit Audit Committee and Independent Director	75	Master's Degree of Political Science Ramkhamhaeng University. Master's Degree of Political Science (Diplomatic and Foreign Affairs) Chulalongkorn University Passed the training of Director Accreditation Program (DAP) Batch No. 21/2004 on 21 July 2004 from Thai Institute of Directors Association.	-	-	2004 – Present	Audit Committee and Independent Director, Asia Metal Public Company Limited
					Present	Audit Committee and Independent Director, IT City Public Company Limited
					Present	Qualified Director of the National Council of Boy Scouts.
					Present	Executive director of local boy scout.
					Present	Executive Council of Bangkok University
8. Mrs. Taisika Praisangob Audit Committee and Independent Director	58	Master of Political Science of Administration Terry, University of Eastern Asia. Passed the training of Director Accreditation Program (DAP) Batch No. 15/2004 on 18 May 2004 and Training Audit Committee Program (ACP) Edition 7 / 2005 from Thai Institute of Directors Association	-	-	2004 – Present	Audit Committee and Independent Director, Asia Metal Public Company Limited
					2003 – Present	Directors, STC Steel Co.,Ltd.
					2004 – Present	Senior Manager, Small Business 8. Siam City Bank Plc.
					2002– 2003	Development Manager SorChor., Siam City Bank Plc.
					2000 – 2001	Business Manager 4, Siam City Bank Plc.



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
9. Mr. Chanatip Trivuth Director	45	MBA, National Institute of Development Administration (NIDA) Bachelor of Economics, Thammasat University Passed the training of Director Accreditation Program (DAP) Batch No. 64/2007 on 20 July 2007 from Thai Institute of Directors Association	4.17%	-	2006 – Present 2008 – Present 2004 – Present 2004 – 2006 2001 – Present 1999 – Present 1991 – Present	Directors, Asia Metal Public Company Limited Directors, G J Steel Public Company Limited (Business: producer and distributor of Hot Rolled Coil) Directors, Felix River Kwai Resort (Kanchanaburi) (Business: hotel) Associate judge in Central Labor Court Managing Director, SSP Place Co., Ltd. (Business: office building space rental) Managing Director Great Eastern International Co., Ltd. (Business: steel coil center) Managing Director Intelligence System Network Limited (Business: computer system integrator)



Name-Surname Position	Age (Year)	Educational qualifications	Proportion of shares in companies (%)	relationship	Work History	
					Period	Position and Location
10. Mr. Suntorn Kumpipot Director of Factory (Acting) Director of plants (Chonburi Plants)	41	MBA Thammasat University Bachelor of Rajamangala Institute of Technology Campus College	-	-	2008 – Present 1993-2008 1992-1993	Director of Factory, Asia Metal Public Company Limited Manager of production planning and policy, Pacific Pipe Public Co., Ltd. Plant Production Engineers, Siam Steel Service Center Company Ltd.,
11. Mr. Chidchanok Tomawong Director of Marketing Department	45	Bachelor of Business Administration, Finance and Banking Ramkhamhaeng University	-	-	2006 – Present 2003 – Present 2005- 2006 2003-2005 1994-2000	Marketing Director, Asia Metal Public Company Limited Directors, STC Steel Co.,Ltd. Director of Production, Asia Metal Public Company Limited Production manager, Asia Metal Public Company Limited Project Manager, Rungruang Thani Co., Ltd. Real estate commercial business



Particular of committee, administrator and authorize person with power to control the subsidiary or associated company or related company.

Name-Surname	Company	S T C Steel Co., Ltd.	Asia Metal Fabrication Co., Ltd.	Vientiane Bonded Warehouse Co., Ltd.
Mr. Weerachai Suteerachai ²	1,5	-	5	-
Mr. Chusak Yongvongphaiboon	3, 5, 6	5	5,6	5,6
Mr. Tanakorn Ritthibunlue	5, 6	5	-	-
Ms. Phenchan Yotinupamai	5, 6	5	-	-
Ms. Taradee Piensamrit	5,6	5	-	-
Police General Jumpol Munmai	2, 5	-	-	-
Mrs. Taisika Praisangob	4, 5	5	-	-
Sub Lieutenant Suree Buranathanit	4, 5	-	-	-
Mr. Chanatip Trivuth	5	-	-	-
Mr. Chidchanok Tomawong	6	5	-	-
Mr. Paiboon Pongsreeiam	-	-	3,5,6	-
Mr. Suntorn Kumpipot	6	-	-	-
Mr. Puvong Korasak	-	-	-	5,6
Mr. Suwit Ratanachinda	-	-	-	5,6

Note: 1 = Chairman of the board 2 = Chairman of audit committee
3 = Managing director 4 = Audit committee
5 = Committee 6 = Administrator

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To The Board of Directors and Shareholders of **Asia Metal Public Company Limited**

I have audited the consolidated balance sheets of **Asia Metal Public Company Limited and Subsidiaries** as at December 31, 2009 and 2008, the consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. I have also audited the separate financial statements of **Asia Metal Public Company Limited**. These financial statements are the responsibility of the Company's managements as to their correctness and the completeness of the presentation. My responsibility is to 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 an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of **Asia Metal Public Company Limited and Subsidiaries** and of **Asia Metal Public Company Limited** as at December 31, 2009 and 2008, the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.



(NONGRAM LAOHAAREEDILOK)

Certified Public Accountant

Registration No. 4334

Ast Master Co., Ltd.

February 26, 2010

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS
AS AT DECEMBER 31, 2009 AND 2008

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2009	2008	2009	2008
ASSETS					
CURRENT ASSETS					
	Cash and cash equivalents	73,524,118	46,388,559	58,583,867	38,897,138
	Short-term investments	90,556,581	14,529,461	90,556,581	14,529,461
	Trade accounts receivable				
	Related parties	5, 23 205,985	51,606,263	695,718	60,423,883
	Others, net	5 380,505,418	470,920,436	368,529,967	464,749,183
	Unbilled completed works	6 2,850,188	6,914,097	-	-
	Short-term loans to and				
	interest receivable from related parties	23 500,248	446,830	107,183,763	103,268,145
	Inventories, net	7 787,954,098	382,887,409	778,049,331	378,319,505
	Account receivable-revenue department	18,765,772	-	18,765,772	-
	Construction in progress	8 7,342,565	1,038,488	-	-
	Assets pending for disposal, net	9 54,660,954	54,660,954	25,646,269	25,646,269
	Advance payment for foreign investment	-	937,206	-	-
	Advance payment for purchasing of goods	160,419,879	55,092,093	160,419,879	55,092,093
	Other current assets	18,499,224	14,035,714	14,060,070	11,278,548
	Total current assets	1,595,785,030	1,099,457,510	1,622,491,217	1,152,204,225
NON - CURRENT ASSETS					
	Fixed deposits pledged as collateral	10 16,204,391	100,231,394	15,704,391	99,731,394
	Investments in subsidiaries and associate	11 5,786,715	-	37,686,323	34,034,048
	Non operating assets	5,000,000	5,000,000	5,000,000	5,000,000
	Property, plant and equipment, net	12 912,850,643	830,367,600	848,833,381	719,851,349
	Prepaid corporate income tax	22,869,931	22,477,360	21,653,946	21,512,905
	Other non - current assets	6,785,512	7,227,446	6,748,012	7,189,946
	Total non - current assets	969,497,192	965,303,800	935,626,053	887,319,642
	TOTAL ASSETS	2,565,282,222	2,064,761,310	2,558,117,270	2,039,523,867

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

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS (CON'T)
AS AT DECEMBER 31, 2009 AND 2008

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
LIABILITIES AND					
 <u>SHAREHOLDERS'</u>					
 <u>EQUITY</u>					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans					
financial institutions, net	13	911,150,045	449,993,953	911,150,045	449,993,953
Trade accounts payable					
Related parties	23	377,045	4,417,010	3,063,145	5,755,198
Others		53,894,753	49,199,819	44,147,407	47,004,883
Other payable		28,603,324	14,857,610	58,163,584	14,857,610
Current portion of long-term loan					
from financial institution	14	25,000,000	12,500,000	25,000,000	12,500,000
Current portion of liabilities under					
hire-purchase agreements,					
net	15	384,152	634,354	384,152	634,354
Advance received from director	23	1,180,695	335,883	-	-
Advance received from sale of goods		3,881,970	37,471,232	3,881,970	37,471,232
Advance received from construction projects	23	8,039,879	-	-	-
Accrued income tax		8,744,889	-	8,514,631	-
Other current liabilities		31,333,786	30,117,449	31,981,743	27,088,463
Total current liabilities		<u>1,072,590,538</u>	<u>599,527,310</u>	<u>1,086,286,677</u>	<u>595,305,693</u>
NON - CURRENT LIABILITIES					
Liabilities under hire-purchase agreements,					
net	15	224,089	-	224,089	-
Long-term loan from financial institution, net	14	<u>62,500,000</u>	<u>87,500,000</u>	<u>62,500,000</u>	<u>87,500,000</u>
Total non - current liabilities		<u>62,724,089</u>	<u>87,500,000</u>	<u>62,724,089</u>	<u>87,500,000</u>
TOTAL LIABILITIES		<u>1,135,314,627</u>	<u>687,027,310</u>	<u>1,149,010,766</u>	<u>682,805,693</u>

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

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
BALANCE SHEETS (CON'T)
AS AT DECEMBER 31, 2009 AND 2008

	Notes	In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
LIABILITIES AND					
SHAREHOLDERS' EQUITY (CON'T)					
SHAREHOLDERS' EQUITY					
Share capital	16				
Authorised share capital					
549,973,800 ordinary shares of Baht 1 each		549,973,800	549,973,800	549,973,800	549,973,800
Issued and paid up share capital					
479,937,265 ordinary shares of Baht 1 each		479,937,265	479,937,265	479,937,265	479,937,265
Premium on share capital	16	297,427,100	297,427,100	297,427,100	297,427,100
Premium on land revaluation	12	67,693,059	67,693,059	67,693,059	67,693,059
Adjustment from the combination of entity under common controls		14,704,932	14,704,932	-	-
Adjustment for foreign exchange transaction		-	617,937	-	-
Retained earnings					
Appropriated for legal reserve	18	33,570,000	28,470,000	33,570,000	28,470,000
Unappropriated		528,669,226	478,952,572	530,479,080	483,190,750
Total parent's shareholders' equity		1,422,001,582	1,367,802,865	1,409,106,504	1,356,718,174
Minority interest		7,966,013	9,931,135	-	-
TOTAL SHAREHOLDERS' EQUITY		1,429,967,595	1,377,734,000	1,409,106,504	1,356,718,174
TOTAL LIABILITIES AND					
 SHAREHOLDERS' EQUITY		2,565,282,222	2,064,761,310	2,558,117,270	2,039,523,867

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

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
In Baht

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
Sales and service revenues		3,776,746,560	5,300,920,707	3,749,559,965	5,287,098,554
Cost of sales and services		3,606,450,030	4,806,790,223	3,595,596,125	4,799,654,876
Gross profit		170,296,530	494,130,484	153,963,840	487,443,678
Selling expenses		53,671,651	61,082,119	53,671,651	61,082,119
Administrative expenses		49,049,116	53,309,725	38,336,634	44,808,986
Loss on diminution of inventories (reversal)		(92,971,441)	92,300,000	(93,400,000)	92,300,000
Managements' remuneration		32,912,540	38,309,660	32,912,540	38,309,660
Profit from sales and service revenues		127,634,664	249,128,980	122,443,015	250,942,913
Other income		12,881,171	14,184,696	14,821,190	18,295,023
Profit before financial costs and income tax		140,515,835	263,313,676	137,264,205	269,237,936
Financial costs		28,016,762	58,425,345	27,986,130	58,402,075
Profit before income tax		112,499,073	204,888,331	109,278,075	210,835,861
Income tax		9,988,505	81,069,109	8,896,018	80,816,876
Net profit		102,510,568	123,819,222	100,382,057	130,018,985
Net profit (loss) attributable to:					
Equity holders of the parent		102,810,381	124,582,393	100,382,057	130,018,985
Minority interest of the subsidiaries		(299,813)	(763,171)	-	-
		<u>102,510,568</u>	<u>123,819,222</u>	<u>100,382,057</u>	<u>130,018,985</u>
BASIC EARNINGS PER SHARE	19				
Net profit attributable to					
equity holders of the parent		0.21	0.26	0.21	0.27
		<u>0.21</u>	<u>0.26</u>	<u>0.21</u>	<u>0.27</u>
Weighted average number of share (shares)		479,937,265	479,937,265	479,937,265	479,937,265
		<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>
DILUTED EARNINGS PER SHARE	19				
Net profit attributable to					
equity holders of the parent		0.21	0.26	0.21	0.27
		<u>0.21</u>	<u>0.26</u>	<u>0.21</u>	<u>0.27</u>
Weighted average number of share (shares)		479,937,265	479,937,265	479,937,265	479,937,265
		<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>	<u>479,937,265</u>

The accompanying notes are an integral part of these financial statements

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

		In Baht								
					Adjustment from the combination of entity under common controls	Adjustment for foreign exchange transaction	Retained earnings			
		Issued and paid-up share capital	Premium on share capital	Premium on land revaluation			Appropriated for legal reserve	Unappropriated	Minority interests	Total
Note										
	Balance as at January 1, 2008	479,937,265	297,427,100	67,693,059	14,704,932	-	21,870,000	360,970,179	1,649	1,242,604,184
	Increase from investing in subsidiaries	-	-	-	-	-	-	-	12,698,595	12,698,595
	Share subscription receivable - minority interest	-	-	-	-	-	-	-	(2,005,938)	(2,005,938)
18	Appropriate for legal reserve	-	-	-	-	-	6,600,000	(6,600,000)	-	-
	Adjustment for foreign exchange transaction					617,937				617,937
	Net profit (loss)	-	-	-	-	-	-	124,582,393	(763,171)	123,819,222
	Balance as at December 31, 2008	479,937,265	297,427,100	67,693,059	14,704,932	617,937	28,470,000	478,952,572	9,931,135	1,377,734,000
	Balance as at January 1, 2009	479,937,265	297,427,100	67,693,059	14,704,932	617,937	28,470,000	478,952,572	9,931,135	1,377,734,000
	Subsidiary's share subscription minority interest								4,500,000	4,500,000
	Share subscription receivable minority interest -								(1,000,000)	(1,000,000)
	Receipt from share subscription minority interest -								500,000	500,000
18	Appropriate for legal reserve	-	-	-	-	-	5,100,000	(5,100,000)	-	-
	Adjustment for foreign exchange transaction					(617,937)				(617,937)
17	Dividends paid	-	-	-	-	-	-	(47,993,727)	-	(47,993,727)
	Disposal of investments in subsidiary	-	-	-	-	-	-	-	(5,665,309)	(5,665,309)
	Net profit (loss)	-	-	-	-	-	-	102,810,381	(299,813)	102,510,568
	Balance as at December 31, 2009	479,937,265	297,427,100	67,693,059	14,704,932	-	33,570,000	528,669,226	7,966,013	1,429,967,595

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

ASIA METAL PUBLIC COMPANY LIMITED
SEPARATE STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

In Baht						
Note	Issued and paid- up share capital	Premium on share capital	Premium on land revaluation	Retained earnings		Total
				Appropriated for legal reserve	Unappropriated	
Balance as at January 1, 2008	479,937,265	297,427,100	67,693,059	21,870,000	359,771,765	1,226,699,189
Appropriated for legal reserve	-	-	-	6,600,000	(6,600,000)	-
Net profit	-	-	-	-	130,018,985	130,018,985
Balance as at December 31, 2008	<u>479,937,265</u>	<u>297,427,100</u>	<u>67,693,059</u>	<u>28,470,000</u>	<u>483,190,750</u>	<u>1,356,718,174</u>
Balance as at January 1, 2009	479,937,265	297,427,100	67,693,059	28,470,000	483,190,750	1,356,718,174
Appropriated for legal reserve	-	-	-	5,100,000	(5,100,000)	-
Dividends paid	-	-	-	-	(47,993,727)	(47,993,727)
Net profit	-	-	-	-	100,382,057	100,382,057
Balance as at December 31, 2009	<u>479,937,265</u>	<u>297,427,100</u>	<u>67,693,059</u>	<u>33,570,000</u>	<u>530,479,080</u>	<u>1,409,106,504</u>

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

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Cash flows from operating activities				
Profit before income tax	112,499,073	204,888,331	109,278,075	210,835,861
Adjustments to reconcile net profit to net cash provided by				
(used in) operating activities				
Depreciation	36,751,076	37,644,203	26,296,315	26,906,618
Gain from sale of current investments	(315,516)	(1,085,722)	(315,516)	(1,085,722)
Interest receivable on short-term loans				
to related party	-	-	(3,862,200)	(4,524,580)
Doubtful accounts - Trade accounts receivable	13,333,050	19,540,085	13,333,050	19,540,085
Doubtful accounts - Advance payment	2,273,298	-	2,273,298	-
Gain on disposal of investment in subsidiary	(447,539)	-	-	-
Provision for diminution of inventories (revesal)	(92,971,442)	92,300,000	(93,400,000)	92,300,000
(Gain) Loss on disposal of equipment	32,981	(180,316)	32,981	(180,316)
Unrealized loss on foreign exchange rate	-	555,886	-	555,886
Adjustment for foreign exchange transaction	(617,937)	617,937	-	-
Interest expenses	23,285,954	58,425,345	27,148,086	58,402,075
Profit from operating activities before				
change in operational assets and liabilities	93,822,998	412,705,749	80,784,089	402,749,907
Decrease (Increase) in operational assets				
Trade accounts receivable - related parties	51,400,278	(284,273)	59,728,165	(9,101,893)
Trade accounts receivable - others	77,081,968	101,514,249	82,886,166	107,233,382
Unbilled completed works	4,063,909	(6,914,097)	-	-
Inventories	(312,095,247)	283,582,962	(306,329,826)	286,938,609
Construction in progress	(6,304,077)	(1,038,488)	-	-
Advance payment for foreign investment	937,206	(937,206)	-	-
Advance payment for purchasing of goods	(105,327,786)	346,158,634	(105,327,786)	346,158,634
Receivable - revenue department	(18,765,772)	33,316,773	(18,765,772)	33,316,773
Other current assets	(7,669,801)	(1,531,608)	(5,054,820)	696,576
Other non - current assets	(344,148)	214,134	441,934	214,134

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

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CON'T)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Cash flows from operating activities (Con't)				
Increase (Decrease) in operational liabilities				
Trade accounts payable - related parties	(4,039,965)	4,417,010	(2,692,053)	2,372,180
Trade accounts payable - others	4,694,934	(389,968,436)	(2,857,476)	(392,163,372)
Advance received from director	844,812	335,883	-	-
Advance received from sales of goods	(33,589,262)	25,602,413	(33,589,262)	25,602,413
Advance received from construction projects	8,039,879	-	-	-
Other current liabilities	990,538	10,889,319	4,646,226	9,111,399
Cash received (paid) from operations activities	(246,259,536)	818,063,018	(246,130,415)	813,128,742
Interest paid	(22,997,103)	(60,641,988)	(26,859,235)	(60,618,718)
Income tax paid	(1,636,187)	(110,180,332)	(522,427)	(109,604,342)
Net cash provided by (used in) operating activities	(270,892,826)	647,240,698	(273,512,077)	642,905,682
Cash flows from investing activities				
Increase in current investments	(75,711,604)	(13,000,000)	(75,711,604)	(13,000,000)
Cash received from disposal of investments in subsidia	3,166,932	-	3,340,897	-
Cash paid for investments in subsidiary	-	-	(6,993,172)	(14,034,048)
Decrease in fixed deposits pledged as collateral	84,027,003	43,862,012	84,027,003	43,862,012
(Increase) decrease in of short-term loans to related persons	(53,418)	(363,496)	(53,418)	17,636,504
Advance received from disposal of assets	-	5,000,000	-	5,000,000
Cash paid for purchase of property, plant and equipment (<i>supplement cash flows information</i>)	(120,096,914)	(226,659,479)	(113,052,886)	(215,666,478)
Cash received from disposals of equipment	2,075,819	618,239	1,021,419	618,239
Net cash used in investing activities	(106,592,182)	(190,542,724)	(107,421,761)	(175,583,771)
Cash flows from financing activities				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	461,114,294	(606,200,568)	461,114,294	(606,200,568)
Proceeds from long-term loan from financial institution	-	100,000,000	-	100,000,000
Payments of long-term loans from financial institutions	(12,500,000)	-	(12,500,000)	-
Dividends paid	(47,993,727)	-	(47,993,727)	-
Cash received from minority interest for share subscription	4,000,000	10,692,657	-	-
Net cash provided by (used in) financing activities	404,620,567	(495,507,911)	400,620,567	(506,200,568)

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

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CON'T)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Net increase (decrease) in cash and cash equivalents	27,135,559	(38,809,937)	19,686,729	(38,878,657)
Cash and cash equivalents, Beginning of the years	46,388,559	85,198,496	38,897,138	77,775,795
Cash and cash equivalents, End of the years	<u>73,524,118</u>	<u>46,388,559</u>	<u>58,583,867</u>	<u>38,897,138</u>
SUPPLEMENT DISCLOSURE OF				
CASH FLOWS INFORMATION				
<u>1. Cash and cash equivalents</u>				
Cash	74,182	69,788	74,182	69,182
Savings accounts	48,456,424	22,383,063	36,168,713	20,599,297
Current accounts	24,993,512	23,935,708	22,340,972	18,228,659
Total Cash and cash equivalents	<u>73,524,118</u>	<u>46,388,559</u>	<u>58,583,867</u>	<u>38,897,138</u>
<u>2. Property, plant and equipment</u>				
The detail of "cash paid for purchase of property, plant and equipment" is as follow;				
Property, plant and equipment acquired during the years	(133,816,515)	(233,437,857)	(156,332,747)	(222,444,856)
<u>Adjust</u> Increase on payable from acquisition of property, plant and equipment	13,745,714	8,192,417	43,305,974	8,192,417
Decrease on liabilities under hire purchase agreements	(26,113)	(1,414,039)	(26,113)	(1,414,039)
Cash paid for purchase of property, plant and equipment	<u>(120,096,914)</u>	<u>(226,659,479)</u>	<u>(113,052,886)</u>	<u>(215,666,478)</u>

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

ASIA METAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009 AND 2008

1. GENERAL INFORMATION

Asia Metal Public Company Limited was listed on the Stock Exchange of Thailand in 2004. The address of its registered office is at 55, 55/1 Moo 2 Soi Watnamdaeng, Srinakarin Rd., Bangkaew, Bangplee Samutprakarn. The Company has factory branch located at 90/1 Moo 10, Highway No.331, Srasiliam, Panusnikom, Chonburi.

The principal business operation of the Company is to produce and sell of processed steel products and its subsidiaries operated in steel structure installation service and factory construction.

“The Company” represents “Asia Metal Public Company Limited,” while “The Group” represents “Asia Metal Public Company Limited” and its subsidiaries which are “STC Steel Company Limited” and “Asia Metal Fabrication Company Limited.”

2. BASIS OF FINANCIAL STATEMENT 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 under the Securities and Exchange Act B.E. 2535.

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

The accompanying consolidated financial statements include the financial statements of Asia Metal Public Company Limited and the subsidiaries over which the Company has control. The details of subsidiaries are as follows;

Name of subsidiaries	Country of incorporation	Nature of business	The date of commencing control	Percentage of shareholding	
				2009	2008
1. STC Steel Co., Ltd.	Thailand	Sell of processed steel products	The fourth quarter of 2003	100	100
2. Asia Metal Fabrication Co., Ltd.	Thailand	Factory construction service	The third quarter of 2008	55	55

During the year 2009, the Company sold 1,000 shares of investments in share capital of Vientiane Bonded Warehouse Co., Ltd to non-related party. The portion of shares sold is accounted for 20% of issued and paid-up share capital. After the transaction, the Company's percentage of share holding changes from 60% to 40% and the status of such company are changed from “subsidiary” to “associate” (Note 11.) The financial statement of such company has been excluded from preparing the consolidated financial statements of Asia Metal Public Company Limited and subsidiaries since December 8, 2009.

2. BASIS OF PREPARATION (CON'T)

On December 8, 2009 (share disposal date,) the net asset values of Vientiane Bonded Warehouse Co., Ltd were as follows;

	<u>IN BAHT</u>
Cash and cash equivalents	173,965
Land and land improvement	13,527,996
Other assets	786,082
Other current liabilities	(21,255)
Total net assets	<u>14,466,788</u>
Adjust: the holding portion of share sold to other party (%)	20.00
The value of net assets sold	<u>2,893,358</u>
Less : Proceeds from sale of investments in subsidiary	<u>(3,340,897)</u>
Gain from disposal of investments in subsidiary	<u>(447,539)</u>

The consolidated and separate financial statements have been prepared under the historical cost convention except for the value of land and short-term investments which are shown at fair value as mentioned in accounting policy.

The significant transactions between the Company and the subsidiaries have been eliminated in the consolidated financial statements.

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

3. ADOPTION OF NEW ACCOUNTING STANDARDS

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore, the numbers of Thai Accounting Standards as used in these financial statements are corresponding to those per this notification

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

A) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standards and accounting treatment guidance became effective for the financial statements for the fiscal years beginning on or after January 1, 2009. The management has assessed that the effects of these standards and accounting treatment guidance do not have any significant impact on the financial statements for the current year.

3. ADOPTION OF NEW ACCOUNTING STANDARDS (CON'T)

B) Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Investments in subsidiaries

Investments in subsidiaries, which are those entities in which the group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made for minority interests in the consolidated balance sheet and consolidated statement of income.

The investments in subsidiaries represented in the separate financial statements are carried at cost, net of allowance for impairment (if any.)

4.2 Investments in associates

Investments in associates, which are those entities in which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The investments in associates represented in the separate financial statements are carried at cost, net of allowance for impairment (if any.)

4. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

4.3 Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Baht at the exchange rates ruling at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Statements of income and cash flows of foreign entities are translated into the Group's reporting currency at the weighted average exchange rates for the year and balance sheets are translated at the exchange rates ruling on the balance sheet date. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity.

4.4 Financial instruments

Financial assets carried on the balance sheet include cash and cash equivalents, short-term investments, trade accounts receivable and loan. Financial liabilities carried on the balance sheet include trade creditors, other creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.5 Cash and cash equivalents

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

4.6 Short-term investments

Investments in unit trusts of mutual funds, which the Company holds as investments in trading securities, are determined at fair value determined by reference to the quoted bid price at the end of the year. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the income statement in the period in which they arise.

4.7 Trade accounts receivable

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified. The Company's management estimates the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate encompasses consideration of past collection experiences and other factors, such as changes in the composition and volume of the receivable, the relationship of the allowance for doubtful accounts to the receivable and the local economic conditions.

4.8 Inventories

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

4. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

4.9 Non operating assets

Non operating assets are stated at the lower of cost and net realizable value.

4.10 Property, plant and equipment

Land is shown at fair value, based on terminal valuation by external independent valuers, the revaluation is made every five years. Plant, machineries and equipment are shown at historical cost less accumulated depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the premium of asset valuation in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that premium; all other decreases are charged to the statement of income.

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

Depreciation is calculated on the straight line method to write off the cost or the revalued amount of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows;

Building and property improvement	20	years
Machineries and equipment	5, 10	years
Motor vehicles	5	years
Furniture, fixtures and office equipment	5	years

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

4.11 Accounting for long – term lease

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of income over the lease period 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 of the useful life of the asset or the lease term.

4.12 Construction contracts

The Group recognized service on construction and cost of construction by the percentage of completion method estimated by the engineer based on a physical proportion of the contract work. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as expense immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (CON'T)

4.12 Construction contracts (Con't)

The excess of buyers' payment over the percentage of work completion is recorded as unrealized installment income and the excess of work completion over the buyers' payment is recorded as unbilled completed work. No recorded of income on default in payment over 3 continuous installments.

Costs incurred in construction include direct materials, direct labor and construction overheads. General and administrative expenses are charged to the statements of income as incurred. The recognized cost of services which has not yet been due for payment as per contracts has been shown under the caption of "Unbilled cost of constructions" in the balance sheets. Costs incurred in the year in connection with future activity on a contract are excluded and shown as "Construction in progress".

4.13 Revenue recognition

Sales and services are recognised on the delivery of goods or on customer acceptance or on the performance of services. Sales are shown net of sales taxes and discounts, and after eliminating sales within the Group.

Interest incomes are recognized on an accrual basis.

4.14 Related parties

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

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

4.15 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. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

4.16 Segment reporting

Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

5. TRADE ACCOUNTS RECEIVABLE, NET

	In Baht			
	Consolidated		Separate	
	financial		financial	
	statements		statements	
	2009	2008	2009	2008
<u>Related parties</u>				
Trade accounts receivable	156,469	8,475,562	646,202	17,293,182
Posted date cheques received	49,516	43,130,701	49,516	43,130,701
Total	<u>205,985</u>	<u>51,606,263</u>	<u>695,718</u>	<u>60,423,883</u>
<u>Others</u>				
Trade accounts receivable	355,523,014	372,607,191	343,826,715	360,841,779
Posted date cheques received	123,836,923	183,834,714	117,963,612	183,834,714
Total	<u>479,359,937</u>	<u>556,441,905</u>	<u>461,790,327</u>	<u>544,676,493</u>
<u>Less</u> : Allowance for doubtful accounts	<u>(98,854,519)</u>	<u>(85,521,469)</u>	<u>(93,260,360)</u>	<u>(79,927,310)</u>
Trade accounts receivable, net	<u>380,505,418</u>	<u>470,920,436</u>	<u>368,529,967</u>	<u>464,749,183</u>

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

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Related parties</u>				
Not yet due	49,516	7,756,960	-	16,574,580
Over due				
Less than 3 months	76,382	43,849,303	227,491	43,849,303
3 - 6 months	80,087	-	468,227	-
6 - 12 months	-	-	-	-
Total	<u>205,985</u>	<u>51,606,263</u>	<u>695,718</u>	<u>60,423,883</u>
<u>Others</u>				
Not yet due	230,028,269	191,356,105	227,610,674	185,394,321
Over due				
Less than 3 months	130,245,100	230,341,573	126,632,099	230,132,103
3 - 6 months	31,372,680	50,731,165	25,427,825	50,731,165
6 - 12 months	1,268,258	4,359,042	1,268,258	4,359,042
Over 12 months	86,445,630	79,654,020	80,851,471	74,059,862
Total	<u>479,359,937</u>	<u>556,441,905</u>	<u>461,790,327</u>	<u>544,676,493</u>
<u>Less</u> : Allowance for doubtful accounts	<u>(98,854,519)</u>	<u>(85,521,469)</u>	<u>(93,260,360)</u>	<u>(79,927,310)</u>
Net	<u>380,505,418</u>	<u>470,920,436</u>	<u>368,529,967</u>	<u>464,749,183</u>

6. UNBILLED COMPLETED WORKS

In Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Total value of construction contracts signed	87,454,263	39,284,272	-	-
Construction revenues recognized to date	57,001,901	32,394,272	-	-
<u>Less:</u> Installments due to date	(54,151,713)	(25,480,175)	-	-
	<u>2,850,188</u>	<u>6,914,097</u>	<u>-</u>	<u>-</u>
This disclosure consists of:				
Unbilled completed works	3,163,641	6,914,097	-	-
Unrealized installment income	(313,453)	-	-	-
	<u>2,850,188</u>	<u>6,914,097</u>	<u>-</u>	<u>-</u>

As at December 31, 2009 and 2008, there was no customer related to construction service who defaults in payment over 3 continuous installments.

7. INVENTORIES, NET

In Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Finished goods	411,044,529	331,836,019	404,564,191	331,111,752
Work in process	10,132,956	18,518,241	10,132,956	18,518,241
Raw materials	367,031,719	125,970,615	362,718,270	121,493,598
Factory supplies	1,806,832	1,595,914	1,633,914	1,595,914
Total	790,016,036	477,920,789	779,049,331	472,719,505
<u>Less:</u> provision for diminution of Inventories	(2,061,938)	(95,033,380)	(1,000,000)	(94,400,000)
Net	<u>787,954,098</u>	<u>382,887,409</u>	<u>778,049,331</u>	<u>378,319,505</u>

8. CONSTRUCTION IN PROGRESS

As at December 31, 2009 and 2008, the details of construction in progress are as follows;

In Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
Cost of services				
- Billed cost of constructions up to end of year	54,434,335	30,747,190	-	-
- Unbilled cost of constructions	-	-	-	-
Total cost of services	54,434,335	30,747,190	-	-
<u>Less :</u> Recognition of cost of services	(47,091,770)	(29,708,702)	-	-
Construction in progress	<u>7,342,565</u>	<u>1,038,488</u>	<u>-</u>	<u>-</u>

9. ASSETS PENDING FOR DISPOSAL, NET

The meeting of the ordinary shareholders' meeting held on March 26, 2008 approved the Company and STC Steel Company Limited, the Subsidiary, to sell land and buildings to the related company at the selling prices which are not less than the appraisal value of independent property valuer. The Company and the subsidiary have entered to the asset sale agreement as follow;

- According the asset sale agreement dated January 28, 2008, STC Steel Company Limited sold the land to Taweechoke panich Company Limited at the selling price of Baht 38.36 million. The net book value of asset as at December 31, 2009 was Baht 29.01 million.
- According the asset sale agreement dated January 28, 2008, the Company sold the factory building to Taweechoke panich Company Limited at the selling price of Baht 26.30 million. The net book value of asset as at December 31, 2009 was Baht 25.65 million.

As at December 31, 2009, such assets were mortgage as collateral for credit facilities of short-term loans from financial institution (Note 13.) The collateral commitment will be relieved during the disposal of such assets. The ownership of the assets has not been transferred to the buyers. The book value of such assets was presented as "Assets pending for disposal" under current assets. As at December 31, 2009, there was an outstanding balance of advance received for assets pending for disposal amounting to Baht 5 million.

10. FIXED DEPOSITS PLEDGED AS COLLATERAL

As at December 31, 2009, the Group and the Company held fixed deposits amounting to Baht 16.20 million and Baht 15.70 million respectively. (December 31, 2008: Baht 100.23 million and Baht 99.73 million in the consolidated and the separate financial statements.) The deposits were pledged as collateral for credit facilities of overdrafts and short-term loans from financial institutions (Note 13) and for banks' letter of guarantee against the payment of electricity of the Group.

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE

The details of investments presented in the separated financial statements are as follows;

	Paid up Capital	Holding percentage		In Baht	
				Cost method	
				2009	2008
<u>Subsidiaries</u>					
STC Steel Co., Ltd.	20,000,000	100	100	20,000,000	20,000,000
Asia Metal Fabrication Co., Ltd.	20,000,000	55	55	11,000,000	5,500,000
Vientiane Bonded Warehouse Co., Ltd.	USD 500,000	-	60	-	8,534,048
				<u>31,000,000</u>	<u>34,034,048</u>
<u>Associate</u>					
Vientiane Bonded Warehouse Co., Ltd	USD 500,000	40	-	6,686,323	-
Total investments in subsidiaries and associate				<u>37,686,323</u>	<u>34,034,048</u>

The details of investments presented in the consolidated financial statements are as follows;

	Paid up Capital	Holding percentage		In Baht	
				Equity method	
				2009	2008
<u>Associate</u>					
Vientiane Bonded Warehouse Co., Ltd	USD 500,000	40	-	5,786,715	-
Total investments in associate				<u>5,786,715</u>	<u>-</u>

The principal business operations of the subsidiaries and associate can be summarized as follows;

- 1) STC Steel Company Limited operates as manufacturer of steel pipe and U-Channel steel bars.
- 2) Asia Metal Fabrication Company Limited operates in steel structure installation service and factory construction.
- 3) Vientiane Bonded Warehouse Company Limited, incorporated in Lao PDR, operates in business of providing bonded warehouse service on the border of Lao PDR.

For the year ended December 31, 2009, the subsidiary, Asia Metal Fabrication Company Limited, made a call for unpaid portion from 25% to 50% of its authorized share capital, the issue and paid-up share capital, as a result, increased from Baht 25 to Bath 50 per share. The Company paid for such additional shares subscription amounting to Baht 11.0 million.

On December 8, 2009, the Company made a payment for the remaining share subscription receivable of Vientiane Bonded Warehouse Company Limited amounting to USD 45,000, equivalent to Baht 1,493,172 and the Company sold 1,000 shares of investments in share capital in Vientiane Bonded Warehouse Co., Ltd to non-related party. The portion of shares sold is accounted for 20% of issued and paid-up share capital. The Company recognized the gain from sale of investments amounting to Baht 447,539. After the transaction, the Company's percentage of share holding changes from 60% to 40% and the status of such company are changed from "subsidiary" to "associate."

12. PROPERTY, PLANT AND EQUIPMENT, NET

Consolidated financial statements (In Baht)

	Land	Building and improvement	Machineries and equipment	Motor vehicles	Office fixture and equipment	Construction in progress	Total
As at December 31, 2008							
Cost / Fair value	189,460,462	194,784,843	233,338,182	20,002,563	31,305,120	369,914,304	1,038,805,474
<u>Less</u> : Accumulated depreciation	-	(52,308,741)	(129,880,825)	(9,699,451)	(16,548,857)	-	(208,437,874)
Net book value	189,460,462	142,476,102	103,457,357	10,303,112	14,756,263	369,914,304	830,367,600
Transactions during the year ended December 31, 2009							
Opening net book value	189,460,462	142,476,102	103,457,357	10,303,112	14,756,263	369,914,304	830,367,600
Additions	4,917,831	626,286	11,878,395	1,670,842	1,301,778	113,421,383	133,816,515
Transfer construction in progress to plant and equipment	5,972,689	216,213,791	77,834,266	-	186,302	(300,207,048)	-
Disposals and write off	-	-	(931,086)	(16,900)	(106,414)	-	(1,054,400)
Depreciation	-	(10,956,949)	(20,073,082)	(1,980,406)	(3,740,639)	-	(36,751,076)
Asset of subsidiary as at disposal date excluded from consolidated financial statement	(13,527,996)	-	-	-	-	-	(13,527,996)
Closing net book value	186,822,986	348,359,230	172,165,850	9,976,648	12,397,290	183,128,639	912,850,643
As at December 31, 2009							
Cost / Fair value	186,822,986	411,624,920	322,099,429	21,513,031	32,258,200	183,128,639	1,157,447,205
<u>Less</u> : Accumulated depreciation	-	(63,265,690)	(149,933,579)	(11,536,383)	(19,860,910)	-	(244,596,562)
Net book value	186,822,986	348,359,230	172,165,850	9,976,648	12,397,290	183,128,639	912,850,643

12. PROPERTY, PLANT AND EQUIPMENT, NET (CONT)

Separate financial statements (In Baht)

	Land	Building and improvement	Machineries and equipment	Motor vehicles	Office fixture and equipment	Construction in progress	Total
As at December 31, 2008							
Cost / Fair value	157,213,244	157,572,496	140,687,607	18,370,834	24,174,988	368,824,792	866,843,961
<u>Less</u> : Accumulated depreciation	-	(42,716,641)	(82,763,467)	(8,067,725)	(13,444,779)	-	(146,992,612)
Net book value	157,213,244	114,855,855	57,924,140	10,303,109	10,730,209	368,824,792	719,851,349
Transactions during the year ended December 31, 2009							
Opening net book value	157,213,244	114,855,855	57,924,140	10,303,109	10,730,209	368,824,792	719,851,349
Additions	2,255,987	626,286	11,160,579	1,670,842	1,160,442	139,458,611	156,332,747
Transfer construction in progress to plant and equipment	5,972,689	216,213,791	77,834,266	-	186,302	(300,207,048)	-
Disposals and write off	-	-	(931,086)	(16,900)	(106,414)	-	(1,054,400)
Depreciation	-	(9,195,627)	(11,684,182)	(1,980,406)	(3,436,100)	-	(26,296,315)
Closing net book value	165,441,920	322,500,305	134,303,717	9,976,645	8,534,439	208,076,355	848,833,381
As at December 31, 2009							
Cost / Fair value	165,441,920	374,412,573	228,731,039	19,881,302	24,986,732	208,076,355	1,021,529,921
<u>Less</u> : Accumulated depreciation	-	(51,912,268)	(94,427,322)	(9,904,657)	(16,452,293)	-	(172,696,540)
Net book value	165,441,920	322,500,305	134,303,717	9,976,645	8,534,439	208,076,355	848,833,381

12. PROPERTY, PLANT AND EQUIPMENT, NET

Land, building, machineries and machineries under installation in the consolidated financial statements and the separate financial statements amounting to Baht 281.96 million (December 31, 2008: Baht 374.33 million in the consolidated financial statements and Baht 330.04 million in the separate financial statements) are mortgaged as collateral for credit facilities of short-term and long-term loan from financial institution (Note 13 and 14).

As at December 31, 2009, there are property and equipment which have been fully depreciated according to their useful lives, but are still in use with the original cost before deducting accumulated depreciation amounting to Baht 77.17 million in the consolidated financial statements and amounting to Baht 63.95 million in the separate financial statements (December 31, 2008: Baht 78.03 million in the consolidated financial statements and Baht 63.13 million in the separate financial statements.)

As at December 31, 2009, leased assets included above, where the Group and the Company is a lessee under hire purchase agreements are motor vehicles with net book value of Baht 1.04 million. (December 31, 2008: Baht 2.89 million.)

The Company's land was revalued on January 20, 2006 by independent valuers. Valuations were made on the basis of Market Approach. The book values of the land were adjusted to the revalued amounts and the resultant surplus was credited to premium on land revaluation in shareholders' equity at the amount of Baht 67.69 million.

As at December 31, 2009, the book value of land after revaluation comparing to that shown in historical cost are as follows;

	In Baht			
	Consolidated financial statements		Separate financial statements	
	Fair value	Historical cost	Fair value	Historical cost
Land	189,460,462	108,437,603	157,213,244	89,520,185

13. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS, NET

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
Short-term loans from financial institutions	911,913,727	450,799,432	911,913,727	450,799,432
<u>Less</u> : Prepaid interest	(763,682)	(805,479)	(763,682)	(805,479)
Net	911,150,045	449,993,953	911,150,045	449,993,953

As at December 31, 2009, the Group and the Company have short-term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 1,627 million (December 31, 2008 : Baht 1,877 million). The trade financing facilities include bank overdraft, letters of credit, trust receipts, promissory notes, bills discounted, packing credits and banks' letters of guarantee. The overdraft facilities charged interest at the rate of MOR per annum (December 31, 2008: MOR per annum). The other facilities charged interest at the rates ranging from 2.45% to 4.85% per annum (December 31, 2008: ranging from 3.40% to 4.90% per annum.). The repayment terms ranged between 1 - 3 months.

13. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS, NET (CON'T)

Such trade financing facilities are guaranteed by director of the Group and are secured over a part of the land, buildings, machineries, machineries under installment, assets pending for disposal and fixed deposits of the Group (Note 9, 10 and 12.)

14. LONG-TERM LOAN FROM FINANCIAL INSTITUTION, NET

	In Baht			
	Consolidated	financial	Separate	
	statements		Financial Statements	
	2009	2008	2009	2008
Long term-loan from financial institution	87,500,000	100,000,000	87,500,000	100,000,000
<u>Less</u> : Current portion	(25,000,000)	(12,500,000)	(25,000,000)	(12,500,000)
Long term portion, net	<u>62,500,000</u>	<u>87,500,000</u>	<u>62,500,000</u>	<u>87,500,000</u>

During the second quarter of 2008, the Company entered into a long-term loan agreement with commercial bank. The loan is payable in quarterly installing of Baht 6.25 million each. The payment term is from September 25, 2009 to June 25, 2013 with the grace period for principal repayment of 15 months. The interest rate is MLR- 1.5 % per annum starting from July 25, 2008 to July 25, 2010, MLR-1.25% per annum starting from July 26, 2010 to August 25, 2011 and MLR per annum from August 26, 2011 onward. The loan is secured over a part of the land and buildings and machineries of the Company and subsidiaries (Note 12.)

The loan agreement contains normal covenants pertaining to matters such as the maintenance of a certain debt-to-equity ratio and the restriction on dividend payment.

15. LIABILITIES UNDER HIRE PURCHASE AGREEMENTS, NET

	In Baht			
	Consolidated	financial	Separate	
	statements		financial statements	
	2009	2008	2009	2008
Liabilities under hire purchase agreements	647,194	702,658	647,194	702,658
<u>Less</u> : Deferred interest charges	(38,953)	(68,304)	(38,953)	(68,304)
Total	608,241	634,354	608,241	634,354
<u>Less</u> : Current portion	(384,152)	(634,354)	(384,152)	(634,354)
Long-term portion, net	<u>224,089</u>	<u>-</u>	<u>224,089</u>	<u>-</u>

16. SHARE CAPITAL AND WARRANTS

16.1 AUTHORISED, ISSUED AND PAID - UP SHARE CAPITAL

At the extraordinary shareholder's meeting held on July 21, 2006, the shareholders passed the resolutions to approve the increase of authorized share capital from Baht 399,973,800 to Baht 549,973,800 (divided into 549,973,800 ordinary shares of Baht 1 each) by issuing 149,996,725 new ordinary shares with par value of Baht 1 each. The Company registered such increase of authorized capital with the Ministry of Commerce on August 16, 2006. The appropriation of the offering and/or reserve of new ordinary shares were identified as follows;

a. The First Portion of shares The appropriation of the increasing ordinary shares of 50,000,000 shares was offered through Public Offering. This portion of shares is totally sold out at the price of Baht 3.30 per share. The net amount received from share subscription is Baht 159,001,921 (less the subscription expenses.) The Company registered such increase of share capital with the Ministry of Commerce on March 28, 2007.

b. The Second Portion of shares The appropriation of the increasing ordinary shares of 49,996,725 shares was offered to existing shareholders at the ratio of 8 old shares to 1 new share. The subscription period is from April 17, 2007 to April 23, 2007. At the last subscription date, the number of share sold is 29,963,465 shares at the price of Baht 3.30 per share. The net amount received from share subscription is Baht 98,670,145 (less the subscription expenses.) The portion of shares left from the offering to the shareholders is 20,033,260 shares; the Company will not reallocate such remaining shares to anyone. The Company registered the increase of share capital with the Ministry of Commerce on April 26, 2007.

c. The Third Portion of shares The appropriation of the increasing ordinary shares of 50,000,000 shares was reserved for right exercised in accordance with the Company's warrants. (Note 16.2). As at December 31, 2009, there has been no share issued from exercising of the warrants.

16.2 WARRANTS

At the extraordinary shareholders' meeting held on July 21, 2006 and November 24, 2006, the shareholders passed the resolution to allocate the free-of-charge warrants (AMC-W1) in the amount of 50,000,000 units, 7 - year maturity commencing from date of issue. The warrants can be exercised at the last official day of March and September (The first exercise date is September 28, 2007.) The exercise price is Baht 3 per share under the exercise ratio of 1 warrant per 1 new share (subjected to change under the condition of the adjustment.)

As at December 31, 2009, there were 39,981,706 units of warrants which were allotted to the shareholders as follows;

- 1) The appropriation of 25,000,000 units of warrants was offered to the shareholders who acquired the increased share capital at the proportion of 2 new shares to 1 unit of warrant.
- 2) The appropriation of 14,981,706 units of warrants was offered to the existing shareholders, whose name listed in the Company share register on March 28, 2007 at the proportion of 2 new shares to 1 unit of warrant.

As at December 31, 2009, 39,981,706 units of warrants have been allotted, none of which has been exercised. The warrants were trade in The Stock Exchange of Thailand on May 3, 2007.

17. DIVIDENDS PAID

At the ordinary shareholder's meeting held on April 24, 2009, the shareholders passed the resolutions to approve the payment of dividends amounting of Baht 47.99 million. The dividends were paid to the shareholders who hold 479.94 million units of ordinary shares of Baht 0.10 per share. The dividends were paid on May 28, 2009.

18. LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

19. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the period.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares is stock warrants (Note 16.2.)

The calculation of dilutive potential ordinary shares is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding stock warrants. The calculation serves to determine the purchased shares to be added to the ordinary shares outstanding for the purpose of computing the dilution, no adjustment is made to net profit. However, the stock warrants were not included as a potential ordinary share in the diluted earnings per share calculation for the years ended December 31, 2009 and 2008 because the exercise price of the warrant was in excess of the market price of the Company's share, the basic earnings per share are, therefore, equal to the dilute earnings per share.

20. PROVIDENT FUND

The Company established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund was approved by the Ministry of Finance. Under the plan, employees must contribute 2 percent of their basic salary, with 2 percent of the employees' basic salary based on employees' service years to be matched by the Company. The Company appointed an authorised fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Acts B.E. 2530.

During the year, the Company's contribution to the provident fund recorded in the consolidated and the separate financial statements are Baht 1,210,693 and Baht 955,400 respectively.

21. EXPENSES BY NATURE

The following significant expenditure items, classified by nature, have been charged in arriving at operation profit for the years ended December 31;

	In Baht			
	Consolidated	financial	Separate	
	statements		financial statements	
	2009	2008	2009	2008
Changes in finished goods and work in progress	(71,127,248)	(28,008,272)	(65,067,154)	(27,588,028)
Purchase of finished goods	967,447,910	1,200,466,854	965,264,923	1,200,466,854
Raw materials and consumable used	2,622,254,000	3,554,660,091	2,614,639,288	3,554,660,091
Cost of construction service	37,555,198	12,658,554	-	-
Outsourcing production cost	2,872,849	2,911,990	28,073,038	22,709,970
Depreciation - Owned assets	36,751,076	37,644,203	26,296,315	26,906,618
Provision for diminution of inventories (reversal)	(92,971,442)	92,300,000	(93,400,000)	92,300,000
Doubtful accounts – Trade accounts receivable	13,333,050	19,540,085	13,333,050	19,540,085
Doubtful accounts – Advance payment	2,273,298	-	2,273,298	-
Staff costs	67,611,093	61,298,162	52,474,458	55,433,703
Transport and distribution	38,789,233	53,694,272	38,677,753	53,689,232
Gain on foreign exchange rate	(2,369,638)	(1,545,658)	(2,372,982)	(1,550,160)
Loss (Gain) on disposal of equipment	32,981	(180,316)	32,981	(180,316)
Commission, advertising and sale promotion	11,559,386	5,374,379	13,660,818	5,374,397

22. FINANCIAL INFORMATION BY SEGMENT

The Group operates in two business segments as follow;

- 1: Produce and sell of processed steel products and providing steel cutting and modifying service

(Asia Metal Public Co., Ltd. and STC Steel Co., Ltd.)

- 2: Steel structure installation and factory construction (Asia Metal Fabrication Co., Ltd.)

The Company and its subsidiary operate in one geographical area in Thailand; therefore, these financial statements don not present the financial information by geographical segment

22. FINANCIAL INFORMATION BY SEGMENT (CON'T)

Segment information for the year ended December 31, 2009 is as follows;

	In Baht			
	Business segment 1	Business segment 2	Elimination	Total
Sale and service revenue	3,750,389,512	47,519,798	(21,162,750)	3,776,746,560
Cost of sales and services	(3,587,509,511)	(40,103,269)	21,162,750	(3,606,450,030)
Gross Profit	162,880,001	7,416,529	-	170,296,530
Selling and administrative expenses	(129,454,969)	(7,081,634)	903,296	(135,633,307)
Loss from diminution in value of inventories (reversal)	93,818,285	(846,844)	-	92,971,441
Other income	13,775,278	9,189	(903,296)	12,881,171
Profit (Loss) before financial cost and income tax	141,018,595	(502,760)	-	140,515,835
Financial costs				(28,016,762)
Income tax				(9,988,505)
Net profit				102,510,568
Detail of total asset by segments				
Property plant and equipment, net	907,844,702	5,005,941	-	912,850,643
Other assets	1,631,456,427	36,363,801	(15,388,649)	1,652,431,579
Total assets	2,539,301,129	41,369,742	(15,388,649)	2,565,282,222

Segment information for the year ended December 31, 2008 is as follows;

	In Baht				
	Business segment 1	Business segment 2	Business segment 3		Total
	Domestic	Domestic	Foreign	Elimination	
Sale and service revenue	5,285,576,583	32,394,272	-	(17,050,148)	5,300,920,707
Cost of sales and services	(4,794,131,669)	(29,708,702)	-	17,050,148	(4,806,790,223)
Gross Profit	491,444,914	2,685,570	-	-	494,130,484
Selling and administrative expenses	(148,862,997)	(1,876,879)	(2,096,628)	135,000	(152,701,504)
Loss on diminution of inventories	(92,300,000)	-	-	-	(92,300,000)
Other income	14,288,778	30,918	-	(135,000)	14,184,696
Profit (Loss) before financial cost and income tax	264,570,695	839,609	(2,096,628)	-	263,313,676
Financial costs					(58,425,345)
Income tax					(81,069,109)
Net profit					123,819,222
Detail of total asset by segments					
Property plant and equipment	819,411,973	89,475	10,866,152	-	830,367,600
Other assets	1,335,407,649	23,281,393	2,881,862	(127,177,194)	1,234,393,710
Total assets	2,154,819,622	23,370,868	13,748,014	(127,177,194)	2,064,761,310

23. TRANSACTIONS WITH RELATED PARTIES
n) Relationship and pricing policy

The relationship among the Company, subsidiaries and related companies are as follows;

	Relationship	
	2009	2008
<u>Subsidiaries</u>		
STC Steel Co., Ltd.	100% shareholding	100% shareholding
Asia Metal Fabrication Co., Ltd.	55% shareholding and directorship	55% shareholding and directorship
Vientiane Bonded Warehouse Co., Ltd.	-	51% shareholding and directorship
<u>Associate</u>		
Vientiane Bonded Warehouse Co., Ltd.	40% shareholding and directorship	-
<u>Related Companies</u>		
Taweechoke Panich Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
G-Steel Public Co., Ltd.	Common shareholder	Common shareholder
Permsin Steel Work Public Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
Permsahai Steel Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
Permchaipanich Co., Ltd.	Share held by close relative of directors	Share held by close relative of directors
Steel Center (Thailand) Co., Ltd	Share held by close relative of directors	Share held by close relative of directors
G J Steel Public Co., Ltd.	Directorship	Directorship

The pricing policies between the Company and related parties are as follows;

- The goods and services sold to /brought from subsidiaries and related parties were carried out on commercial terms and conditions.
- The goods and services purchased from subsidiaries and related parties were carried out on commercial terms and conditions.
- The sell and purchase of property plant and equipment between the Company and subsidiaries were based on net book value of assets as at transaction date. The sell and purchase between the Company and related Companies were quoted at the price which approximate to the appraisal value of independent property valuer.
- The interest rate charged to subsidiaries and related parties approximates to the Company's cost of finance. There is no interest charged for the loans to employees.

23. TRANSACTIONS WITH RELATED PARTIES
B) Balances between related parties

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Trade accounts receivable</u>				
Asia Metal Fabrication Co., Ltd.	-	-	569,819	8,817,620
Taweechoke Panich Co., Ltd.	125,898	14,560,774	125,899	14,560,774
G-Steel Public Co., Ltd.	80,087	-	-	-
Permsin Steel Work Public Co., Ltd.	-	28,569,927	-	28,569,927
Permsahai Steel Co., Ltd.	-	8,475,562	-	8,475,562
Total	<u>205,985</u>	<u>51,606,263</u>	<u>695,718</u>	<u>60,423,883</u>
<u>Short-term loans to and interest receivable</u>				
STC Steel Co., Ltd. (Interest rate 4.92%)	-	-	106,683,515	102,821,315
Other related persons (No interest)	500,248	446,830	500,248	446,830
Total	<u>500,248</u>	<u>446,830</u>	<u>107,183,763</u>	<u>103,268,145</u>
<u>Advance payment for purchasing of goods</u>				
G-Steel Public Co., Ltd.	25,721,546	67,133	25,721,546	67,133
G J Steel Public Co., Ltd.	41,124,164	63,224	41,124,164	63,224
Total	<u>66,845,710</u>	<u>130,357</u>	<u>66,845,710</u>	<u>130,357</u>
<u>Other receivable</u>				
STC Steel Co.,Ltd.	-	-	61,712	31,023
Asia Metal Fabrication Co., Ltd.	-	-	270,000	135,000
Permchaipanich Co., Ltd.	24,867	49,036	24,867	49,036
Total	<u>24,867</u>	<u>49,036</u>	<u>356,579</u>	<u>215,059</u>
<u>Trade accounts payable</u>				
STC Steel Co., Ltd	-	-	3,054,764	1,338,188
Taweechoke Panich Co., Ltd.	377,045	-	8,381	-
Permsin Steel Work Public Co., Ltd.	-	490,317	-	490,317
Permsahai Steel Co., Ltd.	-	3,926,693	-	3,926,693
Total	<u>377,045</u>	<u>4,417,010</u>	<u>3,063,145</u>	<u>5,755,198</u>

23. TRANSACTIONS WITH RELATED PARTIES (CON'T)
๑) Balances between related parties

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Advance received</u>				
<u>from sell of fixed assets</u>				
Asia Metal Fabrication Co., Ltd	-	-	1,869,159	-
Taweechoke Panich Co., Ltd.	5,000,000	5,000,000	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>6,869,159</u>	<u>5,000,000</u>
<u>Accrued Expense</u>				
G-Steel Public Co., Ltd.	-	-	1,630,880	-
	<u>-</u>	<u>-</u>	<u>1,630,880</u>	<u>-</u>
<u>Advance received</u>				
Director	1,180,695	335,883	-	-
	<u>1,180,695</u>	<u>335,883</u>	<u>-</u>	<u>-</u>
<u>Advance received from</u>				
<u>construction projects</u>				
G-Steel Public Co., Ltd.	8,039,879	-	-	-
	<u>8,039,879</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other payable</u>				
Asia Metal Fabrication Co., Ltd.	-	-	30,996,170	-
Permchaipanich Co., Ltd.	-	-	-	-
Taweechoke Panich Co., Ltd.	-	70,251	-	70,251
	<u>-</u>	<u>70,251</u>	<u>30,216,107</u>	<u>70,251</u>

The movement of short-term loans to and interest receivable from related parties for the year ended December 31, 2009 can be analyzed as follows;

	In Baht	
	Consolidated	Separate
	financial statements	financial statements
As at January 1, 2009	446,830	103,268,145
Interest receivable	-	3,862,200
Lending	53,418	53,418
As at December 31, 2009	<u>500,248</u>	<u>107,183,763</u>

23. TRANSACTIONS WITH RELATED PARTIES (CON'T)
C) Related party transactions

The transactions for the years ended December 31, 2009 and 2008 were as follow;

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
<u>Sales and service revenue</u>				
Asia Metal Fabrication Co., Ltd.	-	-	11,502,058	17,050,148
Taweechoke Panich Co.,Ltd.	16,728,025	173,835,610	16,728,025	173,835,610
G-Steel Public Public Co., Ltd.	-	-	-	-
Permsin Steel Work Public Co.,Ltd.	28,131,479	32,246,408	28,131,479	32,246,408
Permsahai Steel Co.,Ltd.	7,735,471	69,030,952	7,735,471	69,030,952
Permchaipanich Co., Ltd.	25,564	345,000	25,564	345,000
Total	<u>52,620,539</u>	<u>275,457,970</u>	<u>64,122,597</u>	<u>292,508,118</u>
<u>Other income and interest income</u>				
STC Steel Co.,Ltd.	-	-	4,215,384	4,863,894
Asia Metal Fabrication Co., Ltd.	-	-	903,296	135,000
Taweechoke Panich Co.,Ltd.	578,944	710,394	578,944	710,394
Permchaipanich Co., Ltd.	276,942	321,212	276,942	321,212
Permsahai Steel Co.,Ltd.	-	108,019	-	108,019
Total	<u>855,886</u>	<u>1,139,625</u>	<u>5,974,566</u>	<u>6,138,519</u>
<u>Purchase of goods , raw materials and cost of services</u>				
STC Steel Co.,Ltd.	-	-	25,200,189	19,797,980
Asia Metal Fabrication Co., Ltd.	-	-	9,660,692	-
Taweechoke Panich Co.,Ltd.	11,242,011	15,932,023	11,242,011	15,932,023
G-Steel Public Public Co., Ltd.	426,544,523	353,622,476	426,544,523	353,622,476
Permsin Steel Work Public Co., Ltd.	-	5,946,870	-	5,946,870
Permsahai Steel Co.,Ltd.	-	7,875,414	-	7,875,414
G J Steel Public Co., Ltd.	75,194,167	5,644,980	75,194,167	5,644,980
Permchaipanich Co., Ltd.	-	-	-	-
Total	<u>512,980,701</u>	<u>389,021,763</u>	<u>547,841,582</u>	<u>408,819,743</u>
<u>Purchase of assets</u>				
STC Steel Co.,Ltd	-	-	30,216,107	-
Asia Metal Fabrication Co., Ltd.	-	-	1,387,846	-
Taweechoke Panich Co.,Ltd.	802,756	3,248,738	802,756	3,248,738
Total	<u>802,756</u>	<u>3,248,738</u>	<u>32,406,709</u>	<u>3,248,738</u>
<u>Rental</u>				
STC Steel Co.,Ltd	-	-	1,863,600	-

24. FINANCIAL INSTRUMENTS

A) FINANCIAL RISK MANAGEMENT POLICIES

The principal financial risks faced by the Group are interest rate risk, foreign currency risk and credit risk. The Group uses derivative instruments, as and when it considers appropriate, to manage such risks.

The Group did not intend to engage in trading derivative instruments for speculative purposes.

B) INTEREST RATE RISK

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

C) FOREIGN CURRENCY RISK

A portion of the Company's purchase is made in foreign currency. The payment for importing of goods and machineries are made in US dollar. For the year ended December 31, 2009, there were the foreign currency dominated purchase transactions approximating to Thai Baht of 239.91 million. The Company manages such risks through the use of forward currency contract, as and when it considers appropriate.

As at December 31, 2009, There was no unledged foreign currency-dominated trade accounts payable.

D) CREDIT RISK

The Group was exposed to credit risk. However, due to the large number and diversity of the entities comprising the Group's customer base, The Group does not anticipate material losses from its debt collection. The Group estimated the allowance for doubtful accounts from the ending balance of accounts receivable. The estimate was made by considering the customer's past collection experiences

E) FAIR VALUE

The financial assets and liabilities include cash and cash equivalents, trade accounts receivable and payable, other receivable and payable and loan to and loan from counterparties. Their carried values approximate to their fair values.

25. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

A) CAPITAL COMMITMENTS

As at December 31, 2009, the Company had letters of credit issued by bank for importing machineries amounting to USD 236,204. (December 31, 2008: None)

B) INVESTMENT COMMITMENTS

As at December 31, 2009, the Company had the commitment related to the payment for the remaining 50% of unpaid share capital of investment in Asia Metal Fabrication Company Limited amounting to Baht 11.0 million.

C) BANK GUARANTEE ISSUED BY BANKS

As at December 31, 2009, the Group and the Company had letters of guarantee issued by banks for the payment of electricity and utility fee amounting to Baht 6,691,000 and Baht 5,447,100 respectively (December 31, 2008: Baht 4,379,000 and Baht 3,879,000 respectively.)

26. RECLASSIFICATION

Certain accounts in the 2008 financial statement have been reclassified to conform to the financial statement for the year ended December 31, 2009. The reclassifications made were as follows;

- The sale-related expenses amounting to Baht 61,082,119 in the consolidated and the separate financial statements previously included in selling and administrative expenses are reclassified to separately present under selling expenses.
- The management salary and other benefits amounting to Baht 38,309,660 in the consolidated and the separate financial statements previously included in selling and administrative expenses are reclassified to separately present under managements' remuneration.

27. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at December 31, 2009, the Group and the Company's debt-to-equity ratios were 0.79:1 and 0.82:1 respectively (December 31, 2008: 0.5:1 for the consolidated and separate financial statements)

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of directors on February 26, 2010.