

- Translation -

Ref: TYM 026/2010

August 16, 2010

Subject: Clarification on the Operating Result for the 2<sup>nd</sup> quarter of 2010

To: President

The Stock Exchange of Thailand

CC: Corporate Finance Department

Securities and Exchange Commission

We, Thai Yuan Metal Public Company Limited (the "Company"), hereby submit the financial statements of the company and subsidiary for the 2<sup>nd</sup> quarter ended June 30, 2010, and would like to clarify differences of the operating result compared with the same period of previous year as follows:

1. Profit and Loss Statement

Total revenue of the Company and subsidiary for the 2<sup>nd</sup> quarter ended June 30, 2010 equaled Baht 1,812.5 million compared with Baht 884.1 million for the same period of 2009, revenue increased Baht 928.4 million or 105% mainly due to better metal trading and increasing of metal prices continuously since 1<sup>st</sup> quarter of 2010, i.e., average selling price increased 15% and quantity increased 83%, resulting gross profit with the rate about 7.6% in the 2<sup>nd</sup> quarter of 2010, compared to 0.6% of the same quarter of 2009.

Selling and administrative expense of 2<sup>nd</sup> quarter 2010 totally Baht 20.2 million compared with Baht 22.2 million for the same quarter of 2009, little decreasing. Financial cost of this quarter Baht 10.9 million, increased from the same quarter of previous year for amount Baht 8.6 million due to more short term loan for reserving stocks. After deducting all expenses, the company reported net profit for the 2<sup>nd</sup> quarter of 2010 equaled Baht 72.2 million, compared to net profit of Baht 8.5 million for the same quarter of 2009, increasing of profit Baht 63.7 million or 749.4%.

2. Balance sheet

Total Assets of the Company as at June 30, 2010 equaled Baht 2,786.3 million compared with Baht 1,978.5 million as at December 31, 2009, assets increased Baht 807.8 million due to accounts receivable, inventories, and advance money for reserving stocks.

Total liabilities were Baht 1,805.6 million, increased from Baht 1,104.1 million as at end of 2009 for Baht 701.5 million, because the company had to use short term loan around Baht 570 million to reserve stocks for selling, resulting debt equity ratio increased from 1.26 as at December 31, 2009 to 1.84 as at June 30, 2010.

Please be informed accordingly.

Sincerely yours,

Thai Yuan Metal Public Company Limited

(Mr.Boonchai Jirapongtrakul)

Managing Director