

- Translation -

Ref: TYM 040/2009

August 13, 2009

Subject: Clarification on the Operating Result for 2nd quarter of 2009

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 statement of the Company and subsidiary for the 2nd quarter ended June 30, 2009, and clarify the 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 2nd quarter ended June 30, 2009 equaled Baht 884.1 million compared with Baht 1,990.4 million for the same period of 2008, revenue decreased Baht 1,106.3 million or 55.6% due to economic crisis of the world and Thailand which have been carried on since 1st quarter of 2009. Metal selling prices and volume of sale for 2nd quarter of 2009 were lower than selling prices and volume of 2nd quarter of 2008 for approximately 40% and 27% respectively.

Cost of goods sold for 2nd quarter of 2009 was still at higher range than the same quarter of 2008 due to the economic crisis, resulting the Company could not increase selling prices as high as previous year.

Selling and administrative expenses of 2nd quarter 2009 totally Baht 10.3 million compared with Baht 11.2 million for the same quarter of 2008, slightly decreasing. Financial cost of Baht 2.3 million compared with Baht 7.0 million for second quarter of 2008, decreased Baht 4.7 million due to less short term loan and interest rates declining. Besides, there was additional provision of doubtful account Baht 11.8 million in the second quarter of 2009. After deducting all expenses, the Company reported net profit for 2nd quarter of 2009 equaled Baht 8.5 million, compared to net profit of Baht 176.7 million for the same quarter of 2008, decreasing of profit Baht 168.2 million or 95.2%

2. Balance Sheet

Total Assets of the Company as at June 30, 2009 equaled Baht 1,522.1 million compared with Baht 1,665.2 million as at December 31, 2008 (restated), assets decreased Baht 143.1 million due to receivables, inventories and advances for inventory.

Total liabilities as at June 30, 2009 were Baht 709.7 million, slightly decreased from year ended December 31, 2008 balance (Baht 766.8 million) for Baht 57.1 million owing to short term loan reducing. Debt equity ratio increased from 0.85 as at December 31, 2008 to 0.87 as at June 30, 2009.

Please be informed accordingly

Sincerely yours,

Thai Yuan Metal Public Company Limited

(Mr.Boonchai Jirapongtrakul)

Managing Director