

## Audit Committee Report

The Audit Committee of STEEL INTERTECH PUBLIC COMPANY LIMITED consists of 3 independent directors namely Dr. Suradej Chantranuruk as a Chairman, Mr. Numpon Ngunnumchoke and Mr. Lertchai Wongchaiyasit – as members of the Audit Committee as well as BK Audit and Consultant is an internal auditor.

The Audit Committee is authorized and responsible for reviewing the company's financial statements which include financial statement collation and accounting policies in accordance with generally accepted accounting principles, internal control system and risk management as proper and effective. In addition, to assure that the company is operating in good governance and comply with relevant law and regulations

In fiscal year 2010, the Audit Committee held 4 meetings, by inviting the concerned executives and internal auditor to discuss and evaluate the following agenda during the meetings:

1. Reviewed quarterly financial reports (three months basis) and the annual financial statements of the year 2010 to the Board of Director for consideration. The Audit committee had the opinion that the company's financial report conforms to generally accepted accounting principles.
2. Reviewed the company's internal control systems and specified the annual audit of the internal audit as well as considered quarter internal reports and recommended to the management to improve company's performance, enhancing with efficiency.
3. Reviewed the company's operations to ensure that it's complied with rules and regulations of Securities and Exchange Commission, Stock Exchange of Thailand in correlation with good governance.
4. Consider and choose S.K. and Accountant Services Co., Ltd. as the company's auditor in year 2010 and the next one year and also recommending on their fees to the board of directors. The Board of Director will then propose the same proposal to the Shareholders for approval.

During 2010, the economy slowdown resulted by the financial crisis in the United States at the end of year 2009, including amid uncertainty political situation which affect to the price volatility of raw materials that are difficult to expect as well. The currency fluctuation of Thai Baht was more likely to be uncertain due to the movement of foreign investors which were directly affected from our partner business such as, the slowdown in economy of the United State. The Audit Committee has emphasized in perform their duties carefully and independently as well as expressing opinions and recommendations in the report completely. The Audit Committee believed that the company adheres to operating in accordance with specified patterns. Moreover, the company emphasized financial report in accordance with generally accepted accounting principles, also has a proper and adequate internal control systems through comply with laws and regulations of the SET as well as maintain its good corporate governance.

Dr. Suradej Chantranuruk



Chairman of the Audit Committee