

C o n t e n t

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Financial Highlight

	Unit	2010	2011	2012
Profit & Loss				
Sale income	Million Baht	473.41	1,194.99	1,021.34
Total income	Million Baht	474.76	1,199.48	1,029.62
Gross profit (loss)	Million Baht	84.76	177.68	120.13
Net profit (loss)	Million Baht	26.23	86.49	8.89
Balance Sheet				
Current assets	Million Baht	303.17	683.20	604.05
Total assets	Million Baht	446.71	899.64	884.11
Total liabilities	Million Baht	40.95	262.07	92.55
Total shareholders' equity	Million Baht	405.76	637.57	791.61
Financial ratio				
Current ratio	Times	7.51	2.61	6.59
Debt to equity ratio	Times	0.10	0.41	0.12
Gross profit (loss) margin	%	17.99	14.87	11.76
Net profit (loss) margin	%	5.54	7.24	0.87
Return on equity	%	6.27	13.57	1.12
Return on asset	%	5.71	9.61	1.01

Message from the Chairman

In 2012, it was a year in which major events related to global economic slowdown occurs quite fast and deep (i.e. Greece's economic crisis, US's fiscal cliff and China's growth reduction). As a consequence, many International institutions continuously issued a decrease of estimation in economic expansion. This situation inevitably caused shrinkage of worldwide economy and consumption rate, also affected to several manufacturing industries to decrease their economic growth rate correspondingly. Coal industry was affected as well. It was evident from slowing down rate of coal supplies of 5 giant Chinese energy companies, including China Huaneng Group, China Tatang Group, China Huatian Corp., China Guodian Corp. and China Power Investment Corp. Total coal output from those companies increased to 236 million tonnes in 2012, rising merely 10 million tons or 4.4% of the previous year. In addition, the world market price of coal also dropped continuously. In July 2012, Australian coal price declined to a level of U.S. \$84 per ton as it formerly used to be high at a level of U.S. \$130 per ton in early 2012. As per the down rate, coal mine operators begun to reduce their manufacturing capacity and suspended all new projects due to no worthiness for production and investment.

By those mentioned situations, Thailand's coal business and the company business were affected. The company's gross sale income of the year 2012 was about 1,021.35 million baht and net profit was about 10 million baht, which was the result from a decrease of coal price throughout the year.

However, in 2013, the company believes that coal industry will recover with better growth rate from an increase of coal price and demands. We have observed the tendency of coal price from the year end of 2012 to February 2013 and it has showed that coal price has begun to re-rise continuously, which would reflect the following year with the potentially feasible growth. Lastly, I would like to thank the customers, supporters, business partners in all sectors, devoted employees for their full energy to operate, community in Phetchaburi Province for support the company's operation and thank all shareholders for supports and having always been with the company. The company is delighted to be delivering our best service to you upon your trust and support in the future.

Yours sincerely,



Mr. Munsin Chaivikrai
Chairman

Audit Committee's Report

Audit Committees of Thai Capital Corporation Public Company Limited ("TCC") comprised of 3 independent directors who are Mr. Chalit Limpanavech as a Chairman of Audit Committee. Ms. Nataya Ouivirach and Mr. Paiboon Sutuntivorakoon as Audit Committees. They fully expertise in accounting, finance, market, legal, management and coal business.

Audit Committees conducted duties and responsibilities assigned by Board of Directors. During the year 2012, the audit committees held 5 meetings with the details of each one as follow:-

Name	Surname	Position	No# of Meeting
1 Mr. Chalit	Limpanavech	Independent Director and Chairman of Audit Committee	4/4
2 Ms. Nataya	Ouivirach	Independent Director and Audit Committee	3/4
3 Mr. Paiboon	Sutuntivorakoon	Independent Director and Audit Committee	4/4

In addition, Audit Committee had meetings with top managements, internal audiors and external auditors with the significant reviews as follows:-

Reviewed financial statements: the committee reviewed the reliability of financial statements and suitability of accounting principles for quarterly and annual financial statements. The committee reviewed with the auditor and management to consult and exchange opinions about the quality evaluation results in its financial report which is appropriately prepared and complied with generally accepted accounting standard. Financial information and statements are accurately reliable and disclosed properly and accurately on timely basis regulated by The Stock Exchange of Thailand ("SET") and Securities and Exchange Commission ("SEC")

Reviewed related transactions: the committee reviewed the disclosure of the Company's and its subordinated company's related transactions which might cause the conflict of interest among stakeholders. The result was that the related transactions were complied with ordinary business practices and good governance regulation of SET.

Additionally, the committee reviewed the Company to follow the regulations of SEC and SET and the other regulation related to its business regularly for the maximum of the effectiveness and the efficiency. It also included the business conduct to stakeholders with the purpose of fairness. Transparency and good governance to create the reliability to all investors and stakeholders.

February 15, 2013
On behalf of the audit committee



Information of Board of Directors (as at 31 December 2012)

Name-Last Name / Position	Age (Year)	Education	Share in TCC (%)	Relation with Management	Period	Position	Dept./ Company Business
Mr. Nursin Chaivikrai Chairman of the Board of Directors	62	- Kosol Witthaya School	-None-	Mr. Kittisak and Ms. Yupin and elder brother of Mr. Charoendjai	2008 - present 1973 - present	Chairman of the Board of directors Chairman of the Board of Directors and authorized director	Thai Capital Corporation PCL/ Coal trading Far East Knitting Industry Co., Ltd./ Manufacturer of clothing
Mr. Kittisak Chaivikrai Director	40	- Master degree in Accounting The George Washington University, USA - Bachelor degree in BA., The George Washington University, USA	- None -	Son of Mr. Nursin and elder brother of Ms. Yupin and nephew of Mr. Charoendjai	2007 - present 1999 - present 2002 - 2010 2003 - 2008 2004 - 2008	Director Vice President Director Director Director	Thai Capital Corporation PCL/ Coal trading Far East Knitting Industry Co., Ltd./ Manufacturer of clothing Far East Securities Co., Ltd/ Securities broker Far East Asset Corporation PCL./ Management consultant of industrial commerce Far East Capital Advisory Co., Ltd/ Real estate broker
Ms. Yupin Chaivikrai Authorized Director	35	- Master degree in Accounting Strayer University, USA - Bachelor degree in Accounting Assumption University (USA) - DAP Class 56/2006 (100)	15.45	Daughter of Mr. Nursin and younger sister of Mr. Kittisak and niece of Mr.	2006 - present 2002 - present	Authorized Director Company secretary	Thai Capital Corporation PCL/ Coal trading Far East Knitting Industry Co., Ltd./ Manufacturer of clothing
Mr. Charoendjai Chaivikrai Authorized Director and CEO	55	- Sugsawattana High School	- None -	Charoendjai Younger brother of Mr. Nursin and uncle of Mr. Kittisak and Ms. Yupin	2008 - present 1973 - present	Authorized Director and CEO Authorized Director and President	Thai Capital Corporation PCL/ Coal trading Far East Knitting Industry Co., Ltd./ Manufacturer of clothing
Mr. Bandit Chaiwannaporn Authorized Director and Managing director	37	- Master degree in BA., University of Exeter - Bachelor degree in Accounting Thammasart University - DAP Class 85/2010 (100)	- None -	- None -	2009 - present 2010 - present 2009 2006 - 2008	Managing Director Authorized Director Assistant Chief Financial Officer Director of Accounting and finance	Thai Capital Corporation PCL. Thoco Sales Co., Ltd. / Air condition trading Jubilee Enterprise PCL Interhides PCL.

Name-Last Name / Position	Age (Year)	Education	Share in TCC (%)	Relation with Management	Period	Experience and Position	Current Position Dept./ Company Business
					2005 – 2006	Assistant Director of Investment Banking	TSEC Securities
					2004 – 2005	Manager of Capital Markets	Finasia Syrus Securities PCL.
					2001 – 2003	Manager of the internal control system	BitAcc Consulting Co., Ltd.
					1998 – 2001	Senior Auditor	Pricewaterhouse Coopers ABAS
Mr. Boon-anant Srikhao Authorized Director and Managing director	38	<ul style="list-style-type: none"> - Master degree in General Management, Construction of Management University of Manchester Institute of Science and Technology (UMIST) - Bachelor degree in Engineering, Thammasat University 	Held on TCC's share 385,826 TCC-W1 50,000 units and TCC-W2 36,826 units	Son-in-law of Mr. Munin	2009 – present	Vice President	Thai Capital Corporation PCL.
					2001 – 2009	Senior Engineering Project	Hemraj Land And Development PCL.
					1999 – 2011	Civil Engineering	Nongkhai Co-generation Co., Ltd.
					1998 – 1999	Civil Engineering	Samutprakarn Co-generation Co., Ltd.
					1995	Design Engineering	A.T.T. Consultant Co., Ltd.
Mr. Chalit Umpiravech Independent Director and Chairman of Audit Committee	61	<ul style="list-style-type: none"> - Master degree in Public Administration (MPA), Political Science Dept., Chulalongkorn University - Bachelor degree in Marketing, Assumption University (ABAC) - DCP 46/2504, CDC 1/2007 (IOD) 	None	None	2008 - present	Dean of International College	University of the Chamber of Commerce
					2008 - present	Independent Director and Audit Committee	Thai Capital Corporation PCL./ Coal trading
					2008 - present	Independent Director	TJPCO Foods (Thailand) PCL./ Fruit juice manufacturing
Mrs. Nataya Ouwiradi Independent Director and Audit Committee	57	<ul style="list-style-type: none"> - Master degree in Management, Asian Institute of Management, Philippines - Bachelor degree in Accounting, Second Class Honor Assumption University (ABAC) - DAP 77/2509, ACP 33/2010 (IOD) 	None	None	2003 - 2009	Dean of Communication Arts Dept.	Assumption University (ABAC)
					2008 - present	Independent Director and Audit Committee	Thai Capital Corporation PCL./ Coal trading
					2009 - present	Senior Consultant	System Focus Limited / Consultant for management of business performance excellence by way TQA, PMQA, SEPA
					2002 - 2009	Director	Momentum Consulting Co., Ltd./ Consultant for business performance excellence
					1995 - 2009	Managing Director	Anel Co., Ltd / Consultant in organization system, research and organization development.

Detail of positions held by Directors in-subsiary, affiliate or related companies as 31 December 2012

	TCC	Subsidiary		Subsidiary TCC Guangzhou	Affiliate None	Related companies	
		Theco Sales				Far East Knitting Industry Co., Ltd	Far East Securities PCL
Mr. Munsin Chaivikrai	C	-	-	-	-	X	-
Mr. Kittisak Chaivikrai	D	X	-	-	-	M	X
Ms. Yupin Chaivikrai	X	-	-	-	-	M	-
Mr. Charoenchai Chaivikrai	X	-	-	-	-	X	-
Mr. Bandid Chotiwanaporn	X	X	-	-	-	-	-
Mr. Boon-anant Srikhao	X	-	X	-	-	-	-
Mr. Chalit Limpanavech	D, CA	-	-	-	-	-	-
Ms. Nataya Oulvirach	D, AC	-	-	-	-	-	-
Mr. Paiboon Sutuntivarakoon	D, AC	-	-	-	-	-	-

Note: C = Chairman, D = Director, CA = Chairman of Audit Committee, AC = Audit Committee, X = Executive Director/Authorized Director, M=Management

Information of the Company

Name : Thai Capital Corporation Public Company Limited
Registered Number : 0107537001226
Nature of Business : Import and Sale of coal and mineralin both domestic and international markets
Head Office : 87/2 CRC Tower Building, 45th Floor, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Telephone : 0-2685-3600
Facsimile : 0-2685-3607
E-mail : info@thaicapital.co.th

Registered Capital and Paid-up Capital as at 31 December 2012

Registered Capital 784,488,969 Baht divided into 1,568,977,938 ordinary shared at par value of 0.5 Baht per share
Paid-up capital 470,846,412 Baht divided into 941,692,824 ordinary shared at par value of 0.5 Baht per share

Information of the Subsidiaries

1. Name : Theco Sales Co., Ltd. (TCS)

Registered Number : 0105536114441

Shareholding as at 31/12/2012 : 99.99%

Paid-up Capital as at 31/12/2012 : 10,000,000 Baht divided into 100,000 ordinary shares at par value of 100 Baht per share

Nature of Business : Sales of spare parts of air conditioner, cooler and heater for all types of vehicle, home, building, including other types of heater and cooler. According to the resolution of the Board of Directors' Meeting of TCC No. 7/2008, approval was granted in cancellation of the air conditioning related business of TCC. Consequently, TCS the subsidiary of TCC who operated the air conditioning business together with TCC, was also to cease its operation and, hence, business.

Head Office : 87/2 CRC Tower Building, 45th Floor, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330

Telephone : 0-2685-3606

Facsimile : 0-2685-3607

2. Name : Thai Capital Corporation Company Limited (Guangzhou)

Registered Number : 440101400110719

Shareholding as at 31/12/2012 : 100%

Nature of Business : Consulting on coal business

Head Office : No.167, Room 1907, 1908 West Lian Hua Road, Tina Hua District, Guangzhou City, China

Reference

Securities Registrar Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Tel: 0-2229-2888	Auditor BDO Co., Ltd. 22 nd Floor, CTI Tower 191/41 Ratchadapisek Road, Klongtoey, Bangkok 10110 Tel: 0-2261-1251-4
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Risk Factors

1. Risk from raw material cost fluctuation according to world market rate

Major cost components of the Company are coal and freight, which fluctuate according to the world market rates. If one or both of the mentioned costs are adjusted upwards, the cost of the Company will be driven up as a result.

However, the Company has entered into a long-term purchase agreement (average 6 months) with the distributors/major manufacturers in order to fix the purchase price, with reference to the world market price. Shipping cost is also fixed by long-term contract (average 1-2 months). Therefore, from the beginning of the import process to product sold process, the Company can control cost of products on a while and be able to submit the products to customers with the deal price without impact on the fluctuation price of the market.

2. Risk from fluctuation of exchange rate

Coal and shipping cost are mainly quoted in US dollar currency while selling price of the Company is quoted in Baht. Therefore, when Baht is weak, the import cost for the Company will be higher.

In year 2012, even though the Company would have no significant effect on the hamburger crisis, driven US solar currency continuously weak, to minimize the currency risk from the recovery of the crisis, the Company has a tendency to adopt the policy to purchase forward contract for coal and shipping costs in order to minimize the risk in exchange rate.

3. Risk from dependent on small number of distributors/manufacturers

Currently, the Company imports its coal from Indonesia, whose country is one of the three largest coal exporters in the world. In 2012, 90% of coal was purchased from two major distributor/manufacturer and the remaining through other sources. Therefore, cancellation of coal supply by the distributor, if any, would certainly disrupt the Company's business operation.

The major distributor/manufacturer, who is supplying coal to the Company, is a large and reputable coal producer in Indonesia, with sound financial status and high product quality that satisfies the demand of the domestic market. The Company has forecasted that this distributor/manufacturer will continue to have sufficient coal supply. The Company's order accounts for only 1.2% of its total production capacity. Therefore in the preliminary the Company signed advance contracts with coal supplier at least 6 months in order to purchase coal from Suppliers that correspond with the Company business plan.

The Company realized about this risk and is in the process of negotiation with 3-5 other distributors/manufacturers in year 2013.

4. Environmental risk

Even though coal is an alternative energy that is utilized in various industries because of its low cost, but coal does produce some environmental impact. The combustion of coal creates reaction between oxygen and the sulfur component in the coal, releasing toxic gas known as sulfur dioxide. This gas can cause respiratory disorder while coal dust/particles can induce allergy. Lignite type of coal, especially, will cause high environmental impact while other types are less severe.

Currently, the Company is importing bituminous and sub-bituminous coal with good quality and low sulfuric component (approximately 0.1-1.5% while bunker oil, which is another type of alternative energy used in various industries, contains 0.1-3.0% of sulfur). As such, these types of coal produce very little environmental impact.

In addition, the Company has implemented an international standard coal storage system and devised strict measures to prevent coal dust and particles from spreading. Such measures include spraying water around the factory to lock the dust within the boundary; covering the coal by plastic sheets; and building a fence around the storage facility. All trucks that transport coal are also completely covered with plastic sheet, to prevent coal from scattering or dust spreading during transportation.

Business Overview

Background

Thai Capital Corporation PCL. ("TCC")

Thai Capital Corporation PCL was formerly known as Thai Heat Exchange PCL. The Company's former business was to manufacture air conditioning parts for cars as substitutes to imported parts. In 2008, the Board of Directors of TCC had passed a resolution to terminate the air conditioning part production business line and start the new core business of the Company, which is a coal trading business. Major changes in the past three years are as follows:

Year 2010 Management and Director restructuring activities

- Resignation of the Authorized Director and President, Mr. Thirawat Nuangnong, which the Board of Directors' Meeting 4/2010, held on 14 May 2010, acknowledged the resignation.

Year 2011 Management and Director restructuring activities

- Replacement of Managing Director. The Annual General Meeting of Shareholders for the Year 2011, held on 14 March 2011, passed a resolution to appoint Mr. Bandid Chotiwanaporn as the Managing Director and Authorized Director, replacing Mr. Thirawat Nuangnong, the former Authorized Director and President who had resigned.
- Approve the replacement of a Managing director and additional authorized directors. The Annual General Meeting of Shareholders for the Year 2011, held on 14 March 2011, passed a resolution to appoint Mr. Boon-anant Srikhao as a Director and Authorized Director.
- Issuance the new ordinary shares in amount 75,982,482 shares the par value of 0.50 Baht each to existing shareholders on pro rata basis, at the ratio of 10 existing shares to 1 new shares, at the price of Baht 1 per share and offering the new warrant#2 (TCC-W2) 75,982,482, at the ratio of 1 new share per 1 unit of warrant at no charge. The exercise price is Baht 1 per share. Objectives of the capital increase and plans for utilizing proceeds received from the capital increase to utilize as working capital of the Company.
- In April 2011, the Company entered into a contract for coal extraction in the Nakorn Luang district, Ayutthaya

Year 2012 Management and Director restructuring activities

- TCC's issuance and allotment of 92,208,576 units to the existing shareholders, at the ratio of 10 shares per 1 unit of warrant at no charge. 1 unit of TCC-W3 can purchase 1 ordinary share with the exercised price of Baht 1 per share.
- According of the Board of Directors' Meeting No.1/2555 of the Company on 13th February, 2012, it is authorized to set up a subsidiary company in china, namely "Thai Capital Corporation Company Limited 9Guangzhou)"

Subsidiaries:

1. Theco Sales Co., Ltd. ("TCS")

TCS was established in 1993, with TCC holding 99.99% of the registered and paid-up capital of TCS in the amount of 10,000,000 Baht. TCS operated the sales and marketing part of the air conditioning parts for both vehicles and buildings until quarter 3/2009, when TCC decided to terminate the air conditioning part production line of business. The operating activities of TCS, which had been declining since 2006-2007, were finally terminated, now the legal disputes had been final already.

2. Thai Capital Corporation Company Limited (Guangzhou)

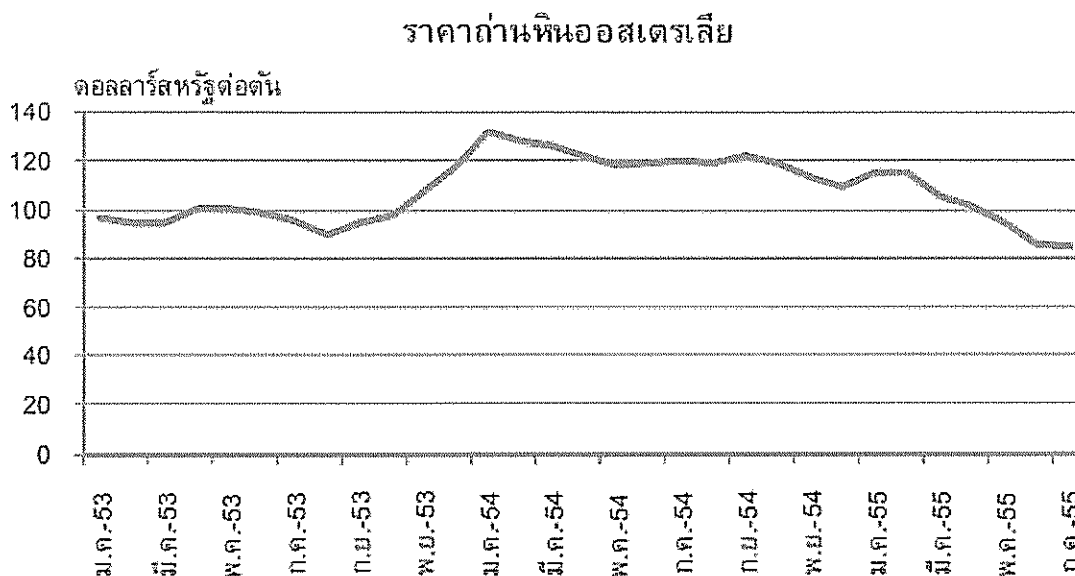
Thai Capital Corporation Company Limited (Guangzhou) was established in May 23, 2012, with TCC holding 100% of the registered in the amount of USD 80,000 (equivalent 2.49 MB) .Thai Capital Corporation Company Limited (Guangzhou) operate consulting on coal business.

Industrial and competitive condition

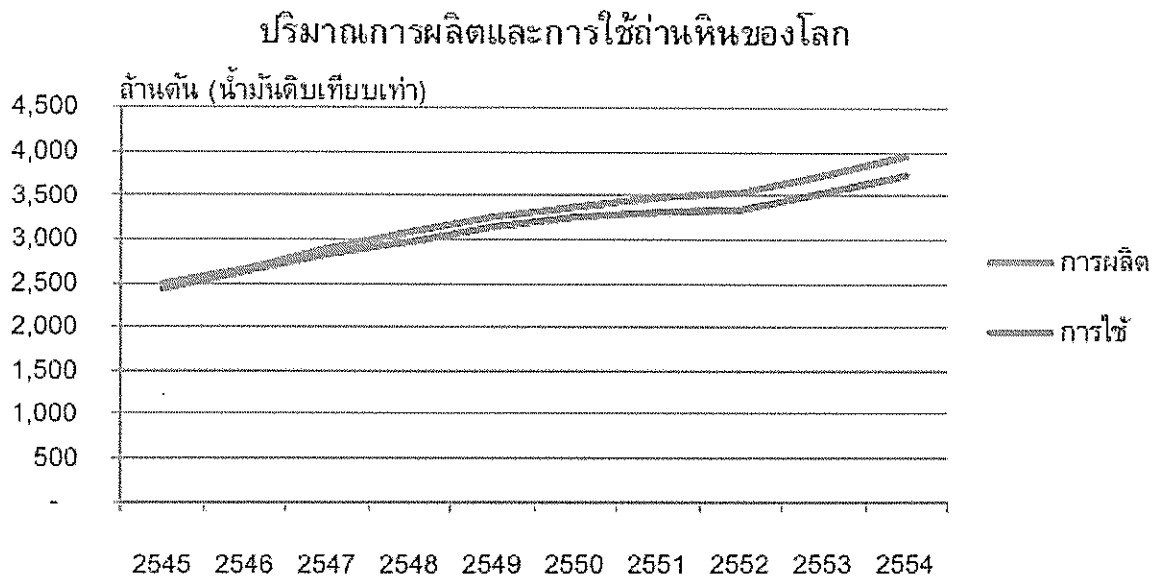
Industrial and Competitive condition – Energy and Coal

During 4-5 years ago, the energy price was high, as a result in the beginning of 2012, coal mine investment continually increased and so made coal production increased until it occurred the situation of coal overproduction in the market. The subsequent result is that the world market price of coal dropped continuously, by showing in July 2012 that Australian coal price declined to a level of U.S. \$84 per ton despite the fact that it formerly used to be high at a level of U.S. \$130 per tonne in the beginning of 2012. As per the down rate, coal mine operators have begun to reduce their manufacturing capacity and suspended all new projects due to no worthiness to investment and production.

In addition, in Asian coal market, a decrease of coal price was caused by the deceleration of China's economy. China's economy growth rate in quarter 2 of 2012 fell to 7.6 percent (y-o-y) from 8.1 percent of the first quarter of 2012. This was the lowest rate from the past three years and expansion slow down for 6 quarters consecutively. According to considering China as the most important coal importer of Asia, the slowdown economy of China became the main factor that forced dwindling of the coal price in Asia.



หมายเหตุ : ราคาก๊าซหุงต้ม thermal, f.o.b. piers, Newcastle/Port Kembla, 6700 kcal/kg
ที่มา : World Bank



ที่มา : BP Statistical Review of World Energy, June 2012

Consumption trends of coal imports for three years and the first 11 months of the year 2012

(Unit : Million Tonne)

	%	2551	2552	2553	2554	11 เดือน		
						2554	2555	% การเติบโต
ถ่านหินแอนทราไซต์ ("ANTHRACITE")	2.3%	242.2	677.52	367.82	210.7	203.11	124.17	(38.9%)
ถ่านหินอุตสาหกรรม								
("COAL SOLID FUELS FROM COAL")	96.9%	15,679.32	15,587.41	16,319.89	16,002.60	14,995.58	17,247.28	15.0%
ถ่านหินพีท ("PEAT")	0.0%	4.88	6.36	7.77	9.64	8.84	8.23	(6.9%)
ถ่านหินโค้ก ("COKE OF COAL")	0.7%	52.59	117.54	208.73	108.16	104.46	33.94	(67.5%)
รวม	100.0%	15,979.00	16,388.84	16,904.21	16,331.11	15,311.98	17,413.73	13.7%

According to the above table, it shows that the latest 3-4 years, COAL SOLID FUELS FROM COAL has the highest consumption rate at 96.9%. With this type of coal, the company has continually distributed to customers as well. Moreover, the overall coal growth rate could be analyzed that it majorly comes from COAL SOLID FUELS FROM COAL consumption, which

grows up to 15% within the latest 11 months of 2012 and 2013, and despite the fact that other type of coals overall consumption decreases.

Furthermore, the Ministry of Energy has estimated the overall power consumption in 2013 would increase by 5.4% in every type of energy. Especially for the coal imported, it has been expected to increase by 7.6% in line with the economy expansion and Asean Free Trade Area or AEC upcoming in a few years. Therefore, the manufacturing sector as a whole needs to be adapted in many ways, particularly for the cost of production, in order to be able to cope with the competitiveness that would intensively occur in the near future.

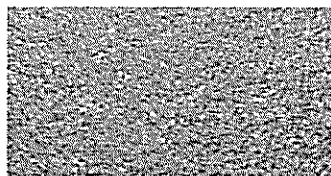
Lines of Business

- **Import and sales of coal and minerals in the domestic and international markets**

The Company started this business by purchasing coal from suppliers in Indonesia and transporting it by sea vessels to Thailand to sell to customers and/or select and separate the sizes according to the orders before delivery. The Company had outsourced the separation and storage services until mid-2008 when the screening plant was built at Amphur Khaoyoi, Petchburi province and has commenced its commercial operation since quarter 3/2009. Coal Trading with wide range of Size, Calories or Whatever Clients need as follows:

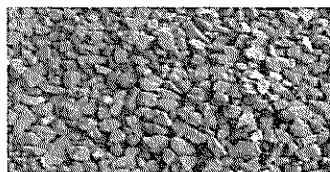


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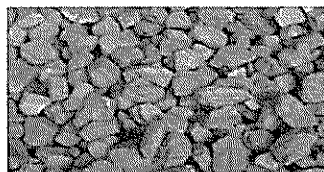


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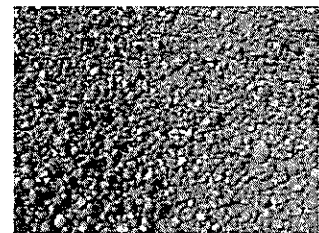
5-10



10-25



25-50



0-50

Justifiable Disputes

In quarter 2 of 2009, the company terminated Charter contract and filed a lawsuit against Charter Company in the court of Singapore. The company claimed reimbursement on grounds of breach of contract that the lessor delivered the vessel with unusable condition and during the repairing period the lessor took advantage of the vessel without delivering the vessel to the company. The company brought the case to the arbitration by claiming damages USD 0.93million, but in August of 2009 the Charter Company filed the statement of defense and at the same time counterclaimed the company for damages USD 0.52million. Finally, on 15 July of 2011, the arbitrators in Singapore had the final decision in favor of the company by ordering the defendant to compensate an amount of USD 202,637.10 or SGD 320,850.55 or equal up to Baht 13million to the company. Currently, the company has received some amount of the compensation in 2011 and the rest of Baht 4.39 million received on 31 December 2012.

Capital Structure

Registered capital and Paid-up capital

As at 31 December 2012, the Company's registered capital and paid-up capital are as follows:

	Number of ordinary shares (Shares)	Par value (Baht/share)	Amount (Baht)
Registered capital	1,568,977,938	0.50	784,488,969.00
Paid-up capital	941,692,824	0.50	470,846,412.00

Shareholders

Ten major shareholders as at 31 December 2012 are as follows:

Rank	Name of shareholder	Number of shares	% of total
1 Chaivikrai Group			
* Ms. Yupin	Chaivikrai	145,530,000	15.45%
Ms. Sopin	Chaivikrai	145,000,000	15.40%
Ms. Paninee	Chaivikrai	45,000,000	4.78%
Ms. Kittaporn	Chaivikrai	44,490,000	4.72%
Ms. Pornpin	Chaivikrai	30,000,000	3.19%
	Total	410,020,000	43.54%
2 Thailand Securities Depository Co., Ltd. (For depositors)		362,130,304	38.46%
3 Ms. Vilai	Chareonvitu	43,000,000	4.57%
4 Ms. Supunnee	Chaikulwatana	45,000,000	4.78%
5 Ms. Nutsuree	Lertchairatana	40,000,000	4.25%
6 Mr. Thanakorn	Hriwongsanupab	36,700,000	3.90%
7 Mr. Veeradate	Kitikornaut	4,332,600	0.46%
8 Mr. Surin	AsadaTorn	132,000	0.01%
9 Mr. Surapong	Akepanyasakul	100,000	0.01%
10 Mr. Wichain	Konkaew	37,540	0.00%
Total top 10 shareholders		941,452,444	99.97%
Total remaining shareholders		240,380	0.03%
Total paid-up shares		941,692,824	100.00%

*Ms. Yupin Chaivikrai is authorized director of the company

Dividend Policy

Thai Capital Corporation PCL (TCC)

The Company has the policy to pay out at least 40 % of net profit after tax as dividend. The rate may be adjusted as deemed appropriate, considering that there are no other requisites and that the payment has no significant effect on the normal operation of the company.

Theco Sales Co., Ltd. ("TCS")-subsidiary of TCC in which TCC holds 99.99% shares

The Company has no fixed dividend policy, with the payment depending on the operating result and the resolution of the shareholders' meeting. The financial status of the Company as at 31 December 2009 has shown that the Company does not have the capability to pay dividend because TCC has ceased its air conditioning business since quarter 3/2008. Consequently, TCS, who had jointly operated the air conditioning business with TCC, has not been able to generate profits to pay out dividend.

Thai Capital Corporation Co., Ltd. (Guangzhou)-subsidiary of TCC in which TCC holds 100% shares

The Company has no fixed dividend policy, with the payment depending on the operating result and the resolution of the shareholders' meeting. The financial status of the Company as at 31 December 2012 has shown that the Company does not have the capability to pay dividend because was established in May 23, 2012 ,has not been able to generate profits to pay out dividend.

Obligation in security issuance and offering

As at 31 December 2012, the outstanding number of TCC warrants still remained after the previous offer to existing shareholders is as follows:

Securities	Unit (s)					Conversion price	Exercise price	Duration (31 December 2012)
	Issue	Outstanding	Offering	Warrant Exercised	Outstanding			
TCC-W1	331,230,087	8,213,877	323,016,210	232,682,904	90,333,306	1 : 1.21673	0.822 Baht per share	1.83 years due date 30 October 2014
TCC-W2	75,982,482	-	75,982,482	7,649,581	68,332,901	1 : 1.06594	0.938 Baht per share	5.34 years due date 3 May 2018
TCC-W3	92,208,576	-	92,208,576	4,012	92,204,564	1 : 1	1.000 Baht per share	9.34 years due date 1 May 2022

TCC-W1 will be exercised as the last working date of each quarter to 30 October 2016 which is the final exercising date. As at 30 December 2012, a total of 121.82 million units were converted through the rights to exercise TCC. The Company has already registered the changes in paid-up capital on 3 January 2013.

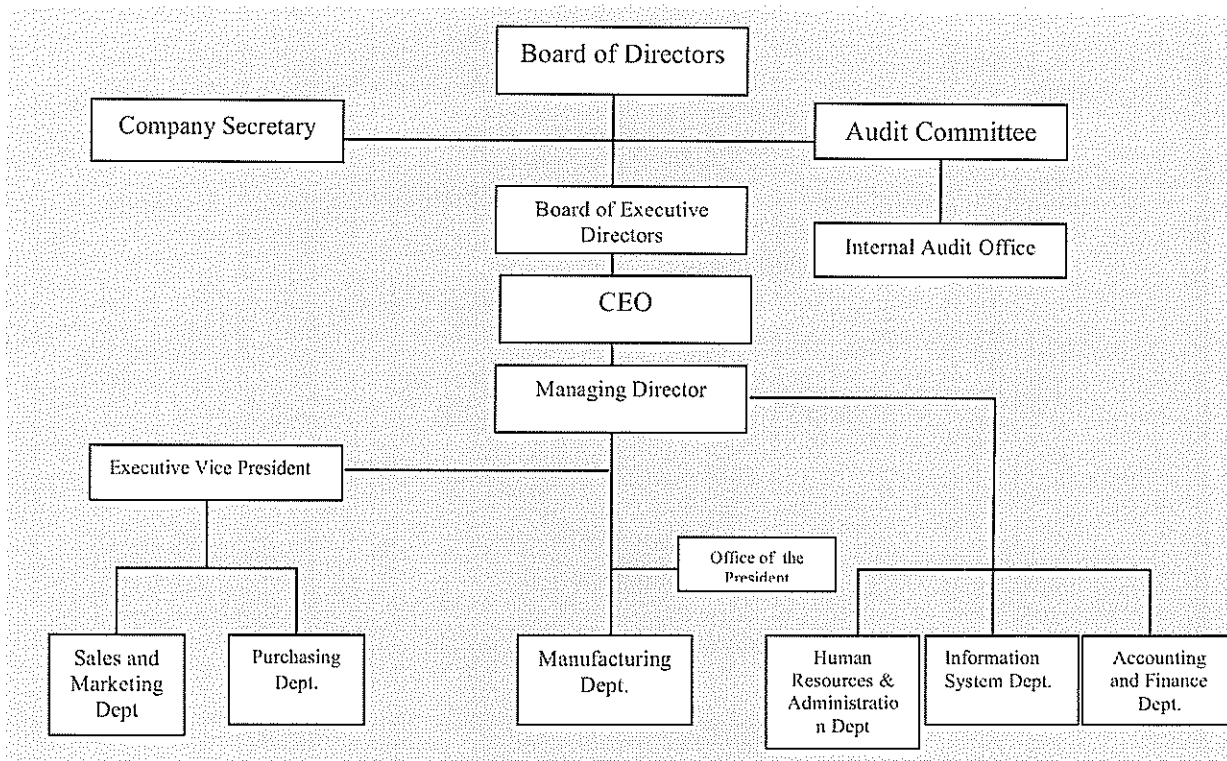
TCC-W2 will be exercised as the last working date of February, May, August and November of each year to 3 May 2018 which is the final exercising date. The first exercise on 30 November 2011.

TCC-W3 will be exercised as the last working date of March, June, September, December to 1 April 2022 which is the final exercising date. The first exercise on 28 December 2012. As at 30 December 2012, a total of 4,012 units were converted through the rights to exercise TCC. The Company has already registered the changes in paid-up capital on 3 January 2013.

Management

Management Structure

Management structure as at 31 December 2012 is as follow:



Board of Directors

Board of Directors as at 31 December 2012 is comprised of:

	Name	Last name	Shareholding (%)	Position
1.	Mr. Munsin	Chaivirkrai	-	Chairman of the Board of directors
2.	Mr. Charoenchai	Charivikrai	-	Director
3.	Mr. Kittisak	Charivikrai	-	Director
4.	Ms. Yupin	Chaivikrai	15.45	Director
5.	Mr. Bandid	Chotiwannaporn	-	Director
6.	Mr. Boon-anant	Srikhao	-	Director
7.	Mr. Chalit	Limpanavech	-	Independent Director and Chairman of Audit Committee
8.	Ms. Nartaya	Ouivirach	-	Independent Director and Audit Committee
9.	Mr. Paiboon	Sutuntivorakoon	-	Independent Director and Audit Committee

Note: Shareholding percentage as at 31 December 2012, inclusive of shareholding of related person namely, Ms. Sopin Chaivikrai, Ms. Paninee Chaivikrai, Ms. Kittaporn Chaivikrai, Ms. Pornpin Chaivikrai totals to 43.54%

Authorized Directors

Mr. Charoenchai Chaivikrai , Ms. Yupin Chavikrai, Mr. Bandid Chotiwannaporn and Mr. Boon-anant Srikhao are authorized to sign and affix the company seal.

Duties and Responsibilities of the Board of Directors

1. To perform duties according to Public Company Act of 1992 and any other laws which designate such duties and responsibilities as that of Directors of a listed company
2. To perform duties according to the law, objectives and article of Association of the Company, including the resolutions of the Shareholders Meeting
3. To establish major business policies for the Company which include financial policy, funding policy, fund management policy and risk management policy
4. To have the power to designate and change authorized directors
5. To provide good corporate governance and ensure achievement of goal or in excess thereof; and to provide corrective measure to overcome the obstructions that may hinder such achievement
6. To arrange for reports on general information and financial statement to shareholders and stakeholders that are accurate, complete, transparent and according to the law
7. To acknowledge significant audit notes and provide corrective measures in case of material deficiency

Audit Committee

Audit Committee currently comprises of the following members:

Name - Last name		Shareholding (%)	Position
1.	Mr. Chalit Limpanavech	-	Independent Director and Chairman of Audit Committee
2.	Ms. Nataya Ouivirach	-	Independent Director and Audit Committee
3.	Mr. Paiboon Sutuntivorakoon	-	Independent Director and Audit Committee

Duties and Responsibilities of the Audit Committee

1. To ensure that the Company's financial report accurately and sufficiently discloses the information by coordinating with the auditor and the executives responsible for the preparation of the financial statement both quarterly and annually, During the course of auditing, the Audit Committee may request the auditor to review or audit any transactions as deemed necessary
2. To ensure, together with the auditor and the internal auditor, that the Company has a suitable and effective internal audit system
3. To consider and propose the appointment of auditor as well as remuneration of auditor, The auditor shall be appointed on the basis of credibility, resourcefulness, amount of work

- commissioned to such audit office and the experience of the auditor that has been appointed
4. To consider and disclose the Company's information regarding connected transactions or conflicts of interest, if any, in an accurate and complete manner
 5. To perform duties as assigned by the Board of Directors and agreed by the Audit Committee such as to review financial management and risk management policies; to review the management performance in terms of good business ethics; to review together with the management the reports that disclose significant transactions to the public such as the analysis report of the management
 6. To prepare and arrange the Audit Committee's activity report and disclose it in the Annual Report, The report must be certified by the Chairman of the Audit Committee and the detail shall include:
 - 6.1 Opinion regarding preparation process and disclosure of information in the financial statement on its accuracy, completeness and trustworthiness
 - 6.2. Opinion regarding the sufficiency of internal control system
 - 6.3. Reasons to support the appointment of the auditor
 - 6.4. Opinion on the Company's operation in accordance with the Securities and Exchange Act, Regulations set by the Stock Exchange of Thailand or any other laws relating to the business of the Company
 - 6.5. Any other reports that the shareholders and investors should be informed, under the duties and responsibilities assigned by the Board of Directors

Top Management

Top management of the Company as at 31 December 2012 comprises of the followings:

	Name	- Last name	Shareholding (%)	Position
1.	Mr. Charoenchai	Chaivikrai	-	Chief Executive Officer
2.	Mr. Boon-anant	Srikhao*	-	Executive Vice President
3.	Mr. Bandid	Chotiwannaporn	-	Executive Vice President

* Mr. Boon-anant Srikhao holds 423,652 shares of TCC , 50,000 units of TCC-W1

Duties and responsibilities of Top Management

The resolution of the Board of Directors shall entrust the authoritative power to the top management for its ability to command, make plans and operate the business of the Company according to the policy set forth by the Board of Directors, and designate the authoritative power to the Chief Executive Officer and President/Managing Director in a way as follows:

Chief Executive Officer

- 1) To devise the mission, objective, guideline and policy, and to provide good corporate governance according to the guideline or principle approved by the Board of Directors
2. To study and explore the opportunities to expand the Company's business in such a way that will maximize benefits and return to the shareholders, and propose to the Board of Directors
3. To consider and comment on the annual budget proposed by the President/Managing Director before its submission to the Board of Directors, and to control the expenses in ensuring that they fall within the budget limit already approved by the Board of Directors
4. To approve expenditure or disbursements of projects or investments or trading of the Company's fixed assets in accordance with the resolution of the Board of Directors
5. To approve purchasing, hiring, contract bindings, payments or any other entries into legal deeds related to normal business operation of the Company or according to the resolution of the Board of Directors
6. To approve appointment, employment, relocation, salary rate, salary raise and termination of employment of management, from department manager level and above
7. To have authorized power to act on behalf or be the representative of the Company to outside parties in related business and in a way that benefits the Company
8. To have authorized power to sign and certify documents, applications and forms as well as to seek permission and approval from the government agencies related to the objectives of the Company, and to appoint others to act on behalf. However, exception must be made to the latter, in the case that the appointed person may be a connected person or have conflict of interest with the business of the Company
9. To have authorized power to file complaint, charge or prosecute persons involved in corruption, embezzlement, theft or engaged in any other acts that result in a loss of benefits or cause substantial damage to the Company
10. To consider meeting agendas before proposing for approval from the Board of Directors

The authorized power mentioned above does not include approval of transactions in which the Chief Executive Officer or persons with possible conflict of interest may be engaged in connected transactions, or have conflict of interest with the Company and/or subsidiaries in any other ways. The transactions must be approved by the shareholders in the case of connected transactions or transactions that involve selling and buying of material assets of the Company and/or subsidiary in order to comply with the rules and regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Managing Director

- 1) To devise mission, objective, guideline and policy, and to provide good corporate governance according to the guideline or principle approved by the Board of Directors
- 2) To establish marketing policy
- 3) To consider the annual budget and propose to the Board of Directors; determine the budget and scope of duty and responsibility for each department or individual; and

monitor the operating and expenditure process of each department, according to the set annual budget approved by the Board of Directors

- 4) To approve expenditure or disbursements of projects or investments or trading of the Company's fixed assets in accordance with the resolution of the Board of Directors
- 5) To amend and/or annul any material contracts, as assigned and approved by the Board of Directors
- 6) To approve purchasing, hiring, contract bindings, payments or any other entries into legal deeds related to normal business operation of the Company or according to the resolution of the Board of Directors
- 7) To have authorized power to act on behalf or be the representative of the Company to outside parties in related business and in a way that benefits the Company
- 8) To have authorized power to employ, appoint, terminate, dismiss, fire, set salary rate and increase salary of employees with positions below department manager
- 9) To perform general management duty
- 10) To have authorized power to sign and certify documents, applications and forms as well as to seek permission and approval from the government agencies related to the objectives of the Company, and to appoint others to act on behalf.
- 11) To have authorized power to file complaint, charge or prosecute persons involved in corruption, embezzlement, theft or engaged in any other acts that result in a loss of benefits or cause substantial damage to the Company
- 12) To consider meeting agendas before proposing for approval from the Board of Directors

To grant authorized power to a person to act on behalf of the President/Managing Director does not include the case where the appointed person may be a connected person or have conflict of interest with the Company in anyway.

Nomination of directors and executives

Currently, the Company does not have Nomination Committee.

Composition and appointment of the Board of Directors

The executive directors are appointed by the Board of Directors without having to acquire approval from the Nomination Committee.

According to the Article of Association of the Company, the Board of Directors should comprise of a minimum of 5 directors, and more than half the members must have residence in the Kingdom of Thailand.

Shareholders Meeting shall cast the vote to select the directors, with one share equals one vote. The total shares of each shareholder can be either casted to one or several persons, but the voting power cannot be divided to weigh the vote on one person more than the other.

Final selection shall be based on majority vote. In case of a tie, however, the Chairman of the meeting shall cast the final vote.

At the Annual General Shareholders' Meeting, one third of the directors shall retire. But if the number of directors cannot exactly be divided by the ratio, then the ratio closest to one third shall retire.

Composition and appointment of the Audit Committee

The Audit Committee members shall be qualified, respectable individuals from outside of the Company and are selected and appointed by the Board of Directors as Independent Directors and Audit Committee members. One of the three committee members shall be appointed as Chairman of the Audit Committee.

Remuneration of Directors and Management

During the years 2011-2012, the Company had determined the remuneration for the Board of Directors and Audit Committee members, which had been agreed and approved by the Annual General Shareholders' Meeting as follows:

	Board of Directors		Audit Committee Members	
	Year 2012	Year 2011	Year 2012	Year 2011
<u>Annual remuneration</u> (Baht/person/year)				
Chairman	250,000	250,000	250,000	250,000
Director (Only Independent Director)	150,000	100,000	200,000	200,000
<u>Meeting Allowance</u> (Baht/person/attendant)				
Chairman	10,000	10,000	10,000	10,000
Director	10,000	10,000	10,000	10,000

Summary of meeting attendance and remuneration of each Director and Audit Committee member is as follows:

Directors

Name-Last name	2011	2012
	Remuneration	Remuneration
1. Mr. Munsin Chaivikrai	280,000	280,000
2. Mr. Charoenchai Chaivikrai	40,000	40,000
3. Ms. Yupin Chaivikrai	40,000	40,000
4. Mr. Kittisak Chaivikrai	40,000	40,000
5. Mr. Bandid Chotiwanaporn	40,000	40,000
6. Mr. Mr.Boon-anant Srikhao	40,000	40,000
7. Mr. Chalit Limpanavech	140,000	190,000
8. Ms. Nataya Ouivirach	140,000	180,000
9. Mr. Paiboon Sutuntivorakoon	140,000	190,000
Total	900,000	1,040,000

Audit Committee

Name-Last name	2011	2012
	Remuneration	Remuneration
1. Mr. Chalit Limpanavech	290,000	290,000
2. Ms. Nataya Ouivirach	240,000	230,000
3. Mr. Palboon Sutuntivorakoon	240,000	240,000
Total	770,000	760,000

Other remunerations

-None-

Corporate governance

The Board of Directors has the policy to follow the Code of Best Practice and the 15 codes of Good Governance issued by the Stock Exchange of Thailand. Since 2012, the Company has implemented the followings:

1. Corporate Governance Policy

The Board of Directors has set policy regarding good corporate governance, as it is the foundation of and necessary for sustainable growth. As such, the Board of Directors has set the policy and directions for the Company to operate in such a way to emphasize the internal monitoring and control system; and ensure that the management follows the policy effectively and within the boundary of the law and the business ethic, for long-term benefit of the shareholders.

2. Shareholders' Rights

In the year 2006, the Company did not hold a Shareholders' Meeting because it was during the rehabilitation process. In the year 2007, however, the Company held a total of two Shareholders' Meetings: one Extraordinary and one Annual General Shareholders' Meeting. In the year 2008-2012, the Company held one Shareholders' Meeting per annum and had sent invitation letters and supporting documents for each agenda to the shareholders at least 7 or 14 days in advance, in accordance with the Company's Article of Association.

During the Shareholders' Meetings, the Company had sufficiently and appropriately allocated the meeting time, and treated all of the shareholders fairly and equally in terms of comments, opinions and questions raised during the meetings, according to the agendas and proposals.

3. Stakeholders' Rights: Description of rights for each group

- Employee : The Company shall treat all employees equally, fairly, according to the laws, and shall grant rewards and benefits in an appropriate manner
- Business Partner : The Company shall purchase products and services from its business partners according to general trading agreement and condition, and strictly abide by the contractual and loan agreements
- Customer : The Company shall take care of and be responsible to customers by maintaining quality and standard of service as well as maintain confidentiality of the customers and establish a customer complaint unit
- Competitor : The Company shall practice and promote fair competition, and denounce corrupt practice that serves to create unfair advantage or destroy competitors
- Community : The Company shall hold itself responsible for the environment of the community and society, by devising procedures to care and maintain operating equipment, in order to prevent contamination and pollution to the environment

4. Shareholders' Meeting

The Shareholders' Meeting are attended by the Directors and Audit Committee members. The Chairman of the Meeting shall sufficiently and appropriately allocate the meeting time, and treat all of the shareholders fairly and equally in terms of comments, opinions and questions raised during the meetings, according to the agendas and proposals. Inquiries and recommendations that deem material shall be recorded in the Minutes of the Meeting.

5. Leadership and Vision

The Board of Directors shall determine the business direction, business plan, investment plan, and funding plan as well as monitoring and following up, to ensure that the business operates and progresses as planned.

6. Conflict of Interest

In order to avoid conflict of interest, the individual directors considered as stakeholders shall be refrained from casting the vote or making the decision on the related matter. The Company shall disclose the connected transactions in the Annual Report and the Annual Filing (Form 56-1), and the Audit Committee shall also provide opinion to ascertain that such transactions are transparent and fair market values are disclosed.

7. Business Ethics

The Board of Directors has a policy to prepare the guidelines on ethics or etiquettes for all directors and employees to acknowledge and understand the measures to be practiced on the Company, stakeholders, public and society.

The resolution of the Board of Director's Meeting 5/2007, dated 19 June 2007 has considered and issued the guidelines for all management and employees of the Company to acknowledge and follow from 20 June 2007 onwards as follows:

1. Integrity: To perform duties with honesty, principle, fairness and righteousness
2. Law abiding: To abide by the law, rules and regulations relating to business operation
3. Accountability: To be accountable and responsible for one's duty and to always make an ethical decision
4. Transparency- Information must be sufficiently disclosed according to the law as well as rules and regulations set forth by the departments relating and responsible for good corporate governance
5. Equitable treatment: To give equal and fair treatment to all stakeholders whether it be employees, shareholders, business partners, creditors, debtors, etc. and to accurately disclose the information to all parties concerned
6. Safety and Occupational Health: To comply by the law and related regulations in relation to industrial standard concerning employees' safety, security and good health
7. Responsibilities to Environment: To be responsible for the environment by following the principle, rules and regulations relating to conservation of the environment, community, and society
8. Avoid Conflict of Interest: To implement the mechanisms to monitor and ensure that directors and the management perform their duties with prudence and honesty; protect the interest of the Company; ensure that the structure of the Board of Directors shows a suitable balance between executive directors and outside directors; establish accountability in accordance with each individual's duties and responsibilities; implement an efficient information disclosure system; appoint an independent auditor to assist the management in certifying the financial statement of the Company, etc.

8. Balance of Power of Directors

The Board of Directors comprises of 9 directors as follows:

- Independent Directors who are also Audit Committee members comprising 3 directors (Mr. Chalit Limpanavetch, Ms. Nataya Ouivirach, Mr. Paiboon Sutuntivorakoon)
- Directors who also represent major shareholders comprising 6 persons (Mr. Munsin Chaivikrai, Mr. Kittisak Chaivikrai, Ms. Yupin Chaivikrai, Mr. Chareonchai Chaivikrai, Mr. Bandid Chotiwannaporn and Mr. Boon-anant Srikhao)

Authorized Directors of the Company are Mr. Chareonchai Chaivikrai, Ms. Yupin Chaivikrai, Mr. Bandid Chotiwannaporn and Mr. Boon-anant Srikhao. The authorization condition is for two directors to co-sign and affix the Company's seal.

According to the above structure, it is considered that the check-and-balance system implemented by the Company is sufficient for the policy-setting level and approval of major transactions, with final decision to be determined by the resolution from the Board of Directors' Meeting.

9. Aggregation and Segregation of Positions

The Chairman and the Chief Executive Officer shall be two separate positions, and hence, two different individuals, to ensure independence in the work and to clearly separate the roles of policy setting, supervision and management. As at 31 December 2008, the Company was in the process of searching for the new Chairman to fill in the vacant position resulting from the resignation by the former Chairman.

10. Remuneration of Directors and Management

The Company has set the remuneration policy clearly and with transparency. The remuneration is in line with the market rate of the same industry, and suitable for the assigned positions and responsibilities. The rates are also considered attractive enough to attract and retain quality directors, and have been approved by the Shareholders' Meeting. The remuneration of the management is determined according to the principle and policy approved by the Board of Directors, which is linked to the performance of the Company and each management figure. Currently, the Company does not have a remuneration subcommittee, but has established an appropriate consideration process by making reference to the companies of comparable size in the same industry as well as the operating results. The established remuneration shall then be proposed for final approval by the Shareholders' Meeting.

11. Board of Directors' Meeting

The Company has determined that there shall be Directors' Meeting at least once every quarter and shall call for special meetings when necessary. The agenda shall be set clearly and well in advance, with regular agenda on the follow-up and performance of the operation. Invitation letter and agenda shall be sent to directors at least 7 days prior each meeting to allow ample time for each director to study the information.

12. Audit Committees' Meeting

The Board of Directors has appointed the Audit Committee to assist in the monitoring of the operation. The authorized power and duties of the Audit Committee shall be in accordance with the detail described in the Management Structure section. In 2012, the Audit Committee held a total of 4 meetings.

13. Internal Control and Audit System

The Company has realized the importance of the internal control system, both at the management and the operation levels. Since July 2007, the internal control office has been established to ascertain that major business operations and significant financial activities are in line with the Company's guidelines and are effective as well as ensure that the Company is in compliance with the law and related regulations (Compliance Control). The Internal Audit Office is to report directly to and receive its performance appraisal directly from the Audit Committee, in order to maintain its independence and perform its check-and-balance function dutifully. The Company has appointed an external audit office, BK-IA&IC Co.,Ltd. (BK Auditing and Consultant), to audit the Company the second half of 2007 until now. The Internal Audit has commenced its audit activity and reported its findings together with its audit plan to the Audit Committee. The Audit Committee has reviewed, provided its opinion and assigned the management to carry out related activities to develop and improve the efficiency of the internal control system, and to report the progress to the Audit Committee periodically.

14. Report of the Board of Directors

The Board of Directors is responsible for the financial statement and financial information as disclosed in the Annual Report. The financial statement is prepared in accordance to the Generally Accepted Accounting Principle in Thailand, and the Company has adopted an appropriate accounting policy that has been put to practice consistently. The financial statement is also prepared with utmost prudence and reliable forecast information, with significant information being disclosed sufficiently in the Notes to Financial Statement.

The Board of Directors has maintained the internal control system that deems effective, to ensure confidence to some level that the accounting information on record is accurate, complete and sufficient, and hence, assets are well-preserved and weaknesses can be discovered in order to prevent fraud or irregular activities that deem material. However, while the internal control and audit system was not yet completed, the Board of Directors has been

following up and made inquiries on the issues that may be at risk, as pointed out by the auditor, in order to rectify such errors/deficiency.

The Board of Directors has appointed an Audit Committee, which comprises of directors who are non-executive directors, to be responsible for the quality of the financial statement and the internal control system.

The Board of Directors has concluded that the Company's internal control and audit system is considered satisfactory and sufficient to affirm the credibility of the Company's financial statement.

15. Investors' Relation

The Board of Directors has a policy to disclose information, both financial and general information, with accuracy, completion, transparency and sufficiency, including information that may affect the Company's stock price movement. The news and information are distributed through various communication and media channels of the Stock Exchange of Thailand, for investors and related parties to acknowledge. The Company has not officially set up an Investors' Relation unit to take care of investors and related parties, but has appointed the Office of the President to clarify the information to institutional investors, shareholders, analysts and related government agencies. The contact center of the Company by telephone is 0-2685-3600 and by e-mail address is: info@thaicapital.co.th.

Confidentiality

The Company has a policy to forbid the management and employees in exploiting the internal information for personal benefit, except for the information that has already been disclosed to the public and that the management has been informed of the duty to report the shareholding status according to the regulation set forth by the Securities and Exchange Commission. However, the Company has not determined the guidelines or penalty for such violation in the Employee Rules & Regulations Manual yet.

Related Transaction

Related transaction among the Company, subsidiaries, and related persons as follows:-

1. Theco Sales Co.,Ltd ("TCS")

Nature of business	Trade parts of air conditioners, heater and coolers for all vehicles and buildings, including other spare parts of heaters and coolers and conduct the marketing activities to sale TCC's products
Paid-up capital	Baht 10 Million with Share 0.1 Million @ Baht 100 per share (Bor Or Jor 5 as at 25 May 2012)
Shareholders' structure	As at 31 December 2012

	Shares	%
Thai Capital Corporation PLC ("TCC")	99,993	99.99
Others	7	0.01
Total	100,000	100.00

Relationship

Held by TCC and related directors. However, TCC had the resolution of BOD's TCC #7/2008 to terminate TCC's air condition lines and then had an effect on the cease of the business activities related between TCS and TCC in the air condition lines. TCS has remained only unusual account receivables which currently is on the court and expected not to have ordinary related transactions with TCC further.

Significant related transactions	Amount (Baht)		Business conditions
	2011	2012	
Ordinary related transaction = After TCC terminated the air condition lines, it had an effect on the cease of the related business transactions between TCS and TCC. Therefore, since 2009, there is no ordinary related transaction further.			
1. TCC purchased/sold product via TCS			Ordinary related transaction complied with the objective of TCS business policy to provide marketing activities to support TCC's transactions.
- Purchase of products/services	-	-	
- Trade account payables	-	-	
- Sale income	-	-	
- Trade account receivables	15,504,439	15,504,439	
- Allowance for doubtful	(15,504,439)	(15,504,439)	
2. TCC hired TCS to provide marketing services for TCC			Management fee was the expenses TCS providing administration and marketing activities for TCC with the business agreement.
- Management fee	1,020,000	1,020,000	
- Allowance for doubtful	(1,020,000)	(1,020,000)	
3. TCC hired TCS's people to look after in administration and general management			Management fee was the expenses TCS hired TCC's people to look after general administration and management with the fairly market price and business conditions to keep TCC's benefit.
- Management fee	168,224.29	168,224.29	

2. Thai Capital Corporation Company Limited (Guangzhou)

Nature of business	Consulting on coal business
Registered capital	USD 80,000 (equivalent 2.49MB)
Paid-up capital	USD 32,015 (equivalent Baht 989,141)
Shareholders' structure	As at 31 December 2012

	Shares	%
Thai Capital Corporation PLC ("TCC")	100.00	100.00
Total	100.00	100.00

Relationship

Held by TCC and related directors.

3. Far East Knitting & Spinning Co., Ltd ("Far East")

Nature of business Tanning, knitting, producing and trading garment
Paid-up capital Baht 1,500 Million with Share 15 Million @ Baht 100 per share (Bor Or Jor 5 as at 8 November 2012)
Shareholders' structure As at 31 December 2012

	Shares	%
Mr. Munsin Chaivirkrai*	4,299,000.00	28.66
Mr. Charoenchai Chaivirkrai**	4,200,000.00	28.00
Mr. Kittisak Charivirkrai*	2,300,000.00	15.33
Ms. Yupin Chaivirkrai*	600,000.00	4.00
Chaivirkrai's family group	3,601,000.00	24.01
Total	15,000,000.00	100.00

* TCC's directors

** TCC's executive directors and related shareholders and directors

Relationship related shareholders and directors

Significant business transactions	Amount (Baht)		Business conditions
	2011	2012	
Ordinary related transactions			
1. TCC sold products to Far East			Coal trading to Far East as its fuel with the fairly market price and business conditions for third parties
- Sale income	23,577,682.00	31,927,632.00	
- Trade account receivables	3,556,162.12	2,961,402.62	

4. PBS Law Limited ("PBS")

Nature of business Legal consulting firm
Paid-up capital Baht 1 Million with Share 10,000 @ Baht 100 per share (Bor Or Jor 5 as at 30 April 2012)
Shareholders' structure As at 31 December 2012

	Share	%
Mr. Pailboon Sutuntivorakoon*	2,000.00	20.00
Sutuntivorakoon's family group	6,000.00	60.00
Others	2,000.00	20.00
Total	10,000.00	100.00

* TCC's director

Relationship Held by a related director

Significant business transactions	Amount (Baht)		Business conditions
	2011	2012	
Non-ordinary related transaction			
1. TCC hired PBS to provide legal services			Legal services for TCC's unusual account receivables with the fairly market price and business conditions for third parties
- Legal fee	500,000.00	-	

Report of the Board of Directors' responsibilities for financial statements

The Board of Directors of Thai Capital Corporation Public Company Limited has provided The financial statements showing the Company's financial status and business Operation result for the year 2012 under the Public Limited Companies Act B.E.2535 (A.D. 1992) and Rules and Regulations of the Stock Exchange of Thailand. The Board of Directors is responsible for the company financial statements presented in this annual report. The Board of Directors confirms that the aforementioned financial statements are in accordance with Thai Generally Accepted Accounting Principles, Using appropriate accounting policy consistently employed by the Company as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to financial statements.

The Board of Directors has provided and maintained an efficient internal control system to ensure that accounting records are accurate, complete and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operations.

The Board of Directors has appointed an Audit Committee, which consists of non-Executive Directors responsible for the quality of financial statements, internal control system and law compliance, whose comments on these issues are readily included in the Audit Committee Report in this annual report

The Board of Directors is of the opinion that the Company's overall internal control system has functioned up to the satisfactory level and rendered credibility and reliability to the consolidated and company financial statements for they year ended December 31, 2012.



Mr. Munsin Chaivikrai
Chairman of the Board

10/11/19

Mr. Charoenchai Chaivikrai
Managing Director

Management Discussion and Analysis Financial Status and Business Operation

Summary of Auditor's Report

The 2010 financial statements were audited by Mr. Suchart Panichchareon, Certified Public Accountant Number 4475, the same person to examine the financial statements of the Company and subsidiaries. The auditor had expressed his unqualified audit opinion that the Consolidated Financial Statements and the Company-only Financial Statements presented the financial status as at 31 December 2010; and operating results and cash flow as at 31 December 2010 in a correct and appropriate manner in all material respects and in accordance with the Generally Accepted Accounting Principles.

The 2011 financial statements were audited by Ms. Thittraporn Klinklao, Certified Public Accountant Number 3726, the same person to examine the financial statements of the Company and subsidiaries. The auditor had expressed his unqualified audit opinion that, the Consolidated Financial Statements and the Company-Only Financial Statements presented the financial status as at 31 December 2011; operating results and cash flow as at 31 December 2011 in an accurate and appropriate manner in all material respects and in accordance with the Generally Accepted Accounting Principles.

The 2012 financial statements were audited by Ms. Thittraporn Klinklao, Certified Public Accountant Number 3726, the same person to examine the financial statements of the Company and subsidiaries. The auditor had expressed his unqualified audit opinion that, the Consolidated Financial Statements and the Company-Only Financial Statements presented the financial status as at 31 December 2012; operating results and cash flow as at 31 December 2012 in an accurate and appropriate manner in all material respects and in accordance with the Generally Accepted Accounting Principles.

Financial performance

Unit : Million Baht

Profit & Loss	2010	2011	2012
Revenues from sales	473.41	1,194.99	1,021.34
Cost of sales	388.65	1,017.31	901.21
Gross profit (loss)	84.76	177.68	120.13
Other operating income	1.35	4.49	8.28
Selling and administration expenses	(61.77)	(108.63)	(107.62)
Allowance for impairment of assets (reveral)	-	12.28	-
Loss for diminutions of inventories (reversal)	10.07	-	(4.26)
Management benefit expense	(6.01)	(5.70)	(5.83)
Interest expenses	(0.13)	(1.52)	(5.99)
Net profit (loss) for the period of continuing operation	28.27	78.60	4.71
Net profit (loss) for the period of discontinuing	(2.04)	7.89	4.18
Net profit (loss)	26.23	86.49	8.89
Net profit (loss) attributable to minority interest	-	-	-
Net profit (loss) attributable to Equity holders of the parent	26.23	86.49	8.89
Basic earnings (loss) per share	0.035	0.102	0.009
Diluted earnings (loss) per share	0.031	0.082	0.008

Financial status

Unit : Million Baht

Balance Sheet	2010	%	2011	%	2012	%
Cash and cash equivalents	35.05	7.85%	48.88	5.43%	165.67	18.74%
Temporary investment	-	-	-	-	8.23	0.93%
Trade accounts receivable - related parties, net	3.81	0.85%	3.56	0.40%	2.96	0.34%
Trade accounts and notes receivable - third parties, net	94.50	21.15%	211.66	23.53%	135.05	15.28%
Other receivables	1.96	0.44%	4.18	0.46%	7.09	0.80%
Inventories, net	124.59	27.89%	385.96	42.90%	268.09	30.32%
Other current assets, net	43.26	9.69%	28.97	3.22%	16.96	1.92%
Total Current Assets	303.17	67.87%	683.21	75.94%	604.05	68.32%
Investment pledged as collateral	0.84	0.19%	65.84	7.32%	135.84	15.36%
Property, plants and equipment, net	138.63	31.03%	147.44	16.39%	141.72	16.03%
Intangible asset, net	1.57	0.35%	2.14	0.24%	1.64	0.19%
Other non - current assets, net	2.50	0.56%	1.02	0.11%	0.86	0.10%
Total Non - Current Assets	143.54	32.13%	216.44	24.06%	280.06	31.68%
TOTAL ASSETS	446.71	100.00%	899.65	100.00%	884.11	100.00%

Financial status (Con't)

Unit : Million Baht

Balance Sheet (Con't)	2010	%	2011	%	2012	%
LIABILITIES						
Short-term loan from financial institution	-	-	124.92	13.88%	9.66	1.09%
Trade accounts payable - third parties	37.33	8.36%	134.73	14.98%	81.38	9.20%
Current portion obligation under finance lease	0.89	0.20%	0.58	0.06%	-	-
Other current liabilities	2.15	0.48%	1.26	0.14%	0.60	0.07%
Total Current Liabilities	40.37	9.04%	261.49	29.07%	91.64	10.37%
Non - Current Liabilities	0.58	0.13%	-	-	-	-
Employee benefit obligation	-	-	0.59	0.07%	0.86	0.10%
Total Non-Current Liabilities	0.58	0.13%	0.59	0.07%	0.86	0.10%
Total Liabilities	40.95	9.17%	262.08	29.13%	92.50	10.46%
Shareholders' Equity						
Share capital	600.00	134.32%	726.50	80.75%	784.49	88.73%
Paid up share capital	366.98	82.15%	452.44	50.29%	470.85	53.26%
Premium on ordinary share	-	-	76.89	8.55%	90.63	10.25%
Advance receipts for share subscription	25.87	5.79%	8.83	0.98%	121.84	13.78%
Retained earnings (deficits)	12.91	2.89%	99.41	11.05%	108.29	12.25%
Total Parent's Shareholders' Equity	405.76	90.83%	637.57	70.87%	791.61	89.54%
Total Shareholders' Equity	405.76	90.83%	637.57	70.87%	791.61	89.54%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	446.71	100.00%	899.65	100.00%	884.11	100.00%

Cash flow

Unit : Million Baht

	2010	2011	2012
Net Cash Provided (Used) from Operating Activities, Net	(42.73)	(182.41)	170.67
Net Cash Provided (Used) from Investing Activities	(7.89)	(73.09)	(83.20)
Net Cash Provided (Used) from Financing Activities	26.07	269.33	29.32
Cash and Cash Equivalent Increase(Decrease), Net	(24.55)	13.83	116.79

Financial highlight ratio

	Unit	2010	2011	2012
Current ratio				
Current ratio	Times	7.51	2.61	6.59
Quick ratio	Times	3.30	1.01	3.40
Account receivable turnover	Times	7.05	7.81	5.89
Collection period	Days	51.77	46.76	61.95
Inventory turnover	Times	3.78	3.99	2.76
Average number of days sales	Days	96.57	91.59	132.45
Account payable turnover	Times	14.47	11.82	8.34
Payment period	Days	25.22	30.87	43.76
Cash Conversion Cycle	Days	123.11	107.48	150.64
Profitability ratio				
Gross profit (loss) margin	%	17.90	14.87	11.76
Operating profit (loss) margin	%	6.00	6.71	1.05
Net profit (loss) margin	%	5.54	7.24	0.87
Return on Equity - ROE	Times	6.46	13.57	1.12
Efficiency Ratio				
Return On Assets – ROA	Times	5.87	9.61	1.01
Return On Fixed Assets	Times	18.92	58.66	6.27
Asset turnover	Times	3.42	8.10	7.21
Financial ratio				
Total debt-to-total assets ratio	Times	0.09	0.29	0.10
Debt to Equity ratio	Times	0.10	0.41	0.12
Share price				
Basic earnings (loss) per share	Baht/Share	0.04	0.10	0.01
Diluted earnings (loss) per share	Baht/Share	0.03	0.08	0.01
Basic book value per share	Baht/Share	0.55	0.76	0.85
Diluted book value per share	Baht/Share	0.48	0.60	0.69

Operating Results

In 2010, the Company had a Net Profit of 26.23 million Baht, contributed by expenses of 2.04 million Baht from terminated of the 2 business lines mentioned earlier and a Net Profit on continuing operation in coal trading business of 28.27 million Baht or 5.97% as net profit margin. Throughout 2010, the Company's sale volume has increased 473.41 million Baht derived from sale amount of existing customers and new customers which increased from sales amount of 118.84 million Baht in 2009 which the Company has finished coal separation plant at the end of quarter 3/2009.

In 2011, the annual net profit of Baht 86.49 million comprised of a net profit from the discontinued business of Baht 7.89 million, the company won a lawsuit against one of the ship lessor, a company in Singapore, and earnings from continuing operations of the business of coal Baht 78.60 million or a net profit margin on sales of 6.58 percent. The net profit was from sales grown steadily throughout the year 2011. Higher sales of coal throughout the year 2011 were Baht 1,194.99 million, representing a growth rate of the 152.42 percent from the year 2010 with sales of Baht 473.41 million as the year 2011, companies can expand their customer base from opened the production base and new coal market.

In 2012, the company's net profit was 8.89million baht. The first amount of profit 4.18 million baht was from the last collection of legal compensation that the company won the case against the Charter Company in Singapore. The other amount of profit was from operating coal business 4.71 million baht or 0.87 percent of net profits per sales income. Compared to the previous year, the profit decreased because of the continuing drop all year of coal price in the world market. However, in quarter 4/2012, the world market price has significantly stably increased; as a result, net profit rate could rise at 4.53 percent.

Total Sales and Other Revenues

Unit : Million Baht

Type of Business	Operated by	% of shares held by TCC	2010	%	2011	%	2012	%
Coal business - Sales of Coal	TCC	100.00%	473.41	100.0%	1,194.99	100.0%	1,021.34	100.0%
Total			473.41	100.0%	1,194.99	100.0%	1,021.34	100.0%

In 2010, 2011 and 2012 ,the company had sales income 473.41 million baht, 1,194.99 million baht and 1,021.34 million baht, respectively. Those incomes generated only from the sale of coal, which was the main operating current business of the company, with no other type of income from other business.

Ability to Produce Gross Profits (categorized by line of business)

	2010		2011		2012	
	Million baht	%	Million baht	%	Million baht	%
Sales	473.41	100.00%	1,194.99	100.00%	1,021.34	100.00%
Cost	388.65	82.10%	1,017.31	85.13%	901.21	88.24%
Gross profit (loss)	84.76	17.90%	177.68	14.87%	177.68	11.76%

In 2010, an increase of purchasing coal by the company from 1-2 suppliers to 3-4 suppliers enabled the company to have more bargaining power and ability to purchase coal at a reasonable and competitive price. Additionally, because the coal price in the world market also increased continually, so the company having more bargaining power , ability to control purchasing cost and determine adjustable sales price along with world market factor, helped the company to have a better gross profitability in 2012 by averaged at 17.9 percent.

In 2011, the company had sales income 1,194.99 million baht, increased from 473.41 million baht in 2010 or increased to 152.42 percent. However, gross profit of the company decreased from 17.90 in 2010 percent to 14.87 percent in 2011 due to an increase of domestic transportation cost.

In 2011 and 2012, the company had sales income only from coal sales 1,194.99 million baht and 1,021.34 million baht respectively, or growth rate at 14.53 percent. The decrease thereof was caused by reduction of customers' purchasing power in many industries, which impacted by overall economic shrinkage in the country that made purchasing power minimized. However, the company still retained selling to the Premium Customer; as a result, the decrease of sales income was not a significant decrease.

Selling and Administrative Expenses

In 2010, the Company's Selling and Administrative Expenses were 61.77 million Baht , increased from 29.89 million Baht in 2009 or increasing amount of 31.88 million Baht as a result of increasing in operation expenses amount of 28.55 million Baht due to sales growth of the Company in 2010 and 2009 amounting to 473.41 and 118.84 million Baht respectively.

In 2011, the Company's Selling and Administrative Expenses were 108.63 million Baht , increased from 61.77 million Baht in 2010 or increasing amount of 46.86 million Baht as a result of increasing in operation expenses amount of 41.35 million Baht due to sales growth of the Company in 2011 and 2010 amounting to 1,194.99 and 473.41 million Baht respectively.

In 2012, the Company's sales and operative expenses were baht 107.62 million baht, decreased from 108.62 million baht in 2011, which was a slight change from normal operation of the company.

Financial Status

Assets

Total Assets in the year 2010 amounted to 446.71 million Baht, an increase from 374.25 million Baht in 2009 or about 72.46 million Baht, as a result of changes as follows:

- Decreasing in Cash and cash equivalents amount of (24.55) million Baht
- Increasing in Trade accounts and notes receivable - third parties, net amount of 54.71 million Baht
- Increasing in Inventories, net amount of 43.52 million Baht

Decreasing in Cash and cash equivalents due to using in normal operation of the Company to purchase goods for sales as shown in increasing in inventories amount to 43.52 million Baht due to continuously increasing in production capacity and sales amount as shown in very increasing in sales amount and trend of coal price continuously increased. However, the ability in sales along with increasing quantity as shown that the Company has number of days sales decreased from 161 days in 2009 to 96 days in 2010 which present that the Company has more increased in sales rate than increasing in valuation of inventories.

Increasing in Trade accounts and notes receivable - third parties, net amount of 54.71 million Baht since the Company has increased in sale amount, however, if consideration of the ability in collection from trade receivables as presented that the Company has decreasing in average number of days sale from 181 days to 51 days which shown that the Company has effectively tracking debt compared to the last year.

Total Assets in the year 2011 amounted to 899.64 million Baht, an increase from 446.71 million Baht in 2010 or about 452.93 million Baht, as a result of changes as follows:

- Increasing in Cash and cash equivalents amount of 13.83 million Baht
- Increasing in Trade accounts and notes receivable - third parties, net amount of 117.15 million Baht
- Increasing in Inventories, net amount of 261.37 million Baht

The increase in cash and cash equivalents was from an increase in the cash flow from sales. The increase in inventories was due to increased production capacity and sales of the company's growth. This can be seen from the sales increase dramatically and it was evident from the increase in inventories to Baht 261.37 million. However, the ability in sales along with increasing quantity as shown that the Company has number of days sales decreased from 96 days in 2010 to 91 days in 2011 which present that the Company has more increased in sales rate than increasing in valuation of inventories.

Increasing in Trade accounts and notes receivable - third parties, net amount of 117.15 million Baht since the Company has increased in sale amount, however, if consideration of the ability in collection from trade receivables as presented that the Company has decreasing in average number of days sale from 51 days to 46 days which shown that the Company has effectively tracking debt compared to the last year.

Total Assets in the year 2012 amounted to 884.11 million Baht, an decrease from 899.64 million Baht in 2011 or about 15.54 million Baht, as a result of changes as follows:

- Increasing in Cash and cash equivalents amount of 116.79 million Baht
- Decreasing in Trade accounts and notes receivable - third parties, net amount of 76.61 million Baht
- Decreasing in Inventories, net amount of 117.87 million Baht
- Increasing in Investment pledged as collateral amount of 70 million Baht
- Decreasing in Other current assets amount of 12.01 million Baht

An increase of cash and cash equivalents and Investment pledged as collateral were derived from an input cash flow of coal sales, showing from a similar decrease of Trade Accounts Receivable and Inventories. A decrease of other current assets majorily was from change in other normal assets of the company

Liabilities and Shareholders' Equity

Total Liabilities

Total amount Liabilities in year end 2010 increasing from year end 2009 amount 19.24 million Baht (2010: 40.95 million Baht, 2009: 21.71 million Baht). The main factor from increasing amount was Account Payable Trade (Coal Supplier) 17.47 million Baht. However, the ability to pay its creditors for the company had an average duration of debt close to last year is 23 days (year 2009: 38 days).

Total amount Liabilities in year end 2011 increasing from year end 2010 amount 221.12 million Baht (2011: 262.07 million Baht, 2010: 40.95 million Baht). The main factor from increasing amount was Account Payable Trade (Coal Supplier) 87.01 million Baht. However, the ability to pay its creditors for the company had an average duration of debt close to last year is 27 days (year 2010: 23 days).

Total amount Liabilities in year end 2012 were 92.50 million baht, decreased from 262.07 million baht in 2011 or decreased (169.58) million baht. The main factor of its decrease was that the company paid short-term loan (115.25) million baht to the financial institution and had accounts payable decreased to (53.36) million baht. In consideration of debt payment ability of the company, the company had better payment period than the previous year for 44 days. (Year 2011 : 30 days)

Changes in Shareholders' Equity from 2010-2011 increased in the amount of 231.81 million Baht were the result of the followings:

-Paid-Up Capital	increased by	75.98 million Baht from exercising the right by RO during the year
-Premium on ordinary share	increased by	60.51 million Baht from exercising the right by Warrant holders during the year
-Advance Receipt from Share Subscription	increased by	8.83 million Baht from exercising the right by Warrant holders at the end of the year
-Net Gain in 2011		86.49 million Baht

Changes in Shareholders' Equity from 2011-2012 increased in the amount of 154.04 million Baht were the result of the followings:

-Paid-Up Capital	increased by	18.41 million Baht from exercising the right by Warrant holders during the year
-Premium on ordinary share	increased by	13.73 million Baht from exercising the right by Warrant holders during the year
-Advance Receipt from Share Subscription	increased by	113.01 million Baht from exercising the right by Warrant holders at the end of the year
-Net Gain in 2011		8.89 million Baht

Liquidity

In 2010, the Company's liquidity Ratio was 7.51 times, a decrease from 11.13 times in 2009. The reason was that the company operated coal trading and distribution of full-scale. This can be seen from a strong sales increase.

In 2011, the Company's liquidity Ratio was 2.61 times, a decrease from 7.51 times in 2010. The reason was that the company operated coal trading and distribution of full-scale. This can be seen from a strong sales increase. Thus, the Company had borrowed money from a financial institution to be used in the operation.

In 2012, the Company's liquidity Ratios was 6.59 times, increased from 2.61 times in 2011. The reason was that the company received an increase of share capital derived from the exercise of warrants by holders during the year. The company had share capital increased by 145.15 million baht derived from the exercise of warrants during the year.

Sources of Capital

Apart from changes in Working Capital amount used for normal operations.

In 2010 the Company's capital increase came from the exercise of rights to TCC-WA and TCC-W1 in the amount of 1.12 million Baht. (As of December 31, 2010 the Company has advance receipts for share subscription amounting 25.86 million Baht from the exercise of rights to TCC-W1 no. 4. The Company has already registered the changes in paid-up capital on 4 January 2011 with Business department.

In 2011 the Company's capital increase came from the exercise of rights to TCC-W1 in the amount of 60.50 million Baht. (As of December 31, 2011 the Company has advance receipts for share subscription amounting 8.83 million Baht from the exercise of rights to TCC-W1 no. 8. The Company has already registered the changes in paid-up capital on 5 January 2012 with Business department.

In 2012 , paid-up registered capital derieved from the exercise of warrants amounted to 32.15 million baht. The detail thereof was as follows :

- The exercise of TCC-W1 amounted to 24.50 million baht (On 31 December 2012, the company had Advance receipt from share subscription 121.84 million baht
- The exercise of TCC-W2 amounted to 7.65 million baht.

Major Factors and Influence on Future Operating Results or Financial Status

Exercise of Right to Subscribe New Common Shares by Warrant Holders

The Company's Working Capital may increase in the case that Warrant holders exercise their rights to TCC-W1, TCC-W2 and TCC-W3. As at 31 December 2012, the number of warrants issued and offered to existing shareholders by TCC and the outstanding amount are as follows:

Securities	Unit (s)					Conversion price	Exercise price	Duration (31 December 2012)
	Issue	Outstanding	Offering	Warrant Exercised	Outstanding			
TCC-W1	331,230,087	8,213,877	323,016,210	232,682,904	90,333,306	1 : 1.21673	0.822 Baht per share	1.83 years due date 30 October 2014
TCC-W2	75,982,482	-	75,982,482	7,649,581	68,332,901	1 : 1.06594	0.938 Baht per share	5.34 years due date 3 May 2018
TCC-W3	92,208,576	-	92,208,576	4,012	92,204,564	1 : 1	1.000 Baht per share	9.34 years due date 1 May 2022

TCC-W1 exercise as the last working date of each quarter to 30 October 2016 which is the final exercising date. As at 31 December 2012, a total of 121.82 million units were converted through the rights to exercise TCC. The Company has already registered the changes in paid-up capital on 3 January 2013.

TCC-W2 will be exercised as the last working date of February, May, August and November of each year to 3 May 2018 which is the final exercising date. The first exercise on 30 November 2011.

TCC-W3 will be exercised as the last working date of March, June, September, December to 1 April 2022 which is the final exercising date. The first exercise on 28 December 2012. As at 30 December 2012, a total of 4,012 units were converted through the rights to exercise TCC. The Company has already registered the changes in paid-up capital on 3 January 2013.

Audit Fee

In 2010, the Company's Auditors comprised of Miss Susan Eiamvanicha, Certified Public Accountant Number 4306, or Mr. Suchart Panichcharoen, Certified Public Accountant Number 4475 of SP Audit Co., Ltd. The audit fees for year 2010 were 640,000 Baht.

In 2011, the Company's Auditors comprised of Ms. Thittraporn Klinklao, Certified Public Accountant Number 3726, of BDO Co., Ltd. The audit fees for year 2011 were 600,000 Baht.

In 2012, the Company's Auditors comprised of Ms. Thittraporn Klinklao, Certified Public Accountant Number 3726, of BDO Co., Ltd. The audit fees for year 2011 were 620,000 Baht.

Non-Audit Fee

Apart from audit service, the Company and subsidiaries did not subscribe to any other services from Ms. Thittraporn Klinklao or BDO Co., Ltd., inclusive of personnel and other institutions that the Auditor or the mentioned accounting firm is related to or a stakeholder of or has an influence upon, as per the regulations set forth by the Securities and Exchange Act.

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Thai Capital Corporation Public Company Limited

Introduction

I have audited the accompanying financial information consisting of the consolidated statement of financial position of Thai Capital Corporation Public Company Limited and its subsidiaries as at 31st December, 2012, the related consolidated statements of income, comprehensive income, change in shareholders' equity and cash flow for the year then ended and summary of significant accounting policies, other explanatory information, and audited the accompanying separated statement of financial information of Thai Capital Corporation Public Company Limited consisting of the separated statement of financial position of Thai Capital Corporation Public Company Limited as at 31st December, 2012, the related separated statements of income, comprehensive income, change in shareholders' equity and cash flow for the year then ended and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thai Capital Corporation Public Company Limited and its subsidiary as at 31st December, 2012, the consolidated result of its operation, the consolidated changes in shareholders' equity and the consolidated cash flow for the year then ended and the separated financial position of Thai Capital Corporation Public Company Limited as at 31st December, 2012, the separated result of its operation, the separated change in shareholders' equity and the separated cash flow for the year then ended in accordance with Thai Financial Reporting Standards.

Comparative financial information

The consolidated statement of financial position as at 31st December, 2011, the related consolidated statements of income, comprehensive income, the consolidated change in shareholders' equity and the consolidated cash flow for the year then ended and a summary of significant accounting policies and other explanatory information of Thai Capital Corporation Public Company Limited and its subsidiary and the separated statement of financial position as at 31st December, 2011, the related statements of income, comprehensive income, change in shareholders' equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information of Thai Capital Corporation Public Company Limited, presented herein for comparative purpose were audited by myself whose report dated on 13th February, 2012 expressed an unqualified opinion.



Ms. Thittraporn Klinklao
Certified Public Accountant (Thailand) No. 3726
BDO Limited

BANGKOK : 13th February, 2012

FINANCIAL STATEMENTS

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT 31st DECEMBER, 2012 AND 2011

(Unit : Thousand Baht)

		Consolidated Financial Statement		Separated Financial Statement	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	165,672	48,884	164,691	48,447
Temporary investment	7	8,224	-	8,224	-
Trade and other receivables	8	145,106	219,393	145,187	219,483
Inventories	10	268,093	385,958	268,093	385,958
Other current assets	11	16,953	28,969	16,953	28,969
Total current assets		604,048	683,204	603,148	682,857
NON-CURRENT ASSETS					
Investment in subsidiary company	9	-	-	989	-
Investment pledged as collateral	12	135,840	65,840	135,840	65,840
Property, plant and equipment	13	141,718	147,439	141,600	147,439
Intangible asset	14	1,643	2,143	1,643	2,143
Other non-current assets	15	858	1,020	858	1,020
Total non-current assets		280,059	216,442	280,930	216,442
TOTAL ASSETS		884,107	899,646	884,078	899,299

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

AS AT 31st DECEMBER, 2012 AND 2011

Consolidated Financial Statement

Separated Financial Statement

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

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF INCOME
FOR THE YEARS ENDED 31st DECEMBER, 2012 AND 2011

		(Unit : Thousand Baht)			
		Consolidated Financial Statement		Separated Financial Statement	
	Note	2012	2011	2012	2011
CONTINUING OPERATING					
REVENUES					
Revenues from sales		1,021,335	1,194,989	1,021,161	1,194,989
Other operating income		8,284	4,487	8,452	4,655
TOTAL REVENUES		1,029,619	1,199,476	1,029,613	1,199,644
EXPENSES					
Cost of sales		901,208	1,017,314	901,208	1,017,314
Selling expenses		76,230	81,248	76,099	81,248
Administrative expenses		31,390	27,375	31,017	27,375
Allowance for impairment of assets (reversal)		-	(12,284)	-	(12,284)
Loss for diminutions of inventories (reversal)		4,260	-	4,260	-
Management benefit expense		5,832	5,697	5,832	5,697
TOTAL EXPENSES		1,018,920	1,119,350	1,018,416	1,119,350
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		10,699	80,126	11,197	80,294
FINANCE COSTS		(5,990)	(1,516)	(5,982)	(1,516)
PROFIT BEFORE INCOME TAX		4,709	78,610	5,215	78,778
INCOME TAX	20	-	-	-	-
PROFIT FOR THE YEAR OF CONTINUING OPERATION		4,709	78,610	5,215	78,778
DISCONTINUING OPERATION					
PROFIT (LOSS) FOR THE PERIOD OF DISCONTINUING OPERATION	22	4,180	7,885	4,221	7,936
NET PROFIT FOR THE YEAR		8,889	86,495	9,436	86,714
EARNINGS PER SHARE (BAHT PER SHARE)					
26					
Basic earnings (loss) per share (Baht per share)					
- Continuing operation		0.005	0.093	0.006	0.094
- Discontinuing operation		0.004	0.009	0.005	0.009
		0.009	0.102	0.011	0.103
Diluted earnings (loss) per share (Baht per share)					
- Continuing operation		0.004	0.075	0.005	0.075
- Discontinuing operation		0.004	0.007	0.004	0.008
		0.008	0.082	0.009	0.083

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

FOR THE YEARS ENDED 31st DECEMBER, 2012 AND 2011

Separated Financial Statement

	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
NET PROFIT (LOSS) FOR THE YEAR	8,889	86,495	9,436	86,714
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating financial statements	(2)	-	-	-
other	-	-	-	-
TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR THE YEAR	<u>8,887</u>	<u>86,495</u>	<u>9,436</u>	<u>86,714</u>

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

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER, 2012 AND 2011

(Unit : Thousand Baht)

	Shareholders' equity to the parent's shareholders									
	Shareholders' equity to the parent's shareholders					Other components of equity				
	Note	Paid-up share capital	Premium on ordinary share	Advance receipts for share subscription	Retained earnings (deficit)		Exchange rate differences on translating financial statements	Total shareholders' equity to the parent's shareholders	Non-controlling interests	Total
					Appropriated	Unappropriated				
Balance as at 1st January, 2011		366,979	-	25,866	619	12,293	-	405,757	-	405,757
Advance receipt for share subscription increased during the period		-	-	145,314	-	-	-	145,314	-	145,314
Additional shares / Advance receipt for share subscription decrease during the period		85,457	76,893	(162,350)	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	86,495	-	86,495	-	86,495
Appropriated for legal reserve	24	-	-	-	4,336	(4,336)	-	-	-	-
Non-controlling interests		-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2011		452,436	76,893	8,830	4,955	94,452	-	637,566	-	637,566
Balance as at 1st January, 2012		452,436	76,893	8,830	4,955	94,452	-	637,566	-	637,566
Advance receipt for share subscription increased during the period		-	-	145,154	-	-	-	145,154	-	145,154
Additional shares / Advance receipt for share subscription decrease during the period		18,410	13,734	(32,144)	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	8,887	-	8,887	-	8,887
Appropriated for legal reserve	24	-	-	-	2,142	(2,142)	-	-	-	-
Other components of equity		-	-	-	-	-	(2)	(2)	-	(2)
Non-controlling interests		-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2012		470,846	90,627	121,840	7,097	101,197	(2)	791,605	-	791,605

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

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
SEPARATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER, 2012 AND 2011

	Note	Paid-up share capital	Premium on ordinary share	Advance receipts for share subscription	(Unit : Thousand Baht)		
					Retained earnings (deficit)		Total
					Appropriated Legal reserve	Unappropriated	
Balance as at 1st January, 2011		366,979	-	25,866	619	11,757	405,221
Advance receipt for share subscription increased during the period		-	-	145,314	-	-	145,314
Additional shares / Advance receipt for share subscription decrease during the period		85,457	76,893	(162,350)	-	-	-
Total comprehensive income for the period		-	-	-	-	86,714	86,714
Appropriated for legal reserve	24	-	-	-	4,336	(4,336)	-
Non-controlling interests		-	-	-	-	-	-
Balance as at 31st December, 2011		452,436	76,893	8,830	4,955	94,135	637,249
Balance as at 1st January, 2012		452,436	76,893	8,830	4,955	94,135	637,249
Advance receipt for share subscription increased during the period		-	-	145,154	-	-	145,154
Additional shares / Advance receipt for share subscription decrease during the period		18,410	13,734	(32,144)	-	-	-
Total comprehensive income for the period		-	-	-	-	9,436	9,436
Appropriated for legal reserve	24	-	-	-	2,142	(2,142)	-
Non-controlling interests		-	-	-	-	-	-
Balance as at 31st December, 2012		470,846	90,627	121,840	7,097	101,429	791,839

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

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31st DECEMBER, 2012 AND 2011

	Consolidated Financial Statement		Separated Financial Statement	
	2012	2011	2012	2011
<i>(Unit : Thousand Baht)</i>				
Cash flows from operating activities				
Net profit (loss) for the period	8,887	86,495	9,436	86,714
Income tax	-	-	-	-
Interest expense	5,943	1,516	5,943	1,516
Interest income	(3,991)	(1,472)	(3,991)	(1,469)
Net profit (loss) before interest and income tax expenses	10,839	86,539	11,388	86,761
Adjustments to reconcile net profit (loss) before interest and income tax to net cash provided by (used in) operating activities				
Depreciation	13,149	11,314	13,149	11,314
Amortization	575	311	575	311
Provision for long-term employee benefits	265	594	265	594
(Gain) loss on written off fixed assets	-	129	-	129
(Gain) loss on disposal of fixed assets	7	13	7	13
Allowance for impairment assets (reversal)	-	(12,284)	-	(12,284)
(Gain) loss on exchange rate differences	(2)	-	-	-
	24,833	86,616	25,384	86,838
<u>(Increase) decrease in operating assets</u>				
Trade and other receivables	75,680	(119,120)	75,689	(119,165)
Inventories	117,865	(261,372)	117,865	(261,372)
Other current assets	12,044	15,026	12,044	15,026
Other non-current assets	162	1,484	162	1,479
<u>Increase (decrease) in operating liabilities</u>				
Trade and other payable	(53,156)	86,974	(53,319)	86,980
Other current liabilities	(654)	9,359	(662)	9,333
Cash provided by (used in) operating activities	176,774	(181,033)	177,163	(180,881)
Cash paid for interest expenses	(6,082)	(1,367)	(6,082)	(1,367)
Cash paid for income tax - withholding tax deducted at source	(24)	(11)	(24)	(11)
Net cash provided by (used in) operating activities	170,668	(182,411)	171,057	(182,259)

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

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31st DECEMBER, 2012 AND 2011

(Unit : Thousand Baht)

	Consolidated Financial Statement		Separated Financial Statement	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities				
(Increase) decrease in temporary investment	(8,224)	-	(8,224)	-
Investment in subsidiary company	-	-	(989)	-
Investment pledged as collateral	(70,000)	(65,000)	(70,000)	(65,000)
Cash payment for purchase of fixed assets	(7,556)	(8,456)	(7,500)	(8,456)
Cash payment for purchase of intangible assets	(75)	(880)	(75)	(880)
Proceed from disposal of fixed assets	57	500	57	500
Interest received	2,598	746	2,598	743
Net cash provided by (used in) investing activities	<u>(83,200)</u>	<u>(73,090)</u>	<u>(84,133)</u>	<u>(73,093)</u>
Cash flows from financing activities				
Repayment of obligation under finance lease	(581)	(893)	(581)	(893)
Increase (decrease) in short-term loan	(115,253)	124,914	(115,253)	124,914
Proceed from share capital and advanced receipts				
for share subscription	145,154	145,314	145,154	145,314
Net cash provided by (used in) financing activities	<u>29,320</u>	<u>269,335</u>	<u>29,320</u>	<u>269,335</u>
Net increase (decrease) in cash and cash equivalents	<u>116,788</u>	<u>13,834</u>	<u>116,244</u>	<u>13,983</u>
Cash and cash equivalents at the beginning of period	<u>48,884</u>	<u>35,050</u>	<u>48,447</u>	<u>34,464</u>
Cash and cash equivalents at the end of period	<u>165,672</u>	<u>48,884</u>	<u>164,691</u>	<u>48,447</u>

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

NOTES TO FINANCIAL STATEMENTS

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND SUBSIDIARIES DECEMBER 31, 2012 AND 2011

1. GENERAL INFORMATION

Thai Capital Corporation Public Company Limited is a public limited company and is incorporated in Thailand. The Company is listed on the Stock Exchange of Thailand. The address of the Company's registered office is 87/2 CRC Tower All Seasons Place, 45th Floor, Wireless Road, Lumpini, Phatumwan, Bangkok.

The principal activity of the Company is to import and sell coal.

Theco Sales Company Limited ("the subsidiary") terminated its business operation during the year 2008.

According to the Board of Directors' Meeting No. 1/2555 of the Company on 13th February, 2012, it is authorized to set up a subsidiary company in China, namely "Thai Capital Corporation Company Limited (Guangzhou)" located at 40 Room 635, West Road, Chepo Xinchongkou, Tainhe District, Guangzhou City, China to operate a consulting on coal business.

Thai Capital Corporation Company Limited (Guangzhou) was moved from located at 40 Room 635, West Road, Chepo Xinchongkou, Tainhe District, Guangzhou City, China to No. 167, Room 1907, 1908, West Lian Hua Road, Tina Hua District, Guangzhou City, China on 19th December, 2012.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the accounting standards which are effective under the Accounting Profession Act, B.E. 2547.

The financial statements of the Company and its subsidiaries have been presented in accordance with the form of statement of financial position and statement of income for public limited company as defined in the Announcement of the Department of Business Development dated 28th September, 2011 regarding The Brief Particulars in the Financial Statements B.E. 2554, issued under the Accounting Act, B.E. 2543.

3. APPLICATION OF NEW ACCOUNTING STANDARDS DURING THE PERIOD

The Company and its subsidiary adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions as listed below.

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS No. 1	Presentation of Financial Statements (revised 2009)
TAS No. 2	Inventories (revised 2009)
TAS No. 7	Statement of Cash Flows (revised 2009)
TAS No. 8	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2009)
TAS No. 10	Events after the Reporting Period (revised 2009)
TAS No. 16	Property, Plant and Equipment (revised 2009)
TAS No. 17	Leases (revised 2009)
TAS No. 18	Revenue (revised 2009)
TAS No. 19	Employee Benefits
TAS No. 23	Borrowing Costs (revised 2009)
TAS No. 24	Related Party Disclosures (revised 2009)
TAS No. 27	Consolidated and Separate Financial Statements (revised 2009)
TAS No. 28	Investment in Associates (revised 2009)
TAS No. 33	Earnings per Share (revised 2009)
TAS No. 34	Interim Financial Reporting (revised 2009)
TAS No. 36	Impairment of Assets (revised 2009)
TAS No. 37	Provision, Contingent Liabilities and Contingent Assets (revised 2009)
TAS No. 38	Intangible Assets (revised 2009)
TAS No. 40	Investment Property (revised 2009)
TFRS No. 2	Share-based Payment
TFRS No. 5	Non-current Assets Held for Sale and Discontinued Operations (revised 2009)

New accounting standards not yet effective

The Federation of Accounting Professions issued new and revised accounting standards that are effective for fiscal years beginning on or after 1st January, 2013, as listed below.

Accounting standards

TAS 12	Income taxes.
TAS 20 (Revised 2009)	Accounting for Government grants and disclosure of Government assistance.
TAS 21 (Revised 2009)	The effects of changes in foreign exchange rates.

Standing interpretations committee

SIC No. 10	Government assistance - No specific relation to operating activities
SIC No. 21	Income taxes - Recovery of revalued non-depreciable assets
SIC No. 25	Income taxes - Changes in the tax status of an entity or its shareholders

The Company's management has determined that these accounting standards do not have any significant impact on the financial statements for the current period, except TAS 12 "Income tax" which the Company is currently assessing the impact on the Group's financial statements.

4. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies ("the Group"). Subsidiaries, which are those entities in which the Company has power to govern the financial and operating policies, are consolidated. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. In addition, the Company measures goodwill at cost less any accumulated impairment losses.

Related party 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 of subsidiaries have been changed to

ensure consistency with the policies adopted by Group. The accounting policy of the subsidiary which is different from accounting policy of the Group will be amended to comply with the policy used by the Group.

The consolidated financial statements for the years ended on 31st December, 2012 and 2011 have been prepared by including the financial statements of Thai Capital Corporation Public Company Limited and its subsidiary after elimination of the significant related party balances and transactions. The Company holds directly and indirectly shares of the subsidiary at the following percentage.

<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of holdings</u>		<u>Business information</u>
			<u>2012</u>	<u>2011</u>	
Theco Sales Co., Ltd.	Ceased operation	Thailand	99.99	99.99	Being examined by the same auditor
Thai Capital Corporation Company Limited (Guangzhou)	Consultant	China	100.00	-	Being examined by the other auditor

5.ACCOUNTING POLICIES

5.1 Revenue recognition

Sales are recognized on the delivery of goods and customer acceptance. Sales are shown net of sales taxes and discounts.

Interest revenue as it accrues and recognized using the effective interest method.

5.2 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less and free from restrictions.

5.3 Investment

Current investments fixed deposit account for 3 - 12 months presented under the current investment caption are presented at fair value.

5.4 Trade accounts receivable

Trade accounts receivable are presented in the statements of financial position at the amount expected to be collectible. Allowance for doubtful receivables are estimated

by percentage of accounts receivable which is assessed primarily on analysis of payment histories and review of all outstanding amounts at statements of financial position date. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

5.5 Inventory

Inventories are stated at the lower of cost, which is calculated using first - in first - out method (FIFO), or net realizable value. 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 charge, less all attributable discounts, allowances or rebates. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities.

The Group estimates the net realizable value by using the selling price in the ordinary course of business less selling expenses.

The Group makes the allowance for diminution in the value of obsolete, defective or slow – moving inventories.

5.6 Investment in subsidiary company

Investments in subsidiary are reported by using the cost method of accounting in the separate financial statements less allowance for impairment investment.

5.7 Property, plant and equipment and depreciation

The land is reflected by cost less allowance for impairment (if any).

Plant and equipment are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation of plant and equipment are determined on a straight-line method over the estimated useful lives of the assets as follows:

Building and Building improvement	5 - 25 years
Machinery and factory equipment	10 - 20 years
Furniture and office equipment	3 - 10 years
Vehicles	5 years

No depreciation is provided for land, machinery under installation and work in process.

The Company has transferred assets (out to) asset held to sale and presented at the lower of carrying amount of assets less allowance for loss on impairment of assets (if any) or fair value less costs to sell.

Expenditure incurred for addition, renewal or betterment, which results in a substantial increase in an asset's current replacement value, is capitalized. Repair and maintenance costs are recognized as an expense when incurred.

The Company has included an initial estimate of the cost of asset dismantlement, removal and restoration as asset costs when the Company has obligation to do. An item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. In addition, it is requirement for the review of useful life, residual value and depreciation method at a regular basis.

Depreciation for costs of asset dismantlement, removal and restoration as estimated is recognized immediately in income statement.

5.8 Accounting for leases - where the Group is the lessee

Long term leases which substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized 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 assets acquired under finance leases while depreciation is carried throughout the useful life of leased asset. However, if there is uncertainty in the right of ownership when the contract is terminated, depreciation is carried according to useful life of leased assets or life of leased contract whichever the period is lower.

Long term leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

5.9 Borrowing costs

Borrowing costs include interest, amortization of discounts or premiums relating to borrowings, amortization of ancillary costs incurred in arranging borrowings, and finance lease charges. Borrowing costs are generally expensed as incurred.

5.10 Intangible assets

Intangible assets with finite useful lives which the Group acquired are stated at historical cost less accumulated amortization and impairment loss (as if). The Group's amortization is calculated on the straight-line method over a period of five years.

Intangible assets with indefinite useful lives which the Group acquired are stated at historical cost less impairment loss (as if).

5.11 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each statements of financial position date to determine whether there is any indication of impairment. If any such indication that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The Group will recognize impairment losses in the statement of income, or reduce the revaluation increment in assets in case that those assets are previously revalued. The reversal of impairment losses will be recognized as part of other income or as a revaluation increment in assets when there is an indication that the impairment losses are no longer exist or decreased.

5.12 Provisions

Provisions are recognized 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 recognized as a separate asset but only when the reimbursement is virtually certain.

5.13 Employee benefits

The Company has obligations in respect of the severance payments to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by using the projected unit credit method which were evaluated the obligation by the independent professional in accordance with actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits are recognized immediately in profit or loss.

5.14 Foreign currencies

Domestic operation

Asset and liabilities of domestic operation were converted to Baht using exchange rate ruling on the statements of financial position date.

Exchange gains and losses are included in determining earnings.

Foreign operation

Assets and liabilities of foreign operation were converted to Baht using exchange rate as at report date.

Revenues and expenses of foreign operation were converted to Baht using average exchange rate during period.

Foreign currency translation adjustment was recognized in other comprehensive income and shown as a separate component in shareholders' equity until disposal of investment.

5.15 Income tax

Income tax expense is calculated from taxable income and recorded based on tax paid and accrued for the period.

5.16 Financial instruments

Financial assets and liabilities carried on the balance sheets include cash and cash equivalents, trade and other receivable, trade and other payable, and loan payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this Note.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contract arrangement. Interest, dividend, and gains and losses relating to a financial instrument classified as a liability are reported as income or expense. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

5.17 Accounting estimation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

6. CASH AND CASH EQUIVALENTS

	Consolidated		(Unit : Thousand Baht)	
	Financial Statement		Separated	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash on hand	150	211	145	210
Cash at banks				
Current accounts	122,080	8,841	122,080	8,841
Saving accounts	<u>43,442</u>	<u>39,832</u>	<u>42,466</u>	<u>39,396</u>
Total	<u>165,672</u>	<u>48,884</u>	<u>164,691</u>	<u>48,447</u>

The saving accounts of the Company and its subsidiaries are maintained for the operation purpose.

7. TEMPORARY INVESTMENT

	<i>(Unit : Thousand Baht)</i>	
	Consolidated	Separated
	Financial Statement	Financial Statement
	<u>2012</u>	<u>2011</u>
Fixed deposit account (original maturities of 12 months or less)	<u>8,224</u>	<u>-</u>

8. TRADE AND OTHERS RECEIVABLES

	<i>(Unit : Thousand Baht)</i>		
		Consolidated	Separated
		Financial Statement	Financial Statement
		<u>2012</u>	<u>2011</u>
Trade accounts receivable		135,051	211,657
Trade accounts receivable - related parties	9 b)	2,962	3,556
Other receivables		7,093	4,180
Other receivable - related party9 b)		-	-
Total		<u>145,106</u>	<u>219,393</u>

	<i>(Unit : Thousand Baht)</i>	
	Consolidated Financial Statement / Separated	
	Financial Statement	
	<u>2012</u>	<u>2011</u>
Trade accounts receivable		
Not yet due	64,442	140,792
Overdue		
Overdue 1 – 90 days	63,499	68,832
Overdue 91 – 180 days	4,349	2,259
Overdue 181 – 365 days	1,357	-
Overdue over 365 days	1,955	-
Account receivable of air conditioners segment and the ceased freight vessel services - non operating	<u>17,918</u>	<u>18,262</u>
	153,520	230,145
Less : Allowance for doubtful accounts	<u>(18,469)</u>	<u>(18,488)</u>
Total	<u>135,051</u>	<u>211,657</u>

The movements of allowance for doubtful accounts - trade accounts receivable during the year ended 31st December, 2012 are as follows:

	<i>(Unit : Thousand Baht)</i>
	Consolidated Financial Statement / Separated Financial Statement
Beginning balance	18,488
Additions during the period	3,554
Reversal during the period	<u>(3,573)</u>
Ending balance	<u>18,469</u>

(Unit : Thousand Baht)

	Consolidated		Separated	
	Financial Statement		Financial Statement	
	2012	2011	2012	2011
Trade accounts receivable - related parties				
Not yet due	2,962	3,435	2,962	3,435
Overdue				
Overdue 1 - 90 days	-	121	-	121
Overdue 91 - 180 days	-	-	-	-
Over due 181 - 365 days	-	-	-	-
Overdue over 365 days	-	-	15,504	15,504
	2,962	3,556	18,466	19,060
Less : Allowance for doubtful accounts	-	-	(15,504)	(15,504)
Total	2,962	3,556	2,962	3,556

The movements of allowance for doubtful accounts - trade accounts receivable - related parties for the year ended 31st December, 2012 are as follows:

	<i>(Unit : Thousand Baht)</i>	
	Consolidated	Separated
	Financial	Financial
	Statement	Statement
Beginning balance	-	15,504
Addition during the period	-	-
Reversal during the period	<u>-</u>	<u>-</u>
Ending balance	<u>-</u>	<u>15,504</u>

			(Unit : Thousand Baht)	
	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Other receivables				
Prepaid expenses	24,470	22,221	24,470	22,221
Deferred income	2,127	734	2,127	734
Advance payment	817	937	817	937
Others	<u>5,284</u>	<u>5,893</u>	<u>5,185</u>	<u>5,893</u>
	32,698	29,785	32,599	29,785
Less: Allowance for doubtful accounts	<u>(25,605)</u>	<u>(25,605)</u>	<u>(25,605)</u>	<u>(25,605)</u>
	<u><u>7,093</u></u>	<u><u>4,180</u></u>	<u><u>6,994</u></u>	<u><u>4,180</u></u>

The movements of allowance for doubtful accounts - other receivables for the year ended 31st December, 2012 are as follows:

	(Unit : Thousand Baht)
	Consolidated Financial Statement / Separated Financial Statement
Beginning balance	25,605
Addition during the period	-
Reversal during the period	-
Ending balance	<u><u>25,605</u></u>

			(Unit : Thousand Baht)	
	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Other receivable - related party				
Deferred management income	-	-	1,200	1,110
Less : Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(1,020)</u>	<u>(1,020)</u>
Total	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>180</u></u>	<u><u>90</u></u>

The movement of allowance for doubtful accounts - other receivable - related party for the year ended 31st December, 2012 are as follows:

		<i>(Unit : Thousand Baht)</i>	
		Consolidated	Separated
		Financial	Financial
		<u>Statement</u>	<u>Statement</u>
Beginning balance		-	1,020
Addition during the period		-	-
Reversal during the period		-	-
Ending balance		<u>-</u>	<u>1,020</u>

9. TRANSACTIONS WITH 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.

Chaiwikrai family is a major shareholder, holding 43.55% (2011 : 30.66%) of the share capital of the Company. Transactions related to companies in which the Chaiwikrai family is the principal shareholders or directors are recognized as related parties transactions.

Balance with the related parties consisted of:

Investment in subsidiary company

(Unit : Thousand Baht)

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Paid-up share capital</u>	<u>Percentage of holding</u>	<u>Separated Financial Statement</u>	
				<u>2012</u>	<u>2011</u>
				Cost method	Cost method
Theco Sales Co., Ltd.	a) Thailand	10,000	99.99	9,999	9,999
Less : Allowance for impairment				<u>(9,999)</u>	<u>(9,999)</u>
				<u>-</u>	<u>-</u>
Thai Capital Corporation Company Limited (Guangzhou)	b) China	-	100.00	2,491	-
Less : Shares in subsidiary - not yet due				<u>(1,502)</u>	<u>-</u>
				<u>989</u>	<u>-</u>

- a) The movement of allowance for impairment - investment in subsidiary company for the year ended 31st December, 2012 is as follows :

(Unit : Thousand Baht)

	<u>Separated Financial Statement</u>
Beginning balance	9,999
Addition during the period	-
Reversal during the period	<u>-</u>
Ending balance	<u>9,999</u>

- b) In third and four quarter, 2012, the Company has invested in subsidiary company in China, namely Thai Capital Corporation Company Limited (Guangzhou), amounting to USD 80,000 (equivalent Baht 2,491,200) and the payment of share capital is amounting to USD 32,015 (equivalent Baht 989,141) and an obligation to pay for all of the share capital shall be made within two years.

(Unit : Thousand Baht)					
		Consolidated		Separated	
		Financial Statement		Financial Statement	
	Note	2012	2011	2012	2011
Trade receivables - related parties					
Theco Sales Co., Ltd.		-	-	15,504	15,504
Far East Knitting & Spining Co., Ltd.		<u>2,962</u>	<u>3,556</u>	<u>2,962</u>	<u>3,556</u>
		2,962	3,556	18,466	19,060
Less : Allowance for doubtful accounts		<u>-</u>	<u>-</u>	<u>(15,504)</u>	<u>(15,504)</u>
	8	<u>2,962</u>	<u>3,556</u>	<u>2,962</u>	<u>3,556</u>
Other receivables - related party					
Theco Sales Co., Ltd.		-	-	1,200	1,110
Less : Allowance for doubtful accounts		<u>-</u>	<u>-</u>	<u>(1,020)</u>	<u>(1,020)</u>
	8	<u>-</u>	<u>-</u>	<u>180</u>	<u>90</u>
Total		<u>2,962</u>	<u>3,556</u>	<u>3,142</u>	<u>3,646</u>

Outstanding balance of trade and other receivables - related parties can be aged as follows:

	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Not yet due	2,962	3,435	3,142	3,525
Overdue				
Overdue 1 – 90 days	-	121	-	121
Overdue 91 – 180 days	-	-	-	-
Overdue 181 – 365 days	-	-	-	-
Overdue over 365 days	<u>-</u>	<u>-</u>	<u>16,524</u>	<u>16,524</u>
	2,962	3,556	19,666	20,170
Less : Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(16,524)</u>	<u>(16,524)</u>
	<u>2,962</u>	<u>3,556</u>	<u>3,142</u>	<u>3,646</u>

Transactions with related parties for the years ended 31st December can be summarized as follows:

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>Separated</u>		
	<u>Financial Statement</u>		<u>Financial Statement</u>		<u>Pricing policy</u>
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Revenue from sales					
Far East Knitting & Spining Co., Ltd.	<u>31,928</u>	<u>23,558</u>	<u>31,928</u>	<u>23,558</u>	Market price
Other income					
Management income					Prices specified
Theco Sales Co., Ltd.	<u>-</u>	<u>-</u>	<u>168</u>	<u>168</u>	in contract
Legal Consulting Fee					Prices specified
PBS Law Co., Ltd.	<u>-</u>	<u>500</u>	<u>-</u>	<u>500</u>	in contract

Nature of relationship

<u>Company</u>	<u>Relationship</u>
Subsidiary:	
Theco Sales Co., Ltd.	Shareholding and co - directors
Thai Capital Corporation Company Limited (Guangzhou)	Shareholding and co - directors
Related company:	
Far East Knitting & Spining Co., Ltd.	Co-shareholding and related directors
PBS Law Co., Ltd.	Directors

10. INVENTORIES

	<i>(Unit : Thousand Baht)</i>	
	Consolidated Financial Statement / Separated Financial Statement	
	<u>2012</u>	<u>2011</u>
Coal	269,668	328,075
Goods in transit	<u>2,685</u>	<u>57,883</u>
	272,353	385,958
Less : Allowance for declining in value of inventories	<u>(4,260)</u>	<u>-</u>
Total	<u>268,093</u>	<u>385,958</u>

The movement of allowance for declining in value of inventories for the year ended 31st December, 2012 is as follows:-

	<i>(Unit : Thousand Baht)</i>	
	Consolidated Financial Statement / Separated Financial Statement	
Beginning balance	-	
Allowance increased during the period	16,130	
Allowance reversed during the period	<u>(11,870)</u>	
Ending balance	<u>4,260</u>	

11. OTHER CURRENT ASSETS

	<i>(Unit : Thousand Baht)</i>	
	Consolidated Financial Statement / Separated Financial Statement	
	<u>2012</u>	<u>2011</u>
Account receivable - Revenue Department	16,438	28,035
Others	<u>515</u>	<u>934</u>
Total	<u>16,953</u>	<u>28,969</u>

12. INVESTMENT PLEDGED AS COLLATERAL

(Unit : Thousand Baht)

			Consolidated Financial Statement / Separated Financial Statement	
			<u>2012</u>	<u>2011</u>
		<u>Due date</u>		
Fixed deposit 11 months	a)	29th September, 2013	65,000	65,000
Fixed deposit 12 months	b)	13th May, 2013	70,000	-
Investment in government bond	c)	9th April, 2024	<u>840</u>	<u>840</u>
Total			<u>135,840</u>	<u>65,840</u>

- a) As at 31st December, 2012 fixed deposit amounting to Baht 65 million (2011 : Baht 65 million) has been used as collateral against credit facility with a financial institution (Note 16).
- b) As at 31st December, 2012 fixed deposit amounting to Baht 70 million (2011 : nil) has been used as collateral against credit facility with a financial institution (Note 16).
- c) As at 31st December, 2012 investment in government bond amounting to Baht 0.84 million (2011 : Baht 0.84 million) has been used as collateral against the use of electricity.

13.PROPERTY, PLANTS AND EQUIPMENT

(Unit : Thousand Baht)

Consolidated Financial Statement								
	<u>Land</u>	<u>Building and building improvement</u>	<u>Machinery and factory equipment</u>	<u>Furniture and office equipment</u>	<u>Machinery under installation</u>	<u>Vehicles</u>	<u>Work in process</u>	<u>Total</u>
Cost:								
As at 1st January, 2012	25,084	98,588	35,824	7,258	3,566	4,954	3,488	178,762
Purchase	-	112	921	2,095	712	-	3,605	7,445
Transfer in (out)	2,000	5,093	134	-	(134)	-	(7,093)	-
Transfer (out to) asset held to sale	-	-	-	(13)	-	-	-	(13)
Disposals	-	-	(16)	(7)	-	-	-	(23)
As at 31st December, 2012	<u>27,084</u>	<u>103,793</u>	<u>36,863</u>	<u>9,333</u>	<u>4,144</u>	<u>4,954</u>	<u>-</u>	<u>186,171</u>
Accumulated depreciation:								
As at 1st January, 2012	-	(12,147)	(12,443)	(4,479)	-	(2,254)	-	(31,323)
Depreciation for the period	-	(5,563)	(5,704)	(1,486)	-	(396)	-	(13,149)
Depreciation - transfer to asset held to sale	-	-	-	9	-	-	-	9
Depreciation - disposals	-	-	10	-	-	-	-	10
As at 31st December, 2012	<u>-</u>	<u>(17,710)</u>	<u>(18,137)</u>	<u>(5,956)</u>	<u>-</u>	<u>(2,650)</u>	<u>-</u>	<u>44,453</u>
Net book value								
As at 31st December, 2012	<u>27,084</u>	<u>86,083</u>	<u>18,726</u>	<u>3,377</u>	<u>4,144</u>	<u>2,304</u>	<u>-</u>	<u>141,718</u>
As at 31st December, 2011	<u>25,084</u>	<u>86,441</u>	<u>23,381</u>	<u>2,779</u>	<u>3,566</u>	<u>2,700</u>	<u>3,488</u>	<u>147,439</u>

(Unit : Thousand Baht)

Separated Financial Statement								
	<u>Land</u>	<u>Building and building improvement</u>	<u>Machinery and factory equipment</u>	<u>Furniture and office equipment</u>	<u>Machinery under installation</u>	<u>Vehicles</u>	<u>Work in process</u>	<u>Total</u>
Cost:								
As at 1st January, 2012	25,084	98,588	35,824	7,258	3,566	4,954	3,488	178,762
Purchase	-	112	921	1,977	712	-	3,605	7,327
Transfer in (out)	2,000	5,093	134	-	(134)	-	(7,093)	-
Transfer (out to) asset held to sale	-	-	-	(13)	-	-	-	(13)
Disposals	-	-	(16)	(7)	-	-	-	(23)
As at 31st December, 2012	<u>27,084</u>	<u>103,793</u>	<u>36,863</u>	<u>9,215</u>	<u>4,144</u>	<u>4,954</u>	<u>-</u>	<u>186,053</u>
Accumulated depreciation:								
As at 1st January, 2012	-	(12,147)	(12,443)	(4,479)	-	(2,254)	-	(31,323)
Depreciation for the period	-	(5,563)	(5,704)	(1,486)	-	(396)	-	(13,149)
Depreciation - transfer to asset held to sale	-	-	-	9	-	-	-	9
Depreciation - disposals	-	-	10	-	-	-	-	10
As at 31st December, 2012	<u>-</u>	<u>(17,710)</u>	<u>(18,137)</u>	<u>(5,956)</u>	<u>-</u>	<u>(2,650)</u>	<u>-</u>	<u>44,453</u>
Net book value								
As at 31st December, 2012	<u>27,084</u>	<u>86,083</u>	<u>18,726</u>	<u>3,259</u>	<u>4,144</u>	<u>2,304</u>	<u>-</u>	<u>141,600</u>
As at 31st December, 2011	<u>25,084</u>	<u>86,441</u>	<u>23,381</u>	<u>2,779</u>	<u>3,566</u>	<u>2,700</u>	<u>3,488</u>	<u>147,439</u>

Depreciation in the statement of income is included in the following accounts:

(Unit : Thousand Baht)

Consolidated Financial Statement / Separated Financial Statement		
	<u>2012</u>	<u>2011</u>
Cost of sales	10,952	10,490
Administrative expenses	<u>2,197</u>	<u>824</u>
Total	<u>13,149</u>	<u>11,314</u>

The Company has mortgaged land and construction as collateral for loans from a financial institution as mentioned in Note. 16.

During the year ended 31st December, 2012, the Company has estimated the value of expected future cash flow of land and machinery exceeding the assessed value since 2008, therefore, there was no impairment of land and machinery.

As at 31st December, 2012, certain equipments of the Company have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets are amounting to Baht 2.81 million (2011 : Baht 2.49 million).

Vehicle under finance leases, where the Company is a lessee, has net book value as at 31st December, 2011 at Baht 2.70 million in consolidated and separated financial statements.

In the year 2012, the Company has already paid in full amount of account payable - vehicle under finance leases.

14. INTANGIBLE ASSET

	<i>(Unit : Thousand Baht)</i>
	<u>Consolidated Financial Statement / Separated Financial Statement</u>
Cost:	
As at 1st January, 2012	2,850
Additions	<u>75</u>
As at 31st December, 2012	<u>2,925</u>
Accumulated depreciation:	
As at 1st January, 2012	707
Amortization for the period	<u>575</u>
As at 31st December, 2012	<u>1,282</u>
Net book value	
As at 31st December, 2012	<u>1,643</u>
As at 31st December, 2011	<u>2,143</u>

15. OTHER NON-CURRENT ASSETS

(Unit : Thousand Baht)

	Consolidated Financial Statement / Separated Financial Statement	
	2012	2011
Deposit	858	1,020
Others	-	-
Total	<u>858</u>	<u>1,020</u>

16. SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

The Company has been granted for loan facilities from a financial institution and maintained for the operation purpose which the Company has mortgaged its land and construction (Note 13) and the fixed deposit as collateral (Note 12).

As at 31st December, 2012, the outstanding balance amounting to Baht 9.66 million (2011 : Baht 124.91 million).

17. TRADE AND OTHER PAYABLES

(Unit : Thousand Baht)

	Consolidated Financial Statement		Separated Financial Statement	
	2012	2011	2012	2011
Trade accounts payable	60,590	114,929	60,590	114,929
Other accounts payable	<u>20,787</u>	<u>19,803</u>	<u>20,532</u>	<u>19,773</u>
Total	<u>81,377</u>	<u>134,732</u>	<u>81,122</u>	<u>134,702</u>

18. OBLIGATION UNDER FINANCIAL LEASE

(Unit : Thousand Baht)

	Consolidated Financial Statement / Separated Financial Statement					
	2012			2011		
	Obligation under Financial lease	Deferred interest	Net	Obligation under Financial lease	Deferred interest	Net
Current Portion	-	-	-	598	(17)	581
Over 1 year but not Exceeding 5 years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>598</u>	<u>(17)</u>	<u>581</u>

The movement of obligation under finance lease for the year ended 31st December, 2012 is as follows :

	<i>(Unit : Thousand Baht)</i>
	Consolidated Financial Statement / Separated <u>Financial Statement</u>
Opening balance	581
Addition during the period	-
Repayment during the period	(598)
Deferred interest	<u>17</u>
Ending balance	<u>-</u>

19.OTHER CURRENT LIABILITIES

	<i>(Unit : Thousand Baht)</i>		
	Consolidated	Separated	
	<u>Financial Statement</u>	<u>Financial Statement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u> <u>2011</u>
Retentions	74	1,197	74 1,197
Others	<u>531</u>	<u>62</u>	<u>523</u> <u>62</u>
Total	<u>605</u>	<u>1,259</u>	<u>597</u> <u>1,259</u>

20.INCOME TAX

The Company does not record income tax for the year ended 31st December, 2012 and 2011 since the Company has taxable loss brought forward.

21.EMPLOYEE BENEFIT OBLIGATION

	<i>(Unit : Thousand Baht)</i>
	Consolidated Financial Statement / Separated <u>Financial Statement</u>
Beginning balance of employee benefit obligations under the defined plan	594
Set up during the period	265
Paid during the period	<u>-</u>
Ending balance of employee benefit obligations under the defined plan	<u>859</u>

22.PROFIT (LOSS) FOR THE PERIOD OF DISCONTINUING OPERATION

For the progress of lawsuit on loss of goods filed by the Company against one of the vessel lessors in Singapore, the arbitrator recently gave its final judgment on 15th July, 2011. The Company won the case and received the partial compensation in 2011 and as at 31st December, 2012, the remaining compensation of Baht 4.39 million has been received. The Company recorded such amount as other income of discontinuing operation in the current period.

23.SHARE CAPITAL

	Par value per share Baht	Authorised share capital		Issued and paid up share capital		
		Number of shares	Amount	Number of shares	Amount	Premium on share
		Thousand share	Thousand Baht	Thousand share	Thousand Baht	Thousand Baht
As at 1st January, 2012	0.50	1,453,009	726,504	904,873	452,436	76,893
Decrement of capital	0.50	(200,000)	(100,000)	-	-	-
Increment of capital	0.50	315,969	157,985	-	-	-
Exercise the right to purchase the common shares	0.50	-	-	36,820	18,410	13,734
As at 31st December, 2012	0.50	<u>1,568,978</u>	<u>784,489</u>	<u>941,693</u>	<u>470,846</u>	<u>90,627</u>

According to the Board of Directors' Meeting on 13th February, 2012, it is resolved to decrease the authorized share capital of the Company by the elimination of the unissued shares of 200 million shares. Therefore, the Company's authorized share capital is changed from 1,453,009,187 shares to 1,253,009,187 shares at the par value of Baht 0.50 per share and it is resolved to increase the authorized share capital not exceeding 315,968,751 shares at par value of Baht 0.50 per share as follows:

1. Issuing ordinary share to increase share capital not exceeding 200 million shares at par value of Baht 0.50 per share in order to offer to the limited shareholders (Private Placement).
2. Issuing ordinary share to increase share capital not exceeding 92,208,961 shares at par value of Baht 0.50 per share in order to support the right exercise of the third time warrants (TCC-W3).
3. Issuing ordinary share to increase share capital not exceeding 18,360,215 shares at par value of Baht 0.50 per share in order to support the adjustment of the right of the first time warrants (TCC-W1).
4. Issuing ordinary share to increase share capital not exceeding 5,399,575 shares at par value of Baht 0.50 per share in order to support the adjustment of the right of the second time warrants (TCC-W2).

Therefore, authorized share capital of the Company is changed from 1,253,009,187 shares to 1,568,977,938 shares at par value of Baht 0.50 per share.

In accordance with the minute of general shareholders meeting of the year 2012 on 13th March, 2012, it is resolved to increase authorized share capital by issuing increment ordinary shares in number 315,968,751 shares and the Company has registered the capital increment with the Department of Business Development on 26th March, 2012.

The third exercise price to buy the Company's ordinary shares (TCC-W3)

In the Annual General Meeting of Shareholders for year 2012, held on 13th March, 2012 the shareholders approved to issue and offer, at no cost, to the existing shareholders the third warrants, not exceeding 92,208,961 units, to buy ordinary shares in the Company. In this connection, each unit of warrant can be used to buy 1 ordinary share at Baht 1 per share. The third exercise price to buy the Company's ordinary shares (TCC-W3) has a value below 90% of the market price of the Company's ordinary shares. In the Company's prospectus TCC-W1, clause 1.2.1 terms of the right adjustment (c) section 3 page 9, the prospectus offered to sell the first warrants (TCC-W1) and clause 4 (3) page 16 in the notification letter of allocation and share subscription documents for capital increase together with the second warrants to buy the Company's ordinary shares (TCC-W2), stipulated that the Company shall adjust the exercise price as well as the exercise ratio. Therefore, the Company made the said adjustment, whereby for the TCC-W1, one unit of warrant can be converted into 1.21673 ordinary shares at Baht 0.822 per share, and for TCC-W2, one unit of warrant can be converted into 1.06594 ordinary shares at Baht 0.938 per share.

Exercise the right to purchase the ordinary shares in the period

The first time warrants (TCC-W1) have been exercised by the warrant holders in the end of fourth quarter of the year 2011 and in the end of first, second and third quarter of the year 2012 for buying 10,080,232 shares, 5,160,960 shares, 2,676,319 shares and 11,220,511 shares, respectively which the Company has registered the capital increment with the Department of Business Development on 5th January, 2012, 3rd April, 2012, 3rd July, 2012 and 2nd October, 2012, respectively and the second time warrants (TCC-W2) have been exercised by the warrant holders in the end of February and the end of May, 2012 for buying 7,136,596 shares and 144,631 shares and 400,792 shares which the Company has registered the capital increment with the Department of Business Development on 2nd March, 2012 and 5th June, 2012, respectively.

The first time warrants (TCC-W1) have been exercised by the warrant holders for buying 148,218,398 shares and the third time warrants (TCC-W3) have been exercised by the warrant holders for buying 4,012 shares. As at 31st December, 2012, the Company recorded money received from the warrants exercise to purchase ordinary share of the first time warrants (TCC-W1) amounting to Baht 121,835,519 and the third time warrants

(TCC-W3) amounting to Baht 4,012 in the account of “advance receipts for shares subscription” and separately grouped under the shareholders’ equity caption and the Company has registered the capital increment with the Department of Business Development on 3rd January, 2013.

As at 31st December, 2012, the warrants to purchase ordinary shares (TCC-W1) which have not yet been exercised are 90,333,306 units and the warrants to purchase ordinary shares (TCC-W2) which have not yet been exercised are 68,322,901 units and the warrants to purchase ordinary shares (TCC-W3) which have not yet been exercised are 92,204,564 units.

24.LEGAL RESERVE

In accordance with the Public Company Act, the Company will have to appropriate some annual net profit as reserve by minimum of 5% of annual net profit deducted by brought forward accumulated losses (if any) until this reserve will hold the amount not less than 10% of registered capital. This legal reserve will not be able to repay as dividend.

For the year ended 31st December, 2012, the Company has appropriated net profit for the period as a legal reserve amounting to Baht 2.14 million (during the year 2011 : Baht 4.34 million).

25.COMMITMENT, CONTINGENT LIABILITIES AND LITIGATION

As at 31st December, 2012, the Company and its subsidiary have commitment, contingent liability and litigation, except for the following:

- The Company has entered into agreements for office lease and service. The period of lease is 3 years and it can be renewable. The Company is obligated to pay for the lease and service fee by total amount of Baht 2.91 million.

26.EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares paid up during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares paid up during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took

place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share.

	<u>Consolidated</u> <u>Financial Statement</u>		<u>Separated</u> <u>Financial Statement</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Basic earnings (loss) per share				
Net profit (loss) of ordinary shareholders (Thousand Baht)				
- Continuing operation	4,709	78,610	5,215	78,778
- Discontinuing operation	<u>4,180</u>	<u>7,885</u>	<u>4,221</u>	<u>7,936</u>
	<u>8,889</u>	<u>86,495</u>	<u>9,436</u>	<u>86,714</u>
Weighted average number of paid up ordinary share during the period (Thousand share)	<u>929,032</u>	<u>841,634</u>	<u>929,032</u>	<u>841,634</u>
Basic earnings (loss) per share (Baht per share)				
- Continuing operation	0.005	0.093	0.006	0.094
- Discontinuing operation	<u>0.004</u>	<u>0.009</u>	<u>0.005</u>	<u>0.009</u>
	<u>0.009</u>	<u>0.102</u>	<u>0.011</u>	<u>0.103</u>
Diluted earnings (loss) per share				
Effect of diluted potential ordinary share for diluted earnings per share (Thousand share)	<u>225,566</u>	<u>212,780</u>	<u>225,566</u>	<u>212,780</u>
Weighted average number of ordinary share for diluted earnings per share (Thousand share)	<u>1,154,598</u>	<u>1,054,414</u>	<u>1,154,598</u>	<u>1,054,414</u>
Diluted earnings (loss) per share (Baht per share)				
- Continuing operation	0.004	0.075	0.005	0.075
- Discontinuing operation	<u>0.004</u>	<u>0.007</u>	<u>0.004</u>	<u>0.008</u>
	<u>0.008</u>	<u>0.082</u>	<u>0.009</u>	<u>0.083</u>

27.DISCLOSURE OF FINANCIAL INSTRUMENTS

The principal financial risks faced by the Group are interest rate risk, credit risk and foreign currency risk. The Group did not speculate in or engage in trading of any derivative financial instruments.

Interest rate risk

The Group was exposed to interest risks because it held deposits to financial institutions. However, the Group believed that the future fluctuation on market interest rate would not provide significant effect to their operation and cash flows, therefore, no financial derivative was adopted to manage such risks.

Credit risk

The Group constitutes normal risk from the credit facility provider relating to accounts receivable. However, the cluster of risk in light of credit provider that is the result of trading accounts receivable limitedly happens since the Group constitutes several number of customers. As a result, the Group does not anticipate that it will receive materially damage from debt collection from those accounts receivable.

Foreign currency risk

The Group was exposed to foreign currency risk relates primarily to its receivables and payables, which are denominated in foreign currencies. However, the Group's management has decided to maintain an open position of this exposure.

For foreign currency risk, the Company and its subsidiary had the foreign currency assets and liabilities which were not covered by hedging contracts and the amounts were significantly different from those in the year 2011 as follows:

	<u>Consolidated Financial Statement</u>				<u>Separated Financial Statement</u>			
	<u>Assets</u>		<u>Liabilities</u>		<u>Assets</u>		<u>Liabilities</u>	
<u>Foreign currencies</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
US dollar	243,670	2,138,426	1,144,096	2,911,126	222,684	2,138,426	1,144,096	2,911,126
Ringgit	304	304	-	-	304	304	-	-
Yuan	-	11,116	-	-	-	11,116	-	-
Rupiah	2,350,000	5,705,600	-	-	2,350,000	5,705,600	-	-

Exchange rates adopted for foreign currencies assets and liabilities are as follows:

		<i>(Unit : Baht)</i>	
		Consolidated Financial Statement / Separated <u>Financial Statement</u>	
		<u>2012</u>	<u>2011</u>
Assets			
1	US Dollar	30.4857	31.5505
1	Ringgit	9.8514	9.8519
1	Yuan	4.8446	4.9526
1,000	Rupiah	2.9650	
		3.2913	
Liabilities			
1	US Dollar	30.7775	31.8319

28.MANAGEMENT OF CAPITAL

The main objective of the Company's capital management is to have the most appropriate financial structure while maintaining its capability to continue in business.

The Group manages its capital status using debt to equity ratio. As at 31st December, 2012 the Group has a debt to equity ratio of 0.12 : 1 (2011 : 0.41 : 1) (the Company only : 0.12 : 1 (2011 : 0.41 : 1)).

29.SEGMENT FINANCIAL INFORMATION

The Company did not disclose segment financial informations as they were highly sensitive for the ability to compete in business.

30.SUBSEQUENT EVENT

According to the Board of Directors' Meeting No. 1/2555 of the Company on 13th February, 2012, it was authorized to set up a subsidiary company in Indonesia, namely "P.T. Thai Capital Indo Mining" located at Menara Plama 12th Floor, Jl. HR. Rasuna Said, South Jakarta, Indonesia to operate solid fuel, Liquid fuel, gas and relevance products. The subsidiary has registered with the Ministry of Law and Human Rights of Indonesia on 3rd January, 2013.

31.APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved on 15th February, 2013 by the Company's director.