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วิสัยทัศน์ (Vision)

- Be one of the country's top five companies in Coal Trading business
- Continuously explore an opportunity for new business investments which shall bring about long-term and sustainable growth to the Company



Financial Highlight

	Unit	2011	2012 (Restated)	2013
Profit & Loss				
Sale income	Million Baht	1,194.99	1,021.34	929.47
Total income	Million Baht	1,199.48	1,029.62	941.63
Gross profit (loss)	Million Baht	177.68	120.13	104.26
Net profit (loss)	Million Baht	86.49	3.51	-52.85
Balance Sheet				
Current assets	Million Baht	683.21	604.05	657.65
Total assets	Million Baht	899.65	899.78	943.01
Total liabilities	Million Baht	262.08	92.5	109.94
Total shareholders' equity	Million Baht	637.57	807.28	833.07
Financial ratio				
Current ratio	Times	2.61	6.59	6.04
Debt to equity ratio	Times	0.41	0.11	0.13
Gross profit (loss) margin	%	14.87	11.76	11.22
Net profit (loss) margin	%	7.24	0.34	-5.69
Return on equity	%	13.57	0.43	-6.34
Return on asset	%	9.61	0.39	-5.6

Message from the Chairman

In 2013, it was a year in which major events related to global economic slowdown occurs quite fast and deep i.e. China and India which are major coal consuming-countries. As a consequence, coal industry was affected with evidence from continuous decreases of coal market prices. As a result, coal mine operators begun to reduce their manufacturing capacity and suspended all new projects. Apart from the mentioned factors, domestic economy also slowed down as can be seen from the lower expansion of the country's GDP as compared to 2012. Such expansion was lower than the forecast done by most government institutions. The aforementioned factors as well as high domestic competition of coal business contributed to negative impact on operating results for companies conducting coal business especially coal traders.

The aforementioned factors resulted in lower sales of the company as compared to 2012 mainly due to lower selling prices. The Company had an attempt to control cost of sales which can be seen from the 2013 gross profit which was deemed comparable to 2012. However, the Company incurred higher selling and administrative expenses which mainly contributed to the net loss for the year. It should be noted that for the latter half of the year, the Company attempted to boost sales and tightly control expenses which resulted in an apparent better results of operation during the 3rd quarter and 4th quarter of the year.

The Company believes in the potential growth of energy business which still shows good prospect and in 2014, the Company believes that coal industry will recover with better growth. However, the Company continuously explores new business opportunities deemed worthwhile investing. Lastly, on behalf of Thai Capital Corporation Public Company Limited, I would like to thank the shareholders, customers, and business partners in all sectors that have greatly supported the Company. I would also like to thank devoted management and employees for their devotion and hard work and community in Phetchaburi Province for support the Company's operation. The company promises to conduct business professionally and with good governance. 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

Information of Board of Directors (as at 31 December 2013)

Name-Last Name / Position	Age (Year)	Education	Share in TCC (%)	Relation with Management	Experience and Current Position		
					Period	Position	Dept./ Company Business
Mr. Munsin Chaivikral Chairman of the Board of Directors	63	- Kosol Vithaya School	-None-	Father of Mr. Kittisak and Ms. Yupin and elder brother of Mr. Charoenchai	2008 - present	Chairman of the Board of directors	Thai Capital Corporation PCL./ Coal trading
					1973 - present	Chairman of the Board of Directors and authorized director	Far East Knitting Industry Co., Ltd./ Manufacturer of clothing
Mr. Kittisak Chaivikral Director	41	- Master degree in Accounting The George Washington University, USA - Bachelor degree in BA., The George Washington University, USA	- None-	Son of Mr. Munsin and elder brother of Ms. Yupin and nephew of Mr. Charoenchai	2007 - present	Director	Thai Capital Corporation PCL./ Coal trading
					1999 - present	Vice President	Far East Knitting Industry Co., Ltd./ Manufacturer of clothing
					2002 - 2010	Director	Far East Securities Co., Ltd./ Securities broker
					2003 - 2008	Director	Far East Asset Corporation PCL./ Management consultant of Industrial commerce
Ms. Yupin Chaivikral Authorized Director	36	- Master degree in Accounting Strayer University, USA - Bachelor degree in Accounting Assumption University (ABAC) - DAP Class 56/2006 (IOD)	12.29%	Daughter of Mr. Munsin and younger sister of Mr. Kittisak and niece of Mr. Charoenchai	2004 - 2008	Director	Far East Capital Advisory Co., Ltd./ Real estate broker
					2006 - present	Authorized Director	Thai Capital Corporation PCL./ Coal trading
Mr. Charoenchai Chaivikral Authorized Director and CEO	56	- Sugsawattana High School	- None -	Younger brother of Mr. Munsin and uncle of Mr. Kittisak and Ms. Yupin	2002 - present	Company secretary	Far East Knitting Industry Co., Ltd./ Manufacturer of clothing
					2008 - present	Authorized Director and CEO	Thai Capital Corporation PCL./ Coal trading
Mr. Boon-anant Srikhao Authorized Director and Managing director	38	- Master degree in General Management, Construction Project Management University of Manchester Institute of Science and Technology (UMIST) - Bachelor degree in Engineering, Thammasart University	Less than 1%	Son-in-law of Mr. Munsin	1973 - present	Authorized Director and CEO	Far East Knitting Industry Co., Ltd./ Manufacturer of clothing
					2009 - present	Authorized Director and Executive Vice President	Thai Capital Corporation PCL.
					2001 - 2009	Senior Engineering Project	Hemraj Land And Development PLC.
					1999 - 2001	Civil Engineering	Nongkhae Co-generation Co., Ltd.
					1998 - 1999	Civil Engineering	Samutprakarn Co-generation Co., Ltd.
					1995	Design Engineering	A.T.T. Consultant Co., Ltd.

Name-Last Name / Position	Age (Year)	Education	Share in TCC (%)	Relation with Management	Experience and Current Position		
					Period	Position	Dept./ Company Business
Mr. Chalit Limparavech Independent Director and Chairman of Audit Committee	62	- Master degree in Public Administration (MPA), Political Science Dept., Chulalongkorn University - Bachelor degree in Marketing, Assumption University (ABAC) - DCP 46/2004, CDC 1/2007 (IOD)	- None -	- None -	2008 - 2012	Dean of International College	University of the Chamber of Commerce
					2008 - present	Independent Director & Audit Committee Member	Thai Capital Corporation Pcl./ Coal trader
					2008 - present	Independent Director	TIPCO Foods (Thailand) Pcl./ Fruit juice manufacturer
Ms. Nataya Ouwirach Independent Director and Audit Committee	58	- Master degree in Management Asian Institute of Management, Philippines - Bachelor degree in Accounting (Second Class Honors) Assumption University (ABAC) - DAP 77/2009, ACP 33/2010 (IOD)	- None -	- None -	2003 - 2009	Dean of Communication Arts Dept.	Assumption University (ABAC)
					2008 - present	Independent Director & Audit Committee Member	Thai Capital Corporation Pcl./ Coal trader
					2009 - present	Senior Consultant	System Focus Co., Ltd. / Business Performance Excellence Consultant
					2002 - 2009	Director	Momentum Consulting Co., Ltd./ Business Performance Excellence Consultant
Mr. Chaipat Sahasakul Independent Director and Audit Committee	59	- PhD in Economics, University of Rochester, New York, United States - Master degree in Economics, Thammasat University - Bachelor degree in Economics (First Class Honors), Thammasat University	- None -	- None -	1995 - 2009	Managing Director	Ariel Co., Ltd. / Consulting Service in organization development
					2013 - present	Independent Director & Audit Committee Member	Thai Capital Corporation Pcl./ Coal trader
					2013 - present	Faculty Committee Member	Faculty of Economics, Thammasat University/ Academic institution
					2012 - present	Council Member and Academic Committee Member in Economics	National Research Council of Thailand/ Government institution
					2010 - present	Independent Director & Audit Committee Member	Thai Vegetable Oil Pcl./ Vegetable oil manufacturer
					2010 - present	Member of Sub-committee on KPIs & Performance Evaluation of State Enterprises (Financial Institutions, Agriculture and Natural Resources)	Office of State Enterprise Policy Committee, Ministry of Finance/ Government organization
					2005 - present	Independent Director & Audit Committee Member	Pylon Pcl./ Foundation contractor

Detail of positions held by Directors in-subsidiary, affiliate or related companies as 31 December 2013

	TCC	Subsidiary			Affiliate None	Related companies Far East Knitting Industry Co., Ltd
		Theco Sales Co., Ltd.	TCC Guangzhou	P.T. Thai Capital Indo Mining		
Mr.Munsin Chaivikrai	C	-	-		-	X
Mr.Kittisak Chaivikrai	D	X	-		-	M
Ms.Yupin Chaivikrai	X	-	-		-	M
Mr.Charoenchai Chaivikrai	X	-	-	-	-	X
Mr.Boon-anant Srikhao	X	-	X	X	-	-
Mr.Chalit Limpanavech	D, CA	-	-		-	-
Ms.Nataya Ouivirach	D, AC	-	-		-	-
Mr. Chaipat Sahasakul	D, AC	-	-		-	-

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

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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 2013

Registered Capital 881,486,633.5 Baht divided into 1,762,973,267 ordinary shared at par value of 0.5 Baht per share
Paid-up capital 592,008,362 Baht divided into 1,184,016,724 ordinary shared at par value of 0.5 Baht per share

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 2011

- 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

- 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)"

Year 2013

- January 2013, the Company has incorporated in subsidiary company in Indonesia under the name of P.T. Thai Capital Indo Mining to sell solid fuel, liquid fuel, mining, gas, and relevance products.
- The Board of Directors' Meeting no. 4/2013 held on 9 August 2013, acknowledged the resignation of Mr. Bandid Chotiwanaporn as the Managing Director with the effective date on 16 August 2013.
- TCC's issuance and allotment of TCC-W4 at 369,800,031 units to the existing shareholders, at the ratio of 3.2 shares per 1 unit of warrant at no charge. 1 unit of TCC-W4 can purchase 1 ordinary share with the exercised price of Baht 1 per share.

- 1. Name : Theco Sales Co., Ltd. (TCS)**
Registered Number : 0105536114441
Shareholding as at 31/12/2013: 99.99%
Paid-up Capital as at 31/12/2013: 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)**
Shareholding as at 31/12/2013: 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
- 3. Name : P.T. Thai Capital Indo Mining**
Shareholding as at 31/12/2013: 99.825%
Nature of Business : Sale of solid fuel, liquid fuel, gas and relevance products
Head Office : Gd. Menara Palma Lt. 12, Jl. HR. Rasuna Said Block X-2 Kav. 6, Setiabudi, South Jakarta, Indonesia

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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Business Overview

Thai Capital Corporation PCL imports and distributes good quality Bituminous/Sub-Bituminous coal which provides medium to high calorific value with low environmental impact. Coal are majorly imported from suppliers in Indonesia and transported by sea vessels to Thailand to sell to customers and/or select and separate the sizes to fit with the boiler of customers. Majority of the Company's customers are factories/manufacturers of paper, textile, food and beverage in Bangkok and nearby provinces.

Company's Product

Coal

Coal is a kind of combustible sedimentary rock, comprising the main component that is carbon compound of not less than 50% by weight or 70% by quantity. Coal begins from naturally changing in the plant matters decomposing and accumulating in the basin or swamp for hundred million years ago. At the time the crust of the Earth changes such as earthquake, erupting volcano, or more accumulating sediment. The sedimentary deposits therefore are more affected by pressure and heat under the World. This humus becomes the various kinds of coals.

Origin of Coal

Coal originates from the plant remains accumulating in the large shallow lakes/seas and afterwards the Earth's crust collapses and the sediment heaps up for millions years. Until that plant remains become the coal jointly resulted by chemical change and geothermal energy. This likes the charcoal making process at present which the firewood is burned in the anaerobic or non-oxygen space. The charcoal is produced instead of burning out to be carbon dioxide.

Coal is the large reserve of fossil fuel. Coal source spreads aboard the World in many countries. Therefore the coal is the high-stable fuel that results in its more low-priced than other fuels especially natural gas and fuel oil. American Society for Testing and Material (ASTM) has divided the coal in 4 types/levels aligning from the most to the least compound of carbon i.e. Anthracite, Bituminous, Sub-bituminous, and Lignite. The general properties of coal ranking the high level are the high quantity of carbon, high-heating, and low hydrogen and oxygen. Meanwhile the coal ranking the low level is of the low quantity of carbon, but high hydrogen and oxygen. Each level is subdivided according to the different chemical properties and Calorific Value. Each type of coal has the main properties according to the Table below:

Types	Calorific Value (Kcal/Kg)	Moisture (%)	Ash (%)	Sulfur (%)
Anthracite	6500-8000	5-8	5-12	0.1-1.0
Bituminous	5500-6500	8-15	1-12	0.1-1.5
Sub-bituminous	4500-5500	24-30	1-10	0.1-1.5
Lignite	3000-4000	30-38	15-20	2.0-5.0



Coal Utilization

Coal is utilized rather widely from several hundred years to the present due to its sources spread aboard the World and is of the large quantity. Coal utilization was very popular after the Industrial Revolution in English. In 1973, much more popular than before, the oil price shock occurred and resulted in the coal was more used as fuel instead of oil, both for electricity production and industries. Coal is regarded as the power source inferior to the petroleum oil and natural gas. The countries possessing the coal source should be deemed that they are highly stable in energy such Indonesia, Russia, China, Germany, and Australia, etc. As a result of alternative energy source other than oil or natural gas that are increasingly, highly-priced.

Coal is mainly utilized as fuel for electricity production and industries such as steel, cement, lime, and others. It will be less investment than the direct electricity usage. In general, it will be fuel for activities such as water boiling to send the steam to spin the turbine of electricity production or sent the steam to bake such as rubber baking or wood baking, etc.

Other than the direct combustion, the coal can be converted to be other fuel forms through the coal liquefaction or coal gasification. Coal is utilized as clean fuel in order to reduce the pollution from utilizing the coal as fuel. Under the coal conversion process, acidic or toxic gas can be separated. By-product substances obtained from coal can be utilized in other ways such as sulfur used for sulfuric acid and gypsum production, ammonia used as fertilizer for agriculture, coal ash used for building material production, etc.

The Company distributes coal in 5 sizes as follows:

Raw Material วัตถุดิบ	Dust ฝุ่น	Nut เนื้อหรือก้อน
		
0-50	0-5	10-25
		
	0-10 / 5-10	25-50

Industrial and competitive condition

Due to the rapid expansion in economy of developing countries (or so called “emerging economics”) in the last several years e.g. China and India, there has been a rise in global demand of energy, half of which was contributed from Asian countries. Coal is a promising option of energy due to low price and ease of usage as compared to other types of energy.

Coal: consumption

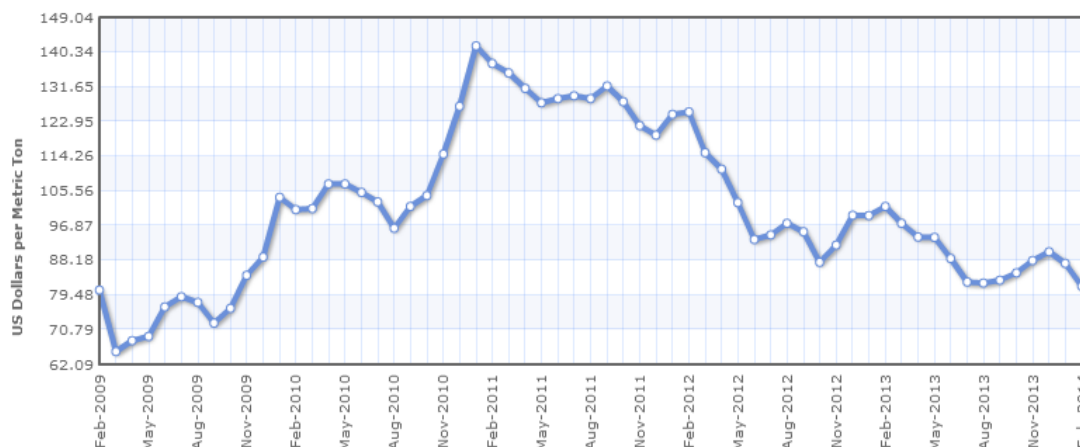
(m tonnes unless otherwise indicated)

	2009	2010	2011	2012	2013
China	3,152	3,387	3,709	3,931	4,167
US	905	954	910	819	835
EU	719	718	768	787	791
India	622	689	741	785	840
Russia	202	206	210	213	219
Japan	165	188	186	191	195
South Africa	181	183	188	191	198
Australia	136	109	111	113	116
Turkey	93	100	105	109	114
South Korea	103	114	121	128	136
World total	6,874	7,292	7,713	7,959	8,327
% change	3.2	6.1	5.8	3.2	4.6

Sources: Energy Information Administration (EIA); Economist Intelligence Unit.

Source: www.eia.gov

It can be seen from the above table that the global coal assumption increases every year. In 2013 the total consumption was 8,327 million MT, increasing by 4.6% from 2012 with China as a country that imported and consumed coal more than other countries in the world. There is a speculation that global coal consumption would still rise but at the slower rate due factors such as higher demand for clean energy, economic slowdown, and decreased import policy of China.



Source: www.indexmundi.com

In term of prices, at the beginning of 2012 there was a sharp increment of coal prices. As such, coal mine investment continually increased and hence made coal production increased until it reached the situation of coal overproduction in the market. Couple this with China’s economic slowdown, the world market price of coal dropped abruptly. Australian Thermal Coal price declined to a level of US \$90 per MT in December 2013 from the former price level of US \$142 per MT in the beginning of 2012.

Types	Volume (Million MT)				
	2009	2010	2011	2012	2013
Lignite					
EGAT	15.8	16.0	17.2	16.8	16.9
Others	2.0	2.0	2.9	1.6	1.8
Coal					
SPP and IPP	5.6	5.6	6.1	7.8	7.8
Others	10.8	11.3	10.2	10.6	9.2
Total	34.2	34.9	36.3	36.8	35.6

Source: Ministry of Energy

For the domestic competition, within the past 5 years, coal consumption increased continuously between 2008 and 2011 but slightly decreased in 2013 with the fierce competition especial in pricing.

In 2013, consumption of coal and lignite totaled 35.6 million MT, decreasing by 3.2% from 36.8 million MT in 2012. Lignite consumption in 2013 was 18.7 million MT, increased by 1.6% from 2012, dividing into the usage by EGAT of 16.9 million MT and other industries by 1.8 million MT (cement, paper, and food). Coal consumption in 2013 was 17 million MT, decreased by 7.6% from 2012, dividing into the usage by SPP and IPP of 7.8 million MT and other industries by 9.2 million MT.

In respect of coal import, due to the fact that domestic production is not sufficient as compared to demand and that, quality of domestic coal is relatively low compared to imported coal. This resulted in Thailand continuously importing from other countries e.g. Indonesia and Australia.

	2009	2010	2011	2012	2013
Volume (Million MT)	16.4	16.9	16.3	18.4	17.3
Value (Million Baht)	36,935.3	39,361.1	42,335.7	46,702.3	39,713.7
Value per MT (Baht)	2,253.7	2,328.5	2,592.3	2,537.6	2,291.9

Source: Ministry of Energy

Trend of Energy Consumption in Thailand in 2014

Office of the National Economics and Social Development Board forecasted the economy in 2014 that it would expand by 4%-5% with the supporting factors such as an improvement in global economy which boosts export sector, and expansion of economy by Thailand's significant business partner e.g. Japan, China, and ASEAN. Economic demand of energy in 2014 was primarily speculated to be at the equivalent level of 2,055 thousand Barrel of crude oil per day, increasing from 2013 by 2.5% which was in accordance with the speculated economic expansion. In 2014, the fuel demand would increase by 1.4%. Natural gas usage would increase by 4% from electricity production. Lignite/Coal consumption would remain flat as compared to 2013. Imported energy from water/electricity increased by 7%. Finished oil in 2014 would increase by 1.5%

Capital Structure

Registered capital and Paid-up capital

As at 31 December 2013, 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	1,762,973,267	0.50	881,486,633.50
Paid-up capital	1,184,016,724	0.50	592,008,362.00

Shareholders

Ten major shareholders as at 31 December 2013 are as follows:

Rank	Name of shareholder	Number of shares	% of total
1	Chaivikrai Group		
	Ms. Sopin Chaivikrai	152,950,058	12.92%
	* Ms. Yupin Chaivikrai	145,530,000	12.29%
	Ms. Pornpin Chaivikrai	140,000,000	11.82%
	Ms. Paninee Chaivikrai	45,000,000	3.80%
	Ms. Kittaporn Chaivikrai	44,490,000	3.76%
	Mr. Kridsana Chaivikrai	42,000,000	3.55%
	Total	569,970,058	48.14%
2	Ms. Supunnee Chaikulwatana	50,700,000	4.28%
3	Ms. Vilai Chareonvitu	49,450,000	4.18%
4	Ms. Nutsuree Lertchairatana	48,200,000	4.07%
5	Ms. Nantana Chitsrisunan	30,000,040	2.53%
6	Mr. Chutiwat Pardpachi	28,300,000	2.39%
7	Ms. Pradap Sithiphol	8,731,400	0.74%
8	Mrs. Supaporn Nonthanum	6,546,732	0.55%
9	Mr. Aiew Sor Sae Jung	7,037,500	0.59%
10	Ms. Rojana Chaikulwatana	6,146,548	0.52%
Total top 10 shareholders		805,082,278	68.00%
Total remaining shareholders		378,934,446	32.00%
Total paid-up shares		1,184,016,724	100.00%

*Ms. Yupin Chaivikrai is authorized director of the company

Dividend Policy

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.

Obligation in security issuance and offering

As at 31 December 2013, the outstanding number of TCC warrants still remained after the previous offer to existing shareholders is as follows:

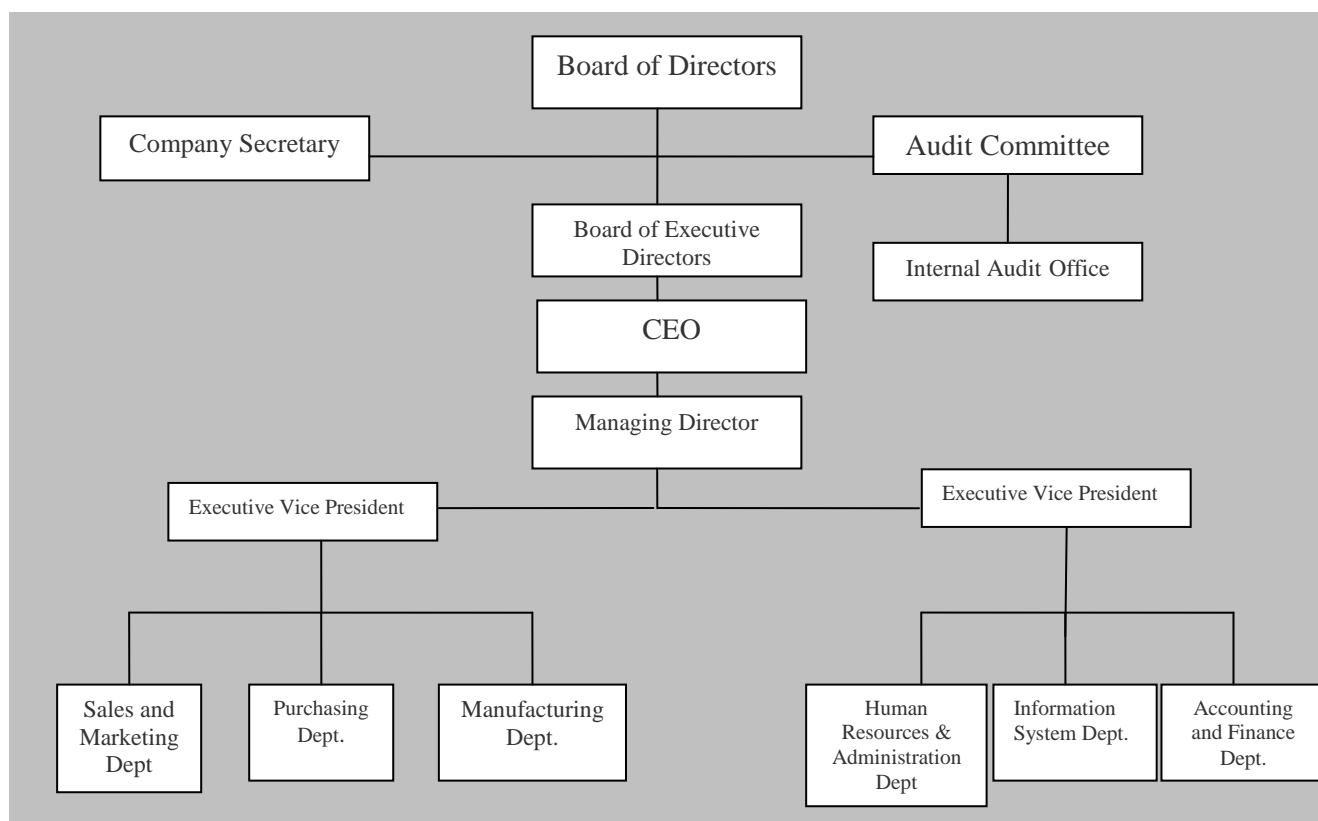
Securities	Unit (s)					Conversion price	Exercise price	Last Exercising Date
	Issue	Outstanding	Offering	Warrant Exercised	Outstanding			
TCC-W1	331,230,087	8,213,877	323,016,210	311,941,748	11,074,462	1 : 1.39010	0.719 Baht/Share	30-Oct-14
TCC-W2	75,982,482	-	75,982,482	7,651,581	68,330,901	1 : 1.21782	0.821 Baht/Share	3-May-18
TCC-W3	92,208,576	-	92,208,576	6,212	92,202,364	1 : 1.14249	0.875 Baht/Share	1-May-22
TCC-W4	369,779,804	-	369,779,804	-	369,779,804	1 : 1	1.000 Baht/Share	14-May-23

- TCC-W1 will be exercised as the last working day of each quarter to 30 October 2014 which is the final exercising date. On 31 December 2013, a total of 1.99 million units were converted through the rights to exercise TCC. The Company has already registered the changes in paid-up capital on 3 January 2014.
- TCC-W2 will be exercised as the last working day of each quarter 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 day of each quarter to 1 April 2022 which is the final exercising date. The first exercise on 28 December 2012.
- TCC-W4 will be exercised as the last working day of each quarter to 14 May 2023 which is the final exercising date. The first exercise on 27 December 2013.

Management

Management Structure

Management structure as at 31 December 2013 is as follow:



คณะกรรมการบริษัท

Board of Directors

Board of Directors as at 31 December 2013 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	12.29%	Director
5.	Mr. Boon-anant	Srikhao	Less than 1%	Director
6.	Mr. Chalit	Limpanavech	-	Independent Director and Chairman of Audit Committee
7.	Ms. Nataya	Ouivirach	-	Independent Director and Audit Committee
8.	Mr. Chaipat	Sahasakul	-	Independent Director and Audit Committee

Note:

1. Mr. Bandid Chotiwannaporn resigned from the Director on 16 August 2013
2. Mr. Paiboon Sutuntivorakoon resigned from the Independent Director and Audit Committee on 31 August 2013. The Board of Directors' Meeting no. 5/2013 held on 24 September 2013 resolved to appoint Mr. Chaipat Sahasakul as Independent Director and Audit Committee with continuing service term from Mr. Paiboon Sutuntivorakoon
3. Mr. Kamphol Patana-anukul is a Company Secretary

Independent Director

Independent Director is defined by the Company's Board of Directors as follows:

1. Holding shares not exceeding 1 percent of the total shares with voting rights of its parent company, its subsidiary, its associated company or potential conflicting juristic person (provided that any shares held by his or her related person as stipulated in section 258 of securities laws (No.4) 2008 must be taken into account).
2. Not being (at present) nor having been (2 years prior to appointment) an executive director (including the director who has the same responsibility as management and authorized director except for the signature in transactions approved by the Board of Directors and joint signing with other directors), employee, officer, monthly paid advisor or controlling person of the Company, its parent company, its subsidiary, its associated company, its parallel subsidiary (subsidiary of the same holding company) or potential conflicting juristic person.
3. Not being a person related by blood or by registration under laws such as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person or such other persons who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary.
4. Not having (at present) nor having had (2 years prior to appointment) a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person that might interfere his or her use of independent discretion, including not being (at present) nor having been (2 years prior to appointment) a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person with transaction value equal to or more than 3 percent of net tangible assets (NTA) of the Company. The calculation of such transaction value must include the transaction incurred during 1 year prior to the date entering into the business relationship with the same person. The aforementioned business relationship includes any trading transaction in the ordinary course of business, taking or granting a lease of real property, any transaction relating to assets or services, and granting or acceptance of financial assistance.
5. Not being (at present) nor having been (2 years prior to appointment) an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person as well as not being a major shareholder, a director who is not an independent director, an executive, or a managing partner of the auditing firm employing an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person.
6. Not being (at present) nor having been (2 years prior to appointment) any professional service providers, including a legal advisor or a financial advisor, obtaining service fees of more than baht two million per annum from the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person. If a professional service provider is a juristic person, this will include a major shareholder, a director who is not an independent director, an executive or a managing partner of such professional service provider.
7. Not being a director appointed to represent any director of the Company, a major shareholder or a shareholder who is a related person to the Company's major shareholder.

8. Not having any other characteristic which makes him or her incapable of expressing an independent opinion with regard to the Company's operation.

Authorized Directors

Mr. Charoenchai Chaivikrai, Ms. Yupin Chavikrai, 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 as at 31 December 2013 comprises of the following members:

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

Note:

1. Mr. Paiboon Sutuntivorakoon resigned from the Independent Director and Audit Committee on 31 August 2013. The Board of Directors' Meeting no. 5/2013 held on 24 September 2013 resolved to appoint Mr. Chaipat Sahasakul as Independent Director and Audit Committee with continuing service term from Mr. Paiboon Sutuntivorakoon
2. Ms. Boonnee Kusolsopit is Secretary of 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

Executive Directors

Executive Directors of the Company as at 31 December 2013 comprises of the followings:

Name - Last name		Shareholding (%)	Position
1.	Mr. Charoenchai Chaivikrai	-	Chief Executive Officer
2.	Mr. Boon-anant Srikhao	Less than 1%	Executive Vice President

Note: Mr. Bandid Chotiwannaporn resigned from the Executive Director on 16 August 2013

Executive Directors

Executive Directors of the Company as at 31 December 2013 comprises of the followings:

	Name	- Last name	Shareholding (%)	Position
1.	Mr. Charoenchai	Chaivikrai	-	Chief Executive Officer
2.	Mr. Boon-anant	Srikhao	Less than 1%	Executive Vice President
3.	Mr. Kamphol	Patana-anukul	-	Executive Vice President/ CFO and Company Secretary
4.	Mr. Boon-anant	Tamapipon	-	Executive Vice President/ Senior Marketing Director

Note: Mr. Bandid Chotiwanaporn resigned from Managing Director on 16 August 2013

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 and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee

The Company is in process of setting Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee which shall be complete within 2014.

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. One director must have knowledge or experience in accounting or finance, and have consistent knowledge of events affecting the changes in the Company's financial report in order to increase the efficiency of the Audit Committee. The Audit Committee shall hold office on a three-year term.

When the term of service expires or there is any circumstance causing any member to be unable to hold office until expiration, thus making the number of committee members to be lower than three persons, the Board of Directors or the shareholders' meeting should appoint the new member to fill up the vacancy immediately or not later than three months from the date of vacancy to ensure the continual performance of the Audit Committee.

Composition and appointment of the Executive Directors

The executive directors are appointed by the Board of Directors

Remuneration of Directors and Management

During the years 2012-2013, 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:

	Director		Audit Committee	
	2012	2013	2012	2013
<u>Annual Remuneration</u> (Baht/Person/Year)				
Chairman	250,000	250,000	250,000	250,000
Director (Independent Director only)	150,000	150,000	200,000	200,000
<u>Meeting Allowance</u> (Baht/Person/Attendance)				
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:

Meeting Attendance

			2013	
			Board of Directors' Meeting	Audit Committee's Meeting
Name	Last name			
1	Mr. Munsin	Chaivirkrai	4/6	
2	Mr. Charoenchai	Charivikrai	5/6	
3	Ms. Yupin	Chaivikrai	6/6	
4	Mr. Kittisak	Charivikrai	3/6	
5	Mr. Bandid	Chotiwanaporn	4/4	
6	Mr. Boon-anant	Srikhao	5/6	
7	Mr. Chalit	Limpanavech	4/6	2/4
8	Ms. Nataya	Ouivirach	6/6	4/4
9	Mr. Paiboon	Sutuntivorakoon	4/5	3/4
	Mr. Chaipat	Sahasakul	1/5	1/4
Total			42/51	10/12

Note:

1. Mr. Bandid Chotiwanaporn resigned from the Director on 16 August 2013
2. Mr. Paiboon Sutuntivorakoon resigned from the Independent Director and Audit Committee on 31 August 2013. The Board of Directors' Meeting no. 5/2013 held on 24 September 2013 resolved to appoint Mr. Chaipat Sahasakul as Independent Director and Audit Committee with continuing service term from Mr. Paiboon Sutuntivorakoon

Director's Remuneration

Name Last name			2012	2013
			Remuneration	Remuneration
1	Mr. Munsin	Chaivirkrai	280,000	290,000
2	Mr. Charoenchai	Charivikrai	40,000	50,000
3	Ms. Yupin	Chaivikrai	40,000	60,000
4	Mr. Kittisak	Charivikrai	40,000	30,000
5	Mr. Bandid	Chotiwannaporn	40,000	40,000
6	Mr. Boon-anant	Srikhao	40,000	50,000
7	Mr. Chalit	Limpanavech	190,000	190,000
8	Ms. Nataya	Ouivirach	180,000	210,000
9	Mr. Paiboon	Sutuntivorakoon	190,000	190,000
	Mr. Chaipat	Sahasakul	-	10,000
Total			1,040,000	1,120,000

Audit Committee's Remuneration

Name Last name			2012	2013
			Remuneration	Remuneration
1	Mr. Chalit	Limpanavech	290,000	270,000
2	Ms. Nataya	Ouivirach	230,000	240,000
3	Mr. Paiboon	Sutuntivorakoon	240,000	230,000
	Mr. Chaipat	Sahasakul	-	10,000
Total			760,000	750,000

Corporate Governance

Corporate Governance, as defined by the Stock Exchange of Thailand (SET), is a set of structures and processes of the relationships between a company's board of directors, its management and its shareholders to develop the company's competitiveness, growth and shareholder value in long term while taking into account the interests of other company's stakeholders. The Board of Directors has conducted business in accordance with the concepts of good corporate governance as defined by the Principles of Good Corporate Governance and the regulations specified by the Securities Exchange Commission (SEC) in order to promote the Company's management efficiency and to serve as a basis for sustainable business development, which are presented in 5 categories as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board of Directors

Chapter 1 and 2 - Rights and Equitable Treatment of Shareholders

The Company must recognize shareholders' rights and ensure equitable treatment to all shareholders in respect of both statutory rights, such as the right to attend and vote in shareholders' meetings, the right to approve dividend payment and the right to specify remuneration for directors; and non-statutory rights such as disclosure of information and news to shareholders via the Company's website.

With regard to shareholders' meetings, all shareholders are allowed to propose the meeting agendas and the names of candidate directors to the Company in advance from mid-February prior to the Company's Annual General Meeting of Shareholders. Additionally, the Board of Directors has set various criteria such as the shareholding percentage of those proposing candidate directors, support data for consideration, various channels for submission of information and the submission deadline. Relevant information will be published through the channel of the SET and details of the said criteria are also available on the Company's website. The Company's meeting invitation contains supporting information for each agenda and various proxy forms as well as a list of independent directors in case any shareholders are unable to attend the meeting but would like to assign proxy to attend the meeting on their behalf. The Company has posted the meeting invitation and related attachments in both Thai and English via its website in advance of the meeting so that shareholders can study all information prior to receiving the invitation.

At the Annual General Meeting of Shareholders, all members of the Board of Directors shall attend the meeting unless having inevitable matter. The meeting Chair, who is also Chairman of the Board of Directors will inform all the attendees about regulations governing the meeting, enabled the shareholders to use their right to elect each individual director, as well as allowed the shareholders to express their opinions and pose any inquiries relating to the meeting or the Company. Furthermore, the Company has encouraged the shareholders to send their questions to the Company in advance via the Company's email.

After the Company's Annual General Meeting of Shareholders, the meeting minutes shall be prepared for dissemination through the Company's website within 14 days.

With regards to control of usage of internal information, the Board of Directors has a policy to prevent directors, executives, and employees from using internal information they may

acquire through their status for their own or other persons' benefits. Details of this policy are presented under the section "Supervision of inside Information Usage". In addition, the Company has prescribed measures and procedures on the approval of connected transactions between the Company and its stakeholders or relevant parties to ensure that the directors who have conflicts of interest or participated in such transactions do not have the right to vote in the decision making process.

Chapter 3 - Role of Stakeholders

The Company realizes the importance and gives due care to all groups of stakeholders both inside and outside the Company, such as the shareholders, employees, customers, suppliers and competitors with respect to their legal rights, as well as undertakes responsibility for the society and the public. The Board of Directors therefore stipulates a code of business ethics as guidelines for the Board of Directors, the management team and employees in their operations. It is the duty and responsibility of everyone to comply with this code. The synopsis is as follows:

- Employees: The Company shall treat all employees equally, fairly, according to the laws, and shall grant rewards and benefits in an appropriate manner.
- Suppliers: The Company treats its suppliers equally and fairly by not charging, receiving or paying any benefits to or from suppliers unfairly, by strictly complying with the mutually agreed terms and conditions, and by developing and maintaining a sustainable relationship with suppliers and contract counterparties through mutual trust.
- Customers: The Company stresses the importance of customer satisfaction and confidence by consistently providing customers with high quality products and services at reasonable prices while maximizing customers' benefits with integrity and honesty.
- Competitors: The Company competes fairly with all business competitors under the justified framework of complying with a good business competition practice with morality and not damaging the reputation of its competitors by making false accusations.
- 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. Additionally, the Company urges its employees to save resources/energy e.g. electricity, water, and fuel. The Company places importance on providing supporting activities to the community around the Head Office and Petchburi factory with key activities in 2013 being:
 - Giving money and necessary equipment to Thammick Witaya School (school for blind people) under the Royal Patronage
 - Giving money and equipment to support Red Cross Fair of Petchburi
 - Giving necessary equipment to the Annual Meeting of Moo 6 Community, Nong Chumpon, Khao Yoi, Petchburi
 - Supporting Loy Krathong activities at Nong Chumpon Temple, Khao Yoi, Petchburi

The stakeholders may send their comments or suggestions to the Board of Directors through the Company's secretary via the Company's website or by mail. If anyone discovers any illegal or unethical acts, inaccurate financial reports or weak internal control systems, they can inform through the Company's secretary, and the Company will protect the informants by keeping their name as confidential. The Audit Committee will then examine the submitted information and report it to the Board of Directors.

Chapter 4 – Disclosure and Transparency

The Company discloses all of its important information, both financial and non-financial, via the Company's website. This includes information about the organization, corporate governance policy, shareholding structure, structure of the Board of Directors and its Committees, as well as news inside and outside the organization, which is mostly available in Both Thai and English. Shareholders and investors are also provided easy access to the Company's website to download the Annual Report, the Annual Registration Statement (Form 56-1) and the financial statements. In addition, the Company sets up an investor relations unit to communicate with shareholders, investors, and securities analysts equally.

Chapter 5 – Responsibilities of the Board of Directors

The Board of Directors comprises of 8 directors as follows:

- 3 Independent Directors who are also Audit Committee members (Mr. Chalit Limpanavetch, Ms. Nataya Ouivirach, Mr. Chaipat Sahasakul)
- Directors who also represent major shareholders comprising 5 persons (Mr. Munsin Chaivikrai, Mr. Kittisak Chaivikrai, Ms. Yupin Chaivikrai, Mr. Chareonchai Chaivikrai, and Mr.Boon-anant Srikhao)

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

The structure of the Board of Directors consists of directors with extensive knowledge and experience in various fields relating to the Company's business, e.g. law, accounting, financial, banking, economics, corporate governance and engineering. The Board of Directors directly appoints two sub-committees: the Audit Committee and the Executive Committee. In 2014, the Board of Directors will further appoint Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee. All sub-committees have a scope of authority, responsibility and qualifications as specified by the Board of Directors and report directly to the Board on a quarterly basis. The Independent Directors also regularly hold a meeting with no participation from the Company's executive management.

The Board of Directors approves the Company's vision, mission and income projection of the following year as well as an annual investment budget. The Board of Directors also revises standards of corporate governance, risk management policy and transactions that may cause conflicts of interest (if any), and expresses opinions on the adequacy of the internal control system. Due to no Nomination and Remuneration Committee in the past, policy and criteria on payment of directors' remuneration are determined by the Board of Directors and approved by the shareholders (in 2014, the Board of Directors will appoint Nomination and Remuneration Committee). Considerations for remuneration are based on comparison with the industry and

the Company's operating results. The Board of Directors also sets remuneration for sub-committees except for the Executive Committee's members.

Business Ethics, Policy, and Guidance of the Directors for Assuming Directors Roles in Other Companies

Directors shall not be engaged as directors or advisors of other companies, organizations, and associations that may conflict with the interest and the business of The Company. Acknowledgement by the Board must be sought before engaging in any organization. Directors shall not be engaged in the Director position in more than 5 registered companies. Directors shall promptly notify the Board of any conflict of interest or changes in share ownership of the Company, associates, or subsidiaries.

Board of Directors Self-Assessment

The Board regularly conducts self-assessment so as to consider their performances and problems during the past year for further improvement. The Board has approved the use of self-appraisal form recommended by the SET.

Board and Management Development

The Board pays attention to continuous development of directors and management with the following development plans were implemented to foster directors' efficiency and effectiveness:

New Director

Directors' orientation was arranged to give directors the first hand information of the company as well as governing laws and regulations and the opportunity to meet the management team for in-depth inquiries about the company's business.

Existing Directors

The Board encourages continued development including attending outside trainings by the IOD or other trainings which are relevant to the Company's business.

Supervision of Inside Information Usage

The Company has a strict policy prohibiting its directors, executives, and employees who know the inside information from using that information for his/her own or other person interests. The Company's guidelines on this policy are as follows.

1. The Company informs the directors and executives about the use of inside information and obligations to report their trading of Company's and its subsidiaries' stock including the trading executed by their spouses and dependents that have not come of age. They are also informed about the relevant penalties thereof according to the Securities and Securities Exchange Act B.E.2535 and its amendment as well as the regulations of the Stock Exchange of Thailand.
2. It is an obligation of directors and executives to prepare the report of their ownerships of the Company's stock, including those stocks owned by their spouses or dependents that have not come of age, and submit to the Securities and Securities Exchange Commission. The report should be as follows.
 - Report the first ownerships of stock (Form 59-1) within 30 days after the public offering closing date or the day that they are appointed to be directors or executives.

- Report the changes of stock ownerships (Form 59-2) from buying, selling, or transferring of stocks within 3 days after buying, selling, or transferring of those stocks. On the day that they submit the report to the Securities and Securities Exchange Commission, a copy must be sent to the Company.
- 3. 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.

Internal Control

The Company has realized the importance of the internal control system, both at the management and the operation levels. 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 with key roles and responsibilities as follows:

- Prepare an annual audit plan
- Review and provide recommendation to the Company regarding proper internal control
- Prepare Internal Audit Report according to the plan and report to the Audit Committee on a quarterly basis
- Assess risk and adequacy of internal control and report to the Audit Committee
- Ensure that the Company complies with the rules and regulation issued by SET and SEC.

In 2013, based on the result of internal audit, which was consistent with the opinion of the Company's external auditor, there was no significant implications noted in 2013 and that the Company adopted an adequate and appropriate internal control system.

Risk Factors

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.

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 2013, 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.

Risk from dependent on small number of distributors/manufacturers

Currently, the Company purchases coal from Indonesia, which is one of the three largest coal exporters in the world. Majority of the coal was purchased from two-three major distributors/manufacturers. 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, 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. 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 has been in the process of negotiation with 5-6 other distributors/manufacturers and will negotiate with further 2-3 partners in 2014.

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.

Risk from Uncollectible Accounts Receivable (Credit Risk)

In light of the economic conditions including fluctuations of various external factors such as exchange rates, prices of raw materials in the category of oil and metal ores, inflation rates, economic crisis in other countries, etc. as well as domestic political upheaval may diversely affect the liquidity problems of certain customers of the Company and possible impacts on their debt servicing ability.

In order to reduce the risk of unpaid debts, the Company shall examine financial status and reputation of its customers prior to accepting any engagement. In some cases, the Company may request for a payment guarantee prior to the beginning of operations such as advance payment, a letter of bank guarantee or avals. The Company shall set up an allowance for doubtful accounts for expected uncollectible debts, follow up debt collection until the case is final and further pursue legal action as deemed necessary.

Audit Committee's Report

Audit Committees of Thai Capital Corporation Public Company Limited ("TCC") comprised of 3 independent directors for the meeting no.1-3/2013 who are Mr. Chalit Limpanavech as a Chairman of Audit Committee., Ms. Nataya Ouivirach and Mr. Paiboon Sutuntivorakoon as Audit Committees. Due to increasing personal assignments, Mr. Paiboon Sutuntivorakoon resigned from the Company. The Company therefore invited Mr. Chaipat Sahasakul in assume the position of Audit Committee with period of service continuing from Mr. Paiboon Sutuntivorakoon. Mr. Chaipat Sahasakul participated in the Audit Committee meeting no. 4/2013.

All members of Audit Committee 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 2013, the audit committees held 4 meetings with the details of each one as follow:-

	Name Last name		Position	No. of Attendance
1	Mr. Chalit	Limpanavech	Independent Director and Chairman of Audit Committee	2/4
2	Ms. Nataya	Ouivirach	Independent Director and Member of Audit Committee	4/4
3	Mr. Paiboon	Sutuntivorakoon	Independent Director and Member of Audit Committee	3/4
	Mr. Chaipat	Sahasakul	Independent Director and Member of Audit Committee	1/4

Note: Chairman of Audit Committee was absent from 2 meeting due to:

1. Travelling overseas and could not return on schedule due to cinevitable event, and
2. Immediate necessity for eye operation

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.

Reviewed the internal control operation: the committee reviewed the suitability of the internal control systems in 2013, the result was that the company's internal controls were appropriate which was also consistent with the opinion from external auditor.

Monitored the internal audit: The committee considered and approved scope and plan of the internal audit for 2013, and considered results thereon. The internal auditor directly reported to the Audit Committee for the independency of the Internal Auditor.

Review of risk management: The committee revisited with the management on risk management process of the Company, follow up on the process, propose the Company on the efficient way of the risk management process to ensure that the Company continuously maintains the risk management and consider preventive method and manage significant risks of the business both current and in the future as well as determine the way to improve the process.

Ensure the Company complies with the rules and regulations of SET and other related regulations: 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.

Consider the elections of the auditors of the Company: The committee considered the elections of the auditors for year 2014 by reviewing the qualification, professional experiences, and the appropriateness of audit fee and has a resolution to propose to Board or Directors to ask for the approval of AGM 2014 to appoint Ms.Thittraporn Klinklao CPA License No.3726 and Mr. Kosol Yamsrimool, CPA License no. 4575 of BDO Limited to be the auditors of the company for 2014.

14 March 2014

On behalf of the audit committee



Mr. Chalit Limpanavech
Chairman of Audit Committee

Connected Transactions

In doing business, the Company has related-party transactions with its subsidiary. Information and details of the related-party transactions are disclosed in Note 9, 10, 11 of the Financial Statements for the Year Ended 31st December 2013.

Measures or Procedures on the Approval of the Connected Transactions

The Board of Directors has supervised the Company to ensure compliance with the Securities and Securities Exchange Act, rules, notifications, orders, or regulations prescribed by the Stock Exchange of Thailand including the regulations regarding the disclosure of information on the connected transaction and the acquisition or disposition of the Company's asset.

If the Company enters into a connected transaction with person who may have conflict, interest, or may cause conflict of interest in the future, the Audit Committee shall advise on the necessity of the transaction and suitability of its price. The advice would base on the terms and conditions of the normal business practice in the market and the price would be compared with the market price. In case that the Audit Committee does not have skill to consider the particular connected transaction, the Company shall appoint the independent expert or the Company's external auditor to provide comments on that transaction to be used for the decision of the Board of Directors, and/or the Audit Committee and/or the shareholders whatever the case may be. The Company shall disclose the connected transactions in the note accompanying the financial statements that are audited or reviewed by the Company's external auditor.

The Company has complied with the regulations of the Stock Exchange of Thailand and its amendments regarding the connected transaction and/or the acquisition and disposition of asset of the listed company as well as the disclosure of information to the Company's shareholders, general investors, and relevant agencies including the Stock Exchange of Thailand. The regulations also include the approval from the Board of Directors' Meeting and/or The meeting of shareholders as prescribed by the Stock Exchange of Thailand. In addition, directors or shareholders who have conflicts of interest or participate in such transactions do not have the right to vote in the decision making process.

Policy or Trend on the Connected Transaction Including the Acquisition and Disposition of Asset in the Future

The connected transaction that might happen in the future must comply with the measures prescribed earlier.

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 2013 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, 2013.



Mr. Munsin Chaivikrai
Chairman of the Board



Mr. Charoenchai Chaivikrai
Managing Director

MD&A of Financial Positions and Operating Result

Financial performance

Unit : Million Baht

Profit & Loss	2011	2012 (Restated)	2013
Revenues from sales	1,194.99	1,021.34	929.47
Cost of sales	1,017.31	901.21	825.21
Gross profit (loss)	177.68	120.13	104.26
Other operating income	4.49	8.28	12.16
Selling and administration expenses	(108.63)	(107.62)	(182.01)
Allowance for impairment of assets (reveral)	12.28	-	-
Loss for diminutions of inventories (reversal)	-	(4.26)	(4.24)
Management benefit expense	(5.70)	(5.83)	(5.40)
Interest expenses	(1.52)	(5.99)	(0.08)
Income tax benefit (expenses)	-	(5.38)	0.87
Net profit (loss) for the period of continuing operation	78.60	(0.67)	(74.44)
Net profit (loss) for the period of discontinuing	7.89	4.18	21.59
Net profit (loss)	86.49	3.51	(52.85)
Net profit (loss) attributable to minority interest	-	-	-
Net profit (loss) attributable to Equity holders of the parent	86.49	3.51	(52.85)
Basic earnings (loss) per share	0.1028	0.0038	(0.0456)
Diluted earnings (loss) per share	0.0820	0.0030	(0.0433)

Financial status

Unit: Million Baht

Balance Sheet	2011	%	2012 (Restated)	%	2013	%
Cash and cash equivalents	48.88	5.43%	165.67	18.41%	165.91	17.59%
Temporary investment	-	-	8.23	0.91%	130.05	13.79%
Trade accounts receivable - related parties, net	3.56	0.40%	2.96	0.33%	9.75	1.03%
Trade accounts and notes receivable - third parties, net	211.66	23.53%	135.05	15.01%	148.31	15.73%
Other receivables	4.18	0.46%	7.09	0.79%	6.54	0.69%
Inventories, net	385.96	42.90%	268.09	29.80%	196.28	20.81%
Other current assets, net	28.97	3.22%	16.96	1.88%	0.81	0.09%
Total Current Assets	683.21	75.94%	604.05	67.13%	657.65	69.74%
Investment pledged as collateral	65.84	7.32%	135.84	15.10%	135.84	14.40%
Property, plants and equipment, net	147.44	16.39%	141.72	15.75%	130.63	13.85%
Deferred tax asset	2.14	0.24%	1.64	0.18%	1.27	0.13%
Intangible asset, net	-	-	15.67	1.74%	16.55	1.76%
Other non - current assets, net	1.02	0.11%	0.86	0.10%	1.07	0.11%
Total Non - Current Assets	216.44	24.06%	295.73	32.87%	285.36	30.26%
TOTAL ASSETS	899.65	100.00%	899.78	100.00%	943.01	100.00%

Financial status (Con't)

Unit: Million Baht

Balance Sheet	2011	%	2012 (Restated)	%	2013	%
LIABILITIES						
Short-term loan from financial institution	124.92	13.88%	9.66	1.07%	-	-
Trade accounts payable - third parties	134.73	14.98%	81.38	9.04%	108.14	11.47%
Current portion obligation under finance lease	0.58	0.06%	-	-	-	-
Short-term loan from related party	-	-	-	-	0.04	0.00%
Other current liabilities	1.26	0.14%	0.60	0.07%	0.64	0.07%
Total Current Liabilities	261.49	29.07%	91.64	10.18%	108.82	11.54%
Non - Current Liabilities	-	-	-	-	-	-
Employee benefit obligation	0.59	0.07%	0.86	0.10%	1.12	0.12%
Total Non-Current Liabilities	0.59	0.07%	0.86	0.10%	1.12	0.12%
Total Liabilities	262.08	29.13%	92.50	10.28%	109.94	11.66%
Shareholders' Equity						
Share capital	726.50	80.75%	784.49	87.19%	881.49	93.48%
Paid up share capital	452.44	50.29%	470.85	52.33%	592.01	62.78%
Premium on ordinary share	76.89	8.55%	90.63	10.07%	168.59	17.88%
Advance receipts for share subscription	8.83	0.98%	121.84	13.54%	1.98	0.21%
Retained earnings (deficits)	99.41	11.05%	123.96	13.78%	71.12	7.54%
Exchange rate difference on translating financial statements	-	-	-	-	(0.63)	(0.07)
Total Parent's Shareholders' Equity	637.57	70.87%	807.28	89.72%	833.07	88.34%
attributable to non-controlling interests	-	-	-	-	-	-
Total Shareholders' Equity	637.57	70.87%	807.28	89.72%	833.07	88.34%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	899.65	100.00%	899.78	100.00%	943.01	100.00%

Cash flow

Unit: Million Baht

	2011	2012 (Restated)	2013
Net Cash Provided (Used) from Operating Activities, Net	(182.41)	170.67	45.22
Net Cash Provided (Used) from Investing Activities	(73.09)	(83.20)	(114.64)
Net Cash Provided (Used) from Financing Activities	269.33	29.32	69.65
Cash and Cash Equivalent Increase(Decrease), Net	13.83	116.79	0.23

Financial highlight ratio

	Unit	2011	2012 (Restated)	2013
Current ratio				
Current ratio	Times	2.61	6.59	6.04
Quick ratio	Times	1.14	3.67	4.24
Account receivable turnover	Times	7.48	5.60	6.00
Collection period	Days	48.82	65.13	60.81
Inventory turnover	Times	3.99	2.76	3.55
Average number of days sales	Days	91.59	132.45	102.70
Account payable turnover	Times	11.82	8.34	8.71
Payment period	Days	30.87	43.76	41.91
Cash Conversion Cycle	Days	109.54	153.82	121.60
Profitability ratio				
Gross profit (loss) margin	%	14.87	11.76	11.22
Operating profit (loss) margin	%	6.71	1.05	(8.09)
Net profit (loss) margin	%	7.24	0.34	(5.69)
Return on Equity - ROE	Times	13.57	0.43	(6.34)
Efficiency Ratio				
Return On Assets – ROA	Times	9.61	0.39	(5.60)
Return On Fixed Assets	Times	58.66	2.48	(40.46)
Financial ratio				
Total debt-to-total assets ratio	Times	0.29	0.10	0.12
Debt to Equity ratio	Times	0.41	0.11	0.13
Share price				
Basic earnings (loss) per share	Baht/Share	0.1028	0.0038	(0.0456)
Diluted earnings (loss) per share	Baht/Share	0.0820	0.0030	(0.0433)
Basic book value per share	Baht/Share	0.76	0.87	0.72
Diluted book value per share	Baht/Share	0.60	0.70	0.68

Operating Results

In 2013, the company had sales income only from coal sales 929.47 million baht, decreasing from previous year at 9%. The decrease thereof was caused fierce competition of coal business and continuous drop down of world coal prices. The Company had an attempt to control cost of sales which can be seen from the 2013 gross profit which was deemed comparable to 2012 at 11.22% and 11.76%, respectively.

Selling and Administrative expenses in 2013 totaled Baht 182.01 Million, increasing from Baht 107.62 Million in 2012 by Baht 74.39 Million mainly due to higher expenses related to transportation and sales promotion totaling Baht 17.21 Million, and allowance for doubtful debts totaling Baht 32 Million and expenses related to reclaim tax amounting to Baht 17 Million.

In 2013, the company's net loss was 52.85 million baht (basic loss per share of Baht 0.046 per share), decreasing from last year which was net profit of Baht 3.5 Million. The net operating result of 2013 comprised net profit from discontinued operation of Baht 21.59 Million which was majorly revenue from reclaim of taxes and net loss from coal business of Baht 74.44 Million.

Financial Position

Assets

Total Assets in the year 2013 amounting to Baht 943.01 Million, increasing from Baht 899.78 Million in 2012 about Baht 43.23 Million, due to the following factors:

- Increase in temporary investment of Baht 121.82 Million
- Increase in Trade accounts and notes receivable - third parties, net amount of Baht 13.26 Million
- Decrease in Inventories, net amount of Baht 71.81 Million
- Decrease in other current assets of Baht 16.15 Million

Temporary investment increased mainly from short-term investment in open-ended with cash in-flow received from general course of business and the exercises of Warrants which was consistent with the decrease in inventories. Other current assets decreased mainly from tax receivable amount of Baht 16.37 Million which the Company reclaimed from Revenue Department during the year.

Liabilities and Shareholders' Equity

Total amount Liabilities as at 31 December 2013 was Baht 109.94 Million, which increased from Baht 92.50 Million as at 31 December 2012 by Baht 17.44 Million with the main factor being an increase in trade and other payables balance by Baht 87.01 million which was majorly related to coal purchasing. In consideration of debt payment ability of the company, the company had slightly faster repayment period than the previous year, which was 42 days. (2012: 44 days). Shareholders' Equity as at 31 December 2013 was Baht 833.07 Million, which increased from 2012 by Baht 25.79 Million mainly due to the net offset of cash

received from exercises of Warrants during the year totaling Baht 79.27 Million and net loss for the year of Baht 52.85 Million.

Sources of Capital

Apart from changes in Working Capital amount used for normal operations. During the year, the Company received cash from exercises of Warrants during the year totaling Baht 79.27 Million.

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, TCC-W3 and TCC-W4. As at 31 December 2013, 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	Last Exercising Date
	Issue	Outstanding	Offering	Warrant Exercised	Outstanding			
TCC-W1	331,230,087	8,213,877	323,016,210	311,941,748	11,074,462	1 : 1.39010	0.719 Baht/Share	30-Oct-14
TCC-W2	75,982,482	-	75,982,482	7,651,581	68,330,901	1 : 1.21782	0.821 Baht/Share	3-May-18
TCC-W3	92,208,576	-	92,208,576	6,212	92,202,364	1 : 1.14249	0.875 Baht/Share	1-May-22
TCC-W4	369,779,804	-	369,779,804	-	369,779,804	1 : 1	1.000 Baht/Share	14-May-23

- TCC-W1 will be exercised as the last working day of each quarter to 30 October 2014 which is the final exercising date. On 31 December 2013, a total of 1.99 million units were converted through the rights to exercise TCC. The Company has already registered the changes in paid-up capital on 3 January 2014.
- TCC-W2 will be exercised as the last working day of each quarter 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 day of each quarter to 1 April 2022 which is the final exercising date. The first exercise on 28 December 2012.
- TCC-W4 will be exercised as the last working day of each quarter to 14 May 2023 which is the final exercising date. The first exercise on 27 December 2013.

Audit Fee

In 2013, the Company's Auditors comprised of Ms. Thittraporn Klinklao, Certified Public Accountant Number 3726, of BDO Co., Ltd. The audit fee for year 2013 was Baht 679,000. No other non-audit fee paid to Ms. Thittraporn Klinklao or BDO Co., Ltd.

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, 2013, 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, 2013, 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.

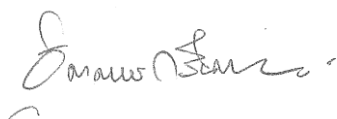
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 subsidiaries as at 31st December, 2013, 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, 2013, 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.

Emphasis of Matter

Without qualifying my opinion I draw attention to Note 6, to the financial statement, the Company apply TAS 12 Income tax in the current period. Therefore, the prior year's financial statements have been restated to conform to the new accounting policy which has effect on the decrease in profit after tax for the year ended 31st December, 2012 by Baht 5,376 thousand and decrease in profit per share of the same period by Baht 0.0067 per share.



Ms. Thittraporn Klinklao
Certified Public Accountant (Thailand) No. 3726
BDO Limited
BANGKOK: 25th February, 2014

FINANCIAL STATEMENTS

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

		Consolidated Financial Statement		Separated Financial Statement	
	<u>Note</u>	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	7	165,905	165,672	150,946	164,691
Temporary investment	8	130,049	8,224	130,049	8,224
Trade and other receivables	9	164,599	145,106	172,299	145,187
Inventories	11	196,284	268,093	196,284	268,093
Other current assets	12	814	16,953	812	16,953
Total current assets		657,651	604,048	650,390	603,148
NON-CURRENT ASSETS					
Investment in subsidiary companies	10	-	-	32,550	989
Investment pledged as collateral	13	135,840	135,840	135,840	135,840
Property, plant and equipment	14	130,629	141,718	130,516	141,600
Intangible asset	15	1,273	1,643	1,273	1,643
Deferred tax assets	16	16,552	15,678	16,552	15,678
Other non-current assets	17	1,071	858	1,071	858
Total non-current assets		285,365	295,737	317,802	296,608
TOTAL ASSETS		943,016	899,785	968,192	899,756

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

		Consolidated Financial Statement		Separated Financial Statement	
	<u>Note</u>	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loan from financial institution	18	-	9,661	-	9,661
Trade and other payables	19	108,137	81,377	130,817	81,122
Short-term loan from related party	10	44	-	-	-
Other current liabilities	20	638	603	640	597
Total current liabilities		108,819	91,641	131,457	91,380
NON-CURRENT LIABILITIES					
Employee benefit obligations	21	1,124	859	1,124	859
TOTAL LIABILITIES		109,943	92,500	132,581	92,239
SHAREHOLDERS' EQUITY					
Share capital	23				
Authorized share capital					
1,762,973,267 ordinary shares of Baht 0.50 each		881,487		881,487	
(2012 : 1,568,977,938 ordinary shares of Baht 0.50 each)			784,489		784,489
Issued and paid-up share capital					
1,184,016,724 ordinary shares of Baht 0.50 each		592,008		592,008	
(2012 : 941,692,824 ordinary shares of Baht 0.50 each)			470,846		470,846
Premium (deficit) on ordinary share	23	168,589	90,627	168,589	90,627
Advance receipts for share subscription	23	1,989	121,840	1,989	121,840
Retained earnings (deficit)					
Appropriated					
Legal reserve	24	7,097	7,097	7,097	7,097
Unappropriated		64,024	116,877	65,928	117,107
Other components of shareholders' equity					
Exchange rate differences on translating financial statements		(634)	(2)	-	-
Total equity attributable to the parent		833,073	807,285	835,611	807,517
Equity attributable to non-controlling interests		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY		833,073	807,285	835,611	807,517
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		943,016	899,785	968,192	899,756

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

FOR THE YEARS ENDED 31ST DECEMBER, 2013 AND 2012					
		Consolidated Financial Statement		(Unit : Thousand Baht) Separated Financial Statement	
	Note	2013	2012 (Restated)	2013	2012 (Restated)
CONTINUING OPERATING					
REVENUES					
Revenues from sales		929,471	1,021,335	929,471	1,021,161
Other operating income		12,159	8,284	12,180	8,452
TOTAL REVENUES		941,630	1,029,619	941,651	1,029,613
EXPENSES					
Cost of sales		825,207	901,208	825,207	901,208
Selling expenses		93,622	76,408	93,505	76,277
Administrative expenses		88,390	31,212	86,903	30,839
Allowance for declining in value of inventories		4,243	4,260	4,243	4,260
Management benefit expense		5,396	5,832	5,396	5,832
TOTAL EXPENSES		1,016,858	1,018,920	1,015,254	1,018,416
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX EXPENSES		(75,228)	10,699	(73,603)	11,197
FINANCE COSTS		(88)	(5,990)	(39)	(5,982)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSES		(75,316)	4,709	(73,642)	5,215
INCOME TAX BENEFIT (INCOME TAX EXPENSES)	16	874	(5,376)	874	(5,376)
PROFIT (LOSS) FOR THE YEAR OF CONTINUING OPERATION		(74,442)	(667)	(72,768)	(161)
DISCONTINUING OPERATION					
PROFIT (LOSS) FOR THE YEAR OF DISCONTINUING OPERATION	22	21,589	4,180	21,589	4,221
NET PROFIT (LOSS) FOR THE YEAR		(52,853)	3,513	(51,179)	4,060
EARNINGS (LOSS) PER SHARE (BAHT PER SHARE)					
26					
Basic earnings (loss) per share (Baht per share)					
- Continuing operation		(0.0642)	(0.0007)	(0.0627)	(0.0002)
- Discontinuing operation		0.0186	0.0045	0.0186	0.0045
		(0.0456)	0.0038	(0.0441)	0.0043
Diluted earnings (loss) per share (Baht per share)					
- Continuing operation		(0.0610)	(0.0006)	(0.0596)	(0.0001)
- Discontinuing operation		0.0177	0.0036	0.0177	0.0037
		(0.0433)	0.0030	(0.0419)	0.0036

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

	Consolidated Financial Statement		Separated Financial Statement	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
NET PROFIT (LOSS) FOR THE YEAR	(52,853)	3,513	(51,179)	4,060
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating financial statements	(632)	(2)	-	-
other	-	-	-	-
TOTAL COMPREHENSIVE INCOME (EXPENSES) FOR THE YEAR	<u>(53,485)</u>	<u>3,511</u>	<u>(51,179)</u>	<u>4,060</u>

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

Shareholders' equity to the parent's shareholders										
		Issued and paid-up share capital	Premium (deficit) on ordinary share	Advance receipts for share subscription	Retained earnings (deficit)		Other components of shareholders' equity Other comprehensive income Exchange rate differences on translating financial statements	Total shareholders' equity to the parent's shareholders	Non-controlling interests	Total
	Note				Appropriated Legal reserve	Unappropriated				
Balance as at 1st January, 2012		452,436	76,893	8,830	4,955	94,452	-	637,566	-	637,566
Impact of change in accounting policies	6	-	-	-	-	21,054	-	21,054	-	21,054
Balance as at 1st January, 2012 - restated		452,436	76,893	8,830	4,955	115,506	-	658,620	-	658,620
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)	-	-	-	-	-	-
Net profit (loss) for the period - restated		-	-	-	-	3,513	-	3,513	-	3,513
Other comprehensive income (loss) for the period		-	-	-	-	-	(2)	(2)	-	(2)
Total comprehensive income (loss) - restated		-	-	-	-	3,513	(2)	3,511	-	3,511
Appropriated for legal reserve	24	-	-	-	2,142	(2,142)	-	-	-	-
Non-controlling interests		-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2012 - restated		470,846	90,627	121,840	7,097	116,877	(2)	807,285	-	807,285

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY (Continued)
FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

		Shareholders' equity to the parent's shareholders								
						Other components of shareholders' equity				
						Other comprehensive income				
						Exchange rate differences on translating financial statements	Total shareholders' equity to the parent's shareholders	Non-controlling interests	Total	
	Note	Issued and paid-up share capital	Premium (deficit) on ordinary share	Advance receipts for share subscription	Retained earnings (deficit)					
					Appropriated Legal reserve	Unappropriated				
Balance as at 1st January, 2013		470,846	90,627	121,840	7,097	101,199	(2)	791,607	-	791,607
Impact of change in accounting policies	6	-	-	-	-	15,678	-	15,678	-	15,678
Balance as at 1st January, 2013 - restated		470,846	90,627	121,840	7,097	116,877	(2)	807,285	-	807,285
Advance receipt for share subscription increased during the period		-	-	79,273	-	-	-	79,273	-	79,273
Additional shares / Advance receipt for share subscription decrease during the period		121,162	77,962	(199,124)	-	-	-	-	-	-
Net profit (loss) for the period		-	-	-	-	(52,853)	-	(52,853)	-	(52,853)
Other comprehensive income (loss) for the period		-	-	-	-	-	(632)	(632)	-	(632)
Total comprehensive income (loss)		-	-	-	-	(52,853)	(632)	(53,485)	-	(53,485)
Appropriated for legal reserve	24	-	-	-	-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-	-	-	-
Balance as at 31st December, 2013		592,008	168,589	1,989	7,097	64,024	(634)	833,073	-	833,073

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

SEPARATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

		Issued and paid-up share capital	Premium (deficit) on ordinary share	Advance receipts for share subscription	Retained earnings (deficit) Appropriated Legal reserve	Unappropriated	Total
	<u>Note</u>						
Balance as at 1st January, 2012		452,436	76,893	8,830	4,955	94,135	637,249
Impact of change in accounting policies	6	-	-	-	-	21,054	21,054
Balance as at 1st January, 2012 - restated		452,436	76,893	8,830	4,955	115,189	658,303
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)	-	-	-
Net profit (loss) for the period - restated		-	-	-	-	4,060	4,060
Other comprehensive income (loss) for the period		-	-	-	-	-	-
Total comprehensive income (loss) - restated		-	-	-	-	4,060	4,060
Appropriated for legal reserve	24	-	-	-	2,142	(2,142)	-
Non-controlling interests		-	-	-	-	-	-
Balance as at 31st December, 2012 - restated		470,846	90,627	121,840	7,097	117,107	807,517

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATED STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY (Continued)
FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

		Issued and paid-up share capital	Premium (deficit) on ordinary share	Advance receipts for share subscription	Retained earnings (deficit) Appropriated Legal reserve	Unappropriated	Total
	<u>Note</u>						
Balance as at 1st January, 2013		470,846	90,627	121,840	7,097	101,429	791,839
Impact of change in accounting policies	6	-	-	-	-	15,678	15,678
Balance as at 1st January, 2013 - restated		470,846	90,627	121,840	7,097	117,107	807,517
Advance receipt for share subscription increased during the period		-	-	79,273	-	-	79,273
Additional shares / Advance receipt for share subscription decrease during the period		121,162	77,962	(199,124)	-	-	-
Net profit (loss) for the period		-	-	-	-	(51,179)	(51,179)
Other comprehensive income (loss) for the period		-	-	-	-	-	-
Total comprehensive income (loss)		-	-	-	-	(51,179)	(51,179)
Appropriated for legal reserve	24	-	-	-	-	-	-
Non-controlling interests		-	-	-	-	-	-
Balance as at 31st December, 2013		592,008	168,589	1,989	7,097	65,928	835,611

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

	Consolidated Financial Statement		(Unit : Thousand Baht)	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Cash flows from operating activities				
Net profit (loss) for the year	(52,853)	3,513	(51,179)	4,060
Income tax expenses (income tax benefit)	(874)	5,376	(874)	5,376
Interest expense	37	5,943	2	5,943
Interest income	(7,744)	(3,991)	(7,744)	(3,991)
Net profit (loss) before interest and income tax expenses	(61,434)	10,841	(59,795)	11,388
Adjustments to reconcile net profit (loss) before interest and income tax to net cash provided by (used in) operating activities				
Depreciation	12,440	13,149	12,413	13,149
Amortization	549	575	549	575
Employee benefit obligations	265	265	265	265
(Gain) loss on written off	124	-	124	-
(Gain) loss on sales of fixed assets	(982)	7	(982)	7
(Gain) loss on exchange rate differences	(641)	(4)	-	-
	(49,679)	24,833	(47,426)	25,384
<u>(Increase) decrease in operating assets</u>				
Trade and other receivables	(19,593)	75,680	(27,212)	75,689
Inventories	71,809	117,865	71,809	117,865
Other current assets	16,202	12,044	16,204	12,044
Other non-current assets	(213)	162	(213)	162
<u>Increase (decrease) in operating liabilities</u>				
Trade and other payables	26,770	(53,156)	49,705	(53,319)
Other current liabilities	35	(654)	43	(662)
Cash provided by (used in) operating activities	45,331	176,774	62,910	177,163
Cash paid for interest expenses	(47)	(6,082)	(12)	(6,082)
Cash paid for income tax - withholding tax deducted at source	(67)	(24)	(67)	(24)
Net cash provided by (used in) operating activities	45,217	170,668	62,831	171,057

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

(Unit : Thousand Baht)

	Consolidated Financial Statement		Separated Financial Statement	
	<u>2013</u>	<u>2012</u> (Restated)	<u>2013</u>	<u>2012</u> (Restated)
Cash flows from investing activities				
(Increase) decrease in temporary investment	(121,825)	(8,224)	(121,825)	(8,224)
Investment in subsidiary companies	-	-	(31,561)	(989)
Investment pledged as collateral	-	(70,000)	-	(70,000)
Purchase of fixed assets	(1,851)	(7,556)	(1,838)	(7,500)
Purchase of intangible assets	(180)	(75)	(180)	(75)
Proceed from disposal of fixed assets	1,372	57	1,372	57
Interest received	7,844	2,598	7,844	2,598
Net cash provided by (used in) investing activities	<u>(114,640)</u>	<u>(83,200)</u>	<u>(146,188)</u>	<u>(84,133)</u>
Cash flows from financing activities				
Repayment of obligation under finance lease	-	(581)	-	(581)
Increase (decrease) in short-term loan from financial institution	(9,661)	(115,253)	(9,661)	(115,253)
Proceed from share capital and advanced receipts				
for share subscription	79,273	145,154	79,273	145,154
Short-term loans from related party	44	-	-	-
Net cash provided by (used in) financing activities	<u>69,656</u>	<u>29,320</u>	<u>69,612</u>	<u>29,320</u>
Net increase (decrease) in cash and cash equivalents	233	116,788	(13,745)	116,244
Cash and cash equivalents at the beginning of period	<u>165,672</u>	<u>48,884</u>	<u>164,691</u>	<u>48,447</u>
Cash and cash equivalents at the end of period	<u>165,905</u>	<u>165,672</u>	<u>150,946</u>	<u>164,691</u>

NOTES TO FINANCIAL STATEMENTS

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED 31st DECEMBER, 2013 AND 2012

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 sale of coal.

The subsidiaries of the Company comprised.

- a) Theco Sales Company Limited which its business operation had been terminated during the year 2008.
- b) Thai Capital Corporation Company Limited (Guangzhou) located at No. 167, Room 1907, 1908, West Lian Hua Road, Tina Hua District, Guangzhou City, China to operate a consulting on coal business.
- c) P.T. Thai Capital Indo Mining set up in Indonesia on 3rd January, 2013, located at Menara Plama 12th Floor, Jl. HR. Rasuna Said, South Jakarta, Indonesia to operate a sale of solid fuel, Liquid fuel, gas and relevance products.

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.

Certain accounts in the financial statements for the period 2012 have been reclassified to conform to the current period classifications, with no effect on previously reported net profit (loss) or shareholders' equity.

3. APPLICATION OF FINANCIAL REPORT STANDARDS

- 3.1 The Company and its subsidiaries adopted Thai Financial Reporting Standards (TFRSs) in accordance with the announcement 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. 12 Income Taxes
- 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. 21 The Effects of Changes in Foreign Exchange Rate (revised 2009)
- 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)

Thai Accounting Standard are still used in present

- No. 101 Doubtful Accounts and Bad Debt
- No. 104 Accounting for Troubled Debt Restructurings (revised 2002)
- No. 105 Accounting for Certain Investments in Debt and Equity Securities
- No. 107 Financial Instruments: Disclosure and Presentation

3.2 3.2 The first time adoption of accounting standard

During the current period, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

	<u>Effective Date</u>
TAS No. 12 Income Taxes	1st January, 2013
TAS No. 21 The Effects of Changes in Foreign Exchange Rate (revised 2009)	1st January, 2013

These accounting standards do not have any significant impact on the financial statements for the current period, except for TAS No. 12 Income Taxes which the new accounting policy are as follows :-

Deferred income tax

The Company and its subsidiaries provide for deferred income tax on a liability method. The temporary difference is presented as a deferred income tax assets and liabilities in the statement of financial position which is subject to change as the income tax rate changes. A valuation allowance is to be recognized if it is more likely that a deferred tax assets and liabilities will not be realized.

4. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (“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 subsidiaries 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 subsidiaries 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, 2013 and 2012 have been prepared by including the financial statements of Thai Capital Corporation Public Company Limited and its subsidiaries after elimination of the significant related party balances and transactions. The Company holds directly and indirectly shares of the subsidiaries 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>2013</u>	<u>2012</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 on coal business	China	100.00	100.00	Being examined by the other auditor
P.T. Thai Capital Indo Mining	Sale of solid fuel, liquid fuel, gas and relevance products	Indonesia	99.825	-	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 consist of cash and deposits at financial institutions, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Temporary investment

Temporary investments representing the fixed deposit account for 3 - 12 months 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 labor, 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.

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 Group has included an initial estimate of the cost of asset dismantlement, removal and restoration as asset costs when the Group 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 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).

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.14 Financial instruments

Financial assets and liabilities carried on in the statement of financial position 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.

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.

5.15 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. EFFECT OF FIRST TIME ADOPTION OF ACCOUNTING STANDARD

Refer to Note 3.2 to the financial statement, as of 1st January, 2013, the Company and its subsidiaries adopted the Thai Accounting Standard No. 12 “Income tax”.

The Company has restated the previous year financial statements for the impact of deferred income tax which affect the previous year financial statements as follows:

(Unit : Thousand Baht)

Adjustment of financial statements

Statement of comprehensive income for the year ended 31st December, 2012

Decrease in net profit for the period	5,376
Decrease in basic profit per share	0.0067

The cumulative of the impact of deferred income tax retrospectively adjustment against retained earnings - beginning balance of the year 2013 and 2012 are as follows:

Change in shareholders' equity

	Consolidated		(Unit : Thousand Baht)	
	Financial Statement		Separated	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Retained earnings (deficit) - Unappropriated				
as at 1st January - as previously reported	101,199	94,452	101,429	94,135
Impact of change in accounting polices	<u>15,678</u>	<u>21,054</u>	<u>15,678</u>	<u>21,054</u>
Retained earnings (deficit) - Unappropriated				
as at 1st January - restated	<u>116,877</u>	<u>115,506</u>	<u>117,107</u>	<u>115,189</u>

The restated statements of financial position of the prior 3 consecutive years with regards to the deferred tax accounting are as follows:

	Consolidated Financial Statement			Separated Financial Statement		
	As at 31st	As at 31st	As at 31st	As at 31st	As at 31st	As at 31st
	December,	December,	December,	December,	December,	December,
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
		(Restated)	(Restated)		(Restated)	(Restated)
Assets						
Current assets	657,651	604,048	683,204	650,390	603,148	682,857
Non-current assets	267,742	279,201	215,422	300,179	280,072	215,422
Deferred income tax assets	16,552	15,678	21,054	16,552	15,678	21,054
Other non-current assets	<u>1,071</u>	<u>858</u>	<u>1,020</u>	<u>1,071</u>	<u>858</u>	<u>1,020</u>
Total assets	<u>943,016</u>	<u>899,785</u>	<u>920,700</u>	<u>968,192</u>	<u>899,756</u>	<u>920,353</u>
Liabilities and shareholder's equity						
Liabilities	109,943	92,500	262,080	132,581	92,239	262,050
Shareholder's equity	<u>833,073</u>	<u>807,285</u>	<u>658,620</u>	<u>835,611</u>	<u>807,517</u>	<u>658,303</u>
Total liabilities and shareholder's equity	<u>943,016</u>	<u>899,785</u>	<u>920,700</u>	<u>968,192</u>	<u>899,756</u>	<u>920,353</u>

The subsidiaries do not restate the financial statements in the prior year because there was no impact on deferred income tax amount of such period.

7. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)				
	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash on hand	1,586	150	1,378	145
Cash at banks				
Current accounts	8,276	122,080	2,045	122,080
Saving accounts	71,043	43,442	62,523	42,466
Fixed deposit accounts				
(original maturities of 3 months or less)	<u>85,000</u>	<u>-</u>	<u>85,000</u>	<u>-</u>
Total	<u>165,905</u>	<u>165,672</u>	<u>150,946</u>	<u>164,691</u>

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

8. TEMPORARY INVESTMENT

(Unit : Thousand Baht)				
	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Fixed Income fund - Krungsri	130,029	-	130,029	-
Fixed deposit account (original maturities				
of 12 months or less)	<u>20</u>	<u>8,224</u>	<u>20</u>	<u>8,224</u>
Total	<u>130,049</u>	<u>8,224</u>	<u>130,049</u>	<u>8,224</u>

9. TRADE AND OTHERS RECEIVABLES

(Unit : Thousand Baht)					
		Consolidated		Separated	
		Financial Statement		Financial Statement	
	Note	2013	2012	2013	2012
Trade receivables		148,314	135,051	148,314	135,051
Trade receivables - related parties	10	9,749	2,962	9,749	2,962
Other receivables		6,536	7,093	5,231	6,994
Other receivables - related parties	10	-	-	9,005	180
Total		164,599	145,106	172,299	145,187

	<i>(Unit : Thousand Baht)</i>	
	Consolidated Financial	
	Statement / Separated	
	<u>Financial Statement</u>	
	<u>2013</u>	<u>2012</u>
Trade receivables		
Not yet due	84,428	64,442
Overdue		
Overdue 1 - 90 days	63,839	63,499
Overdue 91 - 180 days	1,751	4,349
Overdue 181 - 365 days	15,287	1,357
Overdue over 365 days	2,068	1,955
Account receivable of the ceased air conditioners and freight vessel services segments	<u>7,998</u>	<u>17,918</u>
	175,371	153,520
Less : Allowance for doubtful accounts	<u>(27,057)</u>	<u>(18,469)</u>
Total	<u>148,314</u>	<u>135,051</u>

The movements of allowance for doubtful accounts - trade receivables during the year ended 31st December, 2013 are as follows:

	<i>(Unit : Thousand Baht)</i>
	Consolidated Financial
	Statement / Separated
	<u>Financial Statement</u>
Beginning balance	18,469
Additions during the period	21,743
Reversal during the period	<u>(13,155)</u>
Ending balance	<u>27,057</u>

	(Unit : Thousand Baht)			
	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade receivables - related parties				
Not yet due	3,509	2,962	3,509	2,962
Overdue				
Overdue 1 - 90 days	6,240	-	6,240	-
Overdue 91 - 180 days	-	-	-	-
Over due 181 - 365 days	-	-	-	-
Overdue over 365 days	-	-	15,504	15,504
	9,749	2,962	25,253	18,466
Less : Allowance for doubtful accounts	-	-	(15,504)	(15,504)
Total	<u>9,749</u>	<u>2,962</u>	<u>9,749</u>	<u>2,962</u>

The movements of allowance for doubtful accounts - trade receivables - related parties for the year ended 31st December, 2013 are as follows:

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

	(Unit : Thousand Baht)			
	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Other receivables				
Prepaid expenses	23,221	24,470	23,188	24,470
Deferred income	2,051	2,127	2,051	2,127
Advance payment	1,529	817	366	817
Others	15,969	5,284	15,860	5,185
	42,770	32,698	41,465	32,599
Less: Allowance for doubtful accounts	(36,234)	(25,605)	(36,234)	(25,605)
	<u>6,536</u>	<u>7,093</u>	<u>5,231</u>	<u>6,994</u>

The movements of allowance for doubtful accounts - other receivables for the year ended 31st December, 2013 are as follows:

	(Unit : Thousand Baht)
	Consolidated Financial Statement / Separated Financial Statement
Beginning balance	25,605
Addition during the period	14,653
Reversal during the period	<u>(4,024)</u>
Ending balance	<u><u>36,234</u></u>

	Consolidated	Separated
	Financial Statement	Financial Statement
	<u>2013</u>	<u>2012</u>
Other receivables - related parties		
Advance expenses	-	-
Deferred management income	-	-
Others	<u>-</u>	<u>-</u>
	-	-
	10,025	1,200
Less : Allowance for doubtful accounts	<u>-</u>	<u>(1,020)</u>
Total	<u><u>-</u></u>	<u><u>180</u></u>

The movement of allowance for doubtful accounts - other receivables - related parties for the year ended 31st December, 2013 are as follows:

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

10. 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 48.14% (2012 : 43.55%) 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 party transactions.

Balance with the related parties consisted of:

Investment in subsidiary companies

(Unit : Thousand Baht)							
				Separated			
<u>Name of company</u>		<u>Country of incorporation</u>	<u>Paid-up share capital</u>	<u>Percentage of holding</u>	<u>Financial Statement</u>		
					<u>2013</u>	<u>2012</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	b)	China	-	100.00			
Company Limited (Guangzhou)				(2012 : 100.00)	2,440	2,491	
Less : Shares in subsidiary - not yet due					<u>-</u>	<u>(1,502)</u>	
					<u>2,440</u>	<u>989</u>	
P.T. Thai Capital Indo Mining	c)	Indonesia	1,000	99.825			
					(2012 : 0)	<u>30,110</u>	<u>-</u>
Total						<u>32,550</u>	<u>989</u>

- a) The movement of allowance for impairment - investment in subsidiary company for the year ended 31st December, 2013 is as follows :

	(Unit : Thousand Baht)
	Separated
	<u>Financial Statement</u>
Beginning balance	9,999
Addition during the period	-
Reversal during the period	<u>-</u>
Ending balance	<u><u>9,999</u></u>

- b) In 2012, the Company has invested in subsidiary company in China, namely Thai Capital Corporation Company Limited (Guangzhou), amounting to USD 80,000.

As at 31st December, 2012 the Company had partially paid for such investment by amounting to USD 32,015 (equivalent Baht 989,141).

As at 30th September, 2013 the Company has fully paid for such investment by amounting to USD 80,000 (equivalent Baht 2,440,178).

- c) In the year, the Company has invested in subsidiary company in Indonesia, namely P.T. Thai Capital Indo Mining, amounting to USD 998,250 (equivalent Baht 30,110,130).

		Consolidated		Separated	
		<u>Financial Statement</u>		<u>Financial Statement</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade receivables - related parties					
Theco Sales Co., Ltd.		-	-	15,504	15,504
Far East Knitting & Spining Co., Ltd.		<u>9,749</u>	<u>2,962</u>	<u>9,749</u>	<u>2,962</u>
		9,749	2,962	25,253	18,466
Less : Allowance for doubtful accounts		<u>-</u>	<u>-</u>	<u>(15,504)</u>	<u>(15,504)</u>
	9	<u>9,749</u>	<u>2,962</u>	<u>9,749</u>	<u>2,962</u>
Other receivables - related parties					
P.T. Thai Capital Indo Mining		-	-	8,766	-
Theco Sales Co., Ltd.		-	-	1,229	1,200
Thai Capital Corporation Company Limited					
(Guangzhou)		<u>-</u>	<u>-</u>	<u>30</u>	<u>-</u>
		-	-	10,025	1,200
Less : Allowance for doubtful accounts		<u>-</u>	<u>-</u>	<u>(1,020)</u>	<u>(1,020)</u>
	9	<u>-</u>	<u>-</u>	<u>9,005</u>	<u>180</u>
Total		<u><u>9,749</u></u>	<u><u>2,962</u></u>	<u><u>18,754</u></u>	<u><u>3,142</u></u>

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

	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Not yet due	3,509	2,962	12,310	3,142
Overdue				
Overdue 1 - 90 days	6,240	-	6,240	-
Overdue 91 - 180 days	-	-	-	-
Overdue 181 - 365 days	-	-	-	-
Overdue over 365 days	<u>-</u>	<u>-</u>	<u>16,728</u>	<u>16,524</u>
	9,749	2,962	35,278	19,666
Less : Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(16,524)</u>	<u>(16,524)</u>
	<u>9,749</u>	<u>2,962</u>	<u>18,754</u>	<u>3,142</u>

Short-term loans - related party

	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
P. T. Thai Capital Indo Mining	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31st December, 2013, P. T. Thai Capital Indo Mining (the subsidiary) has loans from the subsidiary's director amounting to Rupiah 15,127,785 (2012 : nil). These loans were made without interest charge and collateral and the repayment term is on demand.

	Note	Consolidated		Separated	
		Financial Statement		Financial Statement	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Other payables - related parties					
Subsidiary companies					
P.T. Thai Capital Indo Mining					
Repayable cost of coal purchased		-	-	20,877	-
Accrued management fee		<u>-</u>	<u>-</u>	<u>1,648</u>	<u>-</u>
		-	-	22,525	-

(Unit : Thousand Baht)					
	<u>Note</u>	<u>Consolidated</u>		<u>Separated</u>	
		<u>Financial Statement</u>		<u>Financial Statement</u>	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Thai Capital Corporation Company Limited					
(Guangzhou)					
Accrued commission expense		-	-	192	-
Total	19	-	-	22,717	-

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

(Unit : Thousand Baht)

	Consolidated		Separated		
	Financial Statement		Financial Statement		Pricing policy
	2013	2012	2013	2012	
Revenue from sales					
Far East Knitting & Spining Co., Ltd.	32,609	31,928	32,609	31,928	Market price
Other income					
Management income					Prices specified
Theco Sales Co., Ltd.	-	-	22	168	in contract
Management fee					Prices specified
P.T. Thai Capital Indo Mining	-	-	1,561	-	in contract
Commission expense					
Thai Capital Corporation Company Limited					Prices specified
(Guangzhou)	-	-	180	-	in contract

Nature of relationship

<u>Company</u>	<u>Relationship</u>
Subsidiaries:	
Theco Sales Co., Ltd.	Shareholding and co - directors
Thai Capital Corporation Company Limited (Guangzhou)	Shareholding and co - directors
P.T. Thai Capital Indo Mining	Shareholding and co - directors
Related company:	
Far East Knitting & Spining Co., Ltd.	Co-shareholding and related directors

11. INVENTORIES

	<i>(Unit : Thousand Baht)</i>	
	Consolidated Financial	
	Statement / Separated	
	<u>Financial Statement</u>	
	<u>2013</u>	<u>2012</u>
Coal	204,787	269,668
Goods in transit	<u>-</u>	<u>2,685</u>
	204,787	272,353
Less : Allowance for declining in value of inventories	<u>(8,503)</u>	<u>(4,260)</u>
Total	<u>196,284</u>	<u>268,093</u>

The movement of allowance for declining in value of inventories for the year ended 31st December, 2013 is as follows:-

	<i>(Unit : Thousand Baht)</i>
	Consolidated Financial
	Statement / Separated
	<u>Financial Statement</u>
Beginning balance	4,260
Allowance increased (reversed) during the period	<u>4,243</u>
Ending balance	<u>8,503</u>

12. OTHER CURRENT ASSETS

	<i>(Unit : Thousand Baht)</i>			
	Consolidated		Separated	
	<u>Financial Statement</u>		<u>Financial Statement</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Account receivable - Revenue Department	122	16,438	120	16,438
Others	<u>692</u>	<u>515</u>	<u>692</u>	<u>515</u>
Total	<u>814</u>	<u>16,953</u>	<u>812</u>	<u>16,953</u>

13. INVESTMENT PLEDGED AS COLLATERAL

			<i>(Unit : Thousand Baht)</i>	
			Consolidated Financial Statement / Separated Financial Statement	
		<u>Due date</u>	<u>2013</u>	<u>2012</u>
Fixed deposit 12 months	a)	13th May, 2014 (2012 : 13th May, 2013)	70,000	70,000
Fixed deposit 15 months (2012 : Fixed deposit 11 months)	b)	30th December, 2014 (2012 : 29th September, 2013)	65,000	65,000
Investment in government bond	c)	9th April, 2024	<u>840</u>	<u>840</u>
Total			<u>135,840</u>	<u>135,840</u>

- a) As at 31st December, 2013 fixed deposit amounting to Baht 70 million (2012 : Baht 70 million) has been used as collateral against credit facility with a financial institution (Note 18).
- b) As at 31st December, 2013 fixed deposit amounting to Baht 65 million (2012 : Baht 65 million) has been used as collateral against credit facility with a financial institution (Note 18).
- c) As at 31st December, 2013 investment in government bond amounting to Baht 0.84 million (2012 : Baht 0.84 million) has been used as collateral against the use of electricity.

14. 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, 2013	27,084	103,793	36,863	9,333	4,144	4,954	-	186,171
Purchase	-	-	237	920	645	26	23	1,851
Transfer in (out)	-	23	-	-	-	-	(23)	-
Disposals	-	-	(4,463)	(3)	-	-	-	(4,466)
Write-off	-	-	(26)	(236)	-	-	-	(262)
Differences on translating								
Financial statements	-	-	-	10	-	-	-	10
As at 31st December, 2013	<u>27,084</u>	<u>103,816</u>	<u>32,611</u>	<u>10,024</u>	<u>4,789</u>	<u>4,980</u>	<u>-</u>	<u>183,304</u>
Accumulated depreciation:								
As at 1st January, 2013	-	(17,710)	(18,137)	(5,956)	-	(2,650)	-	(44,453)
Depreciation for the period	-	(5,591)	(5,161)	(1,366)	-	(322)	-	(12,440)
Depreciation - disposals	-	-	4,079	1	-	-	-	4,080
Depreciation - write-off	-	-	18	121	-	-	-	139
Differences on translating								
Financial statements	-	-	-	(1)	-	-	-	(1)
As at 31st December, 2013	<u>-</u>	<u>(23,301)</u>	<u>(19,201)</u>	<u>(7,201)</u>	<u>-</u>	<u>(2,972)</u>	<u>-</u>	<u>(52,675)</u>
Net book value								
As at 31st December, 2013	<u>27,084</u>	<u>80,515</u>	<u>13,410</u>	<u>2,823</u>	<u>4,789</u>	<u>2,008</u>	<u>-</u>	<u>130,629</u>
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>

(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, 2013	27,084	103,793	36,863	9,215	4,144	4,954	-	186,053
Purchase	-	-	237	907	645	26	23	1,838
Transfer in (out)	-	23	-	-	-	-	(23)	-
Disposals	-	-	(4,463)	(3)	-	-	-	(4,466)
Write-off	-	-	(26)	(236)	-	-	-	(262)
As at 31st December, 2013	<u>27,084</u>	<u>103,816</u>	<u>32,611</u>	<u>9,883</u>	<u>4,789</u>	<u>4,980</u>	<u>-</u>	<u>183,163</u>
Accumulated depreciation:								
As at 1st January, 2013	-	(17,710)	(18,137)	(5,956)	-	(2,650)	-	(44,453)
Depreciation for the period	-	(5,591)	(5,161)	(1,339)	-	(322)	-	(12,413)
Depreciation - disposals	-	-	4,079	1	-	-	-	4,080
Depreciation - write-off	-	-	18	121	-	-	-	139
As at 31st December, 2013	<u>-</u>	<u>(23,301)</u>	<u>(19,201)</u>	<u>(7,173)</u>	<u>-</u>	<u>(2,972)</u>	<u>-</u>	<u>(52,647)</u>
Net book value								
As at 31st December, 2013	<u>27,084</u>	<u>80,515</u>	<u>13,410</u>	<u>2,710</u>	<u>4,789</u>	<u>2,008</u>	<u>-</u>	<u>130,516</u>
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>

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

	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cost of sales	10,392	10,952	10,392	10,952
Administrative expenses	<u>2,048</u>	<u>2,197</u>	<u>2,021</u>	<u>2,197</u>
Total	<u>12,440</u>	<u>13,149</u>	<u>12,413</u>	<u>13,149</u>

The Company has mortgaged land and construction as collateral for loans from a financial institution as mentioned in Note. 18.

During the year ended 31st December, 2013, 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, 2013, certain equipments items 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 10.30 million (2012 : Baht 2.81 million).

15. INTANGIBLE ASSET

(Unit : Thousand Baht)

	Consolidated Financial Statement / Separated Financial Statement		
	Software <u>computer</u>	Software under <u>installation</u>	<u>Total</u>
Cost:			
As at 1st January, 2013	2,925	-	2,925
Additions	-	180	180
Transfer in (out)	120	(120)	-
Write-off	<u>(26)</u>	<u>-</u>	<u>(26)</u>
As at 31st December, 2013	<u>3,019</u>	<u>60</u>	<u>3,079</u>
Accumulated depreciation:			
As at 1st January, 2013	(1,282)	-	(1,282)
Amortization for the period	(549)	-	(549)
Amortization for the period - write-off	<u>25</u>	<u>-</u>	<u>25</u>
As at 31st December, 2013	<u>(1,806)</u>	<u>-</u>	<u>(1,806)</u>
Accumulated depreciation:			
As at 31st December, 2013	<u>1,213</u>	<u>60</u>	<u>1,273</u>
As at 31st December, 2012	<u>1,643</u>	<u>-</u>	<u>1,643</u>

16. INCOME TAX BENEFIT

	(Unit : Thousand Baht)			
	(Unit : Thousand Baht)			
	Consolidated		Separated	
	Financial Statement		Financial Statement	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
				(Restated)
Deferred tax assets				
Deferred income tax assets arising				
from temporary difference	16,592	15,678	16,552	15,678
Less : Valuation allowance for deferred				
income tax	<u>(40)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>16,552</u>	<u>15,678</u>	<u>16,552</u>	<u>15,678</u>
	(Unit : Thousand Baht)			
	Consolidated Financial			
	Statement / Separated			
	Financial Statement			
	<u>2013</u>	<u>2012</u>		
				(Restated)
Income tax benefit (income tax expenses)				
Increase (decrease) in deferred income tax assets during the period			<u>874</u>	<u>(5,376)</u>

17. OTHER NON-CURRENT ASSETS

	(Unit : Thousand Baht)	
	Consolidated Financial	
	Statement / Separated	
	Financial Statement	
	<u>2013</u>	<u>2012</u>
Deposit	<u>1,071</u>	<u>858</u>

18. 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 14) and the fixed deposit as collateral (Note 13).

In the first quarter of 2013, the Company has already paid in full amount of short-term loan from financial institution (31st December, 2012 : short-term amounting to Baht 9.66 million).

19. TRADE AND OTHER PAYABLES

		(Unit : Thousand Baht)			
		Consolidated		Separated	
		Financial Statement		Financial Statement	
	Note	2013	2012	2013	2012
Trade payables		91,613	60,590	91,613	60,590
Other payables		16,524	20,787	16,487	20,532
Other payables - related parties	10	-	-	22,717	-
Total		<u>108,137</u>	<u>81,377</u>	<u>130,817</u>	<u>81,122</u>

20. OTHER CURRENT LIABILITIES

		(Unit : Thousand Baht)			
		Consolidated		Separated	
		Financial Statement		Financial Statement	
		2013	2012	2013	2012
Deposit received		597	489	597	489
Retentions		-	74	-	74
Others		41	40	43	34
Total		<u>638</u>	<u>603</u>	<u>640</u>	<u>597</u>

21. EMPLOYEE BENEFIT OBLIGATION

		(Unit : Thousand Baht)
		Consolidated Financial Statement / Separated Financial Statement
Beginning balance of employee benefit obligations under the defined plan		859
Set up during the period		265
Paid during the period		-
Ending balance of employee benefit obligations under the defined plan		<u>1,124</u>

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

As at 15th March, 2013, the Company has received collection from an overseas debtor of the ceased operating air conditioners and freight vessel services segment amounting to Baht 1.60 million and as at 9th May, 2013, the Company received refund tax of the said discontinuing business amounting to Baht 19.98 million.

23. SHARE CAPITAL

	Par value per share	<u>Authorised share capital</u>		<u>Issued and paid up share capital</u>		Premium (deficit) on share
		Number	Amount	Number	Amount	
		<u>of shares</u>	<u>of shares</u>	<u>of shares</u>	<u>of shares</u>	
	Baht	Thousand share	Thousand Baht	Thousand share	Thousand Baht	Thousand Baht
As at 1st January, 2013	0.50	1,568,978	784,489	941,693	470,846	90,627
Decrement of capital	0.50	(200,000)	(100,000)	-	-	-
Increment of capital	0.50	393,995	196,998	-	-	-
Exercise the right to purchase						
the common shares	0.50	-	-	242,324	121,162	77,962
As at 31st December, 2013	0.50	<u>1,762,973</u>	<u>881,487</u>	<u>1,184,017</u>	<u>592,008</u>	<u>168,589</u>

According to the Board of Directors' Meeting on 2nd April, 2013, it is resolved to decrease the authorized share capital of the Company by the elimination of the unissued shares of 200,000,000 shares. Therefore, the Company's authorized share capital is changed from 1,568,977,938 shares to 1,368,977,938 shares at the par value of Baht 0.50 per share and it is resolved to increase the authorized share capital not exceeding 393,995,329 shares at per value of Baht 0.50 per share as follows:

1. Issuing ordinary share to increase share capital not exceeding 10,197,665 shares at par value of Baht 0.50 per share in order to support the right exercise of the second time warrants (TCC-W2).
2. Issuing ordinary share to increase share capital not exceeding 13,997,633 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 369,800,031 shares at par value of Baht 0.50 per share in order to support the right exercise of the fourth time warrants (TCC-W4).

Therefore, authorized share capital is changed from 1,368,977,938 shares to 1,762,973,267 shares at par value of Baht 0.5 per share.

The fourth exercise price to buy the Company's ordinary shares (TCC-W4)

According to the resolution from Annual General Meeting of Shareholders for the year 2013 of Thai Capital Corporation Public Company Limited held on 30th April, 2013, it was approved to issue and allocate the fourth warrants, not exceeding 369,800,031 units to the existing shareholders at the ratio of 3.2 existing shares to 1 unit of warrant at no charge. In this connection, each unit of warrant can be used to buy 1 ordinary share at Baht 1 per share. The fourth exercise price to buy the Company's ordinary shares (TCC-W4) has a value below 90% of the market price of the Company's ordinary shares. In the Company's prospectus, 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), and clause 4(3) page 16 in the notification letter of allocation and share subscription documents of capital increase together with the third warrants to buy the Company's ordinary shares (TCC-W3) 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 1.39010 ordinary shares at Baht 0.719 per share, and for TCC-W2, one unit of warrant can be converted into 1.21782 ordinary shares at Baht 0.821 per share and for TCC-W3, one unit of warrant can be converted into 1.14249 ordinary shares at Baht 0.875 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 during the end of fourth quarter of the year 2012 and during the end of first and second quarter of the year 2013 for buying 148,218,398 shares 93,444,864 shares and 651,678 shares respectively, which the Company has registered the capital increment with the Department of Business Development on 3rd January, 2013, 1st April, 2013 and 3rd July, 2013 respectively and the second time warrants (TCC-W2) have been exercised by the current holders during the end of third quarter of the year 2013 for buying 2,435 shares which the Company has registered the capital increment with the Department of Business Development on 4th October, 2012 and the third time warrants (TCC-W3) have been exercised by the warrant holders during the end of fourth quarter of the year 2012 and during the end of third quarter of the year 2013 for buying 4,012 shares and 2,513 shares respectively which the Company has registered the capital increment with the Department of Business Development on 3rd January, 2013 and 4th October, 2013, respectively.

During the end of fourth quarter of year 2013, the first time warrants (TCC-W1) have been exercised by the warrant amounting to Baht 1,989,012. As at 31st December, 2013, the Company recorded money received from the warrants exercise to purchase ordinary share 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 9th January, 2014.

As at 31st December, 2013, the warrants to purchase ordinary shares (TCC-W1) which have not yet been exercised are 11,074,462 units and the warrants to purchase ordinary shares (TCC-W2) which have not yet been exercised are 68,330,901 units and the warrants to purchase ordinary shares (TCC-W3) which have not yet been exercised are 92,202,364 units and the warrants to purchase ordinary shares (TCC-W4) which have not yet been exercised are 369,779,804 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, 2013, the Company has not appropriated additional legal reserve due to having loss in the current period (during the year 2012 : the Company has appropriated net profit for the period as a legal reserve amounting to Baht 2.14 million).

25. COMMITMENT, CONTINGENT LIABILITIES AND LITIGATION

As at 31st December, 2013, the Company and its subsidiaries have no contingent liability and litigation. The Company has only the following commitment:

- 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 0.81 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.

	Consolidated		Separated	
	<u>Financial Statement</u>		<u>Financial Statement</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Basic earnings (loss) per share				
Net profit (loss) of ordinary shareholders (Thousand Baht)				
- Continuing operation	(74,442)	(667)	(72,768)	(161)
- Discontinuing operation	<u>21,589</u>	<u>4,180</u>	<u>21,589</u>	<u>4,221</u>
	<u>(52,853)</u>	<u>3,513</u>	<u>(51,179)</u>	<u>4,060</u>
Weighted average number of paid up ordinary share during the period (Thousand share)	<u>1,160,326</u>	<u>929,032</u>	<u>1,160,326</u>	<u>929,032</u>
Basic earnings (loss) per share (Baht per share)				
- Continuing operation	(0.0642)	(0.0007)	(0.0627)	(0.0002)
- Discontinuing operation	<u>0.0186</u>	<u>0.0045</u>	<u>0.0186</u>	<u>0.0045</u>
	<u>(0.0456)</u>	<u>0.0038</u>	<u>0.0441</u>	<u>0.0043</u>
Diluted earnings (loss) per share				
Effect of diluted potential ordinary share for diluted earnings per share (Thousand share)	<u>59,676</u>	<u>225,566</u>	<u>59,676</u>	<u>225,566</u>
Weighted average number of ordinary share for diluted earnings per share (Thousand share)	<u>1,220,002</u>	<u>1,154,598</u>	<u>1,220,002</u>	<u>1,154,598</u>
Diluted earnings (loss) per share (Baht per share)				
- Continuing operation	(0.0610)	(0.0006)	(0.0596)	(0.0001)
- Discontinuing operation	<u>0.0177</u>	<u>0.0036</u>	<u>0.0177</u>	<u>0.0037</u>
	<u>(0.0433)</u>	<u>0.0030</u>	<u>(0.0419)</u>	<u>0.0036</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 subsidiaries 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 2012 as follows:

	Consolidated Financial Statement				Separated Financial Statement			
	Assets		Liabilities		Assets		Liabilities	
<u>Foreign currencies</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
US dollar	316,920	243,670	2,275	1,144,096	110,219	222,684	458,301	1,144,096
Ringgit	459	304	-	-	459	304	-	-
Yuan	2,478	-	-	-	2,478	-	35,000	-
Rupiah	7,862,400	2,350,000	-	-	7,862,400	2,350,000	2,601,907,269	-
Australia Dollar	45	-	-	-	45	-	-	-

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

		(Unit : Baht)	
		Consolidated Financial Statement / Separated Financial Statement	
		<u>2013</u>	<u>2012</u>
Assets			
1	US Dollar	32.6778	30.4857
1	Ringgit	9.8205	9.8514
1	Yuan	5.3417	4.8446
1,000	Rupiah	2.4726	2.9650
1	Australia Dollar	28.9078	31.4849
Liabilities			
1	US Dollar	32.9494	30.7775
1	Yuan	5.4756	4.9882
1,000	Rupiah	2.8821	3.3984

28. MANAGEMENT OF CAPITAL

The main objective of the group'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, 2013 the Group has a debt to equity ratio of 0.13 : 1 (2012 : after restated 0.12 : 1) and the Company only has a debt to equity ratio of : 0.16 : 1 (2012 : after restated 0.12 : 1).

29. SEGMENT FINANCIAL INFORMATION

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

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved on 25th February, 2014 by the Company's director.