



ANNUAL REPORT 2013

รายงานประจำปี ๒๕๕๖



**Our Efficiency, Ethics,
Innovation, Quality and Safety
You can always rely on.**

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ข้อมูลทางการเงินโดยสรุปของบริษัท / Financial Summary

ข้อมูลงบการเงินเฉพาะงบม. ไทย เอ็น ดี ที ณ วันที่ 31 ธันวาคม พ.ศ.2556 / Data from Financial Statement as of December 31, 2013

(หน่วย Unit : ล้านบาท / Million Baht)

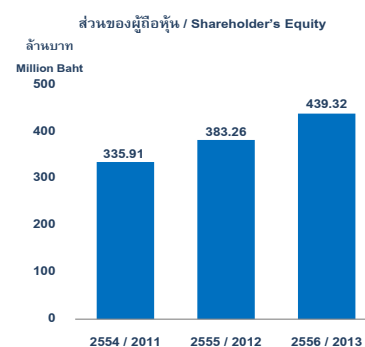
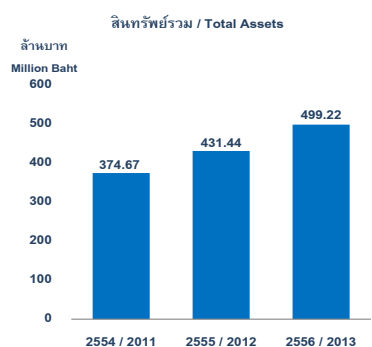
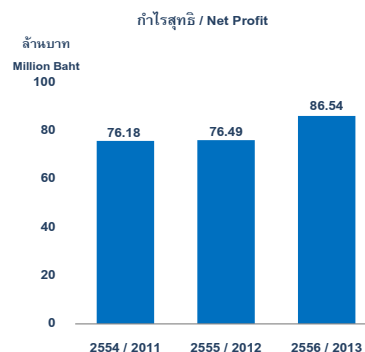
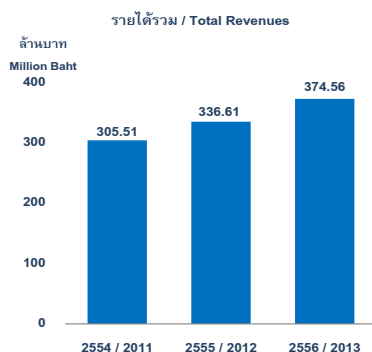
รายการ / List	2556 / 2013	2555 / 2012	2554 / 2011
รายได้รวม / Total Revenues	374.56	336.61	305.51
ต้นทุนและค่าใช้จ่าย / Total Cost and Expenses	288.18	260.23	228.87
กำไรขั้นต้น / Gross Profit	121.01	106.04	104.67
กำไรสุทธิ / Net Profit	86.54	76.49	76.18
สินทรัพย์รวม / Total Assets	499.22	431.44	374.67
หนี้สินรวม / Total Liabilities	59.90	48.19	38.75
ส่วนของผู้ถือหุ้น (ล้านบาท) / Shareholder's Equity	439.32	383.26	335.91
กำไรสะสม (ที่ยังไม่ได้จัดสรร) / Retain Earning	276.86	221.31	174.71

อัตราส่วนทางการเงิน / Financial Ratio

รายการ / List	2556 / 2013	2555 / 2012	2554 / 2011
อัตรากำไรสุทธิต่อรายได้รวม (%) / Net Profit Margin (%)	23.10	22.72	24.94
อัตราผลตอบแทนต่อส่วนของผู้ถือหุ้น (%) / Return on Equity (%)	21.04	21.27	24.56
อัตราผลตอบแทนทรัพย์สิน (%) / Return on Asset (%)	18.60	18.98	22.11
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น (เท่า) / Debt Equity Ratio (times)	0.14	0.13	0.12
กำไรสุทธิต่อหุ้น (บาท)** / Net Profit per Share (Baht)	0.87	0.76	0.76
มูลค่าหุ้นตามบัญชีของหุ้น (บาท)** / Book Value per Share (Baht)	4.12	3.60	3.10

หมายเหตุ: ** ใช้จำนวนหุ้นสามัญถ่วงน้ำหนักและปรับปรุงมูลค่าหุ้นสามัญ

Remark: ** Number of common share calculated by Weighted Average and Ruduction of Share Value



Message from the Chairman

Dear Valued Shareholders,

In the past year, several incidents have come into our focus. These include natural disasters, economic and political instability in the USA, Europe, Asia and in many developing countries, and also domestic political unrest. Although they don't appear to take strong effects on our business, they have brought some difficulties. Thus, we had to anticipate the situation by making adjustment in business plan and strategy accordingly, in order to maintain our business goal. Moreover, some parts of our operation depend on government and public policy, for example the wage rising policy, which leads to higher cost in every process of services. Personnel shortage is still to be considered. The Company see these situations as challenges that are to be overcome.

Still, domestic and international factors supporting NDT business and services give us confidence and offer opportunity for growing rapidly. Solid economic base with advanced IT-system and well-prepared communication and transportation system, altogether with a convenient geographic location are appealing to more investors, especially in energy industry. Since ASEAN has been growing, we have been preparing to expand our operation abroad as well.

Together with opportunities offered by customers, supporting partners, trusting shareholders, and our invaluable employees, we were able to achieve 11.27% increase of business turnover compared with that in 2012. Even though many factors had brought difficulties into our business operation, we have reached 23.1% net profit.

As Chairman and Member of the Board, I would like to convey my sincere gratitude to you, keeping on intention to lead our company going steadily forward.



(Mr.Suwat Dangpibulskul)
Chairman of the Board

Report of the Audit Committee

Dear Valued Shareholders,

The Audit Committee of the Thai NDT Public Company Limited consists of three independent members. All of the Audit Committee members are not executives, employees, consultants of the Company and possess all required qualifications as stipulated by the Stock Exchange of Thailand. The Audit Committee has performed its duties independently in order to ensure that the Company has adequate corporate governance and has responsibilities as assigned by the Company's Board of Directors and in accordance with the regulations and guidelines of practices of Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2013 the Audit Committee convened four meetings where the executives, internal auditors and auditors were present and discussed the relevant topics. The Company's Audit Committee members' names, attendance of the meetings and the meetings minutes were summarized as follows:

Name of the Audit Committee Members	Positions	Number of Meetings Attended (time)
1. Dr. Wicha Jiwalai	Chairman of the Audit Committee	4/4
2. Mr. Narong Rattana	Member of the Audit Committee	4/4
3. Mr. Vichai Vacharavattanakul	Member of the Audit Committee	4/4

The results of the Audit Committee's performance on significant issues can be summarized as follows:

1. Monitoring of the quarterly and annual financial statements of 2013

Together with the external auditors, the Audit Committee reviewed the Company's quarterly and annual financial statements as well as relevant financial reports of the Company and its subsidiaries. The Committee concluded that the Company's financial reports have been prepared with appropriateness in all its major contents according to Thai Financial Reporting Standard-TFRS and show adequate disclosure. In addition, the monitoring was done on disclosure of relevant transactions between the Company and its subsidiaries and among the connected persons including the audit of the related party transaction, accompanying with statement of auditors, internal auditors and other officials concerned. This was to ensure that the Company disclosed all correct relevant transactions to comply with the regulations set forth by the Stock Exchange of Thailand. The meetings attended by only the external auditors, were held without attendance of the Company's management, to allow the external auditors' independence and opinions.

Having carried out their responsibilities, the Audit Committee was of the opinion that the financial statements of the Company for the year ended 31 December 2013 has been prepared in accordance with the Financial reporting standards of Thailand, reliable, transparency and with adequate disclosure. The external auditors have commented on the report of the independent auditors, which were presented to the Board of Directors of the Company and its shareholders, and no significant observations.

2. Monitoring of Internal Audit

The Audit Committee has reviewed the results of the internal control system, internal auditors have reported and found appropriate for the business operations of the Company, as well as having considered and approved the internal audit plan for 2014 which have been prepared in accordance with the risk factors of the organization as well as determining the scope of work to include all significant and necessary business procedures. They have also reviewed the internal audit reports, followed up the correction of essential issues, and given recommendations regarding improvements of internal audit performance to be more efficient, reviews of the budget preparation, human resource management, and assessment for annual performance of the internal audit.

The Audit Committee agreed that the Company's internal audit was conducted with appropriateness covering risk factors and effectiveness in business performance, disclosure of comprehensive information, having efficiently protected the Company's assets and found no major fraudulent incidents.

3. The assessment of internal control and monitoring of operational data

The Audit Committee monitored the policy and risks management along with its progress in order to reduce or control the risks and monitored the Company's operational system, as well as adequate system of risks control. They found that there were communication to everyone in the Company, awareness of the risk and responsibility between executives and employees to manage the risk.

The Audit Committee agreed that the Company's risk assessment and risk management were adequate, in order that the impact of potential risk was acceptable.

4. Monitoring of Good Corporate Governance and Regulatory Compliance

The Board has monitored the code of conduct and corporate governance and found that the Company has complied with the code of ethics and good corporate governance. The Company is committed to sustainable business practices guidelines under corporate governance, social responsibility and environmental organizations. The Company was working on anti-corruption policy and self-evaluated on anti-corruption measures in accordance with the requirements of Thai Institute of Directors.

The Audit Committee monitored the Company's performance that it complied with the regulations and the requirements of the Stock Exchange of Thailand and other relevant laws pertaining to the Company's business. The Company has complied with legal and relevant regulatory requirements and no significant deficiencies were found.

5. Evaluation of the performance and the appointment of certified external auditors.

The Audit Committee was satisfied with the results of the independent evaluation, the professionalism, and the expertise of the certified external auditors in the past year. They reviewed all suitabilities and appointed the auditors as well as having determined remuneration and presented those to the Board of Directors seeking approval of the shareholders meeting to appoint Mr. Metee Rattanasrimetha, auditor licence No. 3425, Mr. Pisit Cheevaruangroj, auditor licence No. 2803 and Mr. Akkaradech Pienskuol, auditor licence No. 5389 of MR & Associates Co.,Ltd. to be the Company's auditors for the year 2014. The Audit Committee also prepared the auditors remuneration and submitted to the Board of Directors for approval.

6. Monitoring of relevant transactions which may have conflicts of interests

The Audit Committee has monitored the relevant transactions which may have conflicts of interests in order to comply with principles of fairness, transparency, adequate information disclosure and the Company's best interests, as well as in compliance with the regulations of the Stock Exchange of Thailand.

The Audit Committee concluded that the relevant transactions were conducted based on all appropriate business practices and complied with the stipulated business conditions.

7. Assessment of self evaluation

The Audit Committee has performed self evaluation according to the good corporate governance of the Stock Exchange of Thailand and the opinions upon their performance received from previous practices.

The Audit Committee was of the opinion that its self evaluation was satisfactory, rendered its effectiveness and achieved the objectives set by the Company's Board of Directors.

Wicha Jiwalai

(Dr.Wicha Jiwalai)

Chairman of the Audit Committee

Message from the Managing Director

Dear Valued Shareholders and Guests,

Last year has been another year of success for us. We have achieved our business goal with 11.27% increase of income and 23.1% increase of net profit. Both numbers show company's capability to grow and maintain comparable profit throughout more than past 10 years. Among the several crises such as natural disaster and economic and political fluctuation, both domestic and international, have brought some difficulties. Any of these critical situations are able to take negative effect on the entire economy. Industrial decline, more expensive goods and fuel and rising wages are factors that hinder business operation. Furthermore, personnel shortage is a significant factor affecting service business negatively. To overcome these challenges is the task of all our directors, in order to make company growing ceaselessly and steadily. Thus, we have been adjusting our both active and passive business plan and strategy in accordance with experiences gained during crisis. Our company has always been prepared through correction, improvement, change, enhancement and development of management, equipment and personnel. All these efforts are made to raise our potential of providing appropriate services to satisfy customers, independently of any existing and upcoming conditions. In the past year, technical improvements have been arranged to achieve more service capability, which then leads to higher financial return. Besides planning of one-stop-service, we intend to expand our business in Thailand and in neighbour countries and so arrangements have already been made. Following are progress and achievements of our operations:

1. Increase of NDT service earnings by 31.58 % in Advanced Technology, 6 % in Inspection and 29 % in In-Service Inspection.
2. Development of film viewer in accordance with international standard, which can reduce importation from abroad. We have also prepared establishment to support our fast progressing of research and development projects.
3. Establishing TNDT CM Co., Ltd. on 21 October 2013 as subsidiary, in order to set up coal and mineral mining business in the Republic of the Union of Myanmar. The Company is the result of a joint venture between TNDT, Thai and Burmese business people. It has Baht 25 Million authorized share capital and is 46% owned by TNDT PCL.
4. Signing of MOU for administration of special economic region in "Khang Naung Luang" development area, Xiang Khouang District, Lao PDR, regarding the government's new model scheme. We expected the project shall be launched by 2014.

Apparently, our financial income and net profit have been so continuously increasing that, in fact, higher growing rate could have been expected according to Company's potential and performance. Moreover, we have been engaging more of ourselves into operations as well as dedicating more and more financial in equipments and human resources. Nevertheless, we were only able to maintain almost the same growing rate as before. The reason of this issue comes from external factors that our Company is incapable to handle with. One important problem is lack of corporate and personal ethics in some public and private organizations, which is the result of evermore dropping moral and ethics in the society. This leads to widespread and deeper corruption problems, for example, taking advantage of entrepreneurs by offering job and demanding unjust benefit in return, misappropriating and exaggerating payment, not developing own personnel but taking over human resource through offering remuneration without considering potential damage affecting another. These issues could take effects leading to collapse of business and national economy. Still, some people don't recognized them and accept the corruptions as normal. We have always been expressing ourselves against such attitudes, even though the same behaviours of our side could have made our business grow more rapidly. Thus, our Company continues on valuing business ethics and moral, since we strongly believe this is the only way to grow steadily and sustainably.

As soon as the unrest situation ends and economic development of ASEAN countries becomes more objective, together with anti-corruption trend and Company's readiness, we are certain that the business has capability to grow by itself. Finally, I may not leave without thankfully mentioning these essentials: opportunities offered by customers, supporting partners, trusting shareholders and of course all our important employees.

Yours Sincerely,



(Miss Chomduen Satavuthi)

Managing Director



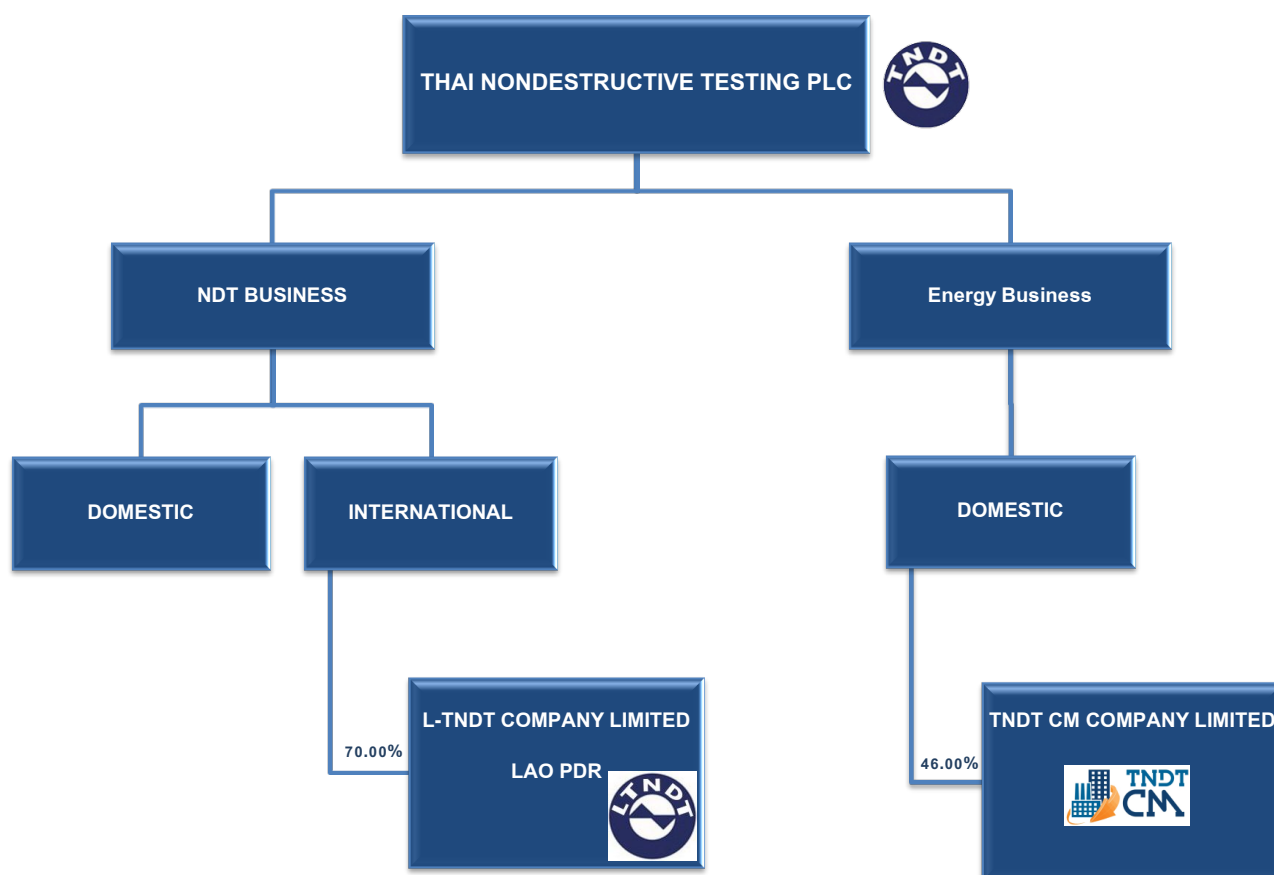
Company Information

Company Name	:	THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED
Trading Name	:	TNDT
Established	:	APRIL 21, 1982
Registration No.	:	0107550000025
Type of Business	:	NONDESTRUCTIVE TESTING & INSPECTION SERVICE (NDT)
Head Office	:	19 Soi Suanson 8, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240
Telephone	:	(66) 0-2735-0801 (10 LINES)
Fax	:	(66) 0-2735-1941
Branch Office	:	29 Banphlong Road, Mabtaput Sub-District, Muang District, Rayong 21150
Telephone	:	(66) 0-3869-2226-7
Fax	:	(66) 0-3869-2229
Home page	:	www.tndt.co.th
E-mail	:	headoffice@tndt.co.th
Capital - Registered	:	100 Million Baht
Capital - Paid - up	:	100 Million Baht
Par Value per Share	:	1 Baht
No. of Share	:	100 Million Ordinary Shares
Registrar	:	THAILAND SECURITIES DEPOSITORY CO.,LTD. 62 The Stock Exchange of Thailand Building Rachadapisek Road, Klongtoey, Bangkok 10110 TEL. (66) 0-229-2800, (66) 0-2654-5599 FAX. (66) 0-2359-1262-3
Auditor	:	MR. METHEE RATANASRIMETHA (Registered Auditor No. 3425) M R & Associates Company Limited 705-706 Chaophaya Tower (Shagri-La Hotel) 89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok 10500 TEL. (66) 0-2630-7500 FAX. (66) 0-2630-7506
Internal Auditor	:	MISS VAJANA SAKULRAEMRUNG MR. NIYOM MINIVATHAKORN 19 Soi Suanson 8, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240 TEL. (66) 0-2735-0801 (10 LINES) FAX. (66) 0-2735-1941 MR. AUT SARANARAK 1/71 Moo 20, Bangpleeyai, Bangplee, Samutprakarn 10540 TEL. (66) 0-257-0820 FAX. (66) 0-257-0836
Investor Relations Office	:	MR. SOMOUY TANGCHITTHAVORNGUL 19 Soi Suanson 8, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240 TEL. (66) 0-2735-0801 (10 LINES) / FAX. (66) 0-2735-1941 E-mail: som_ouy@tndt.co.th
Company Secretary Office	:	MISS SASIPRAPHA SEANGCHAI 19 Soi Suanson 8, Ramkhamhaeng Road, Huamark, Bangkok, Bangkok 10240 TEL. (66) 0-2735-0801 (10 LINES) / FAX. (66) 0-2735-1941 E-mail: headoffice@tndt.co.th / sasiprapha@tndt.co.th
Other companies in which the proportion of shares held is 10% or greater	:	NONE
Other references	:	NONE



Business Overview

1. Business Structure as of December 31, 2013.



Remark : No individuals with conflict of interest holding the share in subsidiaries.

2. Vision

To be the leader in Asean Region for Testing, Inspection and Safety Engineering service, by means of Nondestructive Testing techniques.

3. Mission

To service the customers in industrial sector both onshore, offshore, domestic and oversea with prompt services, efficiency and reliability. The services must be under the ethical code of conduct and professional practice while striving to achieve the customers' highest satisfaction.

4. Commitment

Focus on business management with Good Corporate Governance (CG), Corporate Social Responsibilities (CSR), professional Ethics and Anti-Corruption both by the public and the private sector.

5. Nature of Business

Thai Non-Destructive Testing Public Company Limited (TNDT) is a technical service company operating engineering safety inspection and testing by means of non-destructive techniques (Non-destructive Testing-NDT and Inspection). The approach does not cause any changes to the tested objects both before and after the testing. It is intended to make a thorough inspection and testing of the equipment or areas that are generally not accessible or visible by human inspection, or not possible by other basic methods. The test results will be used to assess the completeness and safety level of the equipment in engineering works. In the testing process, both physics and chemical tools are used and based on scientific approaches, especially in the fields of physics, radioactivity substances, and chemistry. The testing has to be carried out under the close supervision of personnel with qualifications and expertise according to internationally-accepted regulations and professional standards. The Company provides services according to customer needs. The services are available as Real Time system, being on-site during the production or assembly processes, according to scheduled timetables or when needed, such as to check for defects caused by other surrounding factors. The safety inspection and testing are necessary to ensure that every equipment and finished product is safe and ready for use, as well as to assist in the planning of maintenance schedules. As failure can mean the loss of lives, property and environmental damages, precision and accuracy is of paramount importance in this service industry. Inspectors and techniques in this service must be up to internationally-accepted standards, legal requirements, ethical code of conduct and professional practices.

6. Organisations concerned with the Non-Destructive (NDT) Industry

The Company has to conduct the business under the laws of the following regulatory organisations:

6.1 Department of Energy Business, Ministry of Energy

- issues the certificate for inspectors of LPG cooking gas cylinder, gas storage tank, gas transportation tank, pipeline, piping systems and re-fuel gas station. The Company is registered and approved as Type 1 Operator according to the Certificate No. 1/2555 which is the highest level.

6.2 Office of Atoms for Peace, Ministry of Science and Technology:

Is the organization which supervises safety aspects incurred from radiation activation maintaining its authority as follows:

- issues certificates to export the special nuclear materials, by products, or source materials (Por Por Sor 6 Kor), (Por Por Sor 6 Khor)
- issues certificate of manufacturing, possessing, and utilising the by products (Ir-192) (Por Por Sor 4Kor-1)
- issues certificates to possess or utilise the source materials to be chemically transformed (Dpt.U) (Por Por Sor 4Khor)
- provides service of inspection and calibration of survey meters

6.3 Thailand Institute of Nuclear Technology (Public Company Organization)

- provides services of testing of safety standards of radiographic devices and radioactive materials
- provides analysis services of film badge result

6.4 Division of Radiation and Medical Devices, Department of Medical Science, Ministry of Public Health

- provides analysis services of film badge result (government organizations)

6.5 Thailand Industrial Standards Institute (TISI) Ministry of Industry

- provides evaluation and certification of internationally accepted quality standards

6.6 Council of Engineers and The Engineering Institute of Thailand

- issues License for Engineering Professional Practice - Juristic Person
- issues License for Engineering Professional Practice - Individual

The Company is fully qualified according to all the regulations specified by the agencies concerned.

7. Qualifications of Non-destructive Testing (NDT) Personnel

In Non-destructive Testing (NDT) business, all NDT technicians worldwide are certified to be the profession of certified specialists in their own fields of expertise and possess all the qualifications required by internationally-accepted and Thai standards, such as those stipulated by the American Society of Non-Destructive Testing (ASNT), International Organisation for Standardisation (ISO). They are certified in both theory and field testing. Certification is issued to each individual inspector and valid for a specific period of time by Level 3 inspectors of the internationally renowned institutes. The Company is well-equipped with qualified personnel to provide the services according to all the mentioned standards.

8. Customer Groups

The Company's customers can be divided into 3 groups as follows:

8.1 Production Plants: These include oil refineries, gas separation plants, gas refilling plants, chemical factories, power plants, etc.

8.2 Construction Contractors: These include contractors commissioned to construct factories and products assembling e.g. oil and gas pipelines, both inland and underwater, high-pressure containers, such as spherical tank, oil & gas tanks, oil cylinders, drilling platforms, power plants, suspension bridges, dams, irrigation systems, airports, building complexes, mass transit systems, etc.

8.3 Operators whose businesses are subject to legal regulations: such as gas stations, transportation systems. These include business operators using highly flammable agents in their businesses such as gas, oil, chemical substances, hotels, hospitals, restaurants, etc.

9. Scopes of Services

The Company provides 3 types of services as follows:

9.1 Non-destructive Testing Service (NDT): After testing objects or areas assigned by customers, results and related details are provided to the customers. The Company does not provide complete evaluation of the entire objects.

9.2 Inspection Service: The Company provides both inspection services and a summary of inspection results, for example, inspection of high-pressure containers as required by Department of Energy Business.

9.3 Consulting Service: The Company provides advice on engineering safety inspection and testing procedures as required by laws and international technological standards governing the customer's business.

10. NDT Technologies

The Company offers 2 types of NDT technologies which cater to the needs of customers and follow the rules and regulatory standards. They are as follows:

10.1 Conventional NDT: such as RT, MT, PT, UT, etc

10.2 Advanced NDT: such as PA, AE, MFL, RBI, ET, etc.

More than 90 per cent of our customers use conventional NDT technologies which have long been in use. This is due to the lower costs, compared to advanced NDT techniques which are still new for industry in Thailand. The Company continues to commit to building awareness and understanding among the consumer about effectiveness and efficiency of advanced NDT methods, which are proven to be good-value-for-money and more appropriate in some certain situations. The Company has prepared human resources and equipments for advanced NDT testing services continually to serve foreign customers and petrochemical clients, which has gained more recognition and tends to have continued expansion.

11. Income Structure

The Company's income structure of the consolidated financial statements in 2011 - 2013 which can be categorized by services into the followings:

(Million Baht)

Revenue of services	2013		2012		2011	
	Amount	%	Amount	%	Amount	%
1. Income from the service - NDT	351.65	93.89	329.16	97.78	292.09	95.61
2. Income from the service - Inspection	17.07	4.56	4.59	1.37	11.11	3.64
Total Income from the service	368.72	98.44	333.75	99.15	303.20	99.25
Other Income	5.83	1.56	2.86	0.85	2.32	0.75
Total Income	374.55	100.00	336.61	100.00	305.52	100.00

Goals and Business Strategies

1. Goals of the business in 5 years (2013-2017)

1.1 Domestic

1.1.1 To be 10 percent increased in total revenues of testing and inspection services or to maintain not less than 30 percent of market share.

1.1.2 To be approximately 20 percent increased in revenues of advanced technology services and to be 100 percent increased within 2017.

1.1.3 To expand the inspection services to maintenance and life assessment testing and to be efficient within 2015.

1.1.4 To expand the inspection services to the businesses of transportation by land, sea and air.

1.2 Overseas

1.2.1 To be 5 percent yearly increased in the revenues of inspection by oversea and 20 percent increased within 2017.

1.2.2 To diversify the Business Line in the energy sector, fuel and infrastructure to the Republic of the Union of Myanmar and the Lao People's Democratic Republic (Lao PDR) to earnings within 2015.

2. Business Strategies

In order to achieve the target of operations results, the Company has set the strategies of business as follows:

2.1 Adapt the information systems with corporate management to be more concise for cost control, clarify documentation and information for business planning quickly and accurately.

2.2 Enhance and strengthen personnel, especially in NDT technology to be sufficient in efficiency and capacity to meet the requirements of the industries consistently by providing the opportunity to enhance their knowledge and expertise, both in-house and outside organization.

2.3 Support personnel, both within organizations and education institutes, to research and develop for technology and equipment to be adapted for providing customers' services with better performance and potential.

2.4 Cooperate with business partners both in core business services line and the supplement business lines in order that the target can be achieved quickly and smoothly.

Significant Developments of the Company

The major developments in 2013 can be summarized as follows:

1. Domestic

1.1 As the business plan to increase revenues of advanced technical testing services and the inspection with higher remuneration, the results are satisfactory and motivate the Company to continue to develop as follows:

- (A) Service of advanced NDT techniques (Advanced Technology) with operating results increased 31.58 percent.
- (B) The Inspection increased 6 percent of operating results.
- (C) The In-service Inspection increased 29 percent of operating results.

1.2 The research and development of film viewers were successfully met the standards, reduced to order and import from overseas suppliers.

1.3 Expansion of office space to support the research and development projects which is growing significantly. They are for facilitate the preparation of the specimens properly.

1.4 Establishment of a subsidiary, TNDT CM Co.Ltd., on October 21, 2013 in preparation for the business of coal and mineral mining in the Republic of the Union of Myanmar. The Company invested with Thai and Myanmar Businessmen and TNDT held 46 percent of the registered capital of Baht 25,000,0000 (Twenty five million baht).

2. Overseas

2.1 Lao People's Democratic Republic (Lao PDR)

Signed a MOU (Memorandum of Understanding) on the management of special economic zones along the new city master plan of the development zone "Khang Naung Luang", Xiang Khouang District, Lao People's Democratic Republic (Lao PDR), which is expected to be launched within 2014.

2.2 The Republic of the Union of Myanmar

Signed a MOU (Memorandum of Understanding) with Min Khit Thit Mining Company Limited, joint venture, to operate business of fuel and electrical energy size 20 MW. at the Republic of the Union of Myanmar, which is expected to be launched within 2014.

Industrial Situation and Competitive Environment

1. Industrial Situation

The continued economic recession and political crises for several consecutive years have caused the delay of the overall domestic economic growth especially the industrial sectors. However, compared to many countries in the Asean Region, certain fundamental factors in Thailand still could accommodate business expansion for instance, readability of infrastructure, information technology, telecommunication, economic and geographic aspects, etc. It is also a motivation for the continued investment especially in the energy and related industries by domestic and international investors, even so sparsely. This has led the engineering safety inspection with NDT techniques to continuously grow in the same direction with the economy. Even more so, there have been supportive factors from our neighboring countries, who also possess considerable economic growth, which will strengthen the industry and continue to be growing even more.

2. Competitive Environment

While the service of safety inspection and NDT techniques is a special professional business, which was enforced by professional standards, rules and regulations, it shall hinder the expansion of new entrepreneur. Although the business is quite stable and not affected by the severity of the economic and politics, there are 4 competitors in NDT services field with similar operation results and may not be much different number of competitors in the near future. The Company is in the range of this number and ensure that we can remain this ongoing policy of maintaining the existing customers base and strengthen and expand new customers base to be wider by improving and increasing performance and technology capabilities of personnel and equipment regularly to ensure consistent customer service across the industry and situation appropriately.

Risk Management and Risk Factors

Risk factors in the business can be divided into following types:

1. Financial Risk:

The Company does not have borrowing obligations, both long-term and short-term loans. There is no financial risk associated with principal and interest repayment.

2. Foreign Exchange Risk:

The Company is engaged in two types of foreign exchange transactions as follows:

2.1 Purchases of the majority of equipment, tools and raw materials: To reduce foreign exchange risk, all imported equipment, tools and raw materials are purchased in the Baht currency.

2.2 Payment of the imported and foreign services: All imported and foreign services are settled in Thai Baht or through a forward contract to specify fixed costs and minimise foreign exchange risk.

3. Operational Risk Associated with Raw Material Procurement:

As the majority of raw materials used in NDT business is imported, operational risk can happen. There are 2 factors involved as follows:

A. Material price volatility: disrupting the Company's service fixed cost.

B. Material shortage: disrupting the Company's continued services and a major risk factor. TNDT thereafter puts in place measures to mitigate the risk exposure as follows:

3.1 All purchasing and selling contracts for raw materials must be finalised in advance with mutually agreed-upon terms and conditions regarding quantities and pricing.

3.2 Draw a carefully-planned for raw material usage according to the actual project workload and the information assessment in advance to ensure continued availability of required raw materials.

3.3 Maintain a close relationship with the suppliers and distributors of raw materials so that every party in the supply chain can jointly solve and minimise adverse impact caused by unexpected shortage and price fluctuation of the raw materials.

3.4 Some of the materials used are related to the stability of the country such as radioactive materials, the Company increased awareness and pursuance of the government's policies concerned. The Company strictly conformed to the government sector's policies and regulations to prevent any disruption of the law which might result in materials shortage.

4. Manpower Risk:

Qualified human resources are one of the most important assets of companies and also a high risk of the business. Increasing demand for NDT industrial services resulted in a shortage of experienced manpower. The imbalanced demand and supply caused a serious hunt for talents, including increase of remuneration, causing higher operational service costs, thus the business expansion plans might be jeopardised. In this regard, the Company awares of these problems and continue to solve the problems by follows:

4.1 Expansion of NDT Training Center: The Company's inhouse training center designs and provides knowledge and training to the employees up to the requirements of legal regulations and internationally-accepted standards. At the same time, staff also participate in seminars or trainings, both in Thailand and overseas, according to their development needs as well as to update themselves about new trends and practices in the business.

4.2 Exchange of knowledge and experience with alliance organizations, a healthy relationship with local and foreign alliance organisations which possess unique technologies is vital to promote learning among personnel working in the same business. They can exchange information, knowledge, experience and personnel - the practice is proven helpful in uplifting capabilities and growth potential of the Company's personnel to better serve our customers, and easing the shortage of qualified human resources.

4.3 Promotion of job security and employee career advancement: The Company promotes confidence and job security by offering career advancement opportunities to every employee according to his/her capabilities and potential. Moreover, the Company instils loyalty and sense of belonging to the organization by providing suitable benefits and sound remuneration, including healthy working atmosphere to create unity and happiness among the employees.

4.4 Cooperation with educational institutes and related organizations: The Company actively works with educational institutes and related organizations in developing qualified graduates to cope with demands of the NDT industry, as well as reduce human resources shortage and dependence on expatriate workers.

5. Competition and Industry Risk:

Although the growth of the whole industry will determine the industrial testing and inspection, but it is only one of many factors. The Company is subject to strict regulatory requirements and safety standards to reduce repercussion on the general NDT industry. However, in order to mitigate risk exposure caused by the increased competition, the Company aims at retaining the existing customer base through mutual cooperation, customers satisfaction and reasonable prices. Meanwhile the Company plans to expand the services to new customer groups in other industrial sectors, overseas which possess business potential as risk diversification.

6. Political Risk:

Political stability helps to support economic and social development. At the same time, political uncertainty retards confidence and motivation to investors, both domestic and international. It affected the whole industry, which has affected the inspection industry as well. In the past the Company was affected by the political crisis, but not so much severe. It is an experience to apply in risk management plan continually to accelerate the development of NDT personnel with potentiality and efficiency regulary and to expand our business to the countries with high economic growth, and without the political crisis, which has already performed.

7. Regulatory Risk:

NDT business and personnel performing NDT services are strictly subject to regulatory requirements as they involve safety and security of human lives, property and the environment. In Thailand, the business is regulated by many legal requirements from certain governmental organizations concerned. These regulations, though incurring additional compliance costs to both operators and customers, provide sources of business to the Company as industrial customers are required to use NDT services to comply with them. Therefore, the Company continues to monitor the government policies and regulatory requirements closely to accommodate any consequences and allow effective business management.

8. Contractor Risk:

Large public and private investment projects are usually awarded to construction contractors through a bidding process.

Winning contractors usually divide the work into smaller jobs and commission them to sub-contractors with specific experience and expertise. Sub-contractors are usually responsible for hiring NDT operators to provide engineering inspection and testing to ensure that their assigned work meets all safety requirements. Therefore, terms and conditions and service fees are typically determined by these sub-contractors. Acquiring NDT businesses through sub-contractors in this nature carries some inherent risks; for instance, possible technical mismatches from what required by the project owner, inappropriate service fees, and credit risk if the contractors have financial difficulties. The Company takes caution in this regard in order to avoid such risk by choosing to work with contractors which recognise the importance of NDT services, fully honour the project's safety requirements and have financially sound foundation. Up to 80 percent of the Company's service contracts are awarded by contractors and the remaining 20 percent by project owners. For high-risk projects, owners or project consultants are more actively involved in the service safety requirements, process of screening and appointing NDT providers. This is to ensure that they are fully qualified for the job and receive appropriate service fees, thus enhancing the Company's opportunity to acquire business directly from the project owners, reduce reliance on contractors, and decrease debt loss at a certain amount.

9. Risk associated with oil prices increase:

Due to almost all of the NDT services are provided at customers' sites, transportation and fuel costs are major components of the operating costs. Therefore, increasing oil prices is one of the risks affecting the Company's operating results. The Company also opts to use more alternative energy and types of transportation. In addition, more NDT service centers are built close to customers' sites to minimise travelling costs and time.

10. Risk associated with labour wage increase:

The government's policy on minimum wage increase in 2012 affected directly to the Company's employee wage and increase in proportion to increasing service costs. The Company reduces this risk by implementing strategies to accelerate the development of NDT personnel with more potential and efficiency to serve the customers for more volumes of work, customers' satisfaction, higher service fees in reasonable prices.



Shareholders and Management

Shareholder

As of December 31, 2013, the Company's issued and paid-up capital of Baht 100,000,000 divided into 100,000,000 common shares with a par value of Baht 1 per share.

List of top 10 major shareholders, as of the book-closing date on February 28, 2014, Comprised of:

Name	Number of Shares	%
1. Ms. Chomduen Satavuthi	43,833,940	43.83
2. Mr. Krirkkiet Satavuthi	4,270,000	4.27
3. Mr. Charoen Vattasingha	4,150,000	4.15
4. Mr. Ittiphol Pan-ngum	3,570,000	3.57
5. Mr. Sompong Wongkusonled	2,845,700	2.85
6. Mrs. Wattanee Pan-ngum	2,456,000	2.46
7. Mr. Charn Wathanakul	2,050,000	2.05
8. Mrs. Juraistri Satavuthi	1,983,800	1.98
9. Ms. Vajana Sakulraemrung	1,974,000	1.97
10. Mr. Anusorn Satavuthi	1,830,000	1.83
Total top10 major shareholders	68,963,440	68.96
Others	31,036,560	31.04
Total	100,000,000	100.00

Dividend Payout Policy

The Company has the policy to pay dividend to shareholders in the amount of no less than 40% of net profits after allocating legal reserves as determined by the Company's regulations and relevant laws given that the company has no other important use of such fund, and such dividend payment does not significantly affect the normal operations of the Company.

The information of securities holding of the Directors and the Executives in 2013

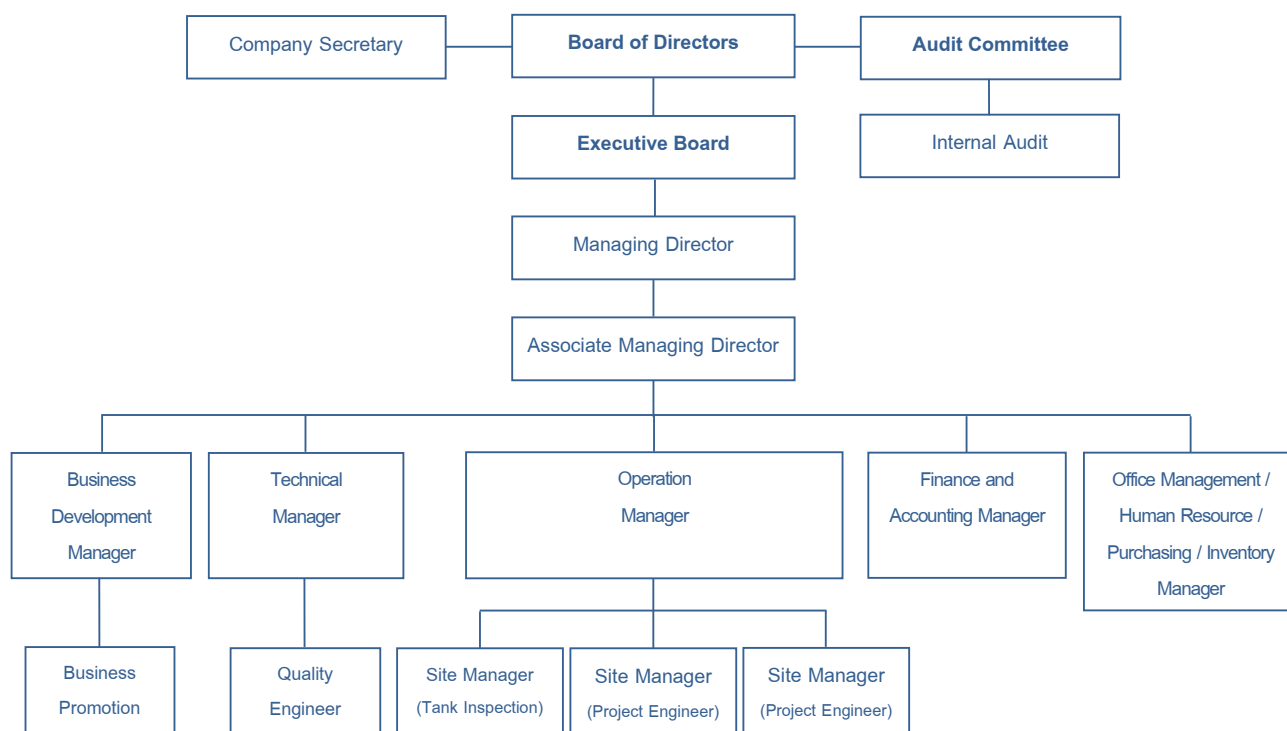
Shareholders Name		Position	As December 31, 2013 (Shares)	As December 31, 2012 (Shares)	Increase/ (Decreases)	% Change
1. Mr. Suwat	Dangpibulskul	- Chairman of the Board - Executive Director	1.75% 1,750,000	1.75% 1,750,000	-	00.00
2. Mr. Chaya	Jivacate	- Vice Chairman of the Board	-	-	-	00.00
3. Miss Chomduen	Satavuthi	- Director - Executive Director - Managing Director	43.83% 43,833,940	43.83% 43,833,940	-	00.00
4. Mr. Krirkkiat	Satavuthi	- Director - Executive Director	4.27% 4,270,000	4.27% 4,270,000	-	00.00
5. Squadron Leader Anek	Panturaks	- Director	-	-	-	00.00
6. Dr. Wicha	Jiwalai	- Independent Director - Chairman of the Audit Committee	-	-	-	00.00
7. Mr. Narong	Rattana	- Independent Director - Member of the Audit Committee	-	-	-	00.00
8. Mr. Vichai	Watcharavathanakul	- Independent Director - Member of the Audit Committee	-	-	-	00.00
9. Mr. Sahawat	Techachan	Business Development Manager	0.00001% 10	0.00001% 10	-	00.00
10. Mr. U Tin Maung Aye		Technical Manager	0.00001% 10	0.00001% 10	-	00.00
11. Mr. Somouy	Tangchithavornkul	Operations Manager	0.00001% 10	0.00001% 10	-	00.00
12. Mr. Thammarath	Sroysomboon	Operations Manager	0.00001% 10	0.00001% 10	-	00.00
13. Miss Vajana	Sakulraemrungs	Office Management in Administrative, Human Resource, Purchasing and Inventory	1.97% 1,974,000	1.97% 1,974,000	-	00.00
14. Mr. Niyom	Minivathakorn	Finance and Accounting Manager	-	-	-	00.00

Remark

As of December 31, 2012 and December 31, 2013, the Company's issued and paid-up capital of Baht 100,000,000 divided into 100,000,000 common shares with a par value of Baht 1 per share.

The Management Structure

Organization Chart



The Company has 3 boards as follows:

1. The Board of Directors
2. The Audit Committee
3. The Executive Board

List of members of the Board of Directors in 2013 is given below.

Name	Position
1. Mr. Suwat Dangpibulskul	Chairman of the Board
2. Mr. Chaya Jivacate	Vice Chairman of the Board
3. Ms. Chomduen Satavuthi	Director
4. Mr. Krirkkiat Satavuthi	Director
5. Squadron Leader Anek Panturaks	Director
6. Dr. Wicha Jiwalai	Independent Director / Chairman of the Audit Committee
7. Mr. Narong Rattana	Independent Director / Member of the Audit Committee
8. Mr. Vichai Watcharavatanakul	Independent Director / Member of the Audit Committee

Authorized Directors

Miss Chomduen Satavuthi co-signs with Mr. Chaya Jivacate, Mr. Suwat Dangpibulskul, Mr. Krirkkiat Satavuthi, or Squadron Leader Anek Panturaks with the Company's seal affixed.

Authority and Responsibilities of Chairman of the Board of Directors

- 1) To be responsible as the leader of the Board of Directors to oversee, monitor and supervise the operations of the Executive Board and other Committees to make them achieve the objectives pursuant to the specified plan.
- 2) To act as the Chairman of the Board of Directors' meeting and the Shareholders' meeting.
- 3) To have a casting vote in case the Board of Directors' meeting has a tie vote.

Authority and Responsibilities of the Board of Directors

- 1) Operate in compliance with the laws, the Company's objectives and regulations, and the shareholders' resolution honestly and prudently for the Company's best interest.
 - 2) Responsible for shareholders' right on equitable basis and operate with the shareholders' best interest at heart. Ensure accurate, complete, and adequate information disclosure.
 - 3) Determine, review and approve the Company's vision, mission, policies and directions yearly.
 - 4) Approve authority plan.
 - 5) Supervise, control and ensure that the management will effectively and efficiently proceed along the determined policies to maximize the Company economic value.
 - 6) Approve business expansion investment and joint venture with other operators.
 - 7) Preparing financial statements for accounting auditor and/or review and propose them to the Audit Committee
 - 8) Appoint Executive Board and determine its authorities and responsibilities of the Executive Board.
- In all, the Directors or any persons who might potentially have conflict of interest with the Company are not allowed to vote on the relevant agendas.

Moreover, the Company would need Board's approval and at least 75% of the shareholders' votes from the participating shareholders to approve the following decisions.

- Sell or transfer parts or all of the Company's crucial businesses.
- Buy or acquire other company's business or private company to be part of the Company.
- Make, amend or terminate contracts concerning leasing parts or all of the Company's crucial businesses. Assign a third party to operate the Company's operation or join operation with other person to share profits or losses.
- Amend or add any item in the Company's Memorandum of Association or Regulations.
- Increase or decrease capital, issue bond, and merge or close down the Company.

Ms. Sasiprapha Saengchai, Company Secretary, Office Management Department was appointed as Company Secretary according to the resolution of the Board of Directors Meeting No. 4/2555 on November 8, 2555.

Audit Committee in 2013 is given below.

Name	Position
1. Dr. Wicha Jiwalai	Chairman of the Audit Committee
2. Mr. Narong Rattana	Member of the Audit Committee
3. Mr. Vichai Watcharavatanakul	Member of the Audit Committee

Secretary of the Audit Committee : Miss Sasiprapha Seangchai

Authority and Responsibilities of the Audit Committee

- 1) Ensure that the Company accurately and adequately discloses financial information.
- 2) Ensure that the Company has appropriate and efficient internal control and audit systems, appoint internal audits, and determine operating framework for internal audit and determine internal audit schedule.
- 3) Ensure that the Company complies with the law concerning Securities and Securities Exchange, the Stock Exchange of Thailand's regulations and any relevant regulations.
- 4) Consider, select and propose accounting auditors and their remuneration, and establish operation guideline with the certified public accountant.
- 5) Ensure accurate and complete information disclosure in case of connected transaction or any transaction that may raise conflict of interest issues.
- 6) Prepare the Audit Committee's Report to be published in the Company's Annual Report. The report must be signed by the Chairman of the Audit Committee.
- 7) Consider other issues that may affect the Company's business and propose them to the Board of Directors for consideration.
- 8) Act in other issues as may be delegated by the Board of Directors with the consent of the Audit Committee.

Executive Board in 2013 is given below.

Name	Position
1. Mr. Suwat Dangpibulskul	President
2. Miss Chomduen Satavuthi	Executive Director
3. Mr. Krirkkiat Satavuthi	Executive Director

Authority and Responsibilities of the Executive Board

- 1) Give order, plan and ensure that the Company's operations are consistent with policies provided by the Board of Directors.
- 2) Determine business strategies.
- 3) Plan investment and capital raising process according to the Company's policies.
- 4) Approve appointment of consultant as necessary for business operation.
- 5) Determine employee's benefits as appropriate to situations, cultures and relevant regulations.
- 6) Approve procurement, cancellation, or selling of assets, investments and other expenses necessary for business operation, details are mentioned in the authority plan.
- 7) Approve asset procurement, expenses due to the Company's operation, and/or contracts with the business partners, details are mentioned in the authority plan.

In all, the aforementioned authorities of the Executive Board do not cover approval of any transaction that the Executive Board or related person may potentially have conflict of interests with the Company or subsidiaries (if any). The transaction with such nature must be proposed to the Board of Directors or the Shareholders' meeting (depending on the issue) for approval according to the Company's regulations or relevant laws.

Executive

Name		Position
1. Ms. Chomduen	Satavuthi	Managing Director
2. Mr. Sahawat	Techachan	Business Development Manager
3. Mr. U Tin Maung Aye		Technical Manager
4. Mr. Somouy	Tangchithavornkul	Operational Manager
5. Mr. Thammarath	Sroysomboon	Operational Manager
6. Ms. Vajana	Sakulraemrungs	Office Management, Human Resource, Purchasing and Inventory Manager
7. Mr. Niyom	Minivathakorn	Finance and Accounting Manager

Authority and Responsibilities of the Managing Director

The Managing Director shall have authorities and responsibilities as assigned by the Board of Directors within the Company's regulations. Responsibilities of the Managing Director can be summarized as follow.

- 1) Manage and control the Company's normal business operations.
- 2) Implement on any issue as assigned by the Board of Directors.
- 3) Oversee an overall business operation to be consistent with the policies provided by the Board of Directors.
- 4) Approve procurement, cancellation, or selling of assets, investments and other expenses necessary for business operation, details are mentioned in the authority plan.
- 5) Approve asset procurement, expenses due to the Company's operation, and/or contracts with the business partners, details are mentioned in the authority plan.
- 6) Consider business strategies and capital raising plan to propose to the Board of Directors in order of importance.
- 7) Hire, appoint and terminate employees, determine remuneration rate, give award, raise salary, remuneration and bonus for employees at all level according to the remuneration policies.
- 8) Open and close bank deposit accounts with financial institutions to facilitate normal business operation. The decision must be made base on the Company's best interest.
- 9) Approve the appointment of consultant as necessary for business operation through the Company's Board of Directors.

In all, the Managing Director must comply with the Company's regulations and the Board's resolution. The Managing Director must not approve any transaction that she or related person may potentially have conflict of interests with the Company or subsidiaries. The transaction with such nature must be disclosed to the Board of Directors for consideration.

The Managing Director cannot approve any actions other than what are mentioned above, unless assigned by the Board of Directors.



Selection of Board Members and Executives

The Company did not set up a special committee for this purpose. In all, the persons who will be appointed to be the Company's Directors and Executives must have characteristics according to the Section 68 of the Public Company Act B.E. 2535 and the Company's regulations. Moreover, the Directors and Executives must not have prohibited characteristics according to the Notification of Capital Market Supervisory Board No. Tor.Jor. 28/2551 concerning Request and Permission for New Share Issuance dated 15 December 2007, the selection process and criteria are as follows:

Board Member Selection Process and Relevant Issues

Board member selection, appointment and termination process and relevant issues are determined in the Company's regulations, which can be concluded as follows:

1. The Board of Directors shall comprise of no less than 5 members and no more than 15 members. The board members are appointed by the shareholders' meeting. The Board must consist of at least 3 directors, and at least half of the board members must reside in Thailand.
2. Independent Director must be qualified in accordance with the Notification of the Capital Market Supervisory Board No. Tor Chor. 4/2552 Re: Application for and Approval of Offer for Sales of Newly Issued Shares (Vol. 2). The Independent Director does not hold more than 0.5% of the voting shares of the Company, its subsidiaries, or any juristic person having a conflict of interest with the Company, in which the share owned by his/her connected person must be included. Independent directors do not have any involvement in the management or shall not be an employee and/or a provider of professional services. They do not have any business relationship with the Company, its subsidiaries, or any juristic person having a conflict of interest with the Company, nor do they have relationship or represent Directors or shareholder. They do not have any otherwise which is unable to have the independent opinion.
3. The shareholders' meeting shall select the board members using criteria and procedures as follow.
 - (1) A shareholder shall have one vote for each share held.
 - (2) A shareholder shall have votes according to the item (1) to vote for a candidate or multiple candidates, but, for the latter case, the vote may not be distribute for any particular candidates in any particular order.
 - (3) Candidates who receive highest numbers of vote, in order, will be appointed as the directors according to the amount of vacant positions that must be appointed in such particular time. In case the selected candidates have equal votes exceed numbers of vacant positions in such particular time, the Chairman of the meeting shall make final decision.
4. During every Annual General Shareholders' Meeting, a-third of Board members at that time must retire by rotation. If the amount of drectors cannot is indivisible by 3, the closest number to a-third shall be used. The retired directors during the first and second years would be selected by taking draws. For the following years, the directors who were in the position the longest shall be retired. The retired directors may be re-appointed back to the positions.
5. Any director who wishes to resign from the post must submit the resignation letter. Such letter shall be effective on the date it reaches the Company.
6. To vote any director out of the position prior to the rotation period, the motion require 75% of total participating votes in the shareholders' meeting with shares no less than half of total shares held by participating shareholders.

Audit Committee Selection Process and Relevant Issues

The Company's Audit Committee must be of the Company's directors appointed by the Board of Directors and has characteristics as determined by the Securities and Securities Exchange regulations and any relevant announcement, regulations, and/or order of the Stock Exchange of Thailand. The Audit Committee shall consist of no less than 3 members with at least a member proficient in finance and accounting.

Executive Board Selection Process and Relevant Issues

The Board of Directors shall appoint the Executive Board from the Board members and/or management team as appropriate. The Board of Directors shall appoint a board member to preside over the Executive Board as the President of the Executive Board.

Orientation of a New Director

In assuming the position of Director and/or Independent Director, each director will recieve all important information about the Company, along with the articles of association of the Company related to the roles and responsibilities of the Borad of Directors, as well as advice concerning the laws, rules, regulations and condition relating to being a Director of a listed company on the Stock Exchange of Thailand. The person will also recieve an orientation of the Company' s business.



Remuneration of Directors and Executive

1. Remuneration in Cash

a. Directors' Remuneration

During the Extraordinary Shareholders' Meeting No. 7/2556 on April 22, 2013, the shareholders' meeting approved the Directors and Audit Committee remuneration package of Baht 2,500,000.- in total for normal meeting and remuneration allowance. However, the Company had already paid Baht 2,500,000.- in total, which the meeting allowance of Chairman of the Board and Chairman of the Audit Committee were at Baht 15,000.- each, the allowance of Directors and Audit Committees were at Baht 10,000.- each, included in the Directors' remuneration for year 2013. Details of the allowances paid for each board members are as follows:

Name	Meeting Allowance	Remuneration Allowance	Amount	Participation / Times
1. Mr. Suwat Dangpibulskul	75,000.-	248,500.-	323,500.-	5/5
2. Mr. Chaya Jivacate	50,000.-	241,000.-	291,000.-	5/5
3. Miss Chomduen Satavuthi	50,000.-	238,500.-	288,500.-	5/5
4. Mr. Krirkkiat Satavuthi	50,000.-	238,500.-	288,500.-	5/5
5. Squadron Leader Anek Panturaks	50,000.-	238,500.-	288,500.-	5/5
6. Dr. Wicha Jiwalai	110,000.-	253,000.-	363,000.-	5/5, 4/4
7. Mr. Narong Rattana	90,000.-	238,500.-	328,500.-	5/5, 4/4
8. Mr. Vichai Watcharavatanakul	90,000.-	238,500.-	328,500.-	5/5, 4/4
Total of 8 directors	565,000.-	1,935,000.-	2,500,000.-	Remark

Remark

- In 2013, there were 5 meetings of the Board of Directors and 4 meetings of the Audit Committee.

b. Executives' Remuneration

A total of 7 Executives from division managers or higher received total remuneration, salary and bonus, of Baht 10,735,159.- from the Company during 2013.

2. Other Remunerations

a. Directors

No compensation other than meeting and remuneration allowance under item 1.

b. Executives

The provident fund contribution for the Executives during 2013 was as follows:

List	Total (persons)	Amount
Executives	7	794,811.-

c. Employees

The Company has established providence fund in the Company's name for all the Company's employees by appointing Kasikorn Fund Management Company Limited as the fund manager, starting from 1 January 2005. The Company would contribute to the fund at the amount 5-10% of employees' salary, depending on working duration. The employees shall contributed no less than 5% of salary, but will not exceed amount contributed by the Company.

Details of Directors

No.	Name-Surname / Position	Age (yrs)	Education	Share holding (%)	Work Experience		
					Time	Position	Department/Company
1.	Mr. Suwat Dangpibulskul Chairman of the Board Executive Director	71	Bachelor degree - Medical Science, Mahidol University - Law, Ramkhamheang University Certificates - Director Accreditation Program No.61/2007, Thai Institute of Directors	1.75	1990 - Present	Chairman of the Board Executive Director Tenure of directors in TNDT	Thai NDT Public Company Limited 26 April 2007 - 27 April 2009 27 April 2009 - 27 April 2011 27 April 2011 - 22 April 2013 22 April 2013 - Present
2.	Mr. Chaya Jivacate Vice Vice Chairman of the Board	76	Master degree - Microwave Physics University of Surrey, U.K. Bachelor degree - B.Sc.(2nd class honour) in Electrical Engineering, Chulalongkorn University Certificates - Director Accreditation Program No.80/2009, Thai Institute of Directors	-	2009 - Present	Vice Chairman of the Board Tenure of directors in TNDT	Thai NDT Public Company Limited 27 April 2009 - 23 April 2012 23 April 2012 - Present
3.	Miss Chomduen Satavuthi Director Executive Director Managing Director	67	Master degree - Nuclear Technology, Chulalongkorn University Bachelor degree - Chemistry Science, Chiang Mai University Certificates - Director Accreditation Program No.61/2007, Thai Institute of Directors	43.83	1982 - Present 2002 - 2004 2005 - 2009 2006 - Present	Director Executive Director Managing Director Director Chairman Director Tenure of directors in TNDT	Thai NDT Public Company Limited Thai Society for Non-Destructive Testing Thai Society for Non-Destructive Testing Nuclear Society of Thailand 26 April 2007 - 27 April 2009 27 April 2009 - 27 April 2011 27 April 2011 - 28 April 2014
4.	Mr. Krirkkiat Satavuthi Director Executive Director	66	Master degree - Civil Engineering, Brigham Young University U.S.A. Bachelor degree - Civil Engineering, Kasetsart University Certificates - Director Accreditation Program No.61/2007, Thai Institute of Directors	4.27	1982 - Present	Director Executive Director Tenure of directors in TNDT	Thai NDT Public Company Limited 26 April 2007 - 27 April 2009 27 April 2009 - 27 April 2011 27 April 2011 - 22 April 2013 22 April 2013 - Present



No.	Name-Surname / Position	Age (yrs)	Education	Share holding (%)	Work Experience		
					Time	Position	Department/Company
5	Squadron Leader Anek Panturaks Director	79	<u>Bachelor degree</u> - Mechanical Engineering (honor row), Chulalongkorn University <u>Certificates</u> - Director Accreditation Program No.61/2007, Thai Institute of Directors	-	2002 - Present	Director <u>Tenure of directors in TNDT</u>	Thai NDT Public Company Limited 26 April 2007 - 26 April 2009 26 April 2009 - 23 April 2011 23 April 2011 - 28 April 2014
6	Dr. Wicha Jiwalai Independent Director Chairman of the Audit Committee	69	<u>Ph.D. degree</u> - Geodetic Science , Ohio State University, U.S.A. <u>Master degree</u> - Cartography Engineering, ITC Institute, the Netherland. <u>Certificates</u> - Director Certification Program No.14/2002 - Director Accreditation Program No.8/2004 - Finance for Non-Finance Director No.10/2004 - Audit Committee Program No.11/2006 - The Role Of Chairman 2000 No.13/2006 - Chartered No.1/2007 Thai Institute of Directors	-	2007 - Present	Audit Committee Independent Director, Chairman of the Audit Committee Chairman of the Audit Committee Chairman Director Chairman Honorary Director Academic Director, Civil Engineering First Past President <u>Tenure of directors in TNDT</u>	Thai Optical Group Public Company Limited Thai NDT Public Company Limited STP&I Public Company Limited Salitara Company Limited World Resort Company Limited Surveying and Mapping Society of Thailand Association of Thai Condominium The Engineering Institute of Thailand The Asean Federation on Land Surveying and Geomatic 26 April 2007 - 28 April 2008 28 April 2008 - 27 April 2011 27 April 2011 - 28 April 2014
7	Mr.Narong Rattana Independent Director Member of the Audit Committee	71	<u>Master degree</u> - Civil Engineering, Villanova University U.S.A. <u>Bachelor degree</u> - Civil Engineering, Chulalongkorn University <u>Certificates</u> - Director Accreditation Program May, 2008 Thai Institute of Directors	-	2009 - Present 1995 - 2004	Independent Director, Member of the Audit Committee Director <u>Tenure of directors in TNDT</u>	Thai NDT Public Company Limited Thai - German Institute 27 April 2009 - 27 April 2012 27 April 2012 - Present
8	Mr. Vichai Watcharavatanakul Independent Director Member of the Audit Committee	61	<u>Master degree</u> - Political Science, NIDA <u>Bachelor degree</u> - Accounting, 1st honor, Thai Chamber of Commerce University - Law, Thammasat University <u>High Vocational</u> - Accounting Audit, Chulalongkorn University <u>Certificate</u> - Director Accreditation Program No.61/2007, Thai Institute of Directors	-	2007 - Present 1995 - Present	Independent Director, Member of the Audit Committee Certified Accounting Auditor, accounting and tax consultant <u>Tenure of directors in TNDT</u>	Thai NDT Public Company Limited Freelance 26 April 2007 - 26 April 2010 26 April 2010 - 22 April 2013 22 April 2013 - Present



Details of Executives

No.	Name-Surname / Position	Age (yrs)	Education	Share holding (%)	Work Experience		
					Time	Position	Department/Company
1	Mr. Sahawat Techachan Business Development Manager	53	<u>Certificates</u> - Mechanical Engineering, Northeastern Technology College	-	1989 - Present 2012 - Present	Business Development Manager Director	Thai NDT Public Company Limited Thai Society for Non-Destructive Testing (TSNT)
2	Mr. U Tin Maung Aye Technical Manager	51	<u>Bachelor degree</u> - Mechanical Engineering, Yangon Institute of Technology, Burma <u>Certificates</u> - Welding Engineer, International Institute of Welding - ASNT/ACCP/PED NDT Level III ASNT, TUV	-	1998 - Present 2010 - 2012	Technical Manager Director	Thai NDT Public Company Limited Thai Society for Non-Destructive Testing (TSNT)
3	Mr. Somouy Tangchithavornkul Operations Manager	45	<u>Master degree</u> - Business Administration, Ramkamheang University <u>Bachelor degree</u> - Aviation Maintenance, San Jose State University USA	-	1999 - Present	Operations Manager	Thai NDT Public Company Limited
4	Mr. Thammarath Sroysomboon Operations Manager	45	<u>Bachelor degree</u> - Welding Engineering, King Mongkut's Technology North Bangkok University	-	1998 - Present 2010 - 2012	Operations Manager Director	Thai NDT Public Company Limited Thai Society for Non-Destructive Testing (TSNT)
5	Miss Vajana Sakulraemrungs Office Management in Human Resource, Administrative, Purchasing and Inventory	53	<u>Bachelor degree</u> - Bachelor of Liberal Arts, Thammasat University	1.97	2005 - Present	Office Management in Human Resource, Administrative, Purchasing and Inventory	Thai NDT Public Company Limited
6	Mr. Niyom Minivathakorn Finance and Accounting Manager	47	<u>Bachelor degree</u> - Accounting, Kasem Bundit University <u>High Vocational</u> - College of Technology and Vocational Education, Bangkok Commercial Campus <u>Certificate</u> - Bookkeeper Training, Ministry of Commerce, Year 2000	-	2011 - Present 2002 - Present	Finance and Accounting Manager Office Manager Director Assistant Auditor	Thai NDT Public Company Limited Piya Arpa Accounting Arpakorn Advisory Company Limited S.B. Auditing Service Company Limited

Corporate Governance

In 2013, the Company has followed the principles of good governance for five categories as follows:

Section 1 : Rights of Shareholders

The Company emphasizes and recognizes the importance of the equitable treatment of all shareholders rights, both minority and majority shareholders, institute investors or foreigners. All shareholders have the right to sell, purchase or transfer the Company's securities, get the returned Company's profit by the way of dividend payment, get the sufficient news and information of the Company's business, appointment / withdrawn of Directors of the Company, auditor appointment and remuneration of Directors and Auditor approval as well as approval on other occasions, etc. Including matters affecting for business investment issue, such as reduction or increase in stock capital. Moreover, the Company also provides and facilitates to serve the rights of shareholders as follows:

1. Company conducted the Annual General Meeting of Shareholder 2013 on Monday 22 April 2013, 09.30 a.m. at Stock Exchange of Thailand (SET) building on 11th Floor at Room 1101 which was convenient for transportation. The meeting agenda with its details was posted via setportal system of SET 60 days prior to the meeting date. The invitation letter indicating place, date, time, meeting agenda with objectives and opinions of directors, guidelines, proxy form, articles of association related to voting and supporting documents were provided disclosed on the Company's website (www.tndt.co.th) in the investor relations section under the title of shareholder information 35 days prior to the meeting date for the shareholders to have sufficient time to consider. The Company assigned TSD, the registrar, to deliver the documents and registration form directly to the shareholders 20 days prior to the meeting date. Moreover, the invitation has also been 3 days continually published in the newspaper, 12 days prior to the meeting date to be in line with law.

2. In case of shareholders who will not be able to attend the meeting, the Company allows shareholder to authorize an Independent Director or any other people as a representative with proxy form and evidence based on regulation mentioned in the invitation letter.

3. All Board of Directors and Executives will participate in the meeting and the shareholders are welcome to ask for information and details concerning Company's business performance.

4. Disclosure of the vote details of each agenda were posted on www.tndt.co.th on the next day of annual general meeting date. The minutes of meeting which included the lists of the Director Members who attended and didn't attend the meeting, the process of voting and results, including record of conversations between the Board of Directors and Shareholders had been sent to SET and Ministry of Commerce within 14 days after the meeting date.

Section 2 : Equitable Treatment of Shareholders

The Company realizes to establish equality and fairness among all group of shareholders. During the meeting, the shareholders have the right to inquire about the Company's operations. The Chairman and Board of Directors fully provide an opportunity for shareholders to make inquiries, comments and suggestions. In case of shareholders who will not be able to attend the meeting, the Company allows shareholder to authorize an Independent Director or any other people as a representative with proxy form and evidence which have been attached with the invitation letter. The shareholders have the right to vote corresponding to the number of shares held, one share is equal to one vote. The Board of Directors, having conflict of interest in any agenda, shall not participate in the agenda.

Moreover, the Company's policy define that the Directors and the Executives must periodically report their holding within 3 business days from the date which securities have been purchased, sold, transferred or accepted transfer to SET and SEC abided by Article 59 of Securities and Exchange Act B.E.2535 (1992). In addition, the Company must disclose in the Annual Disclosure Information (56-1), Annual Report (56-2) and disclose the inside informations which may affect the investment and the exploitation of its Directors or Executives on such date immediately or before 9.00 am of the next business day.

Section 3 : Roles of Stakeholders

The Company is aware of the rights and roles of all stakeholders equally and fairly as follows:

Shareholders The Company pledge to run business with good results and make profits continuously and steadily, disclose the operations, financial and non-financial information accurately, transparently and it can be verified. They are for the highest benefits of various groups of shareholders with fairness and equality. The Company shall regularly update the Company information via the SET and Company's website (www.tndt.co.th). Moreover the Company comply with all of the principles relating to the shareholders.

Customers The Company is dedicated to customer service, safety of life and property and the environment with adherence to honesty, fairness, caring, responsibilities and provide quality service on the basis of professional ethics, international standards and legal.

Trading Partner The Company strictly select trading partners with the similar business ethics and integrity. The Company will treat the trading partners fairly and equally under the mutual agreement with honesty and fairness, not being exploited and not accepting gifts or rewards, as well as joining the parties or any activities with the aim to facilitate the operations and private benefits.

Section 3 : Roles of Stakeholders (continue)

Competitors The Company pledge to behave in accordance with the rules of the fair competition. The business with policies is to avoid exploitation, unethical manner such as caluminate, aspersion, misrepresent or any other way to attack rival.

Creditors The Company shall comply with the contract between the Company and creditors with settling the debts on time to build trust and sincere with each other.

Product owners, Suppliers or Distributors The Company commits to create a fair partner and maintain a good relationship with the product owners, suppliers or distributors without taking advantages. The purchases and sale of products and services are under the mutual agreement in terms of appropriate pricing and quantities. The Company prohibits Directors and Employees of the Company to receive any personal benefit from them.

Contractor The Company will recruit qualified contractors to perform according to the terms stated in the contract, as well as treating them as employees without exploitation.

Government Offices The Company will cooperate and follow the rules and regulations of government offices and the related standards. The Company will follow the correct way to proceed with integrity, ignoring the bribery, gift or any other which contribute to facilitate the business operations.

Employees The Company policy and procedures are on the fundamental right of employees and their family, offering rewards and benefits based on their abilities, fairly and equally. The Company also provides the necessary equipment to prevent danger from work does not violate the privacy rights, encourages and supports employees to train both inside and outside the organization. Learning the new techniques and creating the professional expertise regularly are to maximize the potential and performance of the organization. The Company provides opportunities for employees to complain or suggest on various matters arising from the operations via email / post / Human Resources Department. The Company will not disclose the information of the complainant.

Community The Company is determined to learn the local culture and traditions in the area of operations for living together in peace, co-creating, co-developing and support activities in the community, including resource conservation and environmental of communities nearby .

Environment The Company is committed to comply strictly with environmental standards and regulations, not making any impact arising from the operational use of existing resources to the environment and societies. The recycling and reuse of the materials by modifying the disposal of scrap materials which left over from the service efficiently contribute to reducing the costs of operation. The remaining disposals are sent back to the parties who can responsible by the agreement for proceeding to eliminate them technically and legally, not to be burden and danger to society and the environment.

Clues / Complains / Comments or Suggestions The Board of Directors respect all of the stakeholders to participate in the matters which benefit to the business development of the Company, thus feedback channels for all stakeholders to return their clue / complains / comments or suggestions are as below:

Company Secretary Office : Thai Nondestructive Testing Public Company Limited.
19 Soi Suason 8, Ramkhamhaeng Rd., Huamark, Bangkok, Bangkok 10240
Tel: +662-735-0801 (Auto 10 lines) Fax: +662-735-1941
E-mail: headoffice@tndt.co.th / info@tndt.co.th

The Company Secretary / The Audit Committee Secretary will collect the information and propose the Board of Director and the Audit Committee to consider. In addition, the Company has the policy to defend the appellant by keeping appellant's information as secret.

Section 4 : Disclosure and Transparency

The Company recognizes the importance of information disclosure with correctness, completeness, transparency on schedule according to the regulations of SEC and SET. The information includes financial and non-financial information as well as other important information which may affect the Company's securities prices and investment decisions of investors and stakeholders, both in Thai and English language. In addition, the Company disclose the remuneration of Directors (individually) and Executives and Audit fees, including other information such as details about the Committee, Company Secretary and Auditors who have worked during the past year, their performance and also the records of meeting attendance of the Director and Sub-Committees individually and history of course training. Moreover the information disclosure of securities holding of Directors and Executives (Page 31) within 3 business days from the date which securities have been purchased, sold, transferred or accepted transfer. The Company Secretary will coordinate in reporting the securities transition to the SEC and SET, reporting to the Board of Directors, reporting via SET, Annual Disclosure Information (56-1), Annual Report (56-2) and Company's website (www.tndt.co.th).

Section 5 : Board Responsibilities

Board of Directors shall have the knowledge, experiences, ability and beneficial expertise to the Company business and the related industrial. Their duties are to define a policy review and approve the vision, mission, strategic objectives, business plans and budgets of the Company, including supervising and monitoring performance regularly in order to ensure the implementation of the Company policies and programs to meet efficiency and effectiveness. They are as follows:

1. Good Corporate Governance Policy

The Board of Directors promote the Company to realize the significance of the management to adhere the principles of professional ethic and good corporate governance. In aspects of the organization's structure and the management strategies which will stipulate the roles and systematic operations that are transparent and open for inspecting. For examples: Clear mission and strategies, transparency to operate the business, taking care of safety of personal, property and environment both in organization and communities nearby, complying with the rules and regulations of the Company, the requirements and notification of SET and CMSB and the laws which related to the business, etc. The Board of the Company, Executives and Employees have committed to comply with the good corporate governance regularly. This will project better standards of management, bring out the various group of Stakeholders to be confidence in the Company's good image and contribute to the development of a truly sustainable business.

2. Leadership and Vision

To comply with Good Corporate Governance practices, the Board of Directors shall independently act on the following issues

- Determine vision, missions, strategies, goals, business plan and budget of the Company.
- Regularly supervise and follow up with the progress of the management to ensure that the objectives could be accomplished.
- Ensure adequate internal control system and provide regular follow up. The Company's accounting auditor, M.R. & Associate

Company Limited, has evaluated and reviewed the Company's internal audit system during the annual accounting audit. The auditor did not found any weakness and flaw in the system.

- Ensure appropriate risk management measure and regularly follow up with the progress to ensure the Company's best interest.
- Encourage the Company's directors to receive training provided by the Thai Director Institute.

3. Conflict of Interest

To prevent conflict of interest issue, the Board of Directors determine policy and procedures to prevent management or connected person from using insider's information for personal benefits as follows:

- Reporting of Conflict of Interest must be approved by the Board of Directors. In all, to approve the connected transaction, the Company's best interest, fairness, rationale behind transaction and consistency with market practice must be taken into consideration.
- Supervision of Insider's Information Usage. The Board of Directors has a policy to prevent any Director or Executive to benefit from the significant insider's information that will significantly affect investment. The Board of Directors shall convene the meeting, vote on the issue with the consent from the Audit Committee, and report to the SET on the following working day. Therefore, the Directors and Executives do not have an opportunity to use such insider's information for personal benefit.

4. Business Ethics

The Company has determined the ethical practice guideline for Directors, Executives, and Employees, so they can conduct business loyally, honestly, justly and responsibly for stakeholders, shareholders and every related party. The ethic guideline shall include punishment as well.

5. Balance of Power of Non-Executive Directors

From 8 members of the Board of Directors, 3 Directors are members of the Audit Committee, who are Independent Directors, which exceed 1 of 3 of total number of Board members. Moreover, there are 2 Directors who are neither Independent Directors nor Executives.

6. Aggregation or Segregation of Positions

The Chairman of the Board is not the same person as the Managing Director. A-third of the Company's Board of Directors are members of the Audit Committee, who are Independent Directors, creating balance of power to check the Executive. Moreover, the Company has clearly determined scope of responsibilities of the board of Directors and Managing Director, which does not give any of the two parties the absolute power and would create balance of power in the significant resolution that require the Board or shareholders' resolution. Moreover, the Board Members or Managing Directors are not allowed to vote or approve on any connected transaction that he / she might have a conflict of interest with the Company or subsidiaries.

Section 5 : Board Responsibilities (continue)

7. Remuneration of Directors and Management

Director's remuneration: The Company has clearly and transparently determined Director's remuneration policy to be within the same range with the industrial average and sufficient enough to attract and retain well-qualified Directors. The remuneration package must be approved by the shareholders' meeting. The Directors with more responsibilities should be entitled to appropriate remuneration in line with the additional responsibilities. Executive's remuneration: The Executive's remuneration is determined by the Board of Directors.

8. Board Meeting

The Board of Directors shall convene board meeting at least once in every three months. During each meeting, more than half of total board members must participate to form the quorum. The majority vote will decide the Board resolution.

The meeting schedule will be clearly determined in advance with regular update on business progress. The Company will send out board meeting invitation to the Directors at least 7 days prior to the meeting to enable the participating board members to have enough time to study before participating in the meeting. For each meeting, the meeting minutes will be made. The Secretary of the Board shall keep meeting minutes certified by the Board for further reference.

During 2013, each Director's attendance in the relevant meetings are as follows:

Name	Board Meeting (time)	Audit Committee Meeting (time)
1. Mr. Suwat Dangpibulskul	5/5	-
2. Mr. Chaya Jivacate	5/5	-
3. Miss Chomduen Satavuthi	5/5	-
4. Mr. Krirkkiat Satavuthi	5/5	-
5. Squadron Leader Anek Panturaks	5/5	-
6. Dr. Wicha Jiwalai	5/5	4/4
7. Mr. Narong Rattana	5/5	4/4
8. Mr. Vichai Watcharavatanakul	5/5	4/4

9. Sub-Committee

The Board of Directors appointed 3 Audit Committee members with tenure of 3 years to help and supervise the Company's business. The Audit Committee shall meet at least once in every quarter and shall convene extraordinary meetings in the event of urgent agenda.

The Company currently does not have remuneration sub-committee. However, the Company has appropriate remuneration policy by benchmarking with the similar industry and similar scale together with the Company's performance. The Company then proposes the remuneration package to the shareholders' meeting for final approval.

10. Directors' Reports

The Board of Directors shall be responsible for managing important business transactions, corporate affair, financial statements and public information disclosure, in the form of disclosure form and annual report. The financial statements must be made in accordance with the generally accepted accounting principle of Thailand.

For this purpose, the Board of Directors shall appoint Audit Committee, which comprised of Independent Directors who are not Executives, to ensure the quality of financial reports and internal control system.

11. Internal Control and Audit System

The Company gives importance to internal control and audit system in both management and operational level to ensure operation efficiency in terms of internal conditions, assessment of business risks, supervision of public information and communication. The Company continuously supervises results and clearly determines responsibilities and authorities of the operators and managements; maintains good governance to ensure appropriate level of check and balance. Moreover, in financial control, the Company provides system that report financial data to the management in the responsible division.

Corporate Social Responsibility (CSR)

The Company business delivers professional engineering inspection and testing services using NDT technology to ensure safety in high-risk industrial sectors and in large building structures. Thus, our business involved in social and environmental responsibility directly. The Company recognized the need to conduct business with the highest responsibility while it was one of the factors determining growth rate of the organization. Throughout the past 30 years of the business, our operation has been carried out according to the following principles:

1. Each year, the Company develop and promote considerable number of NDT technicians for society of the industry without any costs. The technical profession is highly specialized and none of the current educational institutions has capacity to produce human resources to be able to work promptly after graduation.

2. The services have been provided to customers under professional ethics and regulations. We have been strictly providing services to customers in the past 30 years, and no accident has ever been caused by failures in our services since we are aware that any accidents occurring in industrial sectors, especially in energy and fuel industry, as well as in any large building structures can cause severe effects not only on the entrepreneurs, but also widespread impact on many other lives, properties, and environment.

3. The Company gives high importance to public and private regulations and guidelines benefiting society and environment, especially in conducting every related business activities. These regulations are for example, the regulation of using radioactive substance, released by the Office of Atoms for Peace, Ministry of Science and Technology, regulations of the Department of Energy Business, the Ministry of Energy, and also guidelines of international standards. Furthermore, we commit to dispose material wastes from our services, such as radioactive waste, spray bottles and magnetic powder, without any negative effects and harmlessly to society and environment. The disposal is processed under international standard and related laws by sending the material waste back to their origins or to the Company suppliers. Toxic waste is treated and disposed appropriately by authorized companies registered by the Department of Industrial Works. Over the past 30 years in the business, our company has never received any complaints nor encountered any environmental problems.

4. Besides integrating social and environmental value in our core business, the Company also participate in various social activities, for example:

4.1 Community and environmental development in surrounding areas of the working sites, such as job creation, cleaning activities with people in the community and building the school fences.

4.2 Educational support for students through granting scholarships and donating books and learning materials.

4.3 Support the activities of any religions.



Internal Control

The Audit Committee of which comprised 3 independent directors were attended the Board of Director's meeting No.2/2014 held on 25 February 2014. The Board of Directors and Executives recognizes the importance of the Company's internal control system, risk management and adequacy of the internal control operations.

The Board of Directors has monitored the implementation of internal control system by questioning Managing Director and assigning the Audit Committee to monitored, review the effectiveness and adequacy of the risk management including the internal control system and performance evaluation reports from the internal auditors. The evaluation reports shall contain determining the appropriate scope of responsibility, operational plans, assessment of the adequacy, quality of risk management and the internal control system, corporate governance and following the rules, laws, official regulations related to the conduct business and articles of association presented the report to the Board of Directors. In case of any suggestions or significant defects. The internal auditors shall report to the Audit Committee and Committee will then present it to the Board of Directors for advice on further improvement.

Evaluating the adequacy of the internal control system of the audit committee covers the Good Corporate Governance (CG), Corporate Social Responsibility (CSR) and Code of Ethics by considering the concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) that has defined the key components required to control all 5 elements including Control Environment, Risk Management, Control Activities, Informational and Communication and Monitoring Activities.

In the year 2013, The Audit Committee was of the opinion that the internal control system was adequate, appropriate and has the preventive measure from improper deployment of the Company's assets by the Executives. In the past, the transaction was approved based on the best interest of the Company. However, the Company increased caution in the transaction even more that the transaction in the future will be considered by the persons who have not conflict of interest and authority approval only.

In addition, the Company has determined that the internal auditor monitored the Company's internal control system. The auditor has performed its duties independently and reported to the Audit Committee that the Committee reviewed the internal control system including the operations of the Company and coordinated with the Auditors and Executives regarding the reviews of the financial report to provide the sufficient and reliable along with the report of the Audit Committee in order to present to the Board of Directors and include in the Annual Report (56-2) which was signed by the Chairman of the Audit Committee.



Connected Transactions

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2012 and 2013 are as follows:

Name / Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
1. Munja Company Limited Seller of medical equipment and repair service. The company was initially established to be selling agent for NDT products. Some of the products are not available in Thailand then, and the company could earn discount from supplier. Those problems are no longer an issue for the company as there are many NDT product distributors. So the company changes its product to medical equipment and repair service instead.	The Company shares 2 Directors and 1 executive with Munja Company Limited. Miss Chomduen Satavuthi and Mr. Suwat Dangpibulskul are authorized directors of Munja Co., Ltd. and hold 49.98% and 49.97%, respectively, of the paid-up capital. Miss Vajana Sakulramrung, who is the Company's shareholder, has a share in Munja Co., Ltd.	The transaction did not occur in 2012 and 2013	If necessary, the transaction will be done to acquire tools and equipment used in normal business operation from this company. The transactions will be done in normal business practice similar to other clients, and will be done at a fair and market price. The transaction will be rational under the Audit Committee's evaluation
2. Property rental from Mrs. Kongmuang Dangpibulskul	Mrs. Kongmuang Dangpibulskul is related to Mr. Suwat Dangpibulskul, who is the Company's Director.	The Company rent 2 3-storey shop-houses on land deed no.40803 and 40804 with area 21.2 and 17 square wah, respectively. The property is located on 267/157-8 Sukhumvit Road, Maptaput Sub-District, Muang District, Rayong Province to be used as employee's residence. The rental rate was at Baht 20,000 a month. The Company paid Baht 0.24 million during each of 2012 and 2013.	This transaction is to rent employee's residence to facilitate the operation and customer service. The rental rate is fair when compare to the same location. The Audit Committee evaluated the transaction and believed that the transaction is rational and done at a fair price.
3. Land lease from Mrs. Niramol Satavuthi	Mrs. Niramol Satavuthi is related to Miss Chomduen Satavuthi, who is the Company's Director.	The Company leased land with deeds no. 146358, 146359 and 74549 with areas 63, 63.2 and 63 square wah, respectively. Those lands are on Huamark Sub-District, Bangkok District, Bangkok to construct employee training center. The Company paid Baht 8,500 a month. The Company paid Baht 0.10 million during 2012 and Baht 0.10 million during 2013.	This transaction is to lease land to construct employee training center. The leasing rate is lower than the nearby land. The Audit Committee evaluated the transaction and believed that the transaction is rational and done at a fair price when compare to the land leasing price nearby.
4. Director guarantee the Company's loan	Miss Chomduen Satavuthi, Director and Managing Director, and Mr. Suwat Dangpibulskul, Chairman of the Board and President	Joint personal guarantee on overdraft credit of Baht 5.00 million, letter of guarantee credit line of Baht 19.00 million to the financial institutions as required by the financial institution. The guarantee covers full amount of all credit lines.	The Company has borrowed from a financial institution for business operation. The Audit Committee evaluated the transaction and believed that the transaction is necessary for the Company's business operation.
5. Use directors' personal assets as collateral for the Company's loan. Director guarantee loan for the Company	Mr.Suwat Dangpibulskul, Chairman of the Board and President	Pledge personal assets, the land deeds no. 40803 and 40804 in Maptaput Sub-District, Muang District, Rayong Province and the constructions as collateral for overdraft credit of Baht 9.00 million long-term loan valued, letter of guarantee credit line of Baht 12.00 million to the financial institutions as required by the financial institution. During 2012, the guarantee covers full amount of all credit lines. The guarantee had already been withdrawn in march 2013.	The Company has borrowed from a financial institution for business operation. The Audit Committee evaluated the transaction and believed that the transaction is necessary for the Company's business operation. In case of unnecessary guarantee, the Company should withdraw the mentioned personal assets.

Transactions of the Company and companies related to a person who may have a conflict of interest which occurred during 2012 and 2013 are as follows: (continue)

Name/Nature of Business	Relationship	Nature and value of transactions	Necessity and rational of transaction
6. Enspect Group Co.,Ltd.	Miss Chomduen Satavuthi, Director and Managing Director is authorized directors of Enspect Group Co.,Ltd. and hold 75%	Enspect Group Co.,Ltd. is a provider of Building Inspection in accordance with Building Control Act and the Ministerial Building Inspection. Therefore, the company has Enspect Group Co.,Ltd oversee and provide materials for construction, building decoration for Rayong offices. The wage determination is 60,000 baht per month. The company paid Baht 0.19 million during 2012. For 2013, the transaction did not occur.	Due to Enspect Group Co.,Ltd has experience and expertise in building and construction control. If necessary, the company has to hired supervise construction and building decoration. the transactions will be done in normal business practice similar to suppliers, and will be done at a fair and market price. The transaction will be rational under the Audit Committee's evaluation.
7. LTNDT Co., Ltd.	The Company invest and hold 70%, the Company in Lao PRD hold 30% of the paid up capital.	The Company paid expenditure for investment Bath 64,776 during 2012 and Baht 68,074 during 2013.	LTNDT Co.,Ltd is the a Nondestructive Testing and Inspection company and already got the Lao's BOI Licence for 15 years. The Audit Committee has evaluated the transaction and believes that the transaction is rational and done at a fair price.
8. TNDT CM Co., Ltd.	The Company invest and hold 46%, Mr.Songyos Jormsri (Unrelated Person) hold 46% and Min Khit Thit Mining Company Limited hold 8% of the paid up capital.	The transaction did not occur in 2012. The Company paid expenditure for investment Baht 800,000 for area survey and operations cost during 2013.	TNDT CM Co.,Ltd is the Company registered in Thailand. The Business are Coal and Mineral Trading and Mine Business in Republic of the Union of Myanmar. The Audit Committee has evaluated the transaction and believes that the transaction is rational. The project was suitable for investing and it was beneficial to the Company.

Necessity and Justification of The Existing Transactions

The employee's residence in Rayong and land leasing to construct employee training center from relatives of the Company's Directors are made to facilitate the business transaction and to benefit the Company's operation. The Company assigned the Audit Committee to examine connected transactions. The Audit Committee evaluated the transaction and believed that the transaction is rational and done at a fair price when compare to the property leasing rate nearby.

Measures and Procedures for Connected Transaction Approval

The Company has determined measures and procedures to approve connected transaction. In order to engage in any transaction that may involve the person with potential conflict of interest, the transaction must be examined by the Audit Committee and approved by the Board of Directors, whereby the Audit Committee must be presented. To resolve such transaction, the Director who has potential conflict of interest cannot vote on the agenda.

Policy and Tendency for Future Connected Transactions

In the future, if it is necessary for the Company to make connected transaction with person with potential conflict of interest, the Company has a policy to determine various requirements to ensure normal business practice at the market price that could be compared if done with the other party. In all, the Company shall assign the Audit Committee, the Company's accounting auditor, or independent specialist to evaluate the rational of the transaction and the pricing.

For the future connected transaction, directors must comply with the stipulated requirements. The Directors must not approve any transaction that he or related person may have potential conflict of interest with the Company. Directors must disclose the transaction to the Board of Directors for consideration and approval. The Company shall comply with the Securities and Securities Exchange Regulations and any relevant regulation, announcement or order of the Stock Exchange of Thailand. The Company shall also comply with the regulation concerning information disclosure of the connected transaction and asset acquisition or disposal of the Company or subsidiaries. The Company shall not carry out the connected transaction on the activities irrelevant to the normal business operation.

In all, if there is any connected transaction between Thai NDT Public Company Limited and a person that may risk conflict of interest or may cause the conflict in the future, the Company shall assign the Audit Committee to comment on the pricing, compensation, and the necessity and appropriateness of the transaction. In the case where the Audit Committee are not proficient enough to consider the transaction, the Company shall have independent specialist or accounting auditor commenting on the transaction to assist decision making process of the Board of Directors or shareholders. The Company shall, disclose the connected transaction in the notes to financial statements of the audited financial statements from the Company's auditor.

Investor's Protection Measures

To protect investors, if there will be connected transaction between the Company and the persons that may risk conflict of interest, stand to gain from the transaction, or may create conflict in the future, the Company's Board of Directors, with participation of the Audit Committee, shall oversee the transaction approval process to ensure that the transaction is done fairly at appropriate price. The Company shall comply with the Securities and Securities Exchange Regulations and any relevant regulation, announcement or order of the Stock Exchange of Thailand. The Company shall also comply with the regulation concerning information disclosure of the connected transaction and major asset acquisition or disposal of the Company or subsidiaries.

Report of the Board of Directors' Accountability to Financial Report

The Board of Directors recognizes the importance and responsibility for the financial statements of the Company and subsidiaries which been adequate disclosure in the Company' s notes to the financial statements in annual report. The financial statements of the Company for the year ended 31 December 2013 has been prepared, in accordance with the Financial Reporting Standards of Thailand which the policy p erformed appropriately and regularly. The Company have been audited by MR & ASSOCIATE Co.,LTD. with qualification according to SET/SEC regulations.

The Board of Directors had appointed the Audit Committee of which comprised 3 Independent Directors with qualification according to SET/SEC regulations. The Audit Committee has performed its duties independently to responsible for the financial statements as well as relevant financial reports of the Company and its subsidiaries and the internal control system in order to ensure that the Company has adequate corporate governance and has responsibilities as assigned by the Board of Directors. The opinion of the Audit Committee has already been disclosed in the annual report.

The Board of Directors was of the opinion for the financial statements of the Company and subsidiaries for the year ended 31 December 2013 has been prepared in accordance with the Financial Reporting Standards of Thailand, reliable, transparency and with adequate disclosure. The external auditors have provide opinion on the report of the independent auditors and no significant observations. The Company's internal audit was conducted with appropriateness covering risk factors, and effectiveness in business performance, disclosure of comprehensive information, having efficiently protected the Company's assets and found no major fraudulent incidents.



(Mr.Suwat Dangpibulsukul)
Chairman of the Board



(Miss Chomduen Satavuthi)
Managing Director

Financial Status and Operation Results

Financial status as of 31 December 2013

Total Assets

As of 31 December 2013, the Company's total assets were at Baht 499.22 million, increasing by Baht 67.78 million, compared to 2012 year end, or 15.71% up, being the current assets of Baht 231.42 million and Baht 267.80 million of non-current assets. The current assets increased by Baht 8.04 million because the Company had invested to the related parties and invested in short-term investments. For the short-term investments increased by baht 12.56 million from last year. The cash and equivalent decreased from last year. The non-current assets rose by Baht 59.74 million due to the Company made fixed deposit investment, though the cash and equivalent during the year were at Baht 37.22 million and the Company also invested in property, plant and equipment to support the expansion of the business which mainly resulted from business expansion by last year. Including the investment in securities to sell previous year by Baht 14.58 million. The Company has placed a fixed-deposit amount being the guarantee for the engineering service contract. Moreover, the Company paid advance payment to buy new equipment by Baht 3.41 million.

Total Liabilities

As of 31 December 2013, the Company's total liabilities were at Baht 59.90 million, comprised of current liabilities of Baht 46.91 million and non-current assets of Baht 12.99 million. In 2013 total liabilities increased by Baht 11.72 million or 24.31% from 2012. The increase was due to current liabilities increased from last year at 6.41 million. The main reason was the Company had accrue expenses and other current liabilities increased by Baht 9.66 million. The Company has increase paid the liabilities under the lease due within one year. Meanwhile the Company has a hire purchase contract during the year increased by Baht 5.86 million.

Shareholders' Equity

As of the end of 2013, the Company's shareholders' equity was at Baht 439.32 million, rising from Baht 383.26 million in 2012 year-end, representing an increase of Baht 56.06 million or 14.63% increase over the period. The Company reported 2013 net profits of Baht 86.54 million. During 2013, the Company has paid dividends for the final results for the year 2012 Baht 0.21 per share according to the resolution of AGM and paid interim dividend, for the year 2013 Baht 0.10 per share totaling Baht 31.00 million.

The operation results for the fiscal year ended December 31, 2013

Total Revenue

Total revenue for the year ended 31 December 2013 were at Baht 374.56 million, a Baht 37.95 million increase or a 11.27% increase from 2012 revenue. The revenue increase was mainly due to increased service revenue from increased works. In 2013 service revenue was at Baht 368.72 million, increasing by Baht 34.98 million or a 10.48% increase from 2012 service revenue.

Total Expenses

In 2013 expense were at Baht 288.18 million, which comprised of cost of service of Baht 247.72 million, management and general administration expenses of Baht 40.23 million, Directors' remuneration of Baht 10.74 million. During 2012, total expense were at Baht 260.23 million, which comprised of cost of service of Baht 227.71 million, management and general administration expenses of Baht 32.44 million, and Directors' remuneration of Baht 12.42 million. Total expenses to income ratio was at 76.94% in 2013, and 77.31% in 2012. In 2013, the Company has increased the labor cost, invested in human resources and increased equipment for scientific tests. The Company controlled expenses and management costs and the overall service to be strong and powerful to more work, thus expense to income ratio was decreased.

Earnings before Interest and Tax (EBIT)

The Company reported 2013 EBIT of Baht 86.38 million and in 2012 at Baht 76.38 million, increase of Baht 10.00 million, or increasing 0.13%. The Company's interest coverage ratio in 2013 was equal to 362.20 times, which indicated the Company's ability to pay interest.

Net Profits

During 2013, the Company reported net profits of Baht 86.54 million, increasing by Baht 10.05 million or up 13.13% from 2012 net profits of Baht 76.49 million. The increased profits are resulted from increased works during 2013 and the result of the Company invest in human resources and equipment for scientific test. However, net profit in 2013 amounted to 86.54 million, representing 23.10 percent of total revenue.

Note: - As financial status and the operation results of Thai NDT Public Company Limited.

- For more information, please see the Company's annual disclosure information (Form 56-1) as presented on the www.sec.or.th or the Company's website (www.tndt.co.th).



M.R. & ASSOCIATES CO., LTD.

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REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Thai Nondestructive Testing Public Company Limited

I have audited the accompanying consolidated financial statements of Thai Nondestructive Testing Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. I have also audited the accompanying separate financial statements of Thai Nondestructive Testing Public Company Limited, which comprise the statement of financial position as at December 31, 2013, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate 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 consolidated and separate financial statements based on my audit. I conducted my audit in accordance with the 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 consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements.

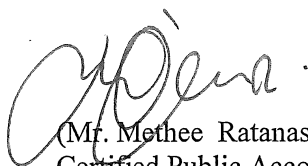
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



M.R. & ASSOCIATES CO., LTD.

Opinion

In my opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thai Nondestructive Testing Public Company Limited and its subsidiaries as at December 31, 2013, and their financial performance and their cash flows for the year then ended, and the separate financial statements referred to above present fairly, in all material respects, the financial position of Thai Nondestructive Testing Public Company Limited as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Mr. Methee Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 25, 2014



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013 AND 2012 AND JANUARY 1, 2012

ASSETS

		Consolidated (In Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012
	Note		(Restated)	(Restated)
CURRENT ASSETS				
Cash and cash equivalents		25,570,069	61,900,152	33,073,190
Current investment		20,562,353	8,000,000	38,000,000
Trade receivables				
- Billed - net	5	113,415,724	105,442,507	125,647,514
- Unbilled		51,291,746	33,872,547	29,137,132
Short-term loan to and interest receivable from related person	4	6,778,836	-	-
Supplies	6	11,922,358	12,489,680	10,549,259
Other current assets				
- Advances	4	10,392,255	-	-
- Others		4,953,522	2,812,935	3,789,634
Total Current Assets		244,886,863	224,517,821	240,196,729
NON-CURRENT ASSETS				
Restricted deposits at bank	25	23,000,000	8,000,000	8,000,000
Investment in available-for-sale securities	7	95,958,200	81,374,403	8,836,870
Investment in subsidiaries accounted for using the cost method	1, 8	-	-	-
Investment in shares of related company - net	9	-	-	-
Property, plant and equipment - net	10, 12, 13	131,315,849	111,386,149	113,328,363
Intangible assets - net	11	887,414	1,102,560	1,150,198
Advances for equipment and intangible assets - net of allowance for doubtful account of Baht 232,000 in 2013		6,682,848	3,264,684	2,637,423
Deferred tax assets	2, 19	1,743,000	1,223,000	1,110,000
Other non-current assets		1,627,438	848,497	871,508
Total Non-Current Assets		261,214,749	207,199,293	135,934,362
TOTAL ASSETS		506,101,612	431,717,114	376,131,091

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



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2013 AND 2012 AND JANUARY 1, 2012

LIABILITIES AND SHAREHOLDERS' EQUITY

		Consolidated (In Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012
	Note		(Restated)	(Restated)
CURRENT LIABILITIES				
Trade payables		4,448,362	10,746,648	3,540,348
Current portion of liabilities under hire purchase contracts	13	4,301,780	1,580,908	852,316
Income tax payable		328,544	-	-
Accrued expenses and other current liabilities	14	38,371,932	28,176,697	27,474,861
Total Current Liabilities		47,450,618	40,504,253	31,867,525
NON-CURRENT LIABILITIES				
Liabilities under hire purchase contracts - net	13	4,506,198	1,751,385	1,434,968
Liability for post-employment benefits	15	8,482,196	5,930,509	5,448,833
Total Non-Current Liabilities		12,988,394	7,681,894	6,883,801
Total Liabilities		60,439,012	48,186,147	38,751,326
SHAREHOLDERS' EQUITY				
Share capital - common shares, Baht 1 par value				
Authorized share capital - 100,000,000 common shares,				
Baht 1 par value		100,000,000	100,000,000	100,000,000
Issued and fully paid-up share capital - 100,000,000 common shares,				
Baht 1 par value		100,000,000	100,000,000	100,000,000
Premium on common shares	16	51,171,072	51,171,072	51,171,072
Retained earnings				
- Appropriated for legal reserve	16	10,000,000	10,000,000	10,000,000
- Unappropriated	2	276,414,837	221,253,553	175,790,032
Other components of equity				
- Change in fair value of investment in available-for-sale securities		1,293,982	774,403	36,870
- Difference on financial statement conversion of subsidiary		96,144	(19,983)	16,237
Equity attributable to Owners of the Parent		438,976,035	383,179,045	337,014,211
Non-controlling interests	1, 8	6,686,565	351,922	365,554
Total Shareholders' Equity		445,662,600	383,530,967	337,379,765
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		506,101,612	431,717,114	376,131,091

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



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013 AND 2012 AND JANUARY 1, 2012

ASSETS

		The Company Only (In Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012
	Note		(Restated)	(Restated)
CURRENT ASSETS				
Cash and cash equivalents		23,205,100	60,425,371	31,779,441
Current investment		20,562,353	8,000,000	38,000,000
Trade receivables				
- Billed - net	5	113,415,724	105,442,507	125,647,514
- Unbilled		51,291,746	33,872,547	29,137,132
Advances to subsidiary	4	374,557	374,557	73,957
Supplies	6	11,922,358	12,489,680	10,549,259
Other current assets				
- Advances	4	6,800,000	-	-
- Others		3,850,801	2,775,026	3,789,634
Total Current Assets		231,422,639	223,379,688	238,976,937
NON-CURRENT ASSETS				
Restricted deposits at bank	25	23,000,000	8,000,000	8,000,000
Investment in available-for-sale securities	7	95,958,200	81,374,403	8,836,870
Investment in subsidiaries accounted for using the cost method	1, 8	6,614,360	864,360	864,360
Investment in shares of related company - net	9	-	-	-
Property, plant and equipment - net	10, 12, 13	131,286,427	111,386,149	113,328,363
Intangible assets - net	11	887,414	1,102,560	1,150,198
Advances for equipment and intangible assets - net of allowance for doubtful account of Baht 232,000 in 2013		6,682,848	3,264,684	2,637,423
Deferred tax assets	2, 19	1,743,000	1,223,000	1,110,000
Other non-current assets		1,627,438	848,497	871,508
		267,799,687	208,063,653	136,798,722
TOTAL ASSETS		499,222,326	431,443,341	375,775,659

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



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013 AND 2012 AND JANUARY 1, 2012

LIABILITIES AND SHAREHOLDERS' EQUITY

		The Company Only (In Baht)		
		December 31, 2013	December 31, 2012	January 1, 2012
	Note		(Restated)	(Restated)
CURRENT LIABILITIES				
Trade payables		4,448,362	10,746,648	3,540,348
Current portion of liabilities under hire purchase contracts	13	4,301,780	1,580,908	852,316
Income tax payable		328,544	-	-
Accrued expenses and other current liabilities	14	37,834,805	28,176,697	27,474,861
Total Current Liabilities		46,913,491	40,504,253	31,867,525
NON-CURRENT LIABILITIES				
Liabilities under hire purchase contracts - net	13	4,506,198	1,751,385	1,434,968
Liability for post-employment benefits	15	8,482,196	5,930,509	5,448,833
Total Non-Current Liabilities		12,988,394	7,681,894	6,883,801
Total Liabilities		59,901,885	48,186,147	38,751,326
SHAREHOLDERS' EQUITY				
Share capital - common shares, Baht 1 par value				
Authorized share capital - 100,000,000 common shares,				
Baht 1 par value		100,000,000	100,000,000	100,000,000
Issued and fully paid-up share capital - 100,000,000 common shares,				
Baht 1 par value		100,000,000	100,000,000	100,000,000
Premium on common shares	16	51,171,072	51,171,072	51,171,072
Retained earnings				
- Appropriated for legal reserve	16	10,000,000	10,000,000	10,000,000
- Unappropriated	2	276,855,387	221,311,719	175,816,391
Other components of equity				
- Change in fair value of investment in available-for-sale securities		1,293,982	774,403	36,870
Total Shareholders' Equity		439,320,441	383,257,194	337,024,333
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		499,222,326	431,443,341	375,775,659

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



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

		In Baht			
		Consolidated		The Company Only	
		2013	2012	2013	2012
	Note		(Restated)		(Restated)
REVENUES					
Service income		368,723,894	333,742,531	368,723,894	333,742,531
Other income		5,864,460	2,865,839	5,832,926	2,865,839
Total Revenues		374,588,354	336,608,370	374,556,820	336,608,370
EXPENSES					
Cost of services	4	247,716,447	227,705,972	247,716,447	227,705,972
Administrative expenses	4, 11	41,054,524	32,484,836	40,225,249	32,439,397
Finance costs	13	238,928	81,794	238,928	81,794
Total Expenses	17	289,009,899	260,272,602	288,180,624	260,227,163
PROFIT BEFORE INCOME TAX EXPENSE	22	85,578,455	76,335,768	86,376,196	76,381,207
Income Tax Expense (Tax Income)	2, 19, 22	(163,902)	(113,000)	(163,902)	(113,000)
PROFIT FOR THE YEAR		85,742,357	76,448,768	86,540,098	76,494,207
Other Comprehensive Income					
Change in fair value of investment in available-for-sale securities	7	519,579	737,533	519,579	737,533
Difference on financial statement conversion of subsidiary		116,127	(36,220)	-	-
Other Comprehensive Income for the Year		635,706	701,313	519,579	737,533
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		86,378,063	77,150,081	87,059,677	77,231,740
Profit (Loss) Attributable to:					
Owners of the parent		86,157,714	76,462,400	86,540,098	76,494,207
Non-controlling interests		(415,357)	(13,632)	-	-
Profit for the Year		85,742,357	76,448,768	86,540,098	76,494,207
Total Comprehensive Income (Loss) Attributable to:					
Owners of the parent		86,793,420	77,163,713	87,059,677	77,231,740
Non-controlling interests		(415,357)	(13,632)	-	-
Total Comprehensive Income for the Year		86,378,063	77,150,081	87,059,677	77,231,740
Basic Earnings per Share		0.86	0.76	0.87	0.76
Weighted average number of common shares		100,000,000	100,000,000	100,000,000	100,000,000

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





THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Consolidated (In Baht)									
Equity attributable to Owners of the Parent									
	Note	Retained Earnings				Other Components of Equity			Total Shareholders' Equity
		Issued and Fully Paid-up Share Capital	Premium on Common Shares	Appropriated for Legal Reserve	Unappropriated	Change in Fair Value of Investment in Available-for-Sale Securities	Difference on Financial Statement Conversion of Subsidiary	Equity attributable to Owners of the Parent	
Beginning Balance as at January 1, 2012									
- Balance previously reported		100,000,000	51,171,072	10,000,000	174,680,032	36,870	16,237	335,904,211	336,269,765
- Adjustment pertaining to deferred taxes	2	-	-	-	1,110,000	-	-	1,110,000	1,110,000
- Balance as adjusted		100,000,000	51,171,072	10,000,000	175,790,032	36,870	16,237	337,014,211	337,379,765
Dividend payment	20	-	-	-	(30,998,879)	-	-	(30,998,879)	(30,998,879)
Total comprehensive income for the year		-	-	-	76,462,400	737,533	(36,220)	77,163,713	77,150,081
Ending Balance as at December 31, 2012		100,000,000	51,171,072	10,000,000	221,253,553	774,403	(19,983)	383,179,045	383,530,967
Increase in non-controlling interests	1, 8	-	-	-	-	-	-	-	6,750,000
Dividend payment	20	-	-	-	(30,996,430)	-	-	(30,996,430)	(30,996,430)
Total comprehensive income for the year		-	-	-	86,157,714	519,579	116,127	86,793,420	86,378,063
Ending Balance as at December 31, 2013		100,000,000	51,171,072	10,000,000	276,414,837	1,293,982	96,144	438,976,035	445,662,600

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





THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

The Company Only (In Baht)						
	Note	Issued and Fully Paid-up Share Capital	Premium on Common Shares	Retained Earnings		Total Shareholders' Equity
				Appropriated for Legal Reserve	Unappropriated	
					Change in Fair Value of Investment in Available-for-Sale Securities	
Beginning Balance as at January 1, 2012						
- Balance previously reported		100,000,000	51,171,072	10,000,000	174,706,391	335,914,333
- Adjustment pertaining to deferred taxes	2	-	-	-	1,110,000	1,110,000
- Balance as adjusted		100,000,000	51,171,072	10,000,000	175,816,391	337,024,333
Dividend payment	20	-	-	-	(30,998,879)	(30,998,879)
Total comprehensive income for the year		-	-	-	76,494,207	77,231,740
Ending Balance as at December 31, 2012		100,000,000	51,171,072	10,000,000	221,311,719	383,257,194
Dividend payment	20	-	-	-	(30,996,430)	(30,996,430)
Total comprehensive income for the year		-	-	-	86,540,098	87,059,677
Ending Balance as at December 31, 2013		100,000,000	51,171,072	10,000,000	276,855,387	439,320,441

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



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	In Baht			
	Consolidated		The Company Only	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expense	85,578,455	76,335,768	86,376,196	76,381,207
Adjustments				
Depreciation and amortization	18,153,458	21,134,173	18,152,713	21,134,173
Expenses on post-employment benefits	2,551,687	481,676	2,551,687	481,676
Increase in allowance for doubtful accounts	2,688,304	4,309,928	2,688,304	4,309,928
Loss on written-off assets	468,105	-	468,105	-
Gain on sales of equipment	(1,716,228)	(491,465)	(1,716,228)	(491,465)
Gain on sales of investment in available-for-sale securities	(1,482,032)	-	(1,482,032)	-
Unrealized gain on exchange rate	(58,568)	(36,220)	(174,695)	-
Interest income	(1,849,211)	(1,858,277)	(1,849,211)	(1,858,277)
Interest expense	238,928	81,794	238,928	81,794
Decrease (increase) in operating assets				
Trade receivables	(27,671,834)	11,159,664	(27,671,834)	11,159,664
Advances to subsidiary	-	-	-	(300,600)
Supplies	567,322	(1,940,421)	567,322	(1,940,421)
Other current assets	(12,465,692)	856,009	(7,808,625)	893,918
Other non-current assets	(1,245,455)	58,028	(1,245,455)	58,028
Increase (decrease) in operating liabilities				
Trade payables	(6,298,286)	7,206,300	(6,298,286)	7,206,300
Accrued expenses and other current liabilities	6,841,936	416,870	6,304,809	416,870
	64,300,889	117,713,827	69,101,698	117,532,795
Income tax paid	(27,554)	(35,017)	(27,554)	(35,017)
Net Cash Provided by Operating Activities	64,273,335	117,678,810	69,074,144	117,497,778
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in restricted deposits at bank	(15,000,000)	-	(15,000,000)	-
Decrease (increase) in current investment	(12,562,353)	30,000,000	(12,562,353)	30,000,000
Increase in short-term loan to related person	(6,750,000)	-	-	-
Increase in investment in available-for-sale securities	(91,747,344)	(71,800,000)	(91,747,344)	(71,800,000)
Increase in investment in subsidiaries	-	-	(5,750,000)	-
Additions to property, plant and equipment	(29,946,967)	(16,982,183)	(29,916,800)	(16,982,183)
Additions to intangible assets	(151,900)	(490,000)	(151,900)	(490,000)
Proceeds from sales of investment in available-for-sale securities	79,165,158	-	79,165,158	-
Proceeds from sales of equipment	1,814,499	491,469	1,814,499	491,469
Interest received	1,753,225	1,978,967	1,782,061	1,978,967
Net Cash Used in Investing Activities	(73,425,682)	(56,801,747)	(72,366,679)	(56,801,747)

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



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	In Baht			
	Consolidated		The Company Only	
	2013	2012	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in non-controlling interests	6,750,000	-	-	-
Payments of liabilities under hire purchase contracts	(2,692,378)	(969,428)	(2,692,378)	(969,428)
Dividends paid	(30,996,430)	(30,998,879)	(30,996,430)	(30,998,879)
Interest paid	(238,928)	(81,794)	(238,928)	(81,794)
Net Cash Used in Financing Activities	(27,177,736)	(32,050,101)	(33,927,736)	(32,050,101)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(36,330,083)	28,826,962	(37,220,271)	28,645,930
Cash and Cash Equivalents at Beginning of Year	61,900,152	33,073,190	60,425,371	31,779,441
CASH AND CASH EQUIVALENTS AT END OF YEAR	25,570,069	61,900,152	23,205,100	60,425,371
Supplementary disclosures of cash flow information:				
Cash and cash equivalent at end of year:				
Cash in hand	153,859	148,122	115,344	147,600
Current accounts and savings deposits at banks	15,385,213	19,439,144	13,058,759	17,964,885
Fixed deposits at bank	30,997	2,141,147	30,997	2,141,147
Investment in bill of exchange of bank	10,000,000	30,000,000	10,000,000	30,000,000
Investment in short-term mutual fund	-	10,171,739	-	10,171,739
Total	25,570,069	61,900,152	23,205,100	60,425,371
Non-cash transactions:				
Purchases of vehicles by means of hire purchase contracts	8,168,063	2,014,437	8,168,063	2,014,437
Purchases of equipment by means of payables	3,351,108	284,966	3,351,108	284,966

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



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements
December 31, 2013 and 2012

1. GENERAL

Thai Nondestructive Testing Public Company Limited (“the Company”), formerly Thai Nondestructive Testing Company Limited, was registered as a juristic company under the laws of Thailand on April 21, 1982. The Company was transformed to limited public company and listed in the Stock Exchange of Thailand in 2007. The Company is engaged in rendering the nondestructive engineering services and its registered office addresses are as follows:

- Head office is located at 19 Soi Suanson 8, Ramkamhaeng Road, Huamark, Bangkok, Bangkok.
- Branch office is located at 29 Banphlong Road, Marbtaphud, Amphur Muang, Rayong.

The Company’s subsidiary, Lao Thai Nondestructive Testing Company Limited (“LTNDT”), was registered as a juristic company under the laws of Lao Public’s Democratic Republic (“Lao PDR”) on August 15, 2011. LTNDT has been granted a license for foreign investment in Lao PDR from the government of Lao PDR for a period of 15 years on July 25, 2011 in order to engage in rendering the testing services for oil and gas tanks, construction equipment, building with steel structure, embankment, and nondestructive testing (NDT) services and its registered office addresses is at Ban Nong Duang, Maung Si Khot ta Bong, Vientiane Capital, Lao People’s Democratic Republic. TNDT CM Company Limited (“TNDT CM”) was registered as a juristic company under the laws of Thailand on October 21, 2013, in order to rendering excavation and transportation services of coal for the coal mine concessionaire, which is a limited company registered under the laws of the Republic of the Union of Myanmar. Operating area of the coal mine is located in Thachilek province of the Republic of the Union of Myanmar while the registered office address of such company is located at 207 Moo 4, Tambon Nong Hoi, Amphur Muang, Chiangmai (see Note 8). As at December 31, 2013, both subsidiaries have not yet started their core business activities.

2. BASIS FOR THE FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with the financial reporting standards in Thailand including interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Securities and Exchange Commission. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance, and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the significant accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The consolidated financial statements for the years ended December 31, 2013 and 2012 included the accounts of the Company and its subsidiaries in which the Company has the controlling power or direct / indirect shareholding as follows:

Company Name	Type of Business	Registered Share Capital	Percentage of Direct / Indirect Shareholding
Laos Thai Nondestructive Testing Company Limited	Rendering non-destructive testing and other testing services	USD 200,000	70



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Company Name	Type of Business	Registered Share Capital	Percentage of Direct / Indirect Shareholding
TNDT CM Company Limited	Rendering excavation and transportation services of coal for the coal mine concessionaire	Baht 25,000,000	46

Significant intercompany transactions between the Company and its subsidiaries have been eliminated in the preparation of the consolidated financial statements.

Starting from January 1, 2013, the Company and its subsidiaries have adopted the new and revised Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”), issued by FAP, for the preparation and presentation of the accompanying financial statements. Such TAS and TFRS, relevant to the Company’s and subsidiaries’ operations, which have been effective from the accounting period starting on or after January 1, 2013, are as follows:

TAS 12	Income Taxes
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The effects from adoption of aforesaid new and revised TAS and TFRS were immaterial except for TAS 12 “Income Taxes” whereby the change in accounting policy and the related effects are as follows:

Income tax on the profit or loss for the period, which is recognized in the statement of comprehensive income, is current and deferred tax whereby the Company and its subsidiaries previously recognized only current tax.

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods (if any).

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

The effects from adoption of this TAS by the retrospective adjustment to the corresponding figures as at December 31, 2012 and 2011 are as follows:

	Consolidated and The Company Only (In Thousand Baht)
<i>As at December 31, 2012</i>	
Increase in deferred tax assets and total assets	1,223
Increase in unappropriated retained earnings	1,223
Increase in total shareholders' equity	1,223
<i>As at December 31, 2011</i>	
Increase in deferred tax assets and total assets	1,110
Increase in unappropriated retained earnings	1,110
Increase in total shareholders' equity	1,110
<i>For the year ended December 31, 2012</i>	
Increase in tax income	113
Increase in profit for the year / total comprehensive income for the year	113
Increase in basic earnings per share (In Baht)	0.00

In addition, FAP has revised and issued the new Thai accounting standards and Thai financial reporting standards including interpretations as disclosed in Note 26.

The Company and its subsidiaries disclosed information for the year ended December 31, 2012 for being the comparative information in the financial statement for the year ended December 31, 2013 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated in the preparation of the consolidated financial statements.

Subsidiaries

Subsidiaries are those company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries are transformed as deemed necessary to uniform for the similar policies.

Accounting for acquisitions of non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of a subsidiary, any gain or loss is recognized in the statement of comprehensive income. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Foreign Currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are carried under historical cost convention are translated to Thai Baht at the exchange rates ruling at the dates of the transactions.

Foreign entity

Assets and liabilities of foreign entity are translated to Thai Baht at the exchange rates ruling at the end of reporting period.

Revenues and expenses of foreign entity are translated to Thai Baht at the average exchange rates ruling during the reporting period.

Differences arising on foreign currency translation / conversion are recognized as other comprehensive income or expense and separately presented as other components of equity until the investment is disposed.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost include cash on hand and cash at financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturity of three months or less and without restriction of use or being collateral and that are subject to a low or an insignificant risk of change in value.

Trade and Other Receivables

Trade and other receivables are carried at original invoice amount or at the accrued amount net of allowance for doubtful accounts.

The Company and subsidiaries provide an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on the historical collection experience coupled with the review of current status of the existing receivables.

Supplies Valuation

Supplies are valued at the lower of cost, by first-in first-out method, and net realizable value.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Investments

Current Investment

Current investment represents investment in fixed deposit with bank and investment in bill of exchange of bank. The Company accounts for this investment at cost net of allowance for impairment (if any).

Investment in Available-for-Sale Securities

Marketable equity securities are classified as available-for-sale investments. Subsequent to initial recognition, available-for-sale investments are stated at fair value, and changes therein, other than impairment losses, are recognized as a separate item in shareholder's equity. Impairment losses are recognized in profit or loss for the year. When investments are derecognized, the cumulative gain or loss previously recognized in shareholders' equity is recognized in the profit or loss for the year.

The fair value of available-for-sale securities is determined as the quoted bid price or net asset value (in case of mutual fund) at the reporting date.

In case the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Investment in Subsidiaries

Investment in subsidiaries in the separate financial statements is accounted for using the cost method and stated at cost net of allowance for impairment (if any).

Investment in Shares of Related Company

Investment in shares of related company represents investment in 5% preferred shares of a related company whereby the Company holds the entire preferred shares of such company.

Investment in preferred shares of such company is accounted for using the cost method and stated at cost less allowance for impairment.

Property, Plant and Equipment and Depreciation

Owned assets

Land is stated at cost less allowance for impairment (if any). Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed of, their carrying values are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration are included as part of asset cost and subject to depreciation.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each part of an item separately for each significant part of the assets. The useful lives are as follows:

	<u>No. of Years</u>
Buildings	20, 30
Building improvements	5, 10
Operating tools and equipment	5, 10
Furniture, fixtures and office equipment	5
Vehicles	5

No depreciation has been charged for land and construction or installation in process.

Depreciation methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate. In determining the depreciable amount, residual value of particular asset is measured at amount estimated receivable currently for the asset if the asset is already of the age and in the condition expected at the end of its useful life.

Intangible Assets

Software licenses

Software licenses are stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is made on a straight-line method over the useful lives of 5 years.

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line method over the useful lives of particular intangible assets. Intangible assets with an indefinite useful life are not amortized but are tested for indication of impairment at each reporting date. Amortization methods, residual values, and useful lives are reviewed at each financial year-end and adjusted if appropriate.

Impairment of Assets

The carrying amounts of the assets of the Company and its subsidiary are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of asset's net selling price or value in use). The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Company and its subsidiary recognize the impairment loss by reducing the carrying value of the asset to be at its recoverable amount and recording the devaluation in the statements of comprehensive income. The reversal of the recognized impairment losses are recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

Capitalization of Borrowing Costs

Interest on liabilities acquired for construction of building is capitalized as part of the cost of the asset. The capitalization of interest is ceased when the construction are completed and ready for their intended use.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Trade and Other Payables

Trade and other payables are stated at cost.

Employment Benefits

Short-term benefits

Salaries, wages, bonuses and contributions to social security fund are recognized as an expense upon their occurrences and on an accrual basis.

Post-employment benefits

Obligations on defined contribution plan which is the provident fund are recognized as an expense in the statement of comprehensive income when contribution to the fund on an accrual basis.

Obligations on post-employment benefits which are defined benefit plan that will be settled to the employees upon retirement or termination are calculated by estimating the amount of future benefits that employees have earned in return for their service in the prior and current periods. The benefits are discounted using the project unit credit method to determine present value of obligations. The calculation is annually performed by the qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost, interest cost, past service cost, and actuarial gain/loss.

Provisions

A provision is recognized in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue Recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Service income is recognized when the Company has completely rendered service to the customer and on an accrual basis.

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Dividend income is recognized when the right to receive dividends is established or upon dividend declaration.

Other income is recognized on an accrual basis.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Expense Recognition

Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the lease term.

Other expenses are recognized on an accrual basis.

Income Tax

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years (if any).

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that affect neither accounting nor taxable profit to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, at the tax rates that are expected to apply to the period when the deferred tax asset is realized or the tax liability is settled based on tax rates that have been enacted as at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized (see Notes 19 and 22).

Finance Lease

Leases or hire purchases of assets whereby the Company has substantially all the risks and rewards of ownership and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term 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 between the liability and finance charges so as to achieve an effective rate on the finance balance outstanding.

Use of Estimates

In order to prepare financial statements in conformity with the Thai accounting standards and the Thai financial reporting standards, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

The significant estimates and underlying assumptions used in the preparation of these financial statements which may be affected by uncertainty are information relating to the estimates and assumptions as disclosed in the significant accounting policies in respect of trade receivables and the estimates and assumptions as disclosed in Notes 15, 19, and 23.

Basic Earnings per Share

Basic Earnings per share is determined by dividing profit attributable to owners of the parent by the weighted average number of common shares outstanding during the year (100,000,000 shares).

4. TRANSACTIONS WITH RELATED PARTIES

Related parties are those parties controlled by the Company or have power control over the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related parties are as follows:

Company / Person Name	Type of Business	Relationship	Percentage of Holding	
			2013	2012
Laos Thai Nondestructive Testing Company Limited	Nondestructive testing and other testing services	Subsidiary	70	70
TNDT CM Company Limited	Rendering excavation and transportation services of coal for the coal mine concessionaire	Subsidiary	46	-
OIS (Thailand) Co., Ltd.	Advisory services for engineering	Shareholders of the entire preferred shares and co-directors	51	51
Chiangmai Mining and Power Plant Company Limited	Sales of coal and other ores	Co-directors and shareholders	-	-
Munja Co., Ltd.	Sales with maintenance services of medical equipment	Co-directors and shareholders	-	-
Enspect Group Co., Ltd.	Building inspection services	Co-directors and shareholders	-	-
TNDT Rice Bran Oil Co., Ltd.	Manufacturing and sales of rice bran oil and agricultural crops	Co-directors and shareholders	-	-
Mrs. Ghongmuang Daengpiboonsakul	-	Relative of shareholder and director	-	-
Mrs. Niramom Satavuthi	-	Relative of shareholder and director	-	-
Mr. Songyot Chomsri	-	Director and shareholder of subsidiary (TNDT CM)	-	-



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Pricing policies for transactions with related parties are as follows:

Type of Transaction	Pricing policies
Rental charges	Mutually agreed price
Land rental charges	Mutually agreed price
Key management's remunerations	Mutually agreed amount

Transactions with related parties for the years ended December 31, 2013 and 2012 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2013	2012	2013	2012
Mrs. Ghongmuang Daengpiboonsakul				
Office rental charges (recorded as part of cost of services)	240	240	240	240
Mrs. Niramom Satavuthi				
Land rental charges (recorded as part of cost of services)	102	102	102	102
Key management's remunerations				
Short-term benefits	13,070	12,419	13,070	12,419
Post-employment benefits	940	255	940	255

Outstanding balances with related parties as at December 31, 2013 and 2012 are as follows:

	In Thousand Baht			
	Consolidated		The Company Only	
	2013	2012	2013	2012
Laos Thai Nondestructive Testing Co., Ltd.				
Advances	-	-	375	375
Mr. Songyot Chomsri				
Short-term loan (interest rates ranging between 1.625% - 2.3% p.a.)	6,750	-	-	-
Interest receivable	29	-	-	-
Total short-term loan and interest receivable	6,779	-	-	-
Advances	6,800	-	6,800	-
Total	13,579	-	6,800	-

The significant movement of loan to related person during the year are as follows:

	In Thousand Baht		
	Balance as at December 31, 2012	Movement	Balance as at December 31, 2013
		Increase	Decrease
Short-term loan			
Mr. Songyot Chomsri	-	6,750	-
Interest receivable			
Mr. Songyot Chomsri	-	29	-
Total	-	6,779	-



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

5. BILLED TRADE RECEIVABLES - NET

As at December 31, 2013 and 2012, billed trade receivables classified by outstanding period are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2013	2012
Current	32,662	40,487
Overdue:		
Not exceeding 3 months	58,163	37,657
Between 3 months and 6 months	10,047	11,153
Between 6 months and 12 months	2,304	1,186
Exceeding 12 months	21,861	24,125
Total	125,037	114,608
Less allowance for doubtful accounts	(11,621)	(9,165)
Net	113,416	105,443

6. SUPPLIES

	Consolidated and the Company Only (In Thousand Baht)	
	2013	2012
General supplies	9,030	10,471
Industrial radiation ores	2,892	2,019
Total	11,922	12,490

7. INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES

This account is investment in unit trusts of mutual fund which is marketable securities. As at December 31, 2013 and 2012, cost of this investment amounted to Baht 94,664 thousand and Baht 80,600 thousand and fair value amounted to Baht 95,958 thousand and Baht 81,374 thousand, respectively. These mutual funds mainly invest in debt securities of the government agencies.

8. INVESTMENT IN SUBSIDIARIES ACCOUNTED FOR USING THE COST METHOD

	The Company Only					
	Paid-up Share Capital		Percentage of Holdings		Cost of Investment (In Thousand Baht)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	In Thousand U.S. Dollar					
Laos Thai Nondestructive Testing Company Limited	40	40	70	70	864	864
	In Thousand Baht					
TNDT CM Company Limited	12,500	-	46	-	5,750	-
					6,614	864



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

During 2013 and 2012, the subsidiaries did not declare any dividend to the shareholders.

In October 2011, the Company paid an amount of first investment in Laos Thai Nondestructive Testing Public Company Limited (“LTNDT”) which was approved by the Executive Board’s meeting held on December 16, 2010 whereby the Executive Board approved the Company to invest in shares of LTNDT in order to support the Company’s business expansion in abroad. Subsequently, on August 15, 2011, LTNDT has been established and registered under the laws of Lao PDR whereby a portion of 70% of LTNDT’s share capital has been invested by the Company and the rest of 30% by a local private company in Lao PDR. In addition, on July 25, 2011, LTNDT has been granted a license for foreign investment in Lao PDR from the government of Lao PDR for a period of 15 years to operate its business relating to rendering the testing services for oil and gas tanks, construction equipment, building with steel structure, embankment, and nondestructive testing (NDT) services.

In October 21, 2013, the Company paid an amount of first investment in TNDT CM Company Limited (“TNDT CM”) which was approved by the Board of Directors’ meeting held on December 17, 2013 whereby the Board of Directors approved the Company to invest in shares of TNDT CM in order to support the Company’s business expansion in abroad. Subsequently, on October 21, 2013, TNDT CM has been established and registered under the laws of Thailand whereby a portion of 46% of TNDT CM’s share capital has been invested by the Company and the rest of 54% by a related person and local private company in Republic of the Union of Myanmar in the proportion of 46% and 8%, respectively. The Company has controlling power over TNDT CM through having the voting right in excess of 50% of the entire voting rights in the Board of Directors’ meeting.

9. INVESTMENT IN SHARES OF RELATED COMPANY - NET

	Consolidated and the Company Only (In Thousand Baht)	
	2013	2012
Investment in shares - at cost	1,020	1,020
Less allowance for impairment	(1,020)	(1,020)
Net	-	-

This account represents investment in 5% preferred shares of OIS (Thailand) Co., Ltd. whereby the Company holds the entire preferred shares of such company while common shares are mostly held by its parent in England, Oilfield Inspection Services (International) Limited. OIS (Thailand) Co., Ltd. engages in rendering of engineering advisory services and its business has been inactive since 2003. OIS (Thailand) Co., Ltd. incurred net loss from operations and had capital deficiency. The Company has considered and realized the impairment loss on the entire amount of such investment since 2005.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

10. PROPERTY, PLANT AND EQUIPMENT - NET

	Consolidated (In Thousand Baht)			
	Balance as at	Movements during the Year		
	December 31, 2012	Addition	Deduction	Transfer
Cost				
Land	7,776	-	-	-
Building and improvements	62,375	-	-	2,046
Operating tools and equipment	143,598	22,533	230	-
Furniture, fixtures, and office equipment	18,237	1,648	78	-
Vehicles	29,004	13,183	3,565	-
Construction in progress	1,593	453	-	(2,046)
Total Cost	262,583	37,817	3,873	-
Accumulated Depreciation				
Building and improvements	14,282	2,842	-	-
Operating tools and equipment	100,547	9,723	196	-
Furniture, fixtures, and office equipment	13,597	1,712	79	-
Vehicles	22,771	3,510	3,498	-
Total Accumulated Depreciation	151,197	17,787	3,773	-
Net	111,386			

	The Company Only (In Thousand Baht)			
	Balance as at	Movements during the Year		
	December 31, 2012	Addition	Deduction	Transfer
Cost				
Land	7,776	-	-	-
Building and improvements	62,375	-	-	2,046
Operating tools and equipment	143,598	22,505	230	-
Furniture, fixtures, and office equipment	18,237	1,645	78	-
Vehicles	29,004	13,183	3,565	-
Construction in progress	1,593	453	-	(2,046)
Total Cost	262,583	37,786	3,873	-
Accumulated Depreciation				
Building and improvements	14,282	2,842	-	-
Operating tools and equipment	100,547	9,722	196	-
Furniture, fixtures, and office equipment	13,597	1,712	79	-
Vehicles	22,771	3,510	3,498	-
Total Accumulated Depreciation	151,197	17,786	3,773	-
Net	111,386			



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

	Consolidated and The Company Only (In Thousand Baht)			
	Balance as at	Movements during the Year		
	December 31, 2011	Addition	Deduction	Transfer
Cost				
Land	7,776	-	-	-
Building and improvements	59,555	130	-	2,690
Operating tools and equipment	137,105	11,103	4,610	-
Furniture, fixtures, and office equipment	15,967	2,270	-	-
Vehicles	26,664	2,858	518	-
Construction in progress	1,989	2,294	-	(2,690)
Total Cost	249,056	18,655	5,128	-
Accumulated Depreciation				
Building and improvements	11,533	2,749	-	-
Operating tools and equipment	92,200	12,957	4,610	-
Furniture, fixtures, and office equipment	11,886	1,711	-	-
Vehicles	20,109	3,180	518	-
Total Accumulated Depreciation	135,728	20,597	5,128	-
Net	113,328			

As at December 31, 2013 and 2012, the Company's certain vehicles, of which carrying value totalling approximately Baht 13.3 million and Baht 4.8 million, respectively, were under commitments in relation to the obligations under conditions of hire purchase contracts as described in Note 13.

As at December 31, the Company has mortgaged a portion of its land and structures thereon, with carrying value and mortgaged value of approximately Baht 5.0 million and Baht 8.5 million, respectively, in 2013 and Baht 5.3 million and Baht 8.5 million, respectively, in 2012, as collateral for overdraft line as described in Note 12.

As at December 31, 2013 and 2012, cost of a portion of plant and equipment which has been fully depreciated but still in use amounting to approximately Baht 119.9 million and Baht 96.7 million, respectively.

Depreciation of plant and equipment for the years ended December 31, 2013 and 2012 amounted to approximately Baht 17.8 million and Baht 20.6 million, respectively.

11. INTANGIBLE ASSETS - NET

	Consolidated and The Company Only (In Thousand Baht)		
	Balance as at	Movements during the Year	
	December 31, 2012	Addition	Deduction
Cost	3,407	151	-
Accumulated amortization	(2,304)	(367)	-
Net	1,103	(216)	-

	Consolidated and The Company Only (In Thousand Baht)		
	Balance as at	Movements during the Year	
	December 31, 2011	Addition	Deduction
Cost	2,917	490	-
Accumulated amortization	(1,767)	(537)	-
Net	1,150	(47)	-

As at December 31, 2013 and 2012, cost of a portion of intangible assets which has been fully amortized but still in use amounting to approximately Baht 1.7 million and Baht 0.6 million, respectively.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Amortization of intangible assets for the years ended December 31, 2013 and 2012, which was presented as part of “Administrative expenses” in the statements of comprehensive income, amounted to approximately Baht 0.4 million and Baht 0.5 million, respectively.

12. BANK OVERDRAFT

As at December 31, 2013 and 2012, the Company had an overdraft line with a local bank amounting to Baht 5 million and Baht 9 million, respectively which bear interest at MRR plus 1.5% per annum. Such overdraft line is secured by the mortgage of the Company’s land with structures thereon as described in Note 10 and land with structures thereon of a director of the Company as well as the guarantee by a director of the Company.

13. LIABILITIES UNDER HIRE PURCHASE CONTRACTS

	Consolidated and the Company Only (In Thousand Baht)	
	2013	2012
Liabilities under hire purchase contracts of vehicles	9,426	3,569
Less deferred interest	(618)	(237)
Liabilities under hire purchase contracts - net of deferred interest	8,808	3,332
Less current portion	(4,302)	(1,581)
Net	4,506	1,751

Amortized interest for the years ended December 31, 2013 and 2012 amounted to approximately Baht 0.2 million and Baht 0.1 million, respectively. The Company presented such amortized interest as part of “Finance costs” in the statement of comprehensive income of each year.

During the years 2013 and 2012, the Company entered into hire purchase agreements for its vehicles with two local banks and two private companies for the periods of 36 months whereby such agreements will end during the years 2014 - 2016.

14. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht			
	Consolidated		The Company Only	
	2013	2012	2013	2012
Accrued employee bonus	10,000	8,329	10,000	8,329
Pending output tax	8,073	7,399	8,073	7,399
Other payables	5,694	1,858	5,258	1,858
Payables to contractors	3,855	3,417	3,855	3,417
Advances from customers	3,000	-	3,000	-
Accrued director’s remuneration	1,935	2,030	1,935	2,030
Retention payables	1,795	2,042	1,795	2,042
Value-added tax	1,318	1,236	1,318	1,236
Others	2,702	1,866	2,601	1,866
Total	38,372	28,177	37,835	28,177



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

15. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2013 and 2012 are as follows:

	Consolidated and the Company Only (In Thousand Baht)	
	2013	2012
Liability for post-employment benefits as at January 1	5,931	5,449
Current service cost	641	227
Interest cost	267	255
Actuarial loss (gain)	1,643	-
Expense recognized in statement of comprehensive income	2,551	482
Employee benefits paid during the year	-	-
Liability for post-employment benefits as at December 31	8,482	5,931

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

- Discount rate 4% p.a. in 2013 and 4.5% p.a. in 2012
- Salary escalation rate 6.55% p.a. in 2013 and 4% p.a. in 2012
- Employee turnover rate 5.0% p.a. in 2013 and 2012
- Mortality rate Attributable to Thai Mortality Table (2008)
- Disability rate 15% of mortality rate

As at December 31, 2013 and 2012, the subsidiaries are in the process of preparation for starting its core business and has not hired any permanent employee. Accordingly, the subsidiaries have no obligation on the post-employment benefits to be recognized.

16. PREMIUM ON COMMON SHARES AND LEGAL RESERVE

Premium on shares

Section 51 of the Public Companies Act B.E. 2535 requires the public company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on shares"). Premium on shares is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires the company to allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

17. EXPENSES BY NATURE

	In Thousand Baht			
	Consolidated		The Company Only	
	2013	2012	2013	2012
Employee expenses	113,090	98,785	112,763	98,785
Supplies and equipment consumed in services	62,885	55,446	62,885	55,446
Subcontract costs	48,142	48,377	48,142	48,377
Depreciation and amortization	18,153	21,134	18,153	21,134
Travelling and accommodation expenses	10,921	10,227	10,865	10,211
Repair and maintenance expenses	5,288	4,406	5,256	4,406
Consultancy and professional fees	3,614	2,499	3,564	2,499
Provision for doubtful accounts	2,688	4,310	2,688	4,310

18. REGISTERED PROVIDENT FUND

The Company has a contributory registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). Membership to the fund is on a voluntary basis. Under the plan, the Company and employees contribute an amount equivalent to 5%-10% of the employees' basic salaries depending on the length of employment. The fund will pay back the provident fund to employees in accordance with the conditions stated in the policies of provident fund regulations.

The Company's contribution which was charged to operations for the years ended December 31, 2013 and 2012 amounting to approximately Baht 2.3 million and Baht 2.1 million, respectively.

19. INCOME TAX

The Royal Decree Issued Under the Revenue Code Regarding Reduction and Exemption in Tax Rate No. 530 B.E. 2554 (2011) dated December 21, 2011 has provided the temporary reduction in income tax rate applied to juristic company or partnership for a three consecutive accounting periods from 30% to 23% for the first accounting period and 20% for the following two accounting periods. Such reduction in tax rate is effective from the accounting period starting on or after January 1, 2012.

The Company and its subsidiaries used income tax rate of 20% and 23% for the calculation of corporate income tax for the years ended December 31, 2013 and 2012, respectively.

The Company's and subsidiaries's management believes that the income tax rate to be announced after the year 2014 will be maintained at 20%.

Corporate income tax recorded as (income) expense for the years ended December 31, 2013 and 2012 consists of:

	In Thousand Baht			
	Consolidated		The Company Only	
	2013	2012	2013	2012
Income tax computed from accounting profit	17,116	17,557	17,275	17,568
Effects from non-deductible expenses	1,511	1,381	1,486	1,370
Effects from additional deductible expenses	300	-	166	-
Effects from reduction in income tax rate under investment promotion	(18,571)	(18,938)	(18,571)	(18,938)
Income tax on taxable profit	356	-	356	-
Increase in deferred tax assets	(520)	(113)	(520)	(113)
Income tax presented in statement of comprehensive income	(164)	(113)	(164)	(113)



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Deferred tax assets presented in statements of financial position as at December 31, 2013 and 2012 consist of:

	Consolidated and the Company Only (In Thousand Baht)	
	2013	2012
Effects from temporary non-deductible items:		
- Allowance for doubtful accounts of trade receivables	47	37
- Liability for post-employment benefits	1,696	1,186
Total deferred tax assets	1,743	1,223

20. DIVIDENDS

At the shareholders' meeting on April 23, 2012, the shareholders unanimously passed the resolution for the Company to pay final dividends from the 2011 operations to the shareholders at Baht 0.21 per share totalling Baht 21 million whereby the Company paid such dividends to the shareholders on May 18, 2012.

At the Board of Directors' meeting on August 10, 2012, the Board of Directors approved the Company to pay interim dividends from the operations of the promoted business for the six-month period ended June 30, 2012 at Baht 0.10 per share totalling Baht 10 million whereby the Company paid such dividends to the shareholders on September 7, 2012.

At the shareholders' meeting on April 22, 2013, the shareholders unanimously passed the resolution for the Company to pay final dividends from the 2012 operations to the shareholders at Baht 0.21 per share totalling Baht 21 million whereby the Company paid such dividends to the shareholders on May 20, 2013.

At the Board of Directors' meeting on August 9, 2013, the Board of Directors approved the Company to pay interim dividends from the operations of the promoted business for the six-month period ended June 30, 2013 at Baht 0.10 per share totalling Baht 10 million whereby the Company paid such dividends to the shareholders on September 6, 2012.

21. SEGMENT REPORTING

Statement of income is significant financial and core information of the Company and its subsidiaries that are provided regularly to the highest authority in decision-making operation and also used in evaluation of financial performances of the segments. The Company and its subsidiaries have two significant operating segments (identified by internal reporting segments), i.e. (1) nondestructive testing services and (2) inspection services for pressure vessel. The Company and its subsidiaries do not have any transfer between segments. In addition, the Company and its subsidiaries are unable to apportion the segment information for assets and liabilities without excessive costs.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Information on Products or Services

	Consolidated (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel		Total	
	2013	2012	2013	2012	2013	2012
Service income	351,652	329,147	17,072	4,596	368,724	333,743
<u>Less</u> Segment expenses	<u>(139,783)</u>	<u>(129,734)</u>	<u>(4,403)</u>	<u>(3,718)</u>	<u>(144,186)</u>	<u>(133,452)</u>
Segment result	211,869	199,413	12,669	878	224,538	200,291
<u>Add</u> non-allocated revenues						
- Other income					5,864	2,865
<u>Less</u> non-allocated expenses						
- Cost of services					(103,530)	(94,254)
- Administrative expenses					(41,055)	(32,484)
- Finance costs					(239)	(82)
- Tax income					164	113
Profit for the year					85,742	76,449

	The Company Only (In Thousand Baht)					
	Nondestructive Testing Services		Inspection Services for Pressure Vessel		Total	
	2013	2012	2013	2012	2013	2012
Service income	351,652	329,147	17,072	4,596	368,724	333,743
<u>Less</u> Segment expenses	<u>(139,783)</u>	<u>(129,734)</u>	<u>(4,403)</u>	<u>(3,718)</u>	<u>(144,186)</u>	<u>(133,452)</u>
Segment result	211,869	199,413	12,669	878	224,538	200,291
<u>Add</u> non-allocated revenues						
- Other income					5,832	2,865
<u>Less</u> non-allocated expenses						
- Cost of services					(103,530)	(94,254)
- Administrative expenses					(40,225)	(32,439)
- Finance costs					(239)	(82)
- Tax income					164	113
Profit for the year					86,540	76,494

Information on Geographic Areas

As at December 31, 2013 and 2012, the subsidiaries have not yet started their core business activities and main operations of the Company are rendering services domestically while rendering services in abroad is an insignificant portion as compared to the entire services of the Company. Accordingly, the accompanying financial statements do not include information relating to information on geographic areas.

The Company and its subsidiaries have no any non-current assets located in the countries other than Thailand.

Information on Key Customers

(customers whose transactions exceeding 10% of total balance of transactions)

	Percentage of Balance Attributable to Key Customers to Total Balance			
	Consolidated		The Company Only	
	2013	2012	2013	2012
Service income				
- Nondestructive testing services	31.37	35.53	31.37	35.53
- Inspection services for pressure vessel	-	-	-	-
Total service income	29.92	35.04	29.92	35.04



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

22. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted certain promotional privileges in scientific laboratories activity on March 17, 2009 which include among others, exemption from payment of import duty on the imported machines used in the promoted business, exemption from payment of income tax on net profit from the promoted business for a period of eight years from the date income was first derived from the promoted business (August 7, 2009).

As a promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificates.

Operating results classified by the promoted and non-promoted businesses for the years ended December 31, 2013 and 2012 are as follows:

	Consolidated (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2013	2012	2013	2012	2013	2012
Service income	367,424	332,047	1,300	1,696	368,724	333,743
Other income	-	-	5,864	2,865	5,864	2,865
Cost of services	(243,000)	(223,152)	(4,716)	(4,554)	(247,716)	(227,706)
Administrative expenses	(39,460)	(31,791)	(1,595)	(693)	(41,055)	(32,484)
Finance costs	(234)	(80)	(5)	(2)	(239)	(82)
Income tax expense (tax income)	520	113	(356)	-	164	113
Profit (loss) for the year	85,250	77,137	492	(688)	85,742	76,449

	The Company Only (In Thousand Baht)					
	Promoted Business		Non-Promoted Business		Total	
	2013	2012	2013	2012	2013	2012
Service income	367,424	332,047	1,300	1,696	368,724	333,743
Other income	-	-	5,832	2,865	5,832	2,865
Cost of services	(243,000)	(223,152)	(4,716)	(4,554)	(247,716)	(227,706)
Administrative expenses	(39,460)	(31,791)	(765)	(648)	(40,225)	(32,439)
Finance costs	(234)	(80)	(5)	(2)	(239)	(82)
Income tax expense (tax income)	520	113	(356)	-	164	113
Profit (loss) for the year	85,250	77,137	1,290	(643)	86,540	76,494

23. DISCLOSURES OF FINANCIAL INSTRUMENTS

Credit Risks

Credit risks arise when the counterparties fail to meet their obligations as agreed with the Company and its subsidiaries. The Company and its subsidiaries do not have any material credit risks because the Company and subsidiaries constantly evaluates the debtor's status. The maximum credit risk exposure in the event other parties fail to perform their obligations is the carrying value of trade receivables as shown in the statements of financial position.

Foreign Exchange Rate Risks

The Company and its subsidiaries have certain foreign currency transactions that give rise to significant exposure to market risk from fluctuations in foreign exchange rates. However, the management believes that the foreign exchange rate risk is insignificant. Hence, no financial derivative instruments are used to mitigate this risk.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
December 31, 2013 and 2012

Interest Rate Risks

The operations and cash flows of the Company and its subsidiaries are affected by the changes in market interest rates. The Company and its subsidiaries are exposed to interest rate risk because they have deposits at banks and investments which are principally pegged to floating market rates. As at December 31, 2013 and 2012, the Company and its subsidiaries had financial assets and liabilities that are exposed to value and cash flows risks arising from changes in interest rates as follows:

	Consolidated (In Thousand Baht)				Interest Rate	
	Fixed Interest Rate		Float Interest Rate		During the Year (%)	
	2013	2012	2013	2012	2013	2012
Deposits at banks	-	-	15,416	12,158	0.50 - 1.85	0.50 - 1.85
Current investment	20,562	8,000	-	-	1.55 - 3.10	3.15
Restricted deposits at bank	-	-	23,000	8,000	0.50 - 2.60	0.50 - 2.60
Investment in bill of exchange of bank	10,000	30,000	-	-	3.10	3.10
Investment in short-term mutual fund	-	10,172	-	-	-	2.80
Total	30,562	48,172	38,416	20,158		
Liabilities under hire purchase contracts	8,808	3,332	-	-	2.35 - 2.90	2.35 - 2.90

	The Company Only (In Thousand Baht)				Interest Rate	
	Fixed Interest Rate		Float Interest Rate		During the Year (%)	
	2013	2012	2013	2012	2013	2012
Deposits at banks	-	-	13,090	12,158	0.50 - 1.85	0.50 - 1.85
Current investment	20,562	8,000	-	-	1.55 - 3.10	3.15
Restricted deposits at bank	-	-	23,000	8,000	0.50 - 2.60	0.50 - 2.60
Investment in bill of exchange of bank	10,000	30,000	-	-	3.10	3.10
Investment in short-term mutual fund	-	10,172	-	-	-	2.80
Total	30,562	48,172	36,090	20,158		
Liabilities under hire purchase contracts	8,808	3,332	-	-	2.35 - 2.90	2.35 - 2.90

As at December 31, 2013, the above financial assets and liabilities are classified by periods of maturities as follows:

	Consolidated (In Thousand Baht)			
	On Demand	Not Exceeding 1 Year	1 - 5 Years	Over 5 Years
Deposits at banks	15,385	31	-	-
Current investment	-	20,562	-	-
Restricted deposits at bank	-	23,000	-	-
Investment in bill of exchange of bank	-	10,000	-	-
Total	15,385	53,593	-	-
Liabilities under hire purchase contracts	-	4,302	4,506	-



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Financial Statements (Continued)
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	The Company Only (In Thousand Baht)			
	On Demand	Not Exceeding 1 Year	1 - 5 Years	Over 5 Years
Deposits at banks	13,059	31	-	-
Current investment	-	20,562	-	-
Restricted deposits at bank	-	23,000	-	-
Investment in bill of exchange of bank	-	10,000	-	-
Total	13,059	53,593	-	-
Liabilities under hire purchase contracts	-	4,302	4,506	-

Fair Value of Financial Instruments

The following method and assumptions were used by the Company and its subsidiaries in estimating fair value of financial assets and financial liabilities and believe that the fair values of financial assets and financial liabilities do not materially differ from their carrying values.

Cash and cash equivalents, current investment, restricted deposits at bank, investment in available-for-sale securities, trade and other receivables, and trade and other payables

The carrying amounts of the above accounts approximate the fair values due to the cash status or the relatively short-term maturities of these financial instruments.

Investments in subsidiaries and investment in shares of related company

It is not practicable to estimate the proper fair value of investment in shares without incurring excessive costs due to the absence of quoted market price of similar investments. However, the Company has considered and realized impairment loss on the entire amount of investment in shares of related company as shown in the statement of financial position and described in Note 9.

Liabilities under hire purchase contracts

It is not practicable to estimate the proper fair value of liabilities under hire purchase contracts, with fixed interest rates, without incurring excessive costs.

24. CAPITAL MANAGEMENT

Significant objectives of the Company's and subsidiaries' capital management are to ensure that they have an appropriate financial structure and maintain the ability to continue their businesses as a going concern.

25. OTHERS

As at December 31, 2013, the Company had letters of guarantee issued by a local bank as performance bonds for engineering services rendered to ten private sector customers and a government agency totalling approximately Baht 19.6 million (2012 : Baht 5.4 million), which are secured by the Company's fixed deposits with the same bank of Baht 23 million (2012 : Baht 8 million).



26. REVISION AND ISSUANCE OF NEW ACCOUNTING STANDARDS, FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

FAP has issued several Notifications which were announced in the Royal Gazette during 2013 and 2014, regarding the revision and issuance of new Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TIC), and Thai Financial Reporting Interpretation (TFRIC) with the effective periods as follows:

a) Effective for the accounting period beginning on or after January 1, 2014:

TAS 1 (revised 2012) *	Presentation of financial statements
TAS 7 (revised 2012) *	Statement of Cash Flows
TAS 12 (revised 2012) *	Income Taxes
TAS 17 (revised 2012) *	Leases
TAS 18 (revised 2012) *	Revenue
TAS 19 (revised 2012) *	Employee Benefits
TAS 21 (revised 2012) *	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012) *	Related Party Disclosures
TAS 28 (revised 2012)	Investment in Associates
TAS 31 (revised 2012)	Interest in Joint Ventures
TAS 34 (revised 2012) *	Interim Financial Reporting
TAS 38 (revised 2012) *	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012) *	Operating Segments
TIC 15 *	Operating Leases - Incentives
TIC 27 *	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 29	Disclosure - Service Concession Arrangements
TIC 32	Intangible Assets - Web Site Costs
TFRIC 1 *	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 *	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 *	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

b) Effective for the accounting period beginning on or after January 1, 2016:

TFRS 4	Insurance Contracts
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Management of the Company and subsidiaries has been assessing the effects of the above Thai accounting standards, financial reporting standards and interpretations which relate to the operations of the Company and its subsidiaries (*) whereby the management believes that there will be no material effect to the operations of the Company and its subsidiaries upon start of adoption.



THAI NONDESTRUCTIVE TESTING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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27. EVENT AFTER THE REPORTING PERIOD

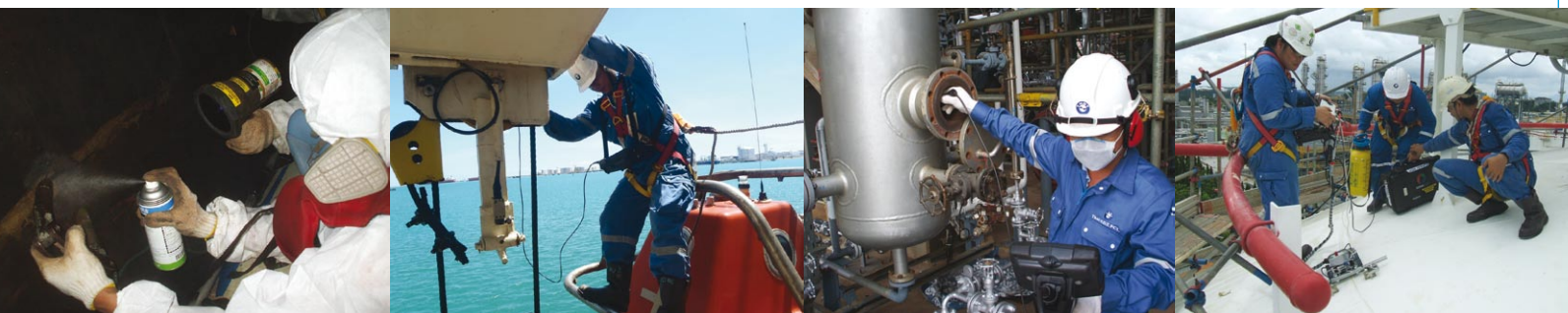
At the Board of Directors' meeting held on January 24, 2014, the Board of Directors approved the Company to acquire the land from a related person in order to support the expansion in rendering the nondestructive testing and inspection services in the future. Price of such land was Baht 8.5 million which was lower than the appraisal value of the independent appraiser.

At the Board of Directors' meeting held on February 25, 2014, the Board of Directors approved the Company to pay the final dividends for the 2013 operations at Baht 0.25 per share, totalling Baht 25 million, to the shareholders. The Company has fixed the date for payment of such dividends on May 19, 2014.

28. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved to be issued by the Audit Committee's meeting of the Company on February 25, 2014.





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