



รายงานประจำปี 2556 ANNUAL REPORT 2013



**THE LEADER
IN HYDRAULICS
OF THAILAND**



บริษัท ที.เอ็ม.ซี. อุตสาหกรรม จำกัด (มหาชน)
T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED



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Remarks: Investor can find more company's information from Form 56-1 Yearly Data Report, which show on : www.sec.or.th or company's website : www.tmc.co.th

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Financial Highlight

Statement of Comprehensive Income

	2013	+/- (%)	2012	+/- (%)	2011	+/- (%)	2010
Statement of Comprehensive Income							
Revenues from sales and services	785.32	-21.69%	1,002.87	49.71%	669.88	43.11%	468.10
Earning before interest and income tax	14.25	-93.53%	220.14	117.14%	101.38	32.74%	76.38
Depreciation and amortization	43.50	16.84%	37.23	5.07%	35.44	-19.49%	44.02
Earning before tax	10.73	-93.88%	175.23	245.96%	50.65	169.30%	18.81
Net Profit	7.35	-94.58%	135.53	318.04%	32.42	185.60%	11.35
Earning Per Share	0.02	-96.77%	0.62				

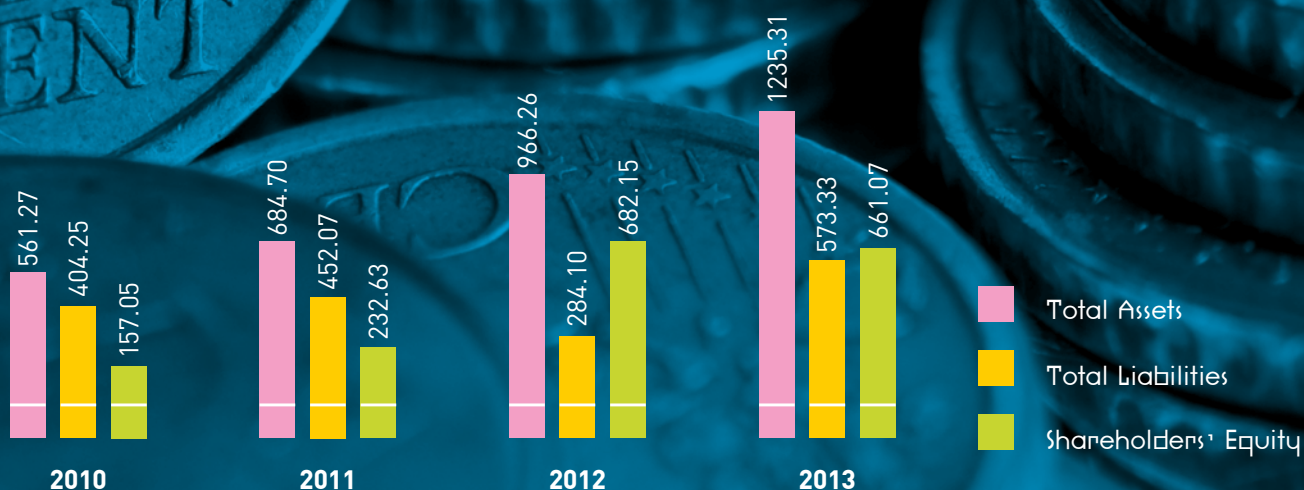
Statement of Financial Position

Total Assets	1,235.31	27.84%	966.26	41.21%	684.70	21.99%	561.27
Total Liabilities	573.33	101.81%	284.10	-37.15%	452.07	11.83%	404.25
Shareholders' Equity	661.07	-3.09%	682.15	193.23%	232.63	48.16%	157.02

Financial Ratio Analysis

Gross Profit margin (%)	19.02		28.80		21.30		19.67
Net Profit Margin (%)	0.91		13.47		4.83		2.42
Current Ratio (Times)	1.46		2.43		0.92		0.73
Debts to Equity (Times)	0.87		0.41		1.94		2.57
Return on equity (%)	1.07		29.63		16.64		8.54
Return on Asset (%)	1.29		22.16				

Statement of Financial Position

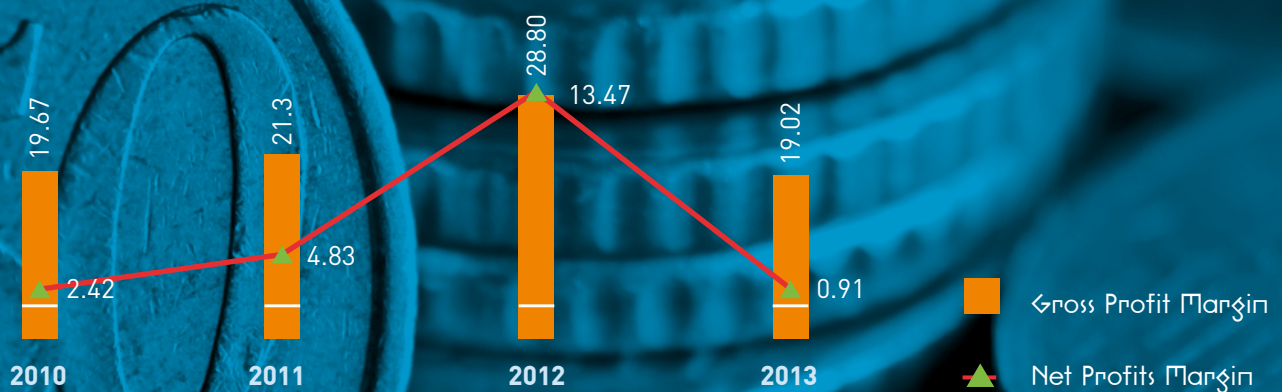


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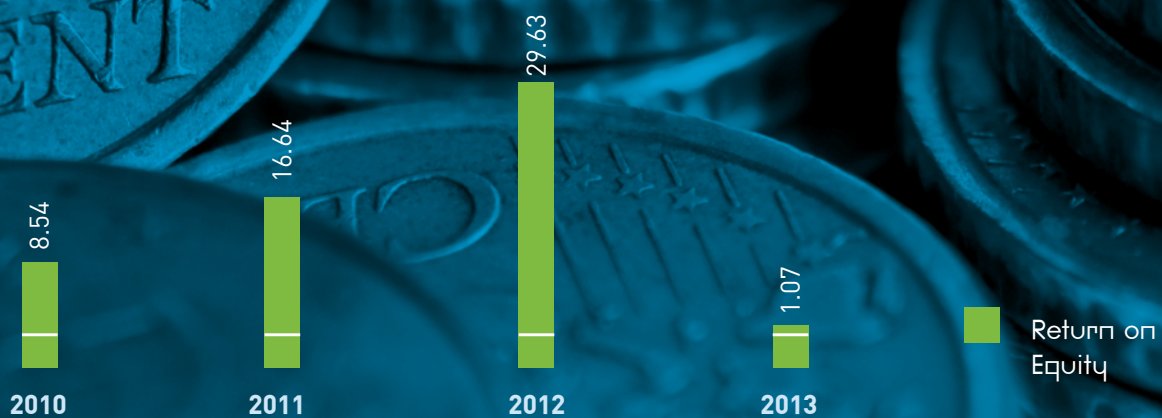
Revenue from Sales and Services VS Net Profits Financial Highlight



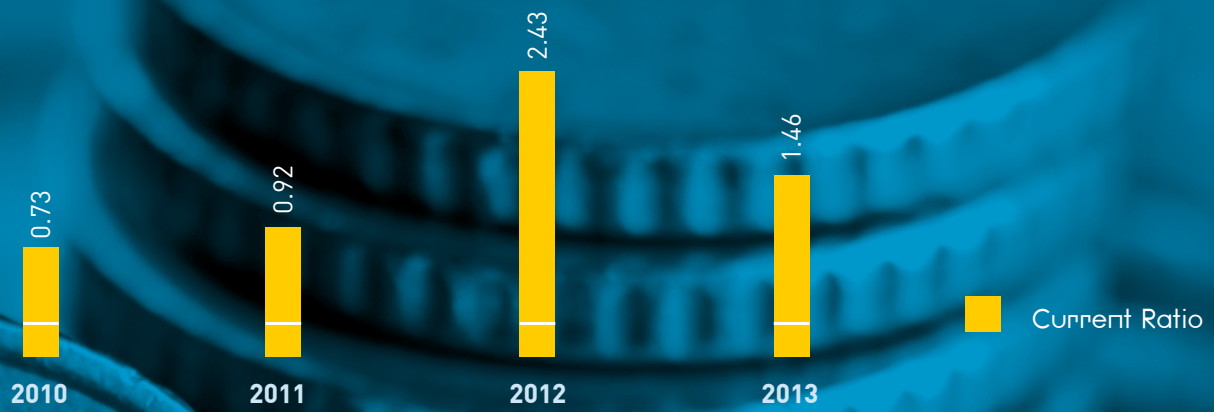
Gross Profit Margin VS Net Profits Margin



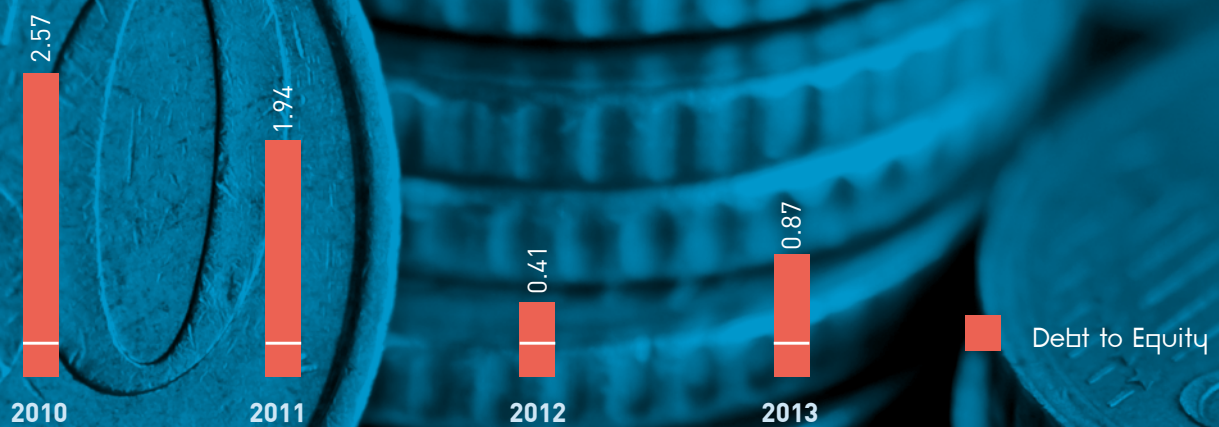
Return on Equity



Current Ratio



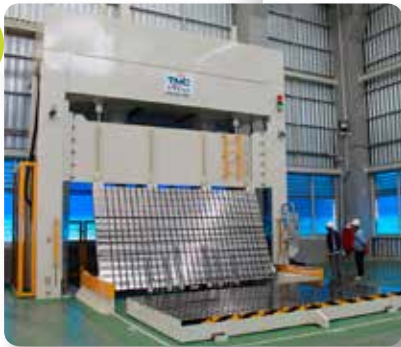
Debt to Equity



: 04

Company Product

001



002



003



Hydraulic Press

HCD: Hydraulic clapper die spotting press

HDS: Hydraulic die spotting press

HDP: High speed deep drawing hydraulic press

001

To use for parallel checking of the upper and middle Die can be adjust the position up-down trougtly to 0.5 mm. and Bloster/Slide can be flip for easy to repair die that suitable for deep draw

mould such as mould for plastic injection.

002

To use for parallel checking of the upper and middle Die that suitable for forming Die.

003

To use for deep draw parts in the production line automotive are Electric Appliance such as rice cooker, washing machines.

004



HRP: Hydraulic try out press

004

To use for automotive parts testing and stamping that need high pressure 600 – 2000 ton.

005



HHP: Hydraulic hemming spotting press

005

To use for making the external parts of automotive line, such as hood, luggage, front door and rear door.

006



HMP: Hydraulic moulding for hot press

006

To use for making the interior parts of automotive line, such as carpet, wall, roof. Normally it must apply the heating system in the production process.

: 06

007



HTP: Hydraulic trimming and bending press

008



HSP: Hydraulic special forming press

009



AMM: Automation machine for interior material

007

To use for punching and trimming part Mostly, It is for making the interior part for refrigerator.

008

To use for forming parts for motorcycle.

009

To use for pressing the interior parts of automotive that apply the transfer system. The material for

making part are felt or synthetic iron woven material.



002



003

Hydraulic Crane

8000A/AA

065AAA

6000A/AA

001

To use for transportation such as garbage or steel scrap.

002

To use in government sector for trimming trees, maintenance the way lighting.

003

To use in steel manufacturing plant or construction. It is can fix on ground or truck.

The application is for gripping

: 08



004



005

8000A/AA

6000S

004

A big crane and fix with 10 wheels. Mostly it is used in construction field for pile lifting.

005

This type of crane is specify. It is applied to fix with boat or fix on ground. The application is for gripping woods and weeds.



Material handling equipment

001

Drum carrier trucks

002

Hydraulic drum lift

003

Hydraulic drum lift

004

Hydraulic hand lift

: 10

001



002



Service Equipment

001

Hydraulic Press

002

Two post lift

003



004



003

Motorcycle lifter

004

Gear lifter

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Message from the Chairman



To The Shareholders Of T.M.C. Industrial Public Co., Ltd.

Regarding last year's operational results, company total sales were only 787 million Baht, affected directly by the deteriorating vehicle industry which encompasses 50% of our customers. Low political stability indirectly influenced investment sectors.

Anyway, our company willfully progressed in our former market expansion plan and increased customer confidence by continuously participating in product exhibitions, investing with strong businesses in Laos, aiming to make company products more well-known internationally and preparing for market expansion for the future AEC market. With company Executive Board vision, motivation and ambition along with 40 years' experience in Hydraulic Machinery Products, we could overcome the crisis.

The important thing that we found after overcoming the crisis is united cooperation of our Executive Board along with every single employee and stronger relations with our alliances, with both business partners and customers, especially our alliances in China who supported us in producing a wider variety of products to meet our customer needs in the construction industry, which was still expanding in the past year.

In 2014, we believe that we can aim for more income than the past year as investment in the vehicle industry both domestically and internationally was delayed from the past year. Anyway, we also plan to increase sales in other industries to lower the risk that most of our income was from the vehicle industry. With our long experience in Hydraulic Machinery Products of an international standard, we believe that we will be able to step up to the world market especially in the AEC market.

The Executive Board is strongly aware that our tasks assigned by shareholders are to sustain the benefits. We therefore strive to develop the business ability of our company to be strong, stable and able to achieve the targets for the sake of all stakeholders with all possible effort.

We would like to express our gratitude to all shareholders, customers, financial institutions, managers, employees and all related persons and organizations who always support our business generously.

Mr. Thaweemit Kamolmongkolsuk
Chairman of the Executive Committee

Mr. Manu Leopaiprote
Chairman of the Board of Directors

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Board of Directors



1.	Mr. Manu	Leopairote	Chairman of the Board of Directors/Independent Directors
2.	Mr. Thaweemit	Kamolmongkolsuk	Director/Chairman of Executive Committee
3.	Mrs. Tubtim	Kamolmongkolsuk	Director/Vice Chairman of Executive Committee
4.	Mr. Surachet	Kamolmongkolsuk	Director/Chief Executive Officer
5.	Mrs. Pacharawalai	Wu	Director/Deputy Managing Director
6.	Miss Pailin	Kamolmongkolsuk	Director/Deputy Managing Director
7.	Mr. Teerapap	Kamolmongkolsuk	Director/Managing Director
8.	Mr. Arthit	Wuthikaro	Chairman of Audit Committee/Independent Director
9.	Miss Chutipa	Obhasanond	Member of Audit Committee/Independent Director
10.	Mr. Khan	Akaworawit	Member of Audit Committee/Independent Director

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Report of the Audit Committee



To The Shareholders Of T.M.C. Industrial Public Co., Ltd.

T.M.C. Industrial Public Co., Ltd. Audit Committee consists of three independent committee members, who are financial, legal and industrial business experts. The three of them are not listed as the company's director, employee or consultant. The three independent committee members are listed as follows:

- | | | | |
|----|--------------|------------|---------------------------------|
| 1. | Mr. Arthit | Wuthikaro | Chairman of the Audit Committee |
| 2. | Miss Chutipa | Obhasanond | Member of the Audit Committee |
| 3. | Mr. Khan | Akaworawit | Member of the Audit Committee |

During 2013, the Audit Committee conducted the duty assigned by the company's Board of Directors according to the Audit Committee Charter which conforms to regulations of The Stock Exchange of Thailand. During 2013, the Audit Committee set up 4 general meetings and all members of the Audit committee participated as below:

Audit Committee Member		Times Participated
1. Mr. Arthit	Wuthikaro	4/4
2. Miss Chutipa	Obhasanond	4/4
3. Mr. Khan	Akaworawit	3/4

The Audit Committee would like to inform the Board of Directors as below:

1. The Audit Committee, cooperating with auditors, managing directors and internal auditors, has reviewed the Company's, and its subsidiary companies', Quarterly Financial Reports and FY2013 Financial Report, considering the main issues, has consulted, and given opinions which can be useful in internal control processes in financial statement issuance that should declare sufficient important information conforming with related laws, notices, The Securities Exchange of Thailand regulations and The Securities and Exchange Commission regulations, as well as conforming with standard Financial statements. As a result the Audit Committee did not find any abnormal and extraordinary item.

2. The Audit Committee reviewed and commented on related issues and possible issues which may lead to conflicts in benefits of the company and its subsidiary companies in making sure that the company has been fully operated according to normal business conditions and related securities and securities exchange law with efficiency and transparency.

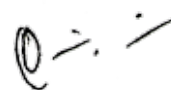
3. The Audit Committee reviewed sufficiency and approved the yearly internal audit system which is compiled according to risk management concepts and professionals' investigation results. The company has employed independent person(s) to review sufficiency of the internal audit system, risk management and legal congruence, through meeting with managing directors, independent auditors and internal auditors to get useful opinion in company management and concluded that the company has sufficient internal audit and did not find any outstanding problem.

4. The Audit Committee reviewed company management to make sure that the company has been operated conforming to The Securities and Securities Exchange Act, The Securities Exchange of Thailand regulations, The Securities and Exchange Commission regulations and company business related laws, for example, regulations of the Department of Industrial Work, Ministry of Industry and Ministry of Labour. And the company management was completely performed conforming to all above related laws.

5. The Audit Committee reviewed that the company has been operated with good corporate governance enhancing company transparency and accountability to maintain the confidence of stakeholders.

6. The Audit Committee supervised the company internal audit, scope of work, yearly audit plan, considered the report and results, followed related corrections, and advised in audit process development.

7. The Audit Committee performed auditor screening and auditor payment consideration, considering company evaluation criteria, including abilities, experiences, overall operation and operation independency. The company has been using the same auditor during 2011-2013, and in 2014, Ernst and Young Co., Ltd. has been added as a choice. According to Audit Committee consideration, both companies are appropriate and are standardized companies approved by The Securities Exchange of Thailand and The Securities and Exchange Commission. Ernst and Young Co., Ltd. has the advantage that it is more well-known, which can be more efficient on a lower budget. The change in auditor is normal in a well-governed company. Therefore, Ernst and Young Co., Ltd. by Miss Thippawan Nananuwat CPA ID 3459, Miss Sumalee Reewarabandit CPA ID 3970 or Mr. Kritsada Lertwana CPA ID 4958, was chosen as the new auditor of the company and its subsidiary companies in 2014 and indicated 2014 auditor payment proposal to the Board of Directors for shareholder approval again.



(Mr. Arthit Wuthikaro)
Chairman of the Audit Committee

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Company Background and Nature of Business

General Information

Name of Company	:	T.M.C. Industrial Public Company Limited (“the Company” or “TMC”)
Type of Business	:	Manufacture and distribute high quality hydraulic, i.e. Hydraulic Press, Hydraulic Crane, Hydraulic Handling Equipment and etc.
Office Location Head Office	:	125/10 Moo 5, Bansuan sub-district, Muang district, Chonburi
Branch Office No.1	:	68/1 Moo 5, Nongree sub-district, Muang district, Chonburi
Branch Office No.2	:	8/42 Moo 6, Bansuan sub-district, Muang district, Chonburi
Branch Office No.3	:	6/10 Radyindee road, Hatyai sub-district, Hatyai district, Songkhla
Registration No.	:	0107554000089
Home page	:	http://www.tmc.co.th
Telephone	:	(6638) 271-933
Facsimile	:	6638) 271-931
Registered capital	:	290,000,000 Baht
Ordinary shares	:	290,000,000 Shares
Par value	:	1.00 Baht per Par
Paid-up capital	:	290,000,000 Baht

Subsidiary that the company holds shares more than 10 percent

Subsidiary No.1

Name of company	:	Metal Fabrication Company Limited (“Subsidiary” Or “metal Fabrication”)
Head office location	:	125/10 Moo 5 Bansuan sub-district, Muang district, Chonburi 20000
Type of Business	:	Structural steel fabrication
Ordinary shares	:	200,000 Shares
Number of shares held by the Company	:	199,998 shares
Shareholding (%)	:	99.99%

Subsidiary No.2

Name of company	:	T.M.C. – Lao Assembly and Manufacturing
Head office location	:	Group 03. Unit 61. Dongdok-Sikheurt Road, Ban Tanmixay, Xaythany District, Vientiane LAO F.D.R
Type of Business	:	Assembly and Manufacture Industrial Machine
Registered capital	:	1,430,000,000 Lao PDR Kip (5,720,000 Baht)
Company Shareholding (%)	:	70.00%

Registrar

Name : Thailand Securities Depository Co., Ltd
Address : 62 Ratchadapisek Road, Klongtoey district, Bangkok 10110
Telephone : (66) 2229 2800
Facsimile : (66) 2654 5427

Auditor

Name : D.I. A. International Audit Company Limited
Address : 316/32 Sukhumvit Soi 22, Klongtoey sub-district,
Klongtoey district, Bangkok 10110
Telephone : (66) 2259 5300
Facsimile : (66) 2260 1553

Vision and Mission

Our Vision

To be the leader in design innovation and produce value added machines by combining the intellectual capital and the modern technology. To meet customer demand with international standard.

Our Mission

1. Finance : Build the sustainable business growth with high return.
2. Customer Satisfaction : Respond to customer demand to create customer satisfaction.
3. Internal Process : Combine intellectual capital and modern technology harmoniously to create new innovation and meet customer demand.
4. Learning and Growth :
 - 4.1 Enhance quality of life and develop employee's potential as intellectual capital of knowledge base of the company.
 - 4.2 Operate business under the ethical framework with social and environment responsibility.

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Company Background and Development



1982

- T.M.C. Industrial Company Limited was established with registered capital of Baht 1 million to manufacture and distribute hydraulic press.

1985

- The Company won “The Best Manufacturer and Factory” Award from the Ministry of Industry.

1987

- The Company won “Thai-Made Quality Product” from Thailand Institute of Scientific and Technological Research.

1991

- The Company increased the registered capital from Baht 1 million to Baht 10 million to be used as revolving fund.

1996

- The Company signed a partnership contract with KAWASAKI HYDROMECHANIC CORP. for the cooperation in the field of marketing, design, production, technology and quality control of hydraulic press.

1997

- The Company signed a supply contract to supply the hydraulic press to “SANKI SEIKO CO., LTD.”, Japan.

1999

- The Company established the first showroom in Chonburi.

2000

- The Company established the second showroom in Hatyai, Songkhla



2005

- The 2nd factory under T.M.C. Manufacturing Co., Ltd. was established with the registered capital of Baht 5 million in order to expand the production and move the hydraulic cranes and hydraulic handling equipment production lines from T.M.C. Industrial Co., Ltd. to the new factory.

2006

- The company was awarded the “Production Machinery” from Thailand Institute of Scientific and Technological Research.
- T.M.C. Industrial Co., Ltd. Increased the registered capital from Baht 10 million to Baht 50 million for factory expansion
- T.M.C. Manufacturing Co., Ltd. increased the registered capital from Baht 5 million to Baht 20 million for purchasing additional machines and for using as revolving fund.



2007

- The Company received a certificate from TOYOTA for the substantial contribution made to benefit Ban Pho Plant Start Operation Ceremony.

2008

- The Company received an environmental management system certificate- ISO14001:2004.

2010

- T.M.C. Industrial Co., Ltd. increased its registered capital from Baht 50 million to Baht 90 million to purchase additional machineries for expansion of its production capacity.
- T.M.C. Manufacturing Co., Ltd. increased its registered capital from Baht 20 million to Baht 30 million to purchase the land for establishment of the new factory and to support the expansion of production capacity
- T.M.C. Industrial Co., Ltd. And T.M.C. Manufacturing Co., Ltd. were merged and registered for discontinuation of businesses. A new company was established under the existing name of T.M.C. Industrial Co., Ltd. with the registered capital of Baht 120 million.
- The Company received the ISO9001:2008 Standard Certificate for assembly and installation of hydraulic crane.

2011

- The Company invested in Metal Fabrication Co., Ltd. which had the registered capital of Baht 20 million and owned a stake of 99.99% of Metal Fabrication's paid-up capital to engage in structural steel fabrication and to request for tax privilege from the Board of Investment (BOI).
- The Company increased the registered capital to Baht 200 million.
- The Company increased the registered capital to Baht 290 million and privatized the business in order to register in the Market for Alternative Investment (MAI) by offering 90,000,000 shares to the public (Initial Public Offering – IPO) for the first time.

2012

- On October 17-19, 2012, the Company offered 85,000,000 shares (IPO) to the public and 5,000,000 shares to the staff, which is accounting for the ratio of 23.08% of total 390,000,000 ordinary shares, at par value of Baht 1 per share, by offering to the public at par value of Baht 3.90 and to the staff at par value of Baht 3.12.
- October 26, 2012 was the first trading date in the Stock Exchange of Thailand.

2013

- August 19, 2013, The Company invested in T.M.C. – Lao Assembly and Manufacturing Co., Ltd. which had jointly between The Company and S.U. Construction and Renovate Housing Co., Ltd. in 1,430 Million Kip (5.72 Million Baht) or in 70:30 %. The T.M.C. – Lao Assembly and Manufacturing Co., Ltd. had engage in the business of assembly and manufacture industrial machine at Muang Vientiane, The Lao People's Democratic Republic for starting business to the AEC.



: 20 Nature of Business

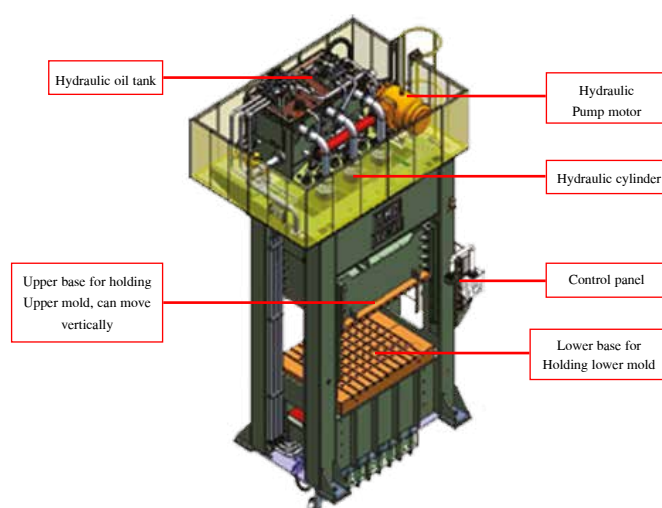
T.M.C. Industrial Public Company Limited engages in the production and distribution high quality of hydraulic machines which are categorized as follow:

1. Hydraulic press with 1 ton pressure up to 3,500 tons pressure.
2. Hydraulic crane both truck – mounted cranes and fixed crane.
3. Hydraulic handling equipment such as motorcycle lifter and table lift.
4. Hydraulic repair and maintenance services and metal machining.

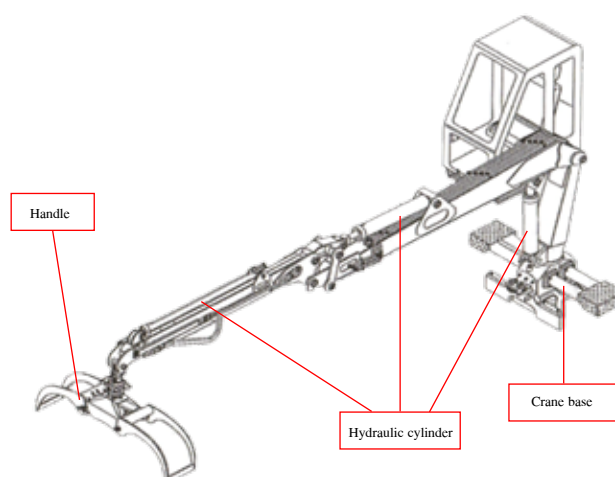
The subsidiary engages in structural steel fabrication, at present it has not yet started the operation. The detail of the Company business are as follow.

1. Hydraulic press is the main income generated product of the Group of Companies. Income proportion from sales of hydraulic press in 2012 and 2013 was 56.17% and 55.72% respectively. Hydraulic press is the machine that uses fluid (hydraulic oil) to transfer force to drive hydraulic cylinder to generate pressure force on the piece of work for molding products or for other purposes as per design of the machine. Main customers of hydraulic press are automotive industries, electric appliances industries as well as mold and die industries.

Currently, the Company can design and manufacture hydraulic presses that can generate up to 3,500 tons pressures, the highest pressure that can be manufactured in Thailand. Hydraulic presses of the Company can be divided pursuant to their applications as follow:



2. Hydraulic cranes. Income ratio from sales of hydraulic cranes in 2012 and 2013 was 16.23% and 17.13% respectively. Hydraulic crane is an equipment used for lifting objects vertically and moving them horizontally. There are 2 main types of hydraulic cranes: straight-arm crane and folding-arm crane. The differences are that straight-arm crane cannot fold their arms. The Company manufactures only folding-arm hydraulic crane. The Company produces both fixed cranes for lifting objects within the factory or the regular work area and truck-mounted crane so that crane can be moved to particular areas conveniently without wasting time for installation.



3. Hydraulic handling equipment. Income ratio from sales of hydraulic handling equipment in 2012 and 2013 was 8.81% and 9.16% respectively. It is used to lift and move the objects. The Company produces various types of handling equipment to support various types of work which can be divided into 2 main types as follows:

3.1 Handling equipment for lifting and moving objects. It can lift up the objects with weight from 350 kilograms up to 20 tons.



3.2. Handling equipment used in the automobile service center. It is used in the automobile and motorcycle service center and it can lift up materials with weight from 50 kilograms up to 150 tons.



4. Metal machining services and hydraulic machines maintenance services. Apart from the availability machines and production technology, the Company also provides various services to respond to the customers' demand. The Company's income ratio from service rendered in 2012 and 2013 was 16.15% and 14.28% respectively. Services rendered by the Company are:

- 4.1 Metal machining services. Metal machining is to deform plate steel, cast iron or structural work into the desired form, such as drilling, lathing, milling, surfacing, etc.
- 4.2. Hydraulic machines maintenance service. The Company has the experienced and skilled maintenance teams in various areas, i.e. mechanic hydraulic, electricity, electronics and other fields relating the machineries to render services for the customers on timely and promptly manner.

Income structure

Details	Consolidated financial statements					
	2011		2012		2013	
	Baht Million	%	Baht Million	%	Baht Million	%
Income from sales						
1. Hydraulic press	288.67	43.09	563.27	56.17	437.60	55.72%
2. Hydraulic crane	185.89	27.75	162.77	16.23	134.50	17.13%
3. Hydraulic handling equipment	68.06	10.16	88.40	8.81	71.92	9.16%
4. Others	29.37	4.38	26.48	2.64	29.15	3.71%
Total income from sales	571.99	85.39	840.92	83.85	673.17	85.72%
Income from services						
5. maintenance service	40.01	5.97	124.32	12.40	98.52	12.54%
6. Metal machining	57.88	8.64	37.63	3.75	13.63	1.74%
Total income from services	97.89	14.61	161.95	16.15	112.15	14.28%
Total income from sales and services	669.88	100.00	1,002.87	100.00	785.31	100.00%

Marketing and Competitive Conditions

With more than 30 year experiences in this business and the emphasis on constant building up good relationship, by paying importance and caring to the customers' need and determining to develop and manufacture the machinery to respond to more and comprehensive needs of the customers, therefore, the sales of the Company's products increase continually every year and they play a part in business lines of various industries, particularly automotive industry. The Company's management has assessed the competitive conditions in hydraulic machines business as follows:

1) Hydraulic Press

There are 2 types of press: mechanical press and hydraulic press. Mechanical press is driven by gear system. It works quickly but the speed of the press is not adjustable. It is used for pressing thick metal pieces that do not require much depth. Most are internal structure parts not visible by users such as car suspension parts, strengthening parts for car door panel, etc. For hydraulic press, hydraulic oil is used to drive the press, thus enabling adjustment of pressure and speed. Hydraulic press is used for thin pieces that require depth and fine surface. Hydraulic press operates slower than mechanical press and mostly used for the automobile parts which can easily be visible. Examples of works made by hydraulic press are car door, bonnet, roof carpet, etc.

The Company produces only hydraulic press. Currently, there are about 2-3 manufacturers of hydraulic press in Thailand so the competition is quite low. In addition, the production capacity of other manufacturers is not more than 300 tons pressure and 1.5 m. x 1.5 m. press width due to restrictions in terms of investment funds, technology and production line efficiency. In this regard, the Company is well equipped with modern technology and investment funds for state-of-the-art production line and large machinery. This enables manufacturing of hydraulic press with capacity from 1 ton up to 3,500 tons pressure and 2.5 m. x 6.0 m. press width for use in the production line of sizable products such as large molds and auto parts. Hence, the domestic entrepreneurs are not regarded as the Company's competitors.

For foreign competitors, Thailand imports hydraulic press from Japan of which the price is considerably higher than that of the Company. Press imported from Taiwan has similar price. Meanwhile, hydraulic press from China is cheap but the quality and precision is low. It is often used for works that do not require fineness so it cannot be used with the works of auto part manufacturers or automotive assembly plants. In addition, imported press has restriction in term of after sale service such as maintenance and part procurement, etc.

2) Hydraulic Crane

There are 2 types of hydraulic cranes – straight –arm crane and folding-arm crane. For straight-arm crane, sling is used for lifting which is always vertical. This crane is large in size and often used in construction work for vertical lifting and placing objects. Folding-arm crane is driven by hydraulic system. It is small in size and can be used in narrow space. The usage is more varied, e.g. to elevate person using crane with cabin attached for tree cutting or street lighting repair, to use scrap crane in steel factory, etc.

The Company produces only folding-arm hydraulic crane. Its management views that the Company has competitive edge being the sole manufacturer of folding-arm hydraulic crane in Thailand. The only competitor is crane manufacturers overseas. Major ones are Swedish and Austrian manufacturers. However, imported hydraulic crane is of high production cost and has restriction in term of after sale service such as maintenance and part procurement and additional features adjustment to meet demands of the customers, for instance, to add throttle back in hydraulic crane control system. Hence, the Company is confident that it can maintain the leading position in folding-arm crane.

3) Hydraulic handling equipment

Hydraulic handling equipment market is more competitive compared with hydraulic press and crane markets, as hydraulic handling equipment is not a complicated product and does not require high production technology. There are many local producers and importers of the product from China and Taiwan. However, most of the local producers manufacture only hydraulic handling equipment that only meet basic requirements and are unable to respond to the diversified demand of customers. The Company, with service advantage over foreign competitor, is thus confident in this business expansion with the strong support from its manufacturing capability and service rendering, as well as good reputation and relationship with the customers.

4) Hydraulic repair and maintenance service and metal machining

There are many competitors render repair and maintenance service and metal machining in the market but most of them are minor competitors and emphasize on fast safety and quality services. Being the Company with more than 30 years of experience, the Company has machine tool and high experience technician which are the Company competitive advantage over other minor competitors.

Target Customers

1. Automotive Industry

Automotive industry is large industry which has been promoted from the public sector continually. Hence, the Company foresees the huge opportunity for growth and set this sector as a prime target for the Company. The product of the Company can use in this sector as follow

- Automotive production The hydraulic press is used in automotive production from the manufacturing of the mold for the spare part, the manufacturers from tier 1 to tier 3 and the automotive assembly factory.
- Car maintenance service The Company has various product for car maintenance service such as motorcycle lifter and car two poles lift.

2. Electric Appliance Industry

Since the electric appliance industry is expand continually, this sector is one of the Company target. This sector use hydraulic press machine for forming the metal part and for drilling plastic part.

3. Wood Industry

The hydraulic crane is used in this industry for lifting wood. The Company emphasize this industry as the Company foresee the growth in agricultural industry which transform wood into paper or particle board.

4. Other Industry

This Industry compose of major customers as follow

- General Suppliers These suppliers purchase the Company product to resale to their customers. These suppliers are important since they distribute the Company's products to various market. The product sales in this category are hydraulic crane and hydraulic handling equipment.
- Suppliers which are contract parties of public agencies The Company has appointed trade partners that have won the tender bids from the government agencies as suppliers for distribution of its products to public agencies.

Distribution and distribution Channel

The company's distribution channels are categorized by product type as follows:

Hydraulic press

Distribution channels It is distributed through 2 channels: Direct distribution to end users and through suppliers of the customers:

1. Direct distribution to end users: The Company' has sales teams and each team shall be responsible for each sale area which is divided into 5 areas as follows: 1. Bangkok, 2. Ayudhaya and Pathumthani, 3. Prachinburi and Nakhon Ratchsima, 4. Samut Prakhan and 5. Chonburi and Rayong. The Company Prepared a customer visiting schedule for the sales teams to strengthen relationship and follow up the customers' requirement closely. The customers can see details of the product on the Company's website, <http://www.tmc.co.th> and at 2 showrooms which are located in Muang District, Chonburi and Hatyai District, Songkhla.

2. Distribution through suppliers of the customers: The Company distributes its products via both local and overseas suppliers, which mostly are companies in Japan which have the policy of procurement via suppliers, not direct procurement. The Company distributes products to around 10 suppliers of the customers in Japan such as Maruka, Yonezawa, etc.

Hydraulic crane

Distribution channels It is supplied through direct distribution to end users and through the suppliers:

1. Direct distribution to end users which are private customers. The Company has 2 showrooms which are located in Muang District, Chonburi and Hatyai District, Songkhla.

2. Distribution via suppliers which are contract parties of public agencies; The Company has appointed trade partners that have won the tender bids from the government agencies as suppliers for distribution of its products to public agencies. Such appointment is made on case by case for each bidding only.

3. Distribution via general distributors: The Company sells hydraulic crane to general machine and equipment shops and distributors. This helps expand its product to a broader range of customers

Hydraulic handling equipment

Distribution channels It is supplied through direct distribution to end users and through the suppliers:

1. Direct distribution to end users which are private customers: The Company has 2 showrooms which are located in Muang District, Chonburi and Hatyai District, Songkhla.

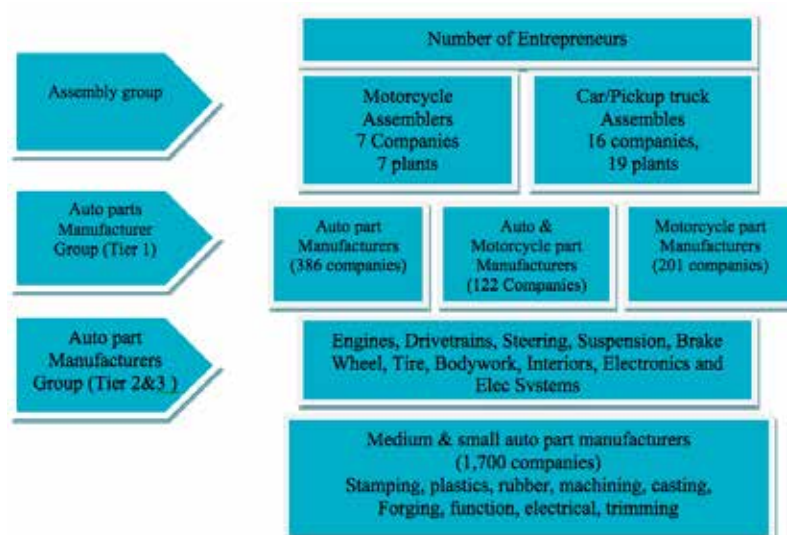
2. Distribution via general distributors: The Company sells hydraulic handling equipment to general machine and equipment shops and distributors. This helps expand its product to a broader range of customers.

Industrial Conditions

Hydraulic machine of the Company is the key element for the production lines in various industries. Main customers of the Company are automotive industries and electric appliances industries. Income from the customers in automotive industries was 50.39% and 48.41% of total income of the Company in 2012 and 2013 respectively. Income from the customers in electric appliances industries was 12.24% and 2.56% of total income of the Company in 2012 and 2013 respectively. Industrial conditions of the main customers of the Company are as follows:

Automotive and auto part industries

Automotive and auto part industries are regarded as one of the main strategic industries of the government for development of industrial and import sectors of the country. According to the information of the Thai Auto-parts Manufacturers Association, it was found that there are approximately 2,400 companies are involved in these industries. Manufacturing structure consists of various manufacturers because one car consists of 20,000-30,000 parts. Therefore, work sharing and manufacturing employment structures are divided into various tiers as follows:



Source: Thai Auto-parts Manufacturers Association

1. Automotive assembly plants are car companies such as Toyota, Honda, Nissan, etc. This entrepreneur group shall specify manufacturing and distribution plans for their car models, with regard to expansion of production capacity of the existing model, the launch of the new model and the distribution of the existing model with minor change. Upon the car distribution plan has been specified, the car companies shall inform their requirement on production expansion and product adjustment to various auto part manufacturers approximately 1-2 years in advance, so that the auto part manufacturers can prepare their production plan corresponding to the distribution plan of the car companies.

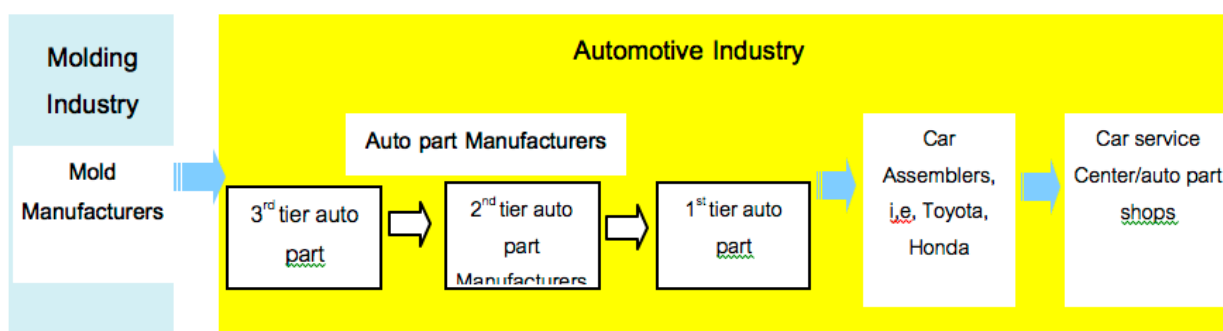
2. The first tier auto part manufacturers are the auto part manufacturers who directly supply the products to the car assembly plants, such as engines, brake, tire electronic system and etc. This entrepreneur group must have the capability to produce auto part up to the standard specified by the automotive assemblers. Mostly, this entrepreneur group do not produce the auto part by itself but it shall divide the auto-part manufacturing works to the next tier.

3. The second tier auto-part manufacturers are the sub auto-part manufacturers who supply to the first tier manufacturers, such as metal parts, plastic, rubber, electronics, glass, mirror and etc.

4. The third tier auto-part manufacturers are the auto-part manufacturers who supply the products to the first tier or the second tier auto-part manufacturers. They are also the manufacturers of spare parts of the car model that the car companies in Thailand stopped distribution for sales within the country as well as for export to overseas.

Apart from the above mentioned entrepreneurs, automotive and auto-part industries also depend on other supporting industries, such as molding industry. Molding industry shall manufacturer molds to the auto part manufacturers for usage in manufacturing auto part and car service center industries.

Manufacturing Structure of the Automotive and Auto Part Industries



Since the automotive and auto part industries are large scale industries with numerous manufacturing processes, so the Company has the opportunity to develop various types of hydraulic machines to respond to the need and to cover the usage requirements of the customers under these industries as much as possible. Many types of hydraulic press play important roles in automotive production lines, beginning from mold building to car assembly processes. Lift time of hydraulic press is

approximately 8-10 years. The manufacturers in various tiers shall purchase hydraulic machines from the Company in case of the expansion of the existing model of car, the launch of new model and the distribution of the existing model with minor change.

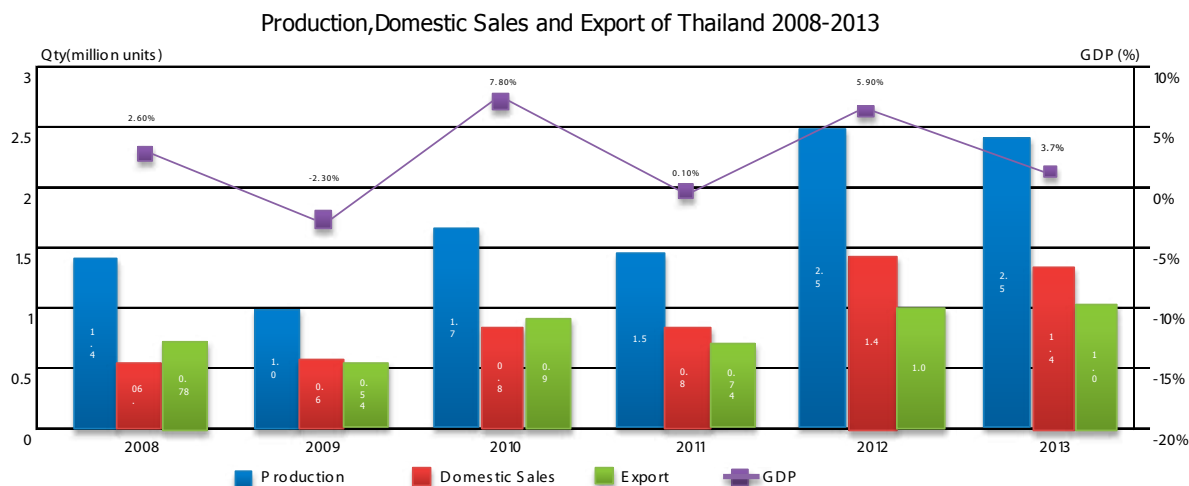
For expansion of the manufacturing capacity of the existing model car, the manufacturers in various tiers shall purchase additional machines used in the production line in case their existing machines do have adequate production capacity. At present, each car company distributes about 7-10 car models. The expansion of the production capacity of each car model shall be as per the marketing plan of the car companies and the requirements of the consumer in each period of time. Therefore, the manufacturers in subsequent tiers must prepare their production capacity to support such expansion production capacity plan. In case the car company launches a new model, the manufacturers in various tiers, including the assembly plants and the molding manufacturers usually invest in the new machines which have the capability to support the manufacturing of a new model. Based on the previous information, the car companies have launched a new model every 4-7 years and adjusted the minor change of the existing model every 2-5 years. When the minor change is planned, the manufacturers in various tiers shall adjust their machines to make them in line with such minor change or shall invest in the new machines, in case the existing machine cannot be adjusted. In general, the car company shall inform the increase of its production capacity plan or the launch of a new model to the manufacturers in various tiers approximately 1-2 years in advance, so they can have time to plan for machine usage or adjust their production lines. Hence, when the car company needs to increase its production capacity or has a plan to launch a new model, the auto part manufacturers including the car assembling plants and the mold manufactures shall gradually send their purchase orders for machines which are required to be additionally invested to the Company and the Company shall allocate its production capacity to produce and deliver the products to each customers.

Apart from usage of hydraulic press in automobile production lines, hydraulic cranes and hydraulic handling equipment are the machines which have significant parts in the automotive industry as well. Crane and hydraulic handling equipment are used in the car service center for maintenance work or for transportation and moving objects, i.e. mold, equipment, materials and etc.

Trends of Automotive and Auto Part Industries

The overall growth of automotive and auto part industries shall be pursuant to the national economic conditions and the world economic conditions. According to the statistics on automotive manufacturing and distribution, it was found that the car production volume in 2009 was reduced by 28.19% when compared with 2008. This was the results from the economic crisis in the United States of America which impacted and spread all over the world and caused the decreased demand from overseas. In addition, the political crisis in Thailand has also taken place at that time as well. However, the car production and distribution volume

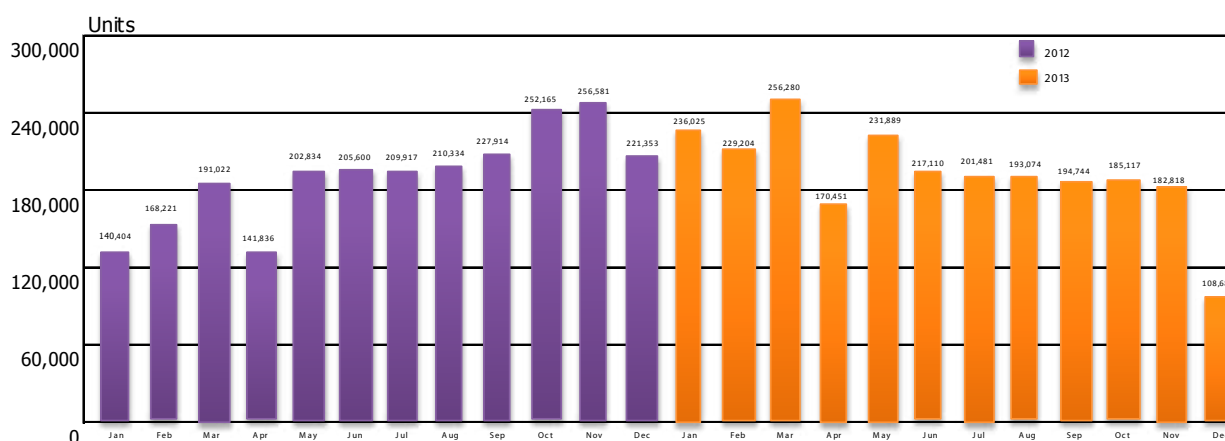
began to increase during the 4th quarter of 2009 after the political situation in the country and economic crisis in the foreign countries began to subside, which resulted in high demand from both within and outside the country. In 2010, the sales amount of automobile has expanded up to 67.30%



Source : Thailand Automotive Institute

In 2011, the Production and sales of automobile have been impacted once again from the flood disaster in Thailand which caused many auto part manufacturers and car assembly plants unable to operate, so the automobile production amount has been decreased from October 2011 and hit its lowest point in November 2011 before it began to recover again in December 2011. The automobile production amount has been increased up to 319.61% when compared with November and the production amount still increased constantly. In 2012, Thailand produced up to 2,428,181 automobiles, which was increased by 66.81% from 2011. This was the highest production amount since the establishment of car assembly plant in Thailand and it made Thailand rank in the world's top 10 of highest automobile manufacturing country in that time.

Automotive Production in the year 2012 to 2013



For domestic sales in 2012, total 1,434,752 automobiles were sold in Thailand which was 80.22% increased from 2011. The types of vehicles with highest sales were double cab and pick-up passenger vehicle of which their sales amount were increased by 180.75% and 92.23% respectively. For export amount, Thailand has exported 1,020,059 cars in 2010, which increased by 38.67% from 2011.

In 2013, total car production were 2.45 million cars which have been maximum in 52 years period. It is the reason, Thailand has become a top ten ranking of car production of the world, increased 0.14% from the previous year. This production supplied for export were 1.12 million cars or 45.64% of overall production and for domestic we're 1.33 million cars or 54.36% of overall production. Therefore, year 2013 is a one good year for an automotive industry.

Electric Appliances Industry

Press machines which have been used in the electric appliances industry are for forming the metal parts, i.e. refrigerator door and they are also used for hemming, cutting, drilling, trimming and drilling plastic part, such as plastic structure of refrigerator.

The electric appliances industry in 2011 grew up during the first quarter and the manufacturing industrial index (MPI) for electric appliance for the first 9 months of 2011 has been increased by 6.42% when compared with the first 9 months of 2010. However, due to the flood disaster during the end of 2011 which impacted the manufacturing industrial chain and caused the shortfall of parts and raw materials for production, so many electric appliances factories have to stop or postpone their production. This incident made the MPI for electric appliances for the 4th quarter reduced by 41.78% when compared with the same period of 2010. For 2012, the MPI for electric appliances has been increased beginning from December 2011 after the flood situation crisis began to diminish. The MPI for electric appliances for the first 11 months of 2012 was 124.36% which increased by 6.30% from the index of the same period of 2011.

The overall picture of the electric appliances industry shall still be expanded and in good condition due to the increased demand from the domestic and export markets, particularly in the ASEAN countries, Japan and the USA. During the first 11 months of 2012, the export amount of Thailand was US dollar 21,096.91 million, which was 3.49% increase from the same period of last year.

For 2013, the Electrical and Electronics Institute report that the manufacturing of electric appliances shall be slightly increased or increased 0.50% when compared with 2012 while the electric appliances export shall be slightly increased to 1.56% because even though the large markets, i.e. the USA began to recover but the European and ASEAN markets have a tendency to slow down due to the European economic crisis has not yet come to an end. However, the electric appliances should have a favorable outcome from the increased domestic purchasing power due to a minimum wage adjustment to Baht 300.

Hydraulic Crane Industry

Income ratio from sales of hydraulic crane of the Company in 2012 and 2013 was 16.23% and 17.13% respectively. Hydraulic cranes are used in various industries, such as wood processing industry, steel industry, construction industry, agricultural processing industry and etc.

Crane hydraulic is used to move objects, so hydraulic crane of the Company is not used for any specific industry. If any industry has a high growth rate, the Company can sell it to other industries. The Company foresees the growing trend in wood processing industry and construction industry which requires hydraulic crane.

Production Capacity and Production Amount

At present, the Company has 2 factories which are located in Chonburi and the production capacity of each factory is as follows:

The 1st Factory: Production capacity of hydraulic press

	2010	2011	2012	2013
Maximum production capacity(ton/year) ^{1/}	1,908	2,003	2,003	2,003
Actual production capacity(ton/year) ^{2/}	1,332	2,003	2,003	1,900
Capacity utilization rate	69.81%	100.00% ^{3/}	100.00%	94.84%

- 1/ Maximum production capacity per year is calculated from average weight of hydraulic press of approximately 40 tons/unit multiplied with average number of unit that the Company can produce per year under the assumption that the working hours of the Company is 10.5 hours/day (plus overtime of 2.5 hours).
- 2/ Actual production capacity is calculated from weight of hydraulic press produced in each year.
- 3/ Full production capacity under the restriction of the current areas because the areas for placing the works from the welding process and assembly process of hydraulic press are full, therefore the Company cannot produce additional hydraulic press even though the manpower or welding machine have been increased.

The 2nd factory: Production capacity of crane and hydraulic handing equipment

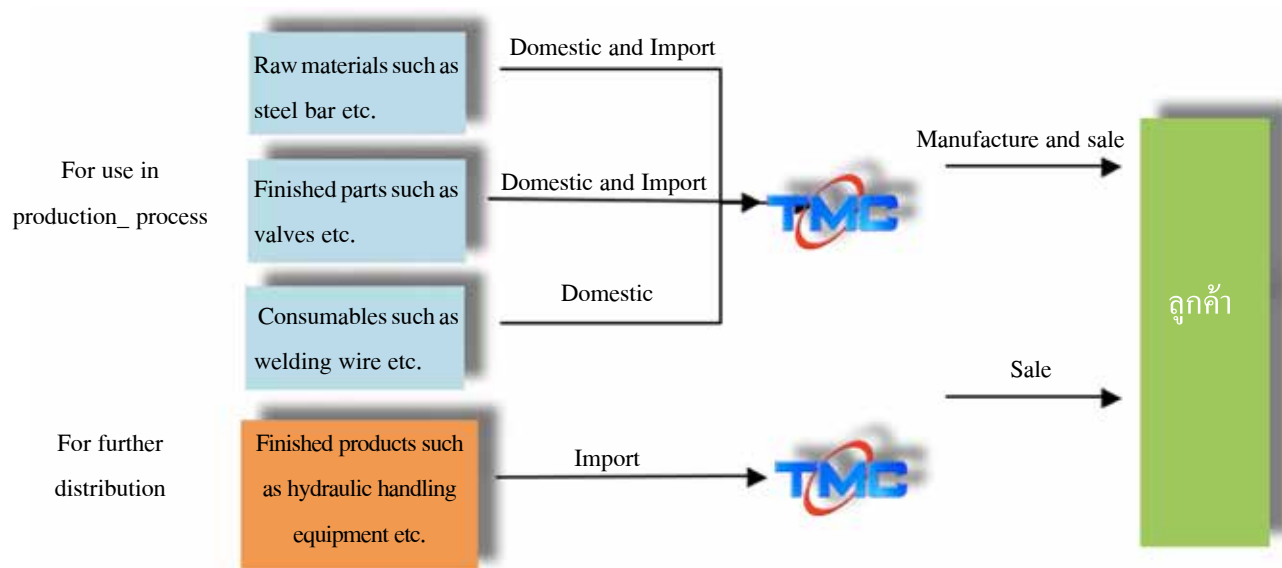
	2010	2011	2012	2013
Maximum production capacity (ton/year) ^{1/}	1,011	1,083	1,093	1,093
Actual production capacity (ton/year) ^{2/}	903	1,012	920	824
Capacity utilization rate	89.32%	93.44%	84.17%	75.42%

- 1/ maximum production capacity per year is calculated from average weight of crane and hydraulic handing equipment multiplied with average number of unit that the Company can produce per year where the average weight of crane is 4.6 ton/unit and hydraulic handing equipment is 0.4 ton/unit under the assumption that the working hours of the Company is 10.5 hours/day (plus overtime of 2.5 hours).

- 2/ Actual production capacity is calculated from weight of hydraulic crane and hydraulic handling equipment produced in each year.

At present, the production capacity of hydraulic machine of the 1st factory reaches its full capacity. Therefore, the management has a policy to employ the third party to operate the metal welding works since 2011. The Company expected that the production capacity shall be increased approximately 60% from the current capacity after the opening of new factory.

Procurement of raw materials and products



The Company procures raw materials, parts and goods from both locally and overseas. Details are as follows:

1. Raw materials and finished parts for use in production process – The Company's purchase of raw materials and finished parts as well as consumables for hydraulic machine production represents approximately 96% of total purchase values of raw materials and goods. Details are as follows:

- 1) Raw materials: Raw materials used in the production are various types of steel, such as steel plate, angle bar, steel bar, etc. They are sent to machining process, i.e. cutting, welding and milling, etc. to have the shape and structure as required. Steel which is used as raw materials are divided into 2 major types as follows:
 - 1.1) Standard steel is procured from general distributors in Thailand. The Company compares the prices of at least 2-3 distributors to ensure quality product and reasonable price.

- 1.2) Special steel which has special thickness or width is not available domestically. The Company has to order special steel directly from china and etc. Imported products are cheaper than those procured locally. Orders of special steel for manufacturing of hydraulic press are made upon receiving orders from the customers. For hydraulic crane and handing equipment, each order is made in advance with the volume adequate for production of product for sale in one month.
 - 2) Finished parts: Finished parts for hydraulic machines are hydraulic cable, valves, motor, wire, etc. Most are supplied by local manufacturers or distributors. Price comparison is performed for every purchase.
 - 3) Consumables: Consumables e.g. welding wire, drill bit, hydraulic oil, etc. are bought from local supplier. Price comparison is performed for every purchase.
2. Finished products for further distribution – The Company buys valves and some types of hydraulic handing equipment for further distribution. At present, the Company has been appointed as the distribution of Yuci-Yuken, a Chinese brand hydraulic valve, for distribution in Thailand.

: 34 Risk Factors

Risk factors stated here are not all risks available which may impact the ordinary shares of the Company. Therefore, other risk factors that the company is not aware of the Company deems that it does not have any material risks at present may impact the operations of the Company in the future.

1. Risk from Fluctuation of raw material price

The company used steel plate and steel bar as raw materials in manufacturing the machinery. Steel shall be used as structure of the products and components of the equipment in the machinery. Ratio of steel use is approximately 40 percent of raw material costs. At present, the Company ordered steel from the domestic suppliers for steel at standard sized and imported special sizes steel with high prices in Thailand from the direct distribution in foreign countries. Since steel is commodity product, so its prices are fluctuated based on the world market prices which are changing all the time pursuant to demand and supply in each period.

Hence, the Company may incur risk from increase in steel price, which will heighten its production cost. However, hydraulic press is produced upon customer orders, so its price is adjustable in line with raw material price when making price quotation to the customers. In addition, The company purchases steel immediately after receiving orders so as to minimize price fluctuation effects. The company also compares prices of 2 or more suppliers to encourage price competition. For hydraulic crane and handling equipment, the Company has policy to stock steel in volume adequate for 1 month production. Therefore, if the steel price changes, it may impact the production cost. With regards to crane selling price, the Company has prepared the price list as the standard price and it has been adjusted once a year. The Company's pricing policy is based on cost of sale and prices of peers at the moment to reduce impact from fluctuation of raw material price.

2. Risks from fluctuation of Foreign Exchange Rate

The Company's business involved with foreign exchange currency in 2 manners as follow:

1) Procurement of new materials and some types from overseas in the amount of Baht 85.18 million and Baht 102.14 million or accounting for 18.81% and 21.05% of total purchase order of raw materials in 2012 and 2013 respectively.

2) Selling products overseas totaling Baht 67.99 million and Baht 60.32 million or accounting for 6.78% and 7.65% of total sales amount in 2012 and 2013 respectively.

Both transactions above have made in US dollar, so the performance may be impacted in case of foreign exchange fluctuation. It may loss or gain from the exchange rate if the exchange rate on products purchase/sale date and the product delivery or payment date is different.

However, since the Company's raw materials procurement and distribution of products are made in US dollar, so it serves as a natural hedge against foreign currency risk to a certain extent. The Company's management has also monitored foreign currency change and used such information to plan for the procurement of raw materials and delivery of product which is made in US dollar in orders in lower such foreign exchange risk.

For foreign currency risk that is beyond natural hedge due to the different amount of purchase and delivery or foreign currency is used for either the purchase or the delivery transaction only, previously such financial tool for risk hedging has not been applied. However, in 2013, being aware of impacts of such risk, the Company has follow the currency exchange news closely for which were deemed to be of high-risk transaction. The Company also has foreign currency deposit account (FCD) for its foreign currency transaction as another way to lower foreign currency risk.

3. Risks from Short of Skilled Labor

As manufacturer of specialized machines, the Company relies on personnel with specialized knowledge, for instance design of metal welding and machinery supervision for metal milling and drilling. Therefore, the Company may incur risk from personal shortage in case of having excess amount of works from the customers or failure to recruit replacement staff or to timely develop their skills.

Nonetheless, it provides incentives for its personal by increasing remuneration for those with specialized knowledge, hence low turnover rate. Additional training and skill development is also provided to employees in different working areas to ensure replacement by staff from other working areas in case of shortage, for instance training the welding employees to be able to control the milling machine and drilling machine. The Company also recruited additional personnel constantly.

4. Risk from Dependence on Automotive Industry and Certain Major Customers

The Company has relied on income from customers in automotive industry, representing 50.39% and 48.41% of total income the sale and services in 2012 and 2013 restively. The Company's income will be affected by the decreasing demand of automobile customers. Nevertheless, as automotive industry is one of the country's major industries that generate huge income from exports, the government has a policy in place to continuously promote automotive industry as evident from the eco-car policy, the first-car policy, the first-car scheme, etc. Meanwhile, The Company has also diversified its markets to other industries. i.e. electric appliance and wood processing industries, representing 20% of income from sales and services in 2013. The remaining income is from other industries. This indicates that the Company does not depend only on the automotive industry.

The Company's income from top 10 customers represented 41.93% and 30.97% of total income from sales and services in 2012 and 2013 respectively. Since there is no customer with purchase order of more than 11.00% of the Company's total income, the Company has no risk from of loss of income from major customers.

5. Risk from Procurement of Special Steel

In the press production, some parts are made of special steel, for instance steel with special thickness to be used as supporting platform of hydraulic cylinder. As the price of special steel is not available or the import is delayed and the production process will then be affected.

Nonetheless, the Company has the staff directly responsible for contacting and procurement of raw materials from foreign countries by procuring from many suppliers to ensure that if any supplier is unable to supply the product, it can switch to other suppliers. Moreover, there is close coordination between the production planning department which determines the period of raw materials requirement and utilization and the procurement department which makes purchase orders and follows up the delivery of raw materials in order to control import of such raw material according to the schedule.

6. Risk from Relocation of Automobile Production Base to Overseas

The Company's income from automotive industry represented 50.39% and 48.41% in 2012 and 2013 respectively. In case of relocation of the production base to overseas, the Company's sales will be significantly affected. Particularly, Automotive Industrial crisis in 2013 has caused many concerns to some automotive and auto part manufacturers which made them slow down to invest in Thailand for fear of the reoccurrence.

However, automotive manufacturers still have confidence in Thai market as seen from factory expansion of auto companies in Thailand. For instance, Toyota Motor Thailand Co., Ltd. has invested in construction of its 4th assembly plant at Gateway Industrial Estate to accommodate its eco-car production. Tripetch Isuzu Sales Co., Ltd. has also built additional assembly plant at the same industrial estate. Increase of automobile production capacity in Thailand will lead to capacity expansion of auto part production in the country. This will also attract part producers to relocate their production base instead of export to Thailand, considering that the production volume is worth establishing a plant in Thailand. However, even though some automotive manufacturers have relocated some part of their production base to overseas, the Company can still supply the press machines there because the automotive manufacturers in Thailand are confident in quality of hydraulic products and services of the Company.

7. Risk from Major Shareholders with Combined Shareholding of 50% or More

After the IPO, the major shareholder, Kamolmongkolsuk Group, will have a combined shareholding of 57.55% of total shares sold and will remain the executives and authorized signatories of the Company. The said shareholder has management power in voting control and almost all important issues including appointment of director or other issues that require the majority votes at the shareholders' meeting, except for the issues regarding the laws or Article of Association that require a vote of not less than three fourths of total shares held by the shareholders present at the meeting and having the right to vote, e.g. capital increase and capital decrease. Therefore, other shareholders attending the meeting and having the right to vote may not be able to gather enough votes to check and balance the management by the major shareholder.

In this regard, the Company is well aware of such risk and has in place 4 outside persons as independent directors. Three persons are members of the Audit Committee having the required knowledge and competence. Its internal audit department also directly reports to the Audit committee to allow a thorough and transparent examination and balance the performance of the Board of Directors to a certain extent.

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Shareholding Structure

The Company's Securities

As of December 31, 2013, the registered and paid-up capital of the Company was Baht 290,000,000, divided into 290,000,000 ordinary shares, at par value of Baht 1.00.

Shareholders

Name of top 10 shareholders as per listed in the book of shareholders' registration as of March 19, 2014 was as follows:

Name	No. of Shares (shares)	Percentage of Shareholding Proportion
1. Kamolmongkolsuk Co., Ltd.*	156,750,000	54.05
2. Kamolmongkolsuk Family		
2.1 Mr. Thaweemit Kamolmongkolsuk	2,450,000	0.84
2.2 Mrs. Tubtim Kamolmongkolsuk	2,350,000	0.81
2.3 Mrs. Pacharawalai Wu	1,337,500	0.46
2.4 Mr. Teerapap Kamolmongkolsuk	1,337,500	0.46
2.5 Miss Pailin Kamolmongkolsuk	1,337,500	0.46
2.6 Mr. Surachet Kamolmongkolsuk	1,237,500	0.43
2.7 Mrs. Aroonroj Kamolmongkolsuk	100,000	0.03
Total of Kamolmongkolsuk Family	10,150,000	3.50
Total of Kamolmongkolsuk Group	166,900,000	57.55
3. Mrs. Wilai Kokerdkiat	5,000,000	1.72
4. Mrs. Darawan Thipnate	4,863,500	1.68
5. Mrs. Piriyaorn Sae-Hueng	4,560,000	1.57
6. Petro-Instruments Co., Ltd.	4,350,000	1.50
7. Mrs. Seam Simsriskul	3,910,000	1.35
8. Miss Prapim Kongwattana	3,169,300	1.09
9. Miss Thararat Simsriskul	2,392,200	0.82
10. Mr. Sumitr Chareonkitmongkol	2,350,000	0.81
11. Other shareholders	97,855,000	33.76
Total shares	290,000,000	100.00

Remark : *Kamolmongkolsuk Co., Ltd. is a major shareholder of the Company which has paid-up capital of Baht 157.00 million, divided into 1,570,000 shares at par value of Baht 100.00. However, Kamolmongkolsuk does not engage in any business and its major shareholder is Kamolmongkolsuk Family. Its list of shareholders as of February 23, 2011 was as follows:

	Name	No. of Share (Share)	Percentage of Shareholding Proportion
1.	Mr. Thaweemit Kamolmongkolsuk	314,000	20.00
2.	Mrs. Tubtim Kamolmongkolsuk	314,000	20.00
3.	Mr. Surachet Kamolmongkolsuk	235,500	15.00
4.	Mr. Teerapap Kamolmongkolsuk	235,500	15.00
5.	Mrs. Pacharawalai Wu	235,500	15.00
6.	Miss Pailin Kamolmongkolsuk	235,500	15.00
Total Shares		1,570,000	100.00

Other Securities

- None

Dividend Policy

The Company has the policy of paying dividend to shareholders at no less than 40% of net profit according to the separate financial statement after deduction of corporate income tax, legal reserve and other reserves. However, the Company may pay the dividend less than above rate, depending on the necessity of working capital use for business expansion and other factors relating to the business operation and management. In addition, the resolution of the Board of Directors on approval for dividend payment must be proposed and requested for approval from the shareholders' meeting, except for interim dividend payment which can be approved by the Board of Directors and reported at the next shareholders' meeting.

The Company's subsidiary company has the policy of dividend payment at no less than 90% of net profit according to its financial statement after deduction of corporate income tax, legal reserve and other reserves, by taking into account its cash flow, financial position, liquidity and investment plan during each period.

: 40 Management Structure

The Company consists of the Board of Directors, the Audit Committee and the Executive Committee as per the following details:

Board of Directors

As of December 31, 2013, the Company's Board of Directors composed of 10 members as follows:

Name	Position
1. Mr. Manu Leoparote	Chairman of the Board of Directors / Independent Director
2. Mr. Thaweemit Kamolmongkolsuk	Director / Chairman of Executive Committee
3. Mrs. Tubtim Kamolmongkolsuk	Director / Vice Chairman of Executive Committee
4. Mr. Surachet Kamolmongkolsuk	Director / Chief Executive Officer
5. Mr. Teerapap Kamolmongkolsuk	Director / Managing Director / Acting Deputy Managing Director – Information Technology / Acting Deputy Managing Director-Sales&Marketing
6. Mrs. Pacharawalai Wu	Director / Deputy Managing Director
7. Miss Pailin Kamolmongkolsuk	Director / Deputy Managing Director
8. Mr. Arthit Wuthikaro	Chairman of Audit Committee / Independent Director
9. Miss Chutipa Obhasanond	Member of Audit Committee / Independent Director
10. Mr. Khan Akaworawit	Member of Audit Committee / Independent Director

Remark : Miss Pailin Kamolmongkolsuk is a Company Secretary.

Authorized Signatories

The authorized signatories are either Mr. Thaweemit Kamolmongkolsuk or Mrs. Tubtim Kamolmongkolsuk or Mr. Surachet Kamolmongkolsuk and Mrs. Pacharawalai Wu or Mr. Teerapap Kamolmongkolsuk or Miss Pailin Kamolmongkolsuk with the Company's seal affixed.

The Board of Directors' Meeting

The attendance in the Board of Directors' meeting in 2013 was summarized as follows:

Name	Board of Director		Audit Committee
	Attendance (5 Times)		Attendance (4 Times)
1. Mr. Manu Leoparote	4/4	-	
2. Mr. Thaweemit Kamolmongkolsuk	4/4	-	
3. Mrs. Tubtim Kamolmongkolsuk	4/4	-	
4. Mr. Surachet Kamolmongkolsuk	4/4	-	
5. Mr. Teerapap Kamolmongkolsuk	4/4	-	
6. Mrs. Pacharawalai Wu	4/4	-	
7. Miss Pailin Kamolmongkolsuk	4/4	-	
8. Mr. Arthit Wuthikaro	4/4	4/4	

	Name	Board of Director	Audit Committee
		Attendance (5 Times)	Attendance (4 Times)
9. Miss Chutipa	Obhasanond	4/4	4/4
10. Mr. Khan	Akaworawit	3/4	3/4

Scope of Powers, Duties and Responsibilities of the Board of Directors

The Board of Directors has the powers, duties and responsibilities to manage the Company pursuant to the applicable laws, the Company's objectives and Articles of Association as well as the resolutions of the shareholders' meeting, with honesty and prudence in the best interests of the Company. A summary of the substantial duties and responsibilities of the Board of Directors is set out below:

1. To perform duties pursuant to the applicable laws, the Company's objectives and Article of Association as well as the resolutions of the shareholders' meeting with honesty and prudence in the best interests of the Company.

2. To establish vision, policy and operational directions of the Company including to supervise to ensure that the management team effectively and efficiently conducts operations in accordance with the specified policy and work plan to maximize economic values to the business and for maximum stability for its shareholders.

3. To monitor the performance to ensure that they follow the policy and business operation, provided that, the indices to be used as the practical guidelines must be clearly specified, by taking into consideration the possibility and reasonableness, and such policy including its compliance must be reviewed continually.

4. To carefully consider the conflict of interest and the transaction which may cause a conflict of interest by specifying the clear guidelines and they must be for the benefits of the Company and the overall shareholders. The interested person shall not take part in making decision for such transactions. To supervise the transaction which may have a conflict of interest to ensure that it is correctly, completely and transparently compliance with operating procedures and its information is disclosed.

5. To authorize and specify the approval level on the conduct of any transaction and activity related to the Company's business to the group of persons or a person as appropriated and pursuant to the relevant laws, by preparing as the authority manual and such manual must be reviewed at least once a year.

6. To arrange for the credible accounting system, financial reporting and audit operations as well as to supervise the evaluation procedure of the internal control. There should be the independent person or unit responsible for auditing such control system and the systems must be reviewed constantly.

7. To specify comprehensive risk management policy throughout the organization. The management must comply with the policies and report to the Board of Directors on continued basis, to review the system or assess the efficiency of the risk management constantly and every time when it is found that risk level has been changed within the defined direction, as well as pay attention to the advance alarm and abnormal activities.

8. To appoint the subcommittee or any person to oversee, monitor and control the essential management work of the Company under the supervision of the Board of Directors and to assess the performance and fix the remuneration of such subcommittee or person, or to assign authority to such subcommittee or person as the Board deems appropriated and within the specified time as the Board of Directors may think fit and the Board of Directors may revoke, cancel, change or modify such authority.

For this purpose, the delegation of authority to the subcommittee or person as mentioned above shall not include the delegation of authority which entitled such subcommittee or person to consider and approve the transaction that such person or the person who may have a conflict, interest or may have a conflict of interest in any other manner with the Company or the subsidiaries. In addition, the approval from the shareholders' meeting is required for conducting any connected transaction or acquisition or disposal of the material assets of the Company so as to be compliance with the regulations of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand. In the event when any director or the potential interest person (pursuant to the notification of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand) has interest or conflict of interest, such director or the potential interest person is not entitled to vote or authorize to approve such transaction. Moreover, the Board of Directors may authorize such subcommittee or person as mentioned above to undertake the transaction concerning the operation and the investment under normal course of business of the Company, provided that, the scope of work and amount of money in each level must be clearly defined. No authorization is granted without limiting any monetary amount.

The Audit Committee

As of December 31, 2013, the Audit Committee consisted of 3 persons as follows:

No.	Name	Position
1.	Mr. Arthit Wuthikaro	Chairman of the Audit Committee
2.	Miss Chutipa Obhasanond	Member of the Audit Committee
3.	Mr. Khan Akaworawit*	Member of the Audit Committee

Remark : Mr. Khan Akaworawit has experience in review of financial statements.
Mr. Paiboon Rattanasetchai is a Secretary of the Audit Committee.

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities as follows:

1. To verify that the Company has accurate financial reports and adequate disclosure of information by coordinating with the external auditor and the executives in charge of preparation of the quarterly and annual financial reports before proposal to the Board of Directors.
2. To verify that the Company has proper and effective internal control and internal audit system, to verify the independences of internal audit department, and to approve the appointment, removal and dismissal of the head of the internal audit department or any other department in charge of internal audit.

3. To verify that the Company conforms with laws regarding securities and securities exchange, regulations of the Stock Exchange of Thailand, as well as other laws, rules, regulations and requirements relevant to the business of the Company.

4. To consider, select, propose the appointment of an independent person to perform as the auditor of the Company, to propose remuneration for the auditor to the Board of Directors for further appointment by the general shareholders' meeting, to coordinate with the auditor for the audit purpose, scope, guideline, work plan, problems found during the audit and other important issues, and to attend meeting with the auditor without management attendance at least once a year.

5. To ensure complete and correct disclosure of information concerning the connected transaction or the transactions that may involve conflict of interest in accordance with the laws and regulations of the Stock Exchange of Thailand, as well as to disclose complete and correct information of such transactions to ensure that they are reasonable and are in the best interest of the Company.

6. To verify that the Company's risk management system is appropriate and efficient.

7. To prepare the Audit Committee's report for disclosure in the annual report, and such report shall be signed by the Chairman of the Audit Committee and it must at least contain the followings:

- Opinion on correctness, completeness and reliability of the financial reports of the Company;
- Opinion on adequacy of the internal control system;
- Opinion on compliance with the laws regarding securities and securities exchange, regulations of the SET, or the laws relevant to the business of the Company;
- Opinion on appropriateness and remuneration of the auditor;
- Opinion on transactions that might have conflict of interest;
- Number of the Audit Committee meetings and attendance of each member;
- Opinions or observations in overall from the Audit Committee's performance of duty in compliance with the Charter; and
- Other issues that should be made known to and acknowledged by the shareholders and investors within the scope of duties and responsibilities assigned by the Board of Directors.

8. To perform other duties within the scope of its responsibilities as assigned by the Board of Directors and to report directly to the Board of Directors. In the performance of such duties, the Audit Committee must have direct accountability to the Board of Directors and the Board of Directors must have accountability regarding the Company's business operation to external parties.

9. If the Audit Committee finds or suspects that any transaction or action may have material impact on the financial position or operation of the Company, e.g. transaction that causes conflict of interest, fraud or unusual transaction or material deficiency in the Company's internal control system, violation or infringement of laws regarding securities and securities exchange, etc. the Audit Committee shall report to the Board of Directors for rectification and improvement in a timely manner as considered appropriate by the Audit Committee. In case the Board of Directors or the Management fails to rectify or improve such issue or incident in a timely manner as considered appropriate by the Audit Committee, any member of the Audit Committee may report such issue or incident to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

The Audit Committee must possess the qualifications pursuant to the notifications of the Capital Market Supervisory Board No. Tor Jor. 28/2551 RE: Request for permission and approval for offering newly issued share with details as follows:

Qualifications of the Audit Committee and the Independent Director:

1. Holding shares not exceeding 1 percent of the total number of voting shares of the Company, its parent company, its subsidiary, its associated company or a controlling person of the Company, provided that, the shares held by the related person of such Independent Director shall also be counted for this purpose.

2. Not being or having been a director involved in the management, an employee, a consultant with a monthly wage or a controlling person of the Company, its parent company, its subsidiary, its associated company, a subsidiary in the same level, a major shareholder or a controlling person of the Company, except he/she has resigned from such position at least 2 years prior to the date submitting the approval request to the Office of the Securities and Exchange Commission (SEC), provided such prohibition shall not include the case where the independent Director was once a government official or the advisor of the government agency which is the major shareholder or the controlling person of the Company.

3. Not being related by blood or legal registration as a father, mother, spouse, sibling and child, including as a spouse of the child of an executive officer, a major shareholder, a controlling person or a person who will be nominated to become an executive officer or a controlling person of the Company or its subsidiary.

4. Not having or had a business relationship with the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company in the manner which may interfere the exercise of independent judgment, including not being or having been a major shareholder, or a controlling person of a person having a business relationship with the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company, except where such restriction had passed for not less than 2 years prior to the date submitting the approval request to the SEC.

5. Not being or having been an auditor of the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company, and not being a major shareholder, a controlling person or a partner of an audit office for which the auditor of the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company work, except where such restriction had passed for not less than 2 years prior to the date submitting the approval request to the SEC.

6. Not being or having been a professional service provider, including a legal consultant or financial advisor who receives service fees exceeding Baht 2 million from the Company, its parent company, its subsidiary, its associated company, a major shareholder or a controlling person of the Company, and must not be a significant shareholder, a controlling person or a partner of such professional service provider, except where such restriction had passed for not less than 2 years prior to the date submitting the approval request to the SEC.

7. Not being a director appointed to represent the Company's Board of Directors, a major shareholder or a shareholder who is related to the Company's major shareholder.

8. Not being in a business of the same nature as, and of significant competition to that of the Company or its subsidiary or not being a significant partner of a partnership or not being a director who is involved with management tasks, a staff member, an employee, a consultant with a monthly wage or holds shares more than 1.0 percent of total shares with voting rights of another company which is engaged in a business of the same nature as and of significant competition to that of the Company or its subsidiary.

9. Not possessing any characteristics which prevent the giving of an independent opinion on operations of the Company.

The Executive Committee

As of December 31, 2013, the Executive Committee consists of 6 members as follows:

	Name	Position
1. Mr.Thaweemit	Kamolmongkolsuk	Chairman of Executive Committee
2. Mrs. Tubtim	Kamolmongkolsuk	Vice Chairman of Executive Committee
3. Mr. Surachet	Kamolmongkolsuk	Executive Director
4. Mr. Teerapap	Kamolmongkolsuk	Executive Director
5. Mrs. Pacharawalai	Wu	Executive Director
6. Miss Pailin	Kamolmongkolsuk	Executive Director

Scope of power, duties and responsibilities of the Executive Committee

1. To supervise the management of the Company to ensure the compliance with the policies specified by the Board of Directors and to report the operational results to the Board of Directors.

2. To specify strategy and business plan, budget, as well as management structure, so as to comply with the policies and targets set by the Board of Directors, and to present them to the Board for consideration.

3. To authorize and specify approval level of each person as appropriated and to segregate the duties which might be favorable for corruption and present to the Board of Directors for approval as well as to supervise the adherence of the approved principles and requirements.

4. To consider the organizational structure, to authorize management power, salary structure of the Company as well as to have power to define scope of duty, assign, appoint, transfer, cut or reduce wage, dismiss, terminate employment, consider benefits, impose disciplinary penalty, reward to Deputy Managing Director and lower. These powers may be assigned to the Managing Director or the authorized person assigned by the Managing Director, to act on the Company's behalf for signing in the employment contract.

5. To consider and approve the financial transaction with the bank/financial institutes for supporting the normal business operation, such as opening bank account, providing loan, borrowing money, procurement of credit, pledge, mortgage, guarantee and etc., including purchase and sale and register for any land ownership for normal business operation pursuant to the approval power and order approved by the Board of Directors.

6. To consider and approve the investment and define the investment budget pursuant to the power specified in the manual.

7. To consider the new business operation or business discontinuation to propose to the Board of Director for further approval.

8. To consider other matters assigned by the Board of Directors. However, the delegation of authority as mentioned above shall not be in the manner of delegation of authority or sub-authority which entitled the Executive Committee or the authorized person of the Executive Committee to approve the transaction that the Executive Committee Director or the person who might have conflict of interest, interest or any other benefits as per specified by the SEC with the Company or its subsidiary, except it is the approval of transaction under the criteria approved by the Board of Directors.

However, the approval of such transaction with conflict of interest must be performed pursuant to the notification of the SET, the Capital Market Supervisory Board and/or the Office of the SEC Re: Criteria, method and disclosure of the connected transactions of the listed companies. In addition, the Executive Committee may be appointed or removed by the Board of Directors' meeting or the shareholder's meeting.

Define the credit approval power

The Company specified the credit approval power for the operation of the Company which can be summarized as follows:

Type of Transaction	Approval Power		
	Executive Committee	Chief Executive Officer	Managing Director
1. Transaction for normal business operation (per occurrence)			
1.1 Procurement of raw materials	Less than Bht. 15 mil.	Less than Bht. 12 mil.	Less than Bht. 10 mil.
1.2 Procurement of tools and equipment	Less than Bht. 20 mil.	Less than Bht. 3 mil.	Less than Bht. 3 mil.
1.3 Procurement of machinery	Less than Bht. 40 mil.	Less than Bht. 7 mil.	Less than Bht. 5 mil.
1.4 Provision of credit to customers*	Less than Bht. 50 mil.	Less than Bht. 35 mil.	Less than Bht. 30 mil.
1.5 Procurement of professional services	Less than Bht. 10 mil.	Less than Bht. 3 mil.	Less than Bht. 3 mil.
1.6 Borrow money from financial institute	Less than Bht. 50 mil.	Less than Bht. 10 mil.	Less than Bht. 10 mil.
1.7 Lease or lease out asset per year	Less than Bht. 5 mil.	Less than Bht. 1 mil.	Less than Bht. 1 mil.
1.8 Sale of assets which are the product	Less than Bht. 50 mil.	Less than Bht. 30 mil.	Less than Bht. 30 mil.
2. Other transaction			
2.1 Investment in other business	Less than Bht. 5 mil.	N/A	N/A
2.2 Disposal of assets	Less than Bht. 20 mil.	Less than Bht. 5 mil.	Less than Bht. 5 mil.
2.3 Building construction	Less than Bht. 20 mil.	Less than Bht. 2 mil.	Less than Bht. 2 mil.
2.4 Investment in the land	Less than Bht. 20 mil.	N/A	N/A

The Management

As of December 31, 2013, The Company's Management was composed of 9 members as follows:

	Name	Position
1. Mr. Thaweemit	Kamolmongkolsuk ¹	Chairman of the Executive Committee
2. Mrs. Tubtim	Kamolmongkolsuk ¹	Vice Chairman of the Executive Committee
3. Mr. Surachet	Kamolmongkolsuk	Chief Executive Officer
4. Mr. Teerapap	Kamolmongkolsuk ²	Managing Director / Acting Deputy Managing Director-Information Technology / Acting Deputy Managing Director-Sales& Marketing
5. Mrs. Pacharawalai	Wu	Deputy Managing Director-Human resources
6. Miss Pailin	Kamolmongkolsuk	Deputy Managing Director-Procurement
7. Mr. Yossakorn	Bomlai ³	Deputy Managing Director-Business Development&Marketing
8. Mr. Kninpichy	Sukserm ⁴	Deputy Managing Director-Account/Finance
9. Mr. Premchai	Phoorattanapit ⁵	Deputy Managing Director-Factory

- Note :
1. Even though, Mr. Thaweemit and Mrs. Tubtim are the Chairman of the Executive Committee and Vice Chairman of the Executive Committee respectively, both of them manage business in the Company every day like the management and have the monthly salary, therefore the financial advisor regarded them as the Company's management.
 2. Mr. Teerapap acting in the position of Deputy Managing Director – Sales&Marketing from October 1, 2013 (due to resignation)
 3. Mr. Yossakorn rotate the position from Deputy Managing Director – Factory to Deputy Managing Director-Business Development&Marketing from October 9, 2013
 4. Mr. Kninpichy take a position of Deputy Managing Director - Account/Finance from August 13, 2013 (due to resignation)
 5. Mr. Premchai take a position of Deputy Managing Director – Factory from September 1, 2013

Scope of Powers, Duties and Responsibilities of Chief Executive Officer

1. To be the authorized person of the Company to manage the Company's business to make them achieve the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting and/or resolutions of the Board of Directors.
2. To supervise and manage day-to-day business operations of the Company.
3. To monitor and assess performance of the Company continually and report the operational results, progress of the work to the Executive Committee, the Audit Committee and the Board of Directors.
4. To prepare and present the business policy, business plan, targets, operation plan, business strategy, fund raising activities of the Company, annual budget to be used in the business operation, annual report and specify the management power to propose to the Executive Committee, the Audit Committee and the Board of Directors.
5. To consider profit and loss of the Company, payment of interim dividend or annual dividend to propose to the Board of Directors for approval.

6. To specify organization structure and management process which covering the procedures for selection, training, employment and dismissal of employees of the Company and to specify wage, salary, remuneration, bonus and welfares of the employees.

7. To consider the execution of the contract regarding the normal business operation of the Company, the investment in new business or the discontinuation of the business pursuant to the methods specified in the authority manual.

8. To have the power to approve the disbursement of money for the normal business operation of the Company in each transaction as per specified in the approval authority regulation and order already approved by the Board of Directors.

9. To be the authorized person to command, contact, order, as well as sign in the contract, order document and any notice as per specified in the authority manual.

10. To perform other tasks as per assigned by the Executive Committee and/or the Board of Directors.

However, the appointment of authority and responsibilities of the Chief Executive Officer shall not include the appointment of authority or substitute attorney-in-fact which entitled the Chief Executive Officer or the authorized person of the Chief Executive Officer to approve any transaction that the Chief Executive Officer or relevant person who might have conflict (according to definition defined by the relevant organization), interests or any other conflict of interest with the Company or its subsidiary, except the approval of transaction under the normal business operation with clear scope of work.

Scope of Powers, Duties and Responsibilities of Managing Director

1. To be the authorized person of the Company to manage the Company's businesses to make them achieve the objectives, regulations, policies, rules, orders, resolutions of the shareholders' meeting and/or resolutions of the Board of Directors.

2. To supervise the business operation, plan strategic operations, and perform day-to-day business operations of the Company as well as supervise the overall operations for the maximum benefits.

3. To monitor and assess performance of the Company continually and report the operational results, progress of the work to the Executive Committee, the Audit Committee and the Board of Directors.

4. To be the authorized person to command, contact, order, as well as sign in the contract, order document and any notice as per specified in the authority manual.

5. To have the power to define scope of duty & responsibility, assign, appoint, transfer, cut or reduce wage, dismiss, terminate employment, consider benefits, impose disciplinary penalty, reward the employees from Department Manager and lower.

6. To consider the execution of the contract regarding the normal business operation of the Company, the investment in new business or discontinuation of the business pursuant to the method specified in the authority manual.

7. To have the power to approve the disbursement of money for the normal business operation of the Company in each transaction as per specified in the authority approval regulation and order already approved by the Board of Directors.

8. To have the power to appoint and manage the working groups for benefit and efficient of prudent and transparent management as well as to have the power to appoint a substitute attorney-in-fact and/or other person to perform some specific work on its behalf. The appointment of such substitute attorney-in-fact and/or such appointment shall be subject to the scope of delegation of authority pursuant to the power of attorney and/or the authority approval regulation and order already approved by the Board of Directors.

9. To have power to issue order, regulation, announcement and notice to ensure compliance with the policy and for benefits of the Company as well as to maintain code of conduct within the organization. However, such appointment of duty and responsibility of the Managing Director shall not include the appointment of authority or a substitute attorney-in-fact which entitled the Managing Director or the authorized person of the Managing Director to approve any transaction that the Managing Director or the relevant person who might have conflict (according to definition defined by the relevant organization), interests or any other conflict of interest with the Company or its subsidiary, except the approval of transaction under the normal business operation with clear scope of work.

10. To perform other tasks as per assigned by the Executive Committee and/or the Board of Directors.

The Company Secretary

The Company's Board of Directors had an appoint resolution to Miss Pailin Kamolmongkolsuk to take a position of Company Secretary from March 15, 2012. The Company Secretary's responsibilities are advised law and regulation of The Stock Exchange of Thailand to the Board of Directors and action in the roll to take care of the Board of Director's activities, including handling cooperation practice follow the Board of Director's resolutions.

Remuneration of the Director and Management

Remuneration of the Director

The Company has the policy to pay remuneration to the director as the monthly salary and meeting allowance as follows:

Position	Monthly Remuneration	Meeting Allowance/Time
Chairman of the Board of Directors	Baht 50,000	Baht 5,000
Director	Baht 30,000	Baht 5,000
Chairman of the Audit Committee	Baht 40,000	Baht 5,000
Member of the Audit Committee	Baht 30,000	Baht 5,000

Remark : 1. The Director remuneration in 2013 was specified to be not exceeding Baht 3,000,000 (Three million Baht only).
2. The directors who are the Management and the Executive Director are not entitled to the director remuneration.

In 2012 and 2013, total remuneration as monthly salary and meeting allowance have been paid to the directors amounting to Baht 2,025,000 and Baht 1,875,000 respectively as follows:

		(Unit : Baht)			
		Monthly Remuneration		Meeting Allowance	
Name	Position	2012	2013	2012	2013
1. Mr. Manu Leopairote	Chairman of the Board of Directors / Independent Director	600,000	600,000	25,000	20,000
2. Mr. Thaweemit Kamolmongkolsuk	Director	-	-	-	-
3. Mrs. Tubtim Kamolmongkolsuk	Director	-	-	-	-
4. Mr. Surachet Kamolmongkolsuk	Director / Chief Executive Officer	-	-	-	-
5. Mr. Teerapap Kamolmongkolsuk	Director / Managing Director	-	-	-	-
6. Mrs. Pacharawalai Wu	Director / Deputy Managing Director	-	-	-	-
7. Miss Pailin Kamolmongkolsuk	Director / Deputy Managing Director	120,000	-	5,000	-
8. Mr. Arthit Wuthikaro	Chairman of the Audit committee / Independent Director	480,000	480,000	25,000	20,000
9. Miss Chutipap Obhasanond	Member of the Audit Committee / Independent Director	360,000	360,000	25,000	20,000
10. Mr. Khan Akaworawit	Member of the Audit Committee / Independent Director	360,000	360,000	25,000	15,000
Total		1,920,000	1,800,000	105,000	75,000

Remark : 1. The director remuneration in 2013 was specified to be not exceeding Baht 3,000,000 (Three million Baht only).
2. The directors who are the management and the Executive Director are not entitled to the director remuneration

Remuneration of the Management

In 2012 and 2013, the Company has 10 and 9 executives respectively and the remuneration paid was as follows:

Remuneration	2012		2013	
	Number	Remuneration (Baht)	Number	Remuneration (Baht)
Total salary	10	17,893,600	10	22,610,144
Total bonus and other remunerations		7,946,965		9,002,708
Total		25,840,565		31,612,852

Remark : 1) In the year 2013 the Company appointed 2 new executives and 2 executive has resigned (Q3 and Q4)

Personnel

As of December 31, 2013, the number of employees was 601 (excluding 9 executives). Monetary remuneration which has been paid to the non-executive employees comprised salary, bonus, wage, overtime, cost of living and contribution to the social security fund totaling Baht 246.21 million.

Table showing number of employees of the Company and its subsidiaries classified by Departments:

Business Line	Number of Employees (Person)	
	As of December 31, 2012	As of December 31, 2013
Planning and Production Control	56	19
Engineering – Factory 1	54	48
Engineering – Factory 2	17	24
Production – factory 1	211	216
Production – Factory 2	123	116
Administration – Factory 1	11	16
Administration – Factory 2	10	6
Sales & Marketing	26	34
Procurement	9	14
Account & Finance	19	14
Personnel	43	35
Quality Control	-	19
Information Technology	-	25
Quality Management System	-	3
Business Development&Marketing	-	11
Internal Audit	-	1
Total	579	601

Note : The number of employees shown above excludes the executive employees.

Other remuneration

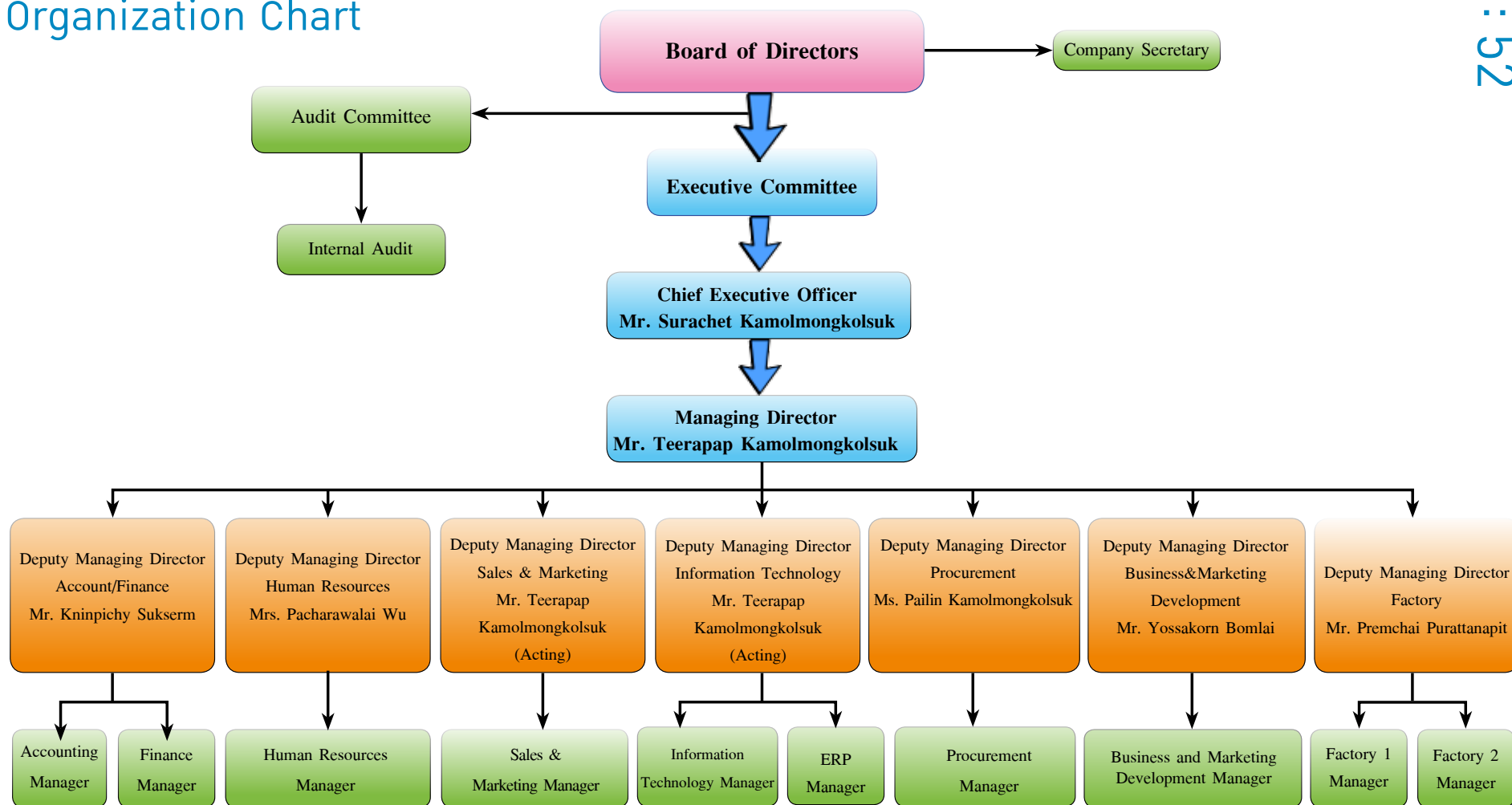
The Company has established the provident fund since November 1, 2011 and the contribution paid to the fund is 3% of the salary.

Labor dispute during the past 3 years

- none

Organization Chart

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In order to comply with the policy on “Good Corporate Governance”, the Company has applied such principles as its operational guidelines which has been approved since the Board of Directors’ meeting No. 2/2012 on May 23, 2012. The purposes are to make the Company have the effective, transparent, auditable management system which can strengthen confidence of the shareholders, the investors, the stakeholders and all related parties and, consequently, add values and support the sustainable growth of the Company.

Good Corporate Governance Principles of the Company are:

Rights of the Shareholders

The Company has the policy to encourage and support the Company’s shareholders to realize about their rights and exercise of their rights as follows:

1. To specify that the information on date, time, venue and agenda including all information related to the matters required to make decision during the shareholders’ meeting must be sent to the shareholders in advance and on timely manner. The Company shall send an invitation letter to the meeting together with adequate supporting information to the shareholders at least 7 days or 14 days in advance of the meeting date, as the case may be. Notice of the meeting invitation shall be advertised in the newspaper at least 3 days prior to the meeting date and such information shall be posted on the Company’s website to provide adequate time for the shareholders to study all agenda in advance.
2. To attach power of attorney with the invitation letter to encourage the exercise of voting rights of the shareholders, in case any shareholder is unable to attend the meeting by himself/herself.
3. To allow the shareholders to submit their opinions, recommendations or inquiries in advance of the meeting date.
4. To allow the shareholders to express their views and ask questions during the shareholders’ meeting.
5. To specify that at least one half of the total members of the Board of Directors must present in the shareholders’ meeting to answer any questions, and at least one member of the Audit Committee must also attend that meeting.
6. To specify that the chairman of the meeting shall clarify about the voting criteria, the voting rights of which the person with the interest shall not be entitled to vote for the matter considered and the voting rights of the shareholders on objecting the passing of the resolution of each agenda.
7. To prepare a minute of meeting with accurate, clear and complete information which shall include the matter enquired by the shareholders and the clarification of the Board of Directors on such matter.
8. To publicize such minute of meeting via electronic media of the Stock Exchange of Thailand and in the Company’s website, so that the shareholders can verify it without having to wait until such minute has been rectified in the next meeting.

The Equitable Treatment of Shareholders

The Company has an equitable treatment policy for all shareholders, which include the shareholders who are the executive or non-executive as well as the minority shareholders and the foreign shareholders.

1. To disseminate information on the shareholders' meeting to all shareholders, so they can equally receive the information and to not add the meeting agenda without informing in advance, without necessary.

2. To allow the shareholders who are unable to attend the meeting proxy other person to attend the meeting on their behalf and they can specify the voting direction of the proxy.

3. To open the opportunities to all shareholders to express their view and make any enquiries in advance of the meeting and during the meeting.

4. To allow the shareholders to exercise their right to elect the director individually.

5. To specify that the shareholders who are the directors or the executives must disclose the interest information of their own including their relevant persons and those who have the transaction with interest shall not have the right to vote.

6. To notify to the directors and the executives about their obligations to report the change of their securities holding to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand pursuant to Section 59 of the Securities and Exchange Act B.E. 2535.

7. To specify that the directors, the executives or the persons who can access to inside information are not allowed to disclose such information to the third parties or the non-related person and they are prohibited to purchase or sell the Company's shares within 1 month before disclosure of financial statement to the public.

Roles of the Stakeholders

The Company has a policy to encourage the cooperation between the Company and all stakeholders, who are the shareholders or the financial supporters, customers, business partners, employees at all levels and the communities the Company is located in and etc. in order to strengthen performance of the Company and sustainable stability of the business. Besides from recognition of the rights of the stakeholders as per stipulated by the laws, the Company also has the policy to oversee the stakeholders to ensure that they shall be equally treated as follows:

Employee	:	To treat all employees equally and fairly, and to provide the appropriated remuneration as well as the qualified working environment.
Business partner	:	To fairly treat the business partners pursuant to the commercial terms and conditions under the contract mutually agreed as well as to have the policy to build and develop the relationship with the business partners on continued basis.
Customers	:	To be responsible for the customers by maintaining the quality and standards of the products and services rendering as well as to fully and comprehensively respond to the customers' requirements so as to strengthen the long-term satisfaction to them.

- Competitors : To operate business pursuant to the fair competitive framework and develop the markets to make them grow up for mutual benefit in the industries.
- Creditors : To comply with the conditions in the contracts as well as to provide all information requested by the creditors.

Communities and Societies : To be responsible for overseeing the Company's business operations to ensure they shall not cause any impacts to the communities and the societies as well as to comply with the relevant laws and regulations.

Disclosure and Transparency

The Board of Directors has the policy to accurately, completely and timely disclose the material information concerned with the Company, both the financial and non-financial information, with easily accessible. Apart from disclosure of information pursuant to the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand through the specifies channels, the Company also has the policy to disclose the material information which may impact the decision-making on the voting rights of the shareholders or the information which may impact the prices of the Company's securities through the channels of the Stock Exchange of Thailand and on the Company's website www.tmc.co.th including the public media which can be easily accessible as well.

Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Board of Directors consists of 10 members, six of them are non-independent Directors and four of them are Independent Directors. All of them are knowledgeable and have experiences in the field of the Company's business. In addition, all three Audit Committee are Independent Directors who has duties to balance the casting vote while considering various matters and to review the performance of the management for maximum benefits of the Company.

The Company has a policy that the Chairman of the Board and the Managing Director must not be the same person to prevent unlimited exercise of power. The Board of Directors shall define the powers, duties and select the persons to hold both positions.

The Company has appointed the Company Secretary who shall have duties and responsibilities to provide legal recommendations and criteria that the Board of Directors should be well aware of and to oversee the activities of the Board of Directors, as well as to coordinate to ensure the compliance with the resolution of the Board of Directors.

2. Subcommittee

The Board of Directors has appointed 2 subcommittees to assist and supervise the business operations as follows:

1) The Audit Committee which consists of the 3 Independent Directors who are non-executive directors and its term of office is 3 years each.

2) The Executive Committee which consists of 6 directors and executives.

The Company may appoint the Remuneration and Compensation Subcommittee or any other subcommittee as appropriated and necessary. Power and responsibilities of each subcommittee shall be clearly defined, so as to specifically oversee such responsible matter closely to increase efficiency of the Board of Directors as the subcommittee can access to the issues considered more closely.

3. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors consists of the skilled, knowledgeable personnel in the various fields of business and also has independence to review the operations of the Company.

The Board of Directors shall specify vision, mission, financial strategies, risks, plan of actions and budget as well as monitor the performance of the executives to ensure their efficiency and effectiveness on compliance with the specified policies and plans of action.

The Board of Directors has prepared the code of conduct and encouraged the directors, the executives and all employees to acknowledge and adhere. Topics under such code of conduct can be summarized as follows:

Business Code of Conduct

- To operate the work effectively that can earn the appropriated return to the shareholders.
- To focus on rendering of service with speedily, accurately, honesty and fairly to the customers and the business partners.
- To professionally manage the work and encourage the participation of all employees.
- To recruit, maintain and develop the Company's employees.
- To conduct the business competition under the prudent competition rules.
- To have social responsibility.

With regards to the decision making which may cause conflict of interest, the Board of Directors has specified that the director or the executive who has interest in such transaction shall be prohibited from voting and such information shall be disclosed to the public as soon as possible for transparency purpose.

Furthermore, the Company also outsourced the internal audit unit to audit the internal control system and material transactions constantly to ensure that the Company has effective system which can enhance credibility of its financial statement. In addition, the Audit Committee shall review the effectiveness of the internal control system once again which covering the operation and the compliance control, the risk management and the emphasis on abnormal transactions.

4. The Board of Directors' Meeting

The Company shall arrange the Board of Directors' meeting constantly every 3 months where the meeting agenda including the supporting documents shall be sent to all directors at least 7 days in advance, so that the directors shall have adequate time to consider and study information before attending the meeting. The Company Secretary shall oversee the activities of the Board of Directors, record the minutes of meeting and completely and correctly keep such minute of meetings that they must be available for inspection any time.

5. Remuneration of the Directors and the Executives

Remuneration of the directors are the monthly salary and the meeting allowance which must be in the average criteria when compared with the same industry and take into consideration the adequacy of duties and responsibilities responsible by the directors.

The remunerations of executives are monthly salary and yearly bonus which are mainly based on the performance of the Company. Yearly remuneration in total of the directors and the executives shall not be abnormally high when compared with the average returns of the listed companies. In addition, the maximum benefits of the shareholders must also be taken into account. The director remuneration must be approved from the Annual General Meeting of Shareholders every year.

6. Development

The Company has a policy to support the provision of the training to the relevant parties on corporate governance system, so that the operation can be improved on continued basis. In addition, the document and work plan must be systematically prepared, so that the successor can take over the work smoothly, in case there is a change in the director.

Nomination of the Directors

With regard to the nomination of the members of the Board of Directors, even though the Company does not have the Nomination and Remuneration Committee in place, but the nomination of the director shall be made by the Board of Directors by taking into account the qualifications on knowledge, competency, experiences, vision and credibility and such candidate must not possess the qualifications prohibited by the laws. After that this matter shall be proposed to the shareholders' meeting for further consideration and appointment. Essence of criteria and methods specified by the Company can be summarized as follows:

1. The Company's Board of Directors must consist of at least 5 directors and not less than one half of total directors must reside in the Kingdom of Thailand.
2. The election of the directors shall be made at the shareholders' meeting pursuant to the following criteria and method:

- (a) Each shareholder shall have a number of votes equal to the number of shares held.
- (b) Each shareholder may exercise all the votes he/she has under (a) to elect one or several persons as director or directors, but the shareholder may not allot his/her votes to any person in any number.
- (c) The election of the directors shall be based on the majority votes. In case of a tied vote, the Chairman is entitled to a casting vote.

3. During every annual general meeting, at least one-third of directors shall retire. If the number of directors is not a multiple of three, then the number of director closet to one-third shall retire. The directors who shall retire in the first and the second year after the registration of the Company shall be selected by drawing lot, and for subsequently years, the longest serving directors shall be retired. A retired director may be re-appointed.

4. In case of vacancy of director's position due to reasons other than by retirement in due course, the Board of Directors may appoint a person who is qualified and does not possess any prohibited qualifications specified by the laws to be the director in the next Board of Directors' meeting. Except in a case where the remaining term of a director is less than 2 months, then the term of the newly appointed director shall expire at the same time as the director he/she substitutes. Resolution on election of the director to replace the vacant position must consist of not less than three-fourth of the total number of the remaining directors.

5. The shareholders' meeting may pass the resolution to dismiss any director from the position before retirement on due course with the majority votes of at least three-fourth of total number of shareholders presented and have the voting rights and the accumulated shares must not less than half of total shares held by the shareholders presented and have the voting rights.

Selection of the Audit Committee/Independent Committee

With regards to the selection of the Audit Committee/Independent Director, the shareholders' meeting shall appoint the Audit Committee/Independent Director which consists of 3 Independent Directors and the term of the Audit Committee/Independent Director shall be 3 years each and at least 1 member of the Audit Committee must have sufficiently skills and experiences to assume duties of auditing accountability of the financial statement.

Policy on Supervision on the Usage of the Company's Inside Information of the Management

The Company has established the policy and the supervision method on usage of the Company's inside information which has not yet been disclosed to the public to be observed by the directors and the executives to prevent any abusive use of such information for their personal gain as well as the purchase and sale of the securities are as follows:

- To provide information to the directors as well as the executives in various departments on their obligations to report about their securities holdings including the securities holding of their spouse and children under legal age to the Office of the SEC and the Stock Exchange of Thailand pursuant to Section 59 and the penalty clause under Section 275 of the Securities and Exchange Act B.E.2535.
- To specify that the executives are required to file a report on a change of their securities holdings to the Office of the SEC and the Stock Exchange of Thailand pursuant to the Section 59 of the Securities and Exchange Act B.E.2535 and are required to send this report to the Company on the same day they submit to the Office of the SEC and the Stock Exchange of Thailand.
- To inform that the executive who can obtain the material inside information which may impact to the change of the securities prices shall not purchase and sell the Company's securities within 1 month before the financial or such inside information is disclosed to the public and such material information is prohibited to disclose to other third parties.

The Company imposed the disciplinary penalty against people who exploit usage of or disclose inside information which, if released prematurely, would cause damage to the Company. Various penalties have been imposed, such as verbal warning, written warning, probation including termination of employment, by firing or discharging, as the case may be.

Audit fee

Audit fee

The company paid the Audit fee in 2013 was Baht 1.60 million and subsidiary was Baht 0.12 million, so total Audit fee of the company and its in 2013 was Baht 1.72 million. This fee included audit fee and total accounting review

Other fee

In 2012, the Company paid fee for reviewing audit working paper with SEC was Baht 0.10 million.

In 2013, the Company did not pay other fee.

In addition, the person or the business related to the audit and the auditing firm is not the person Or business related to the Company and its subsidiary.

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Corporate Social Responsibilities : CSR

TMC had realized importance of corporate governance. The proceedings are Continuously of Corporate Social Responsibilities to company grows stead and positive impact to stakeholders by performed transparency, accountability, impartiality and imposes that to be the obligation. The Company intently execute toward the target either on success and sustainable coexistence in society truly.

- Corporate Governance

By process in accordance with laws and regulations of The Stock Exchange of Thailand. Encourage employees to participate in various activity both inside and outside company include respect independent nation, religions, The King and non-intellectual-property violations.

- Responsibilities to the Employees

Employment and welfare in 2013, TMC continued increasingly employ production staff to support increased production. The recruitment will be done clearly. In 2013, we have provide variety welfare continuously in order to ensure to ensure employee confidential in company royalty. We believe that employee is a company valuable asset. Including Corporate Social Responsibilities activity.

- Corporate to Develop for Public and Social

- TMC organized the event on National Children's day 2013 by co-operating with Baan Hua Krok School at Nongree Sub-district, Muang District, Chonburi Province on Friday 11st January 2013. The representative of Employees and Deputy Managing Director HR transferred all the joy and happiness activities by providing the grant for nutrition, presents and education funds for the children.



- TMC co-operation the event on National children's day 2013 with Bansuan Municipality on Saturday 12nd January 2013: 08.00 a.m.-12.00 p.m. at public yard opposite Cholphinij Technology College on Phrayasatja Road, Muang District, Chonburi Province. Activities such as: Register for a prize, Answer and reward, organized sample product booths. For public up the smooth and peace relationship with the external community.



- TMC co-operated the activity of blood donation project to dedicate merit to the King 2013 with Nongree Sub-district Administrative Organization on 11th January 2013 at the office of the Sub-district Administrative Organization, Nongree Sub-district, Muang District, Chonburi Province. By Company employee.



In addition, co-operated the activity with Chonburi hospital every month by employees volunteers joined



- TMC joined donations of supplies, the annual of Pha Sukkaram Nong Khang kok Sub-district Muang District Chonburi province during the event 8-10 March 2013 with had activities to preserve traditions to local area around the Company.



- TMC organized the activities of Sharing for TMC descendant project by providing education funds to employee's Children on 1st May 2013 and take the opportunity in encountering between executives and employees, by 61 people attended the activity.



- TMC joined the social co-operations with Bansuan Municipality and Wat Suan Kaew foundation Nonthaburi province. By take non-use for donation. To Repair and Build revenue. Which get the co-operation from employees as well and provide on 25th July 2013 at Hall HM. Bansuan Sub-district Muang District Chonburi province.





- TMC joined the social activities, Crate wood donation for community on 27th July 2013 pass Mr.Thanachart Phong Village Head man Moo 5 Nong Khang Kok Sub-district wood to take a table for student, to use social service activity to community.



- TMC joined the social activities, Crate wood donation for Disabled Learning Center in Takiantia sub-district Banglanung District Chonburi province. To produce the good s for career development and not burden on society and donation every two years.



- TMC joined the social activities, Reforestation to dedicate merit to Kink on 18th December 2013 at Amata Estate Muang District, Chonburi province.



- Providing sport equipment to Institute of Chonburi Physical Education Campus on 28th December 2013.



- TMC had help the community provide Hydraulic equipment for helping car accident to Trai Khunnatham Foundation, Muang District, Chonburi province. For help people who suffered from the accident and relieve the suffering to community.

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Internal Audit & Risk Management

During the Board of Directors Meeting 2/2013 on May 15th, 2013, in which three members of the Audit Committee participated, the review of internal audit sufficiency in T.M.C. Industrial Public Co., Ltd. was performed by inquiring of managing teams. We can conclude that the company internal audit system consists of 5 elements:

1. Organization and environment
2. Risk Management
3. Board of Directors Control
4. Information system and communication
5. Follow-up System

The Board of Directors deems that the company's internal audit system is sufficient, appropriate and conforms to internal audit assessment by The Securities and Exchange Commission and The Securities Exchange of Thailand. The company has prepared efficient personnel to efficiently perform the internal audit according to the system along with sufficient internal control to prevent the use of company assets by the managing body for personal benefit, transaction with personally related persons and persons who may lead to conflicts, and other issues.

Our company policy also indicates that we may outsource independent outsiders to review and evaluate the company internal audit system to propose to the Audit Committee and company Board of Directors. We had employed Acc-Plus Consultant Co., Ltd. during 2011-2013 to review and evaluate the company internal audit system. The independent auditor had suggested many points that our company applied and used to develop our internal audit system continuously. Moreover, we have established an Internal Audit team to cooperate with the outsourced independent auditor and to adjust the internal audit system according to the independent auditor's suggestions as long as proposed to the Audit Committee.

In 2013, Acc-Plus Consultant Co., Ltd. reported to the Board of Directors Meeting in 1/2013 Auditor Report during January-March that they had performed risk evaluation to plan the internal audit. At that period, our company was adjusting our business plan, aiming to complete within Jun 2013. Therefore, the auditor would be able to perform the business plan audit in July 2013. For the process in 1/2013 Internal Audit, the auditor used interviews and questionnaires as a means for evaluation. With the information, the auditor used possible incident and influence level information to establish RISK MAPPING, which consisted of 4 levels of risk: low risk, medium risk, high risk and extremely high risk. After risk evaluation, the auditor used the information to plan the internal audit for 2013, and proposed to the Audit Committee in the Audit Committee Meeting 2/2013 on May 15th, 2013. From the report, the Audit Committee deems that possible incidents are of low risk and the company has completely set the solutions for the issues.

During April-June, Acc-Plus Consultant Co., Ltd. reported in the Internal Audit Report 2/2013 that the auditor performed according to the internal audit plan, inspected human resource management systems, metal waste control, low-grade raw material stock, factory raw material inflow and outflow, outsourcing contracts and followed up on the issues found in earlier audits. The possible issues detected were of low risk in the human resource management system, medium risk in metal waste control, low-grade raw material stock, factory inflow and outflow raw material, outsourcing contracts and proposed to the Audit Committee Meeting 3/2013 on August 14th, 2013. The Audit Committee deems that possible incidents are of low to medium risk and the company has completely set the solutions for the issues.

During July-September, Acc-Plus Consultant Co., Ltd. reported in the Internal Audit Report 3/2013 that the auditor performed according to the internal audit plan, inspected operations about under-standard products, Non Move products, followed up about factory raw material and product inflow and outflow, cost estimation and production planning, production cost analysis report, procedure and work instruction review. The possible issues detected were of medium risk in under-standard products and Non Move products, and low risk in factory raw material and product inflow and outflow, cost estimation and production planning, production cost analysis report, procedure and work instruction review and proposed to the Audit Committee Meeting 4/2013 on November 14th, 2013. The Audit Committee deems that most possible incidents are of low risk and the company has completely set the solutions for the issues.

During July-September, Acc-Plus Consultant Co., Ltd. reported in the Internal Audit Report 4/2013 that the auditor performed the internal audit in on-time procurement, Max-Min consideration of products and raw material, KPI evaluation according to the 2012 business plan and 2013 business plan for risk evaluation as well as followed up on factory project work, exhibition project performance and the yearly stock check up system. The possible issues detected were of high risk and needed solutions in overseas procurement in which the received items are not matched with the requirement, follow-up for exhibition project performance and yearly stock check up and proposed to the Audit Committee Meeting 1/2014 on February 27th, 2014. The Audit Committee deems that even though possible incidents are of high risk, they have low frequency and the company has completely set the solutions for the issues.

From the observations of the auditor until December 31st, 2013, the auditor did not find any outstanding issues that may substantially influence the accounting internal audit system to issue a financial report.

Related Transactions

A summary of the related transactions between the Company and its subsidiaries and the parties having conflict of interest in 2013

Transaction between the Company and its subsidiaries and the persons that may have conflict of interest were summarized as follows:

Person that may have conflict of interest	Relation
Kan Yong Electric Public Co., Ltd. (KYE)	KYE has common Director with the Company, namely Mr. Manu Leopairote
Kwang Sun Lee Sugar Co., Ltd (KSL)	KSL has common Director with the Company, namely Mr. Manu Leopairote
SVOA Public Co.Ltd (SVOA)	SVOA has common Director with the Company, namely Mr. Manu Leopairote
Permsin Steel Works Public Co., Ltd.(PERM)	PERM has common Director with the Company, namely Mr. Khan Akaworawit

Nature of Related transactions

Summary of Related transactions in 2013

Party having Conflict of Interest	Description of Transaction	Value of Related Transaction (Baht)	Necessity and Reasonableness of the Related Transaction
1.1 KYE	<u>Income from press repair service:</u> The Company earned income from hydraulic press repair service to KYE. Press repair service is normal business practice and the price charged to KYE was at the same price charged to general customers.	258,000.00	The Audit Committee is of the opinion that such transaction is normal transaction with fair pricing policy and under normal business conditions. Therefore, the transaction is considered appropriate and reasonable.
	<u>Outstanding balance</u> Account receivable	33,170.00	
2. KSL	<u>Income from sales of spare parts of handling equipment:</u> The Company had income from sale of spare part of handling equipment to KSL. Price charged to KSL was at the same price charged to general customers.	12,000.00	The Audit Committee is of the opinion that such Transaction is normal transaction with fair pricing policy and under normal business conditions. Therefore, the transaction is considered appropriate and reasonable.
	<u>Outstanding balance</u> Account receivable	0.00	

Party having Conflict of Interest	Description of Transaction	Value of Related Transaction (Baht)	Necessity and Reasonableness of the Related Transaction
3. SVOA	<p>Expenses from usage of service: The Company incurred expenses from usage of SVOA services on maintenance of computer as well as procurement of equipment or replacement parts. Prices paid to SVOA were cheaper after compared with other service providers.</p> <p>Outstanding balance</p> <p>Account payable</p>	<p>33,130.00</p> <p>0.00</p>	The Audit Committee is of the opinion that such transaction is the usage of service for maintenance of the computer and the prices have been compared with other service providers which is under normal business conditions. Therefore, the transaction is considered appropriate and reasonable.
4. PERM	<p>Income from repair of car crane: The Company had income from repair of car crane to PERM and the price charged to PERM was at the same price charged to general customers.</p> <p>Outstanding balance</p> <p>Account receivable</p>	<p>42,800.00</p> <p>2,996.00</p>	The Audit Committee is of the opinion that such transaction is normal transaction with fair pricing policy and under normal business conditions. Therefore, the transaction is considered appropriate and reasonable.
5. PERM	<p>Expenses from purchase of structural steel: The Company incurred expenses from purchase of structural steel from PERM to renovate the old and damaged factory building to prevent its roof from collapsing and to protect the employees from harm. Prices paid the PERM were lower after compared with other sellers.</p> <p>Outstanding balance</p> <p>Account payable</p>	<p>599,812.50</p> <p>0.00</p>	The Audit Committee is of the opinion that such transaction on purchase of structural steel is for renovating the factory building and prices have been compared with other sellers which is under normal business conditions. Therefore, the transaction is considered appropriate and reasonable.

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Management Discussion and Analysis : MD&A

Discussion and Analysis of the Financial Status Operating Results

1. Analysis of the Operating Results

During the past year, total income of the Company was Baht 791.04 million, an increase of Baht 1,005.96 million from 2012. Total incomes of the Company consisted of income from sales and services, income from other sales and other income as per following details:

Income from Sales and Services

Income from sales and services in 2012 represented Baht 669.88 million and Baht 785.32 million respectively. Income from sales and services comprised which was at approximately 84-86% and income services which was at approximately 14-16% of total income from sales and services.

Income Structure Classified by Products in 2012-2013

Details	Consolidated Financial Statements			
	2012		2013	
	Million Baht	%	Million Baht	%
Income from Sales				
1. Hydraulic Press	563.27	56.17%	437.60	55.72%
2. Hydraulic Crane	162.77	16.23%	134.50	17.13%
3. Hydraulic Handling Equipment	88.40	8.81%	71.92	9.16%
4. Income from other sales	26.48	2.64%	29.15	3.71%
Total Income from Sales	840.92	83.85%	673.17	85.72%
Income from Services				
5. Machine maintenance service	124.32	12.40%	98.52	12.55%
6. Metal Machining	37.63	3.75%	13.63	1.73%
Total Income from Services	161.95	16.15%	112.15	14.28%
Total Income from Sales & Services	1,002.87	100.00%	785.32	100.00%

Income from sales

Income from sales comprised income from sales of hydraulic press which was at 55-56%, sales of hydraulic crane at 16-17%, sales of hydraulic handling equipment at 8-9% and other sales at 2-4% of income from sales and services. Details were as follow:

Income from sale of hydraulic press

In 2013, income from sale of hydraulic press was Baht 437.60 Baht, represented a decrease rate of 22.31% when compared with the sales of hydraulic press in 2012. The regression rate in 2013 was due to the decrease demand of the production capacity of the manufacturers, both in the automotive industry and other industries, such as electricity industry to compensate the stoppage of production caused by the regression in automotive industry because of the first car project is over supplies.

Income from sale of hydraulic crane

In 2013, income from sales of hydraulic crane was Baht 134.50 million, a reduction by 17.37% from last year which was at Baht 162.77 million. Such slightly decrease of sales was because in 2012 the Company has many purchase orders of large cranes to be used in paper factory, sugar factory and steel factory. Such large cranes shall be used to substitute the labor to reduce costs due to an increase of minimum wage adjustment. In 2013, the purchase orders for large crane were reduced but orders for medium and small cranes from other customer group were increased. However, since prices of such medium and small were lower, so income from sales of crane was declined a little.

Income from sales of hydraulic handling equipment

In 2012-2013, the Company earned income from sales of hydraulic handling equipment amounting to Baht 88.40 million and Baht 71.92 million respectively, or an increase of 18.64%. Income from sales in 2012 was highly increased because the Company has additional purchase orders for motorcycle lifter to be used in the service centers continually every month. In addition, the Company can also sell more products through the distributors in such year.

Reason for the decrease of sale of hydraulic equipment in 2013 was that the Company still received the stability purchase orders for motorcycle lifter continually as well as the purchase order for various types of handling equipment from one automotive manufacturer.

Income from service

Income from services comprised income from machine maintenance and repair service which was at 12-13% of income from sales and services, while income from metal machining was about 1-4% of income from sales and services as per following details:

Income from machine maintenance and repair

Income from rendering of maintenance and repair service for machinery decreased from Baht 124.32 million in 2012 to Baht 98.52 million in 2013 or accounting for a decrease of 20.75%. Such decreased income was the negative impact after the flood disaster during the end of 2012 because many machines of the automotive and auto part manufacturers were damaged from such disaster, or the machines under the Company's brand and other brands have been sent to the Company for repair to make them function again. In 2013, the maturity of machine maintenance occurred.

Income from metal machining

Income from metal machining was income from forming of steel plate, cast iron or other structural work into the desired forms, such as drilling, milling, surfacing and etc. Since the Company did not run the large machine at its full capacity at all time, so it can take the metal machining work. The Company earned income from metal machining of Baht 37.63 million and Baht 13.63 million in 2012-2013 respectively. Income from metal machining was decreased because the Company has to use its machinery to manufacture press machine, crane and to repair machines continually in 2013, hence, metal machining can be less performed.

Income from other sales

Income from other sales consisted of sales of spare parts, valve and steel to the customers. Income from other sales was Baht 26.48 million and Baht 29.15 million in 2012-2013 respectively. Income from other sales in 2013 was increased because the Company has been appointed as distributor of Yuci Yuken and started selling hydraulic valve to the customers since 2011. Such sale amount was not much when compared with the income from sales and services.

Other incomes

Other incomes included profits from selling assets, interest gain, profit (loss) from exchange rate and others which were a Baht 3.09 million and Baht 5.72 million in 2012-2013 respectively. Other income which has high proportion in 2012 and 2013 were profit from interest received.

Cost of sales and services

Description	Consolidated Financial Statements			
	2012		2013	
	Million Baht	% ¹	Million Baht	% ¹
Cost of sales and services	648.25	68.23%	594.61	75.72%
Depreciation	29.81	2.97%	41.31	5.26%
Total Income from Sales	714.06	71.20%	635.92	80.98%

Cost of sales and services comprised cost of raw materials which represented 50-70% costs of sales and service. Main raw materials for production process of the Company are steel plate and square Steel. Direct labor cost was 15-20% and operating expense for production was 15-30% of cost of sales and services.

In 2012-2013, cost of sales and services of the Company was Baht 714.06 million and Baht 635.92 million respectively. Such costs were decreased in line with the income from sales in each year. However, when considering about ratio of sales and services to income from sales and services, it was found that in 2012, ratio of cost of sales and services to ratio of income from sales and services was slightly decreased, from 78.70% to 71.20%. Even though, price of steel has a tendency to grow where average steel price in 2012 has increased approximately 3-5% from 2011.

In 2013 ratio of cost of sales and services to ratio of income from sales and service increased from 71.20% in 2012 to 80.98%. Key reason was the increasing of steel prices, the main raw material for production. Average steel price in 2013 was reduced from 2012 at approximately 3-5% from 2012. The efficiency improvement of the production process to make the higher quality product and another reason is the increasing of the cost of guarantee. Hence, ratio of cost of sales and service to income from sales and service was increased accordingly.

Selling and administrative expenses (excluding director remuneration)

Selling and administrative expenses of the Company was Baht 108.99 million and Baht 140.86 million, or accounting for 10.87% and 17.94% of income from sales and service in 2012-2013 respectively. Selling and administrative expenses can be divided as follows:

Selling expenses was Baht 29.30 million and Baht 41.35 million or equaled to 2.92% and 5.26% of income from sale and services in 2012-2013 respectively. Selling expenses mainly comprised of employee remuneration, travelling and vehicles expenses, depreciation and utilities fee, etc. Selling expenses in 2013 increased from Baht 29.30 million to Baht 41.35 million or an increase of Baht 12.05 million. Main reasons were the increase of sale promotion which was opposite with sale amount.

Administrative expenses were Baht 79.69 million and Baht 99.51 million or accounting for 7.95% and 12.67% of income from sales and services in 2012-2013 respectively. Main reasons for such increased expenses because the Company has expenses used for support and manage a new joint venture company "T.M.C.- LAO" and the expenses relating to the employees of Baht 18.67 million. The ratio of administrative expenses to ratio of income from sale and services was increased even though the administrative expenses were decreased.

Which was due to most of administrative expenses were fixed expenses, so it made ratio of administrative expenses to income from sales and services decreased.

Net Profit

The company net profit in the year 2013 was baht 7.35 million compared with the same period of previous year with the net profit baht 135.53 million or decrease 94.58%. The reason is as follow: 1) The revenue from sales and services decrease from baht 1,002.87 million in the year 2012 to baht 785.32 million in the year 2013. 2) The decrease in gross profit margin from sales. 3) The decrease in the gross profit margin from service caused by the decrease demand on machine maintenance service. 4) The increase in sales and administration expense for support investment in TMC-LAO to build the readiness AEC welcome in 2015 and the economics will be well adjust return.

Analysis of financial status**Total assets**

The Company's total assets have tendency to grow continually from Baht 996.26 million to Baht 1,235.31 million as of December 31, 2012 and 2013 respectively because the Company invest in fix assets, the land located a new project of new office & factory. Details of the material changes in total assets can be summarized as follow:

Current assets

Trade account receivables (excluding other receivables)

The outstanding balance of the trade account receivables, classified by overdue period was as follows:

Description	Consolidated Financial Statements			
	Dec 31, 2012		Dec 31, 2013	
	Million Baht	%	Million Baht	%
Finished goods	35.78	17.49	38.53	15.53
Goods in progress	131.22	64.16	162.48	65.5
Raw materials	30.93	15.12	44.49	17.94
Consumables	2.35	1.15	2.55	1.03
Goods in transit	4.24	2.07	-	-
Total	204.52	100.00	248.05	100.00
Less provision for decline in finished goods	(4.91)	(2.40)	(8.22)	(3.31)
Inventories - Net	199.61	97.60	239.83	96.69

Account receivables of the Company were Baht 89.76 million and Baht 80.91 million as of December 31, 2012 and 2013 respectively. Net account receivables were Baht 80.91 million, which was reduced from Baht 89.76 million as of December 31, 2012. Account receivables as of December 31, 2013 were the receivables that Company delivered the products both normal conditions and under normal conditions, without having any circumstances where the customers requested the Company to delay the delivery because they encountered economics crisis. Hence, account receivables more than 60 days as of December 31, 2013 were higher than normal.

Most of account receivables were those with not yet due, which were at approximately 37-53% and account receivables which were overdue less than 30 days was at approximately 24-54%. Account receivables which were overdue more than 30-90 days was about 4-12%, while account receivables which were overdue more than 90 days were about 4-10%.

Most of account receivables which were overdue less than 30 days mainly because the Company delivered the products after the billing date specified by the customers, so it has to place invoice in next billing period, hence, credit counting period was different, so payment was past due. The number of account receivables which were overdue more than 30 days was quite a few which can be seen from the allowance for doubtful account which was specified only at Baht 0.7 million as of December 31, 2013. Allowance for doubtful account for account receivable which overdue more than 180 days was specified at 50% of the outstanding balance. However, allowance for doubtful account for the account receivables which overdue more than 360 days was set at 100% of the outstanding balance, by estimated from the damages to be occurred from unable to collect money and considered by each receivable, its financial status and past experience.

Inventories

Net inventories were Baht 199.61 million and Baht 239.83 million as of December 31, 2012 and 2013 respectively. Averagely, most of the products as of December 31, 2012 and 2013 were goods in progress which was at approximately 64-65.5%, followed by raw materials which was at 15-18%, finished goods at 15.5-17.5% and total consumables and good in transit was at approximately 1-6.5% of inventories before deducting allowance for doubtful accounts.

Description	Consolidated Financial Statements			
	Dec 31, 2012		Dec 31, 2013	
	Million Baht	%	Million Baht	%
Account payables	86.36	41.57	59.90	43.80
Other payables:			0.71	0.52
Note payable				
Accrued expenses	27.72	13.34	10.06	7.36
Deferred revenue	87.78	42.25	57.91	42.34
Withholding tax and contribution				-
Social security, remaining for remittance	4.73	2.28	3.89	2.84
Value added tax, pending for remittance	0.77	0.37	1.77	1.29
Other payable	0.41	0.20	2.50	1.85
Total other payables	121.41	58.43	76.16	55.68
Account payables and other payables	207.77	100.00	136.77	100.00

Most of goods in progress were the production of hydraulic press pursuant to the purchase order of the customer which have high value and rather long product period of approximately 4-6 months, so most of the inventories were goods in progress. According to the table above, it can be seen that the goods in progress was increased from Baht 131.22 million as of the year ended 2012 to Baht 162.48 million as of the year ended 2013. This was the result from the high purchase order confirmed at the end of the year. The goods in progress resumed to normal conditions after the Company has delivered products to the customers.

Property, plant and equipment

Net property, plant and equipment were Baht 325.74 million and Baht 588.53 million as of December 31, 2012 and 2013 respectively. Net property, plant and equipment were increased by Baht 262.79 million, when compared with the period as of December 31, 2012. Partly was due to the additional purchase of vehicles and additional investment in land 57 Rai, a project of new office building and factory.

Liabilities

Most of total liabilities were overdraft and short-term loan from the financial institutes and account payables which were Baht 207.77 million and Baht 351.77 million as of December 31, 2012 and 2013 respectively. Increase of total liabilities was mainly due to an increase of account payables which was increase by short-loans from the financial institute for operation and long-loans from the financial institute for a project of new office building and factory.

Account payables and other payables

Account payables and other payables were Baht 207.77 million and Baht 136.77 million as of December 31, 2012 and 2013 respectively.

Description	Consolidated Financial Statements			
	Dec 31, 2012		Dec 31, 2013	
	Million Baht	%	Million Baht	%
Overdraft and short-term loan	-	-	215.00	56.47
Long-term loan	17.72	69.52	154.65	40.62
Total loans from financial institutes	17.72		154.65	
Liabilities under financial lease	7.77	30.48	11.11	2.92
Total	25.49	100.00	380.76	100.00

Account payables were Baht 86.36 million and Baht 59.90 million as of December 31, 2012 and 2013 respectively. Most of them were payables for raw materials, e.g. steel, electric equipment, and etc. Credit term was about 30-90 days. In addition, account payables have the tendency to increase (decrease) pursuant to the Company's sales amount.

Other payables included note payables, accrued expenses, deferred revenue and other payables which increased from Baht 121.41 million to Baht 76.16 million as of December 31, 2012 and 2013 respectively. Main reasons were:

- Deferred revenue because the Company requested for deposit money from the customers who placed purchase order in advance at approximately 30% for press hydraulic, 10-30% for hydraulic crane and 30-40% for machine repair and maintenance service. The customers were required to make such deposit payment within 30 days from the issuance date of the purchase order. Such deposit shall be realized when the machine have been completed produced and delivered to the customers pursuant to the delivery date. During the past period, deferred revenue has decreased from Baht 87.78 million to Baht 57.91 million as of December 31, 2012 and 2013 respectively which was consistent with the declined purchase order from the customers.

- Accrued expenses consisted of accrued salary, accrued bonus, utilities fees and other accrued expenses which were at Baht 27.72 million and Baht 10.06 million as of December 31, 2012 and 2013 respectively or accounting for an increase of 63.71% for 2013 varied follow the Sales amount.

Loans from the financial institute and liabilities under financial lease

Cash flow	Consolidated Financial Statements	
	Dec 31, 2012	Dec 31, 2012
Operating profit prior to the change in assets and operating liabilities	224.65	89.41
Change in assets and operating liabilities	74.66	(108.32)
Net cash from (used in) operating activities	262.76	(62.07)
Net cash from (used in) investment activities	(202.55)	(147.74)
Net cash from (used in) financing activities	103.54	313.57
Cash and cash equivalent as of the ending date of the year	184.45	288.08

As of December 31, 2013, the Company have short-term loan amount Baht 215 million which was promissory notes, for the Company's operation.

The Company has 2 long-term loans with the financial institute, totally Baht 238 million about MLR-2%. Based on the above table, the long-term loans have been increased from Baht 17.72 million to Baht 154.65 million as of December 31, 2012 and 2013 respectively because a new long-term loan amount Baht 150 million was the investment in land 57 Rai, a project of new office building and factory. Otherwise, the Company have been paid on time and under the conditions of the agreements.

Liabilities under the financial lease were 7.77 million and Baht 11.11 million as of December 31, 2012 and 2013 respectively. Most of them were vehicles and machines with lease period between 24-48 months. For the past period, the Company was capable to pay for the installment as per specified in the financial lease.

Shareholders' equity

Shareholders' equity of the Company and its subsidiary (only for the part of the parent company) decreased to Baht 661.07 million as of December 31, 2013 or an decrease of Baht 27.15 million, when compared with the amount as of December 31, 2012. Such decrease amount was dividend payment in 2013 from the operation result of 2012 which was effect retained-earning after the Company has net profit only Baht 7.35 million in 2013.

Liquidity

Net cash used in operating activities in 2013 was Baht (62.07) million which was the result from the decrease of income from sales and services of 21.69%, when compared with the same period of last year. Therefore, the Company has net profit of Baht 7.35 million or an decrease of 94.58% from last year.

Net cash used in investment activities in 2013 was Bath 147.74 million. Most of them were cash paid for the Company's operation.

For 2013, the Company has net cash from financing activities amounting to Baht 313.57 million from short-term loan and long-term loans and liabilities under financial lease.

In overall, the change in cash flow has increased Baht 103.63 million, thus the Company and its subsidiary has cash and cash equivalent as of the ending period amounting to Baht 288.08 million.

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Report of Board of Directors Responsibilities

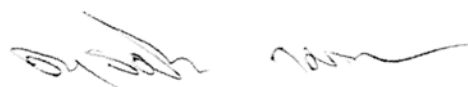
The Company's Board of Directors recognize the significance of duties and responsibilities to manage the business of the Company in compliance with the law, the Company's objectives, the Articles of Association as well as the resolution of the shareholders' meeting with integrity and care for the best benefits of the company, all shareholders and investors by providing reasonable assurance that the financial statements recorded accuracy, adequate and present fairly financial position of the Company.

The Audit Committee comprises of qualified independent directors in compliance with regulations of the Stock Exchange of Thailand and other Securities and Exchange Act to review and responsible for the accuracy, and adequate disclosure of the Company's financial statement as well as to provide and to maintain efficient internal control system for the reasonable believe on the credibility of financial statements, good prevention system for property maintenance that freed from corruption item nor any abnormal operation including to comply with related laws and regulations and the disclosure of related transactions and conflicts of interest under the Notification of the Capital Market Supervisory Board and Notification of the Stock Exchange of Thailand as well as compliance with related laws and regulations. The Audit Committee has prepared a report on the committee's monitoring activities and disclosed these to the Board of Directors.

The Board of Directors have opined that the financial statements for the year 2013 of the Company and subsidiary being consolidated, in which the Audit Committee, the Company's management and independent auditor have all reviewed, have been prepared in accordance with Generally Accepted Accounting Principle and present fairly financial position of the company.



Mr. Manu Leopaibote
Chairman of the Board of Directors



Mr. Thaweemit Kamolmongkolsuk
Chairman of the Executive Committee

Details of the Directors, the Executives and the Controlled Person of the Company

Name-Surname	Age	Education	% of Shareholding	Family Relationship among the Executives	Period	Position	Company
1. Mr. Manu Leoparote	71	- Honorary Doctorate Degree in Business Administration, Thammasat University - M.Sc. in Economics, University of Kentucky, USA. - B. Sc. In Economics (Hons.) Thammasat University - Director Certification Program - The Role of Chairman Program	-	None	2011 - Present 2010 - Present 2010 - Present 2008 - Present 2004 - Present 2004 - Present 2004 - Present 2004 - Present 1999 - 2004	Chairman of the Board Chairman of the Board Chairman of the Board Chairman of Audit Committee Chairman of the Board Chairman of the Board Chairman of the Board Director Permanent Secretary	T.M.C. Industrial Public Co., Ltd. ARIP Public Co., Ltd. Jubilee Enterprise Public Co., Ltd. Siam Steel International Public Co., Ltd. Bangkok Union Insurance Co., Ltd. Polyplex (Thailand) Public Co., Ltd. Khon Kaen Sugar Industry Public Co., Ltd. Thai Beverage Public Co., Ltd. (listed in Singapore stock exchange) Ministry of Industry
2. Mr. Thaweemit Kamolmongkolsuk	64	- Honorary Degree in Engineering, Rajamangala University of Technology Thanyaburi - Director Accreditation Program	0.84 %	- Mrs. Tubtim Kamolmongkolsuk's husband - Mr. Surachet Kamolmongkolsuk's father - Mr. Teerapap Kamolmongkolsuk's father - Mrs. Pacharawalai Wu's father - Miss Pailain Kamolmongkolsuk's father	2011 - Present 1982 - 2011 1972 - 1982	Director / Chairman of Executive Committee Chairman of Executive Committee Business Owner	T.M.C. Industrial Public Co., Ltd. T.M.C. Industrial Co., Ltd. Thaweemit Karnchang Machine Shop
3. Mrs. Tubtim Kamolmongkolsuk	67	- High School - Director Accreditation Program	0.81%	- Mr. Thaweemit Kamolmongkolsuk's wife - Mr. Surachet Kamolmongkolsuk's mother - Mr. Teerapap Kamolmongkolsuk's mother - Mrs. Pacharawalai Wu's mother - Miss Pailin Kamolmongkolsuk's mother	2011 - Present 2005 - 2010 1982 - 2010 1972 - 1982	Director / Executive Director Vice Chairman of Executive Committee Vice Chairman of Executive Committee Business Owner	T.M.C. Industrial Public Co., Ltd. T.M.C. Manufacturing Co., Ltd. T.M.C. Industrial Co., Ltd. Thaweemit Karnchang Machine Shop

Name-Surname	Age	Education	% of Sharehold- ing	Family Relationship among the Executives	Period	Position	Company
4. Mr. Surachet Kamolmongkolsuk	42	- Master Degree in Business Administration, Murray State University, USA. - Bachelor Degree in Industrial Engineering, King Mongkut's University of Technology Thonburi - Director Accreditation Program - Director Certification Program	0.43%	- Son of Mr. Thaweemit Kamolmongkolsuk and Mrs. Tubtim Kamolmongkolsuk - Mr. Teerapap Kamolmongkolsuk's brother - Mrs. Pacharawalai Wu's brother - Miss Pailin Kamolmongkolsuk's brother	Nov.2012 – Present	Director/Chief Executive Officer	T.M.C. Industrial Public Co., Ltd.
					2011 – Nov.2012	Director/Executive Director/Managing Director	T.M.C. Industrial Public Co., Ltd.
					2005 – 2010	Managing Director	T.M.C. Manufacturing Co., Ltd.
					1997 – 2005	Managing Director	T.M.C. Industrial Co., Ltd.
					1994 – 1997	Sales & Marketing Manager	T.M.C. Industrial Co., Ltd.
5. Mr. Teerapap Kamolmongkolsuk	40	- MS/CIS, Dominican University, USA. - Bachelor Degree in Production Engineering, King Mongkut's University of Technology North Bangkok - Director Accreditation Program	046%	- Mr. Thaweemit Kamolmongkolsuk's son - Mrs. Tubtim Kamolmongkolsuk's son - Mr. Surachet Kamolmongkolsuk's brother - Mrs. Pacharawalai Wu's brother - Miss Pailin Kamolmongkolsuk's brother	2012 – Present	Director/Managing Director/Acting Deputy Managing Director-Information Technology	T.M.C. Industrial Public Co., Ltd.
					2013 – Present	Acting Deputy Managing Director-Sales&Marketing	T.M.C. Industrial Public Co., Ltd.
					2012 – Nov.2012	Director/Deputy Managing	T.M.C. Industrial Co., Ltd.
					May 2012 – Jun 2012	Managing	T.M.C. Industrial Co., Ltd.
					2011 – Present	Director-Information Technology	T.M.C. Industrial Public Co., Ltd.
					Jan-Jun 2011	IT Consultant	T.M.C. Industrial Public Co., Ltd.
					2000 – 2010	Director	T.M.C. Industrial Co., Ltd.
					1997 – 2000	Deputy Managing Director	T.M.C. Industrial Co., Ltd.
6. Mrs. Pacharawalai Wu	36	- Master Degree in Business Administration, Burapha University - B.A in Home Economics, Suan Dusit Rajabhat University - Director Accreditation Program	046 %	- Mr. Thaweemit Kamolmongkolsuk's daughter - Mrs. Tubtim Kamolmongkolsuk's daughter - Mr. Surachet Kamolmongkolsuk's sister - Mr. Teerapap Kamolmongkolsuk's sister - Miss Pailin Kamolmongkolsuk's sister	2011 – Present	Director/Executive Director/Deputy Managing	T.M.C. Industrial Public Co., Ltd.
					2009 – 2011	Director-Human Resources	T.M.C. Manufacturing Co., Ltd.
					2008 – 2009	Resources	T.M.C. Industrial Co., Ltd.
					2001 – 2006	Deputy Managing Director Assistant Finance Manager	T.M.C. Industrial Co., Ltd.
						Procurement Manager	

Name-Surname	Age	Education	% of Sharehold- ing	Family Relationship among the Executives	Period	Position	Company
7. Miss Pailin Kamolmongkolsuk	32	- Master Degree in Business Administration, Texas A&M University-Commerce - Bachelor Degree in Business Administration, Assumption University - Director Accreditation Program - Company Secretary Program	0.46%	- Mr. Thaweemit Kamolmongkolsuk's daughter - Mrs. Tubtim Kamolmongkolsuk's daughter - Mr. Surachet Kamolmongkolsuk's sister - Mr. Teerapap Kamolmongkolsuk's sister - Mrs. Pacharawalai Wu's sister	2011 – Present	Director/Executive Director/Deputy Managing Director-Procurement	T.M.C. Industrial Public Co., Ltd.
					2009 – 2010	Procurement Manager	T.M.C. Industrial Co., Ltd.
8. Mr. Arthit Wuthikaro	57	- Master Degree in Economics Development, National Institute of Development Institute - B.A., Ramkhumhaeng University - The National Defense Course for the Joint State-Private Sector, Class 18 College - Director Certification Program - Director Accreditation Program	-	None	2011 – Present	Chairman of Audit Committee	T.M.C. Industrial public Co., Ltd.
					2012 – Present	Deputy Permanent Secretary, Ministry of Industry	Office of the Permanent Secretary, Ministry of Industry
					2011 – 2012	Director General, Industrial Works Department	Industrial Works Department
					2009 – 2011	Director General, Industrial Works Department	Department of Industrial Promotion
					2008 – 2009	Director General, Department of Industrial Promotion	The Office of Industrial Economics
9. Miss Chutipa Obhasanond	75	- Master Degree in Economics, The Florida State University, USA. - Bachelor Degree in Economics, Thammasat University - Director Accreditation Program	-	None	2011 – Present	Audit Committee	T.M.C. Industrial Public Co., Ltd.
					2007 – Present	Foundation Chairman	Foundation for Thai Entrepreneurship development
					1998 – 2007	Association Chairman	Association for Promotion of Thai Small and Medium Entrepreneurs
					1997 – 1998	Deputy Director General	Department of Industrial Promotion
					1988 - 1996	Department Director	Department of Industrial Promotion

Name-Surname	Age	Education	% of Sharehold- ing	Family Relationship among the Executives	Period	Position	Company
10. Mr. Khan Akaworawit	52	- Master Degree in Business Administration (Finance), Kasetsart University - Bachelor Degree in Cooperative Economics, Kasetsart University - Director Accreditation Program	-	None	2011 – Present	Independent Director/ Audit Committee	T.M.C. Industrial Public Co., Ltd.
					2011 – Present	Director	Crown Tech Advance Public Co., Ltd.
					2011 – Present	Director	Siam Advance Electronic Co., Ltd.
					2010 – Present	Independent Director/ Audit Committee	Union Intraco Public Co., Ltd.
					2008 – 2009	Chief Financial Officer	Bangkok Hospital Group Co., Ltd.
					2005 – Present	Independent Director/ Audit Committee	Permsin Steel Works Public Co.,
					2005 – 2008	Vice Chief Executive Officer	Chu Kai Public Co., Ltd.
					2003 – 2006	Managing Director	Black Liger Co., Ltd.
					2000 – Present	Managing Director	Kevin and Kurt Co., Ltd.
11. Mr. Yossakorn Bomlai	43	- Master Degree in Education Administration, Ramkhumhaeng University - Bachelor Degree in Industrial Engineering, Rajamangala University of Technology Thanyaburi	-	None	1997 – 2000	Administrative Director	Hospital Network Co., Ltd.
					1995 – Present	Director	V.C. Cooling Center and Service Co., Ltd.
					Oct. 2013 - Present	Deputy Managing Director-Business and Marketing Development	T.M.C. Industrial Public Co., Ltd.
					2012 – Sep.2013	Deputy Managing Director-Factory	T.M.C. Industrial Public Co., Ltd.
					2009 – 2011	Assistant General Manager	Thai Summit PKK Co., Ltd.
12. Mr. Premchai Purattanapit	35	-Bachelor Degree in Engineering, Siam University	-	None	2004 – 2009	General Manager	T.M.C. Industrial Co., Ltd.
					1999 – 2004	Assistant Plant manager	Summit Advanced Material Co., Ltd.
					Sep.2013 – Present	Deputy Managing Director – Factory	T.M.C. Industrial Public Co., Ltd.
					2011-2013	Production Manager	Somboon Groups Co., Ltd.
					2011-2011	Production Manager	T.M.C. Industrial Co., Ltd.
					2010-2011	Project Planning Manager	MRP Engineering Co., Ltd.
					2006-2010	Assistance Engineer Manager	GKN Driveline JTEKT Co., Ltd.

Name-Surname	Age	Education	% of Shareholding	Family Relationship among the Executives	Period	Position	Company
13. Mr. Kninpichy Sukserm	43	-Master Degree in Business Administration-Marketing, Ramkhamhaeng University -Bachelor Degree in Finance&Banking, Faculty of Commerce and Accountancy, Thammasat University	-	None	Aug.2013 – Present	Deputy Managing Director – Accounting and Finance	T.M.C. Industrial Public Co., Ltd.
					2013-2011	Chief Financial Officer	Fortune Parts Industry Co., Ltd.
					2011-2010	Sales & Marketing	T.M.C Industrial Co., Ltd.
					Jan.2010- Jun.2010	Manager Sales Manager	LPN Plate Mill Co., Ltd.
					2008-2009	Investor Relations/ Assistant Strategic	G Steel Public Co., Ltd.
					2003-2009	Planning Manager Marketing&Sales Manager / Administration Manager	Nara International Co., Ltd.

Title of Director and Management of the subsidiary

			Subsidiary Company	Subsidiary Company	Related Company
Name of director and management			Metal Fabrication Co., Ltd	TMC-Lao Assembly & Manufacturing Machine Co., Ltd.	Kamolmongkolsuk Co., Ltd.
Mr. Manu	Leopairote	X, /			
Mr. Thaweemit	Kamolmongkolsuk	/, //, ///	/		/
Mrs. Tubtim	Kamolmongkolsuk	/, //, ///	/		/
Mr. Surachet	Kamolmongkolsuk	/, //, ///	/		/
Mr. Teerapap	Kamolmongkolsuk	/, //, ///		/	/
Mrs. Pacharawalai	Wu	/, //, ///			/
Miss Pailin	Kamolmongkolsuk	/, //, ///			/
Mr. Arthit	Wuthikaro	XX, /			
Miss Chutipa	Obhasanond	XX, /			
Mr. Khan	Akaworawit	XX, /			
Mr. Yotsakorn	Bomlai	///		///	
Mr. Premchai	Purattanapit	///			
Mr. Kninpichy	Sukserm	///, V			

Remark : X = Chairman

XX = Audit Committee

/ = Director

// = Executive Committee

/// = Management

V = Deputy Managing Director Accounting And Finance Department

AUDITOR'S REPORT

To The Shareholders of T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED and its subsidiary and separate T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED which comprise consolidated and separate statements of financial position as at December 31, 2013, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED and its subsidiary and separate T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED as at December 31, 2013, and their consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with the financial reporting standards.

D I A INTERNATIONAL AUDIT CO., LTD.



(Mrs. Suvimol Krittayakiern)

C.P.A. (Thailand)

Registration No. 2982

February 27, 2014

STATEMENTS OF FINANCIAL POSITION

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
AS AT DECEMBER 31, 2013

	Note	Consolidated			Separate		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Assets			<u>Restated</u>	<u>Restated</u>		<u>Restated</u>	<u>Restated</u>
Current assets							
Cash and cash equivalents	6	288,079,502.39	184,446,265.22	20,815,167.33	283,051,591.47	179,631,934.33	16,004,416.90
Short-term investments	7	-	150,000,000.00	-	-	150,000,000.00	-
Trade accounts receivable and other receivable	8	80,910,759.42	89,759,654.05	113,135,567.53	82,651,255.27	89,756,910.73	113,133,074.02
Inventories	9	239,829,471.00	199,610,742.22	229,308,157.56	236,796,327.18	199,610,742.22	229,308,157.56
Total current assets		608,819,732.81	623,816,661.49	363,258,892.42	602,499,173.92	618,999,587.28	358,445,648.48
Non-current assets							
Restricted bank deposit	10	5,000,000.00	-	-	5,000,000.00	-	-
Investments in subsidiaries	11	-	-	-	7,795,000.00	4,999,950.00	4,999,950.00
Property, plant and equipment	12	588,526,965.69	325,738,458.62	303,900,239.51	586,107,159.65	325,738,458.62	303,900,239.51
Intangible assets	13	15,395,651.88	15,340,045.55	16,268,729.63	15,395,651.88	15,340,045.55	16,268,729.63
Deferred income tax	19.3	12,842,314.09	6,074,134.98	5,119,406.15	12,802,948.87	6,027,806.04	5,071,909.48
Other non-current assets		4,724,948.77	1,361,981.08	1,273,997.71	4,722,401.46	1,360,700.00	1,273,700.00
Total non-current assets		626,489,880.43	348,514,620.23	326,562,373.00	631,823,161.86	353,466,960.21	331,514,528.62
Total assets		1,235,309,613.24	972,331,281.72	689,821,265.42	1,234,322,335.78	972,466,547.49	689,960,177.10
Liabilities and shareholders' equity							
Current liabilities							
Bank Overdrafts and Short-term Loans							
from Financial Institutions	14	215,000,000.00	-	161,149,823.90	215,000,000.00	-	161,149,823.90
Trade accounts payable and other payable	15	136,774,710.09	207,774,628.92	182,064,333.74	135,865,675.63	207,724,628.92	182,013,308.74
Current portion of liabilities under financial lease							
Due within 1 year	16	4,319,219.42	3,532,782.34	14,794,859.86	4,319,219.42	3,532,782.34	14,794,859.86
Current Portion of Long-term loans							
from financial institutions due within 1 year	17	28,092,646.75	13,053,502.64	12,983,024.60	28,092,646.75	13,053,502.64	12,983,024.60
Accrued income tax		-	25,608,215.82	14,613,659.66	-	25,608,215.82	14,613,659.66
Provision for short-term liabilities		32,266,361.22	6,559,921.69	5,418,063.37	32,266,361.22	6,559,921.69	5,418,063.37
Total current liabilities		416,452,937.48	256,529,051.41	391,023,765.13	415,543,903.02	256,479,051.41	390,972,740.13

Notes to financial statements are parts of these financial statements

STATEMENTS OF FINANCIAL POSITION (Cont.)

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
AS AT DECEMBER 31, 2013

Unit : Baht

	Note	Consolidated			Separate		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
Liabilities and shareholders' equity (Cont.)			<u>Restated</u>	<u>Restated</u>		<u>Restated</u>	<u>Restated</u>
Non - current liabilities							
Liabilities under financial lease	16	6,792,256.63	4,237,021.09	6,383,056.56	6,792,256.63	4,237,021.09	6,383,056.56
Long-term loans from financial institutions	17	126,555,045.64	4,670,796.75	37,728,187.72	126,555,045.64	4,670,796.75	37,728,187.72
Employee benefit obligation	18	23,525,178.00	18,667,822.00	16,934,889.00	23,525,178.00	18,667,822.00	16,934,889.00
Total non - current liabilities		156,872,480.27	27,575,639.84	61,046,133.28	156,872,480.27	27,575,639.84	61,046,133.28
Total liabilities		573,325,417.75	284,104,691.25	452,069,898.41	572,416,383.29	284,054,691.25	452,018,873.41
Shareholders' equity							
Share capital							
Authorized share capital							
290,000,000 common shares at par value Baht 1.00		290,000,000.00	290,000,000.00	290,000,000.00	290,000,000.00	290,000,000.00	290,000,000.00
Issued and paid-up shares capital							
290,000,000 common shares at par value Baht 1.00		290,000,000.00	290,000,000.00		290,000,000.00	290,000,000.00	
200,000,000 common shares at par value Baht 1.00				200,000,000.00			200,000,000.00
Share premium		250,091,603.05	250,091,603.05	-	250,091,603.05	250,091,603.05	-
Retained earnings							
Appropriated							
Legal reserve		11,961,051.34	11,546,406.53	4,770,370.88	11,961,051.34	11,546,406.53	4,770,370.88
Unappropriated		108,656,824.18	136,706,097.29	33,098,072.39	109,853,298.10	136,773,846.66	33,170,932.81
Difference on business combination under common control		(117,564.55)	(117,564.55)	(117,564.55)			
Other parts of shareholders' equity		482,816.30			-	-	-
Total the parent shareholders' equity		661,074,730.32	688,226,542.32	237,750,878.72	661,905,952.49	688,411,856.24	237,941,303.69
Non-controlling interests		909,465.17	48.15	488.29	-	-	-
Total shareholders' equity		661,984,195.49	688,226,590.47	237,751,367.01	661,905,952.49	688,411,856.24	237,941,303.69
Total liabilities and shareholders' equity		1,235,309,613.24	972,331,281.72	689,821,265.42	1,234,322,335.78	972,466,547.49	689,960,177.10

Notes to financial statements are parts of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
FOR THE PERIOD ENDED DECEMBER 31, 2013

Unit : Baht

Note	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
		<u>Restated</u>		<u>Restated</u>
Revenues from sales and services	785,316,627.66	1,002,867,248.55	787,882,951.36	1,002,867,248.55
Cost of sales and services	(635,923,027.09)	(714,062,501.21)	(637,877,644.75)	(714,062,501.21)
Gross profit	149,393,600.57	288,804,747.34	150,005,306.61	288,804,747.34
Other incomes	5,720,043.34	3,089,503.30	5,593,124.36	2,991,166.57
Selling expenses	(41,354,634.56)	(29,297,142.63)	(41,354,634.56)	(29,297,142.63)
Administrative expenses	(99,506,690.28)	(79,691,177.47)	(98,374,337.26)	(79,598,679.38)
Financial cost	(3,522,261.26)	(7,680,363.64)	(3,522,261.26)	(7,680,363.64)
Profit before income tax	10,730,057.81	175,225,566.90	12,347,197.89	175,219,728.26
Income tax revenue (expense)	19.1 (4,061,265.36)	(38,744,286.49)	(4,054,301.64)	(38,743,118.76)
Profit for the period	6,668,792.45	136,481,280.41	8,292,896.25	136,476,609.50
Other Comprehensive income	-	-	-	-
Difference on financial statement conversion	689,737.57	-	-	-
Total comprehensive income for the period	689,737.57	-	-	-
	7,358,530.02	136,481,280.41	8,292,896.25	136,476,609.50
Attributable gain (loss) to:				
Equity holders of the parent	7,164,171.70	136,481,720.55	8,292,896.25	136,476,609.50
Non - controlling interests	(495,379.25)	(440.14)	-	-
	6,668,792.45	136,481,280.41	8,292,896.25	136,476,609.50
Comprehensive attributable gain (loss) to:				
Equity holders of the parent	7,646,988.00	136,481,720.55	8,292,896.25	136,476,609.50
Non - controlling interests	(288,457.98)	(440.14)	-	-
	7,358,530.02	136,481,280.41	8,292,896.25	136,476,609.50
Earnings per share				
Basic earnings per share	0.02	0.63	0.03	0.63
Weighted average number of common shares	290,000,000	217,213,115	290,000,000	217,213,115

Notes to financial statements are parts of these financial statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
FOR THE YEARLY PERIOD ENDED DECEMBER 31, 2013



Consolidated financial statements										Unit : Baht
Equity holders of the parent										
Note	Issued and paid up share capital	Premium on common stocks	Retained earnings (Deficit)		Difference on business combination under common control	Other parts of shareholders' equity		Total the parent shareholders' equity	Non-controlling interests	Total
			Appropriated legal reserve	Unappropriated		Difference on financial statement conversion	Total			
	200,000,000.00	-	4,770,370.88	27,978,666.24	(117,564.55)	-	-	232,631,472.57	488.29	232,631,960.86
	Impact of changes in accounting policies									
	Deferred Tax									
4	-	-	-	5,119,406.15	-	-	-	5,119,406.15	-	5,119,406.15
	200,000,000.00	-	4,770,370.88	33,098,072.39	(117,564.55)	-	-	237,750,878.72	488.29	237,751,367.01
	90,000,000.00	261,000,000.00	-	-	-	-	-	351,000,000.00	-	351,000,000.00
	-	(10,908,396.95)	-	-	-	-	-	(10,908,396.95)	-	(10,908,396.95)
	-	-	6,776,035.65	(6,776,035.65)	-	-	-	-	-	-
	-	-	-	(26,097,660.00)	-	-	-	(26,097,660.00)	-	(26,097,660.00)
	-	-	-	136,481,720.55	-	-	-	136,481,720.55	(440.14)	136,481,280.41
	290,000,000.00	250,091,603.05	11,546,406.53	136,706,097.29	(117,564.55)	-	-	688,226,542.32	48.15	688,226,590.47
20			414,644.81	(414,644.81)	-	-	-	-	-	-
21	-			(34,798,800.00)	-	-	-	(34,798,800.00)	-	(34,798,800.00)
	-	-	-	-	-	-	-	-	1,197,875.00	1,197,875.00
	-	-	-	7,164,171.70	-	-	-	-	(495,379.25)	6,668,792.45
	-	-	-	-	-	482,816.30	482,816.30	-	206,921.27	689,737.57
	-	-	-	7,164,171.70	-	482,816.30	482,816.30	7,646,988.00	(288,457.98)	7,358,530.02
	290,000,000.00	250,091,603.05	11,961,051.34	108,656,824.18	(117,564.55)	482,816.30	482,816.30	653,427,742.32	909,465.17	661,984,195.49

Notes to financial statements are parts of these financial statements

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Cont.)

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
FOR THE YEARLY PERIOD ENDED DECEMBER 31, 2013

Separate financial statements					Unit : Baht	
			Retained earnings (Deficit)			
		Issued and paid up	Premium on	Appropriated	Unappropriated	Total
	Note	share capital	common stocks	legal reserve		
Balance as at January 1, 2012 (as previously reported)		200,000,000.00	-	4,770,370.88	28,099,023.33	232,869,394.21
Impact of changes in accounting policies						
Deferred Tax	4	-	-	-	5,071,909.48	5,071,909.48
Balance as at January 1, 2012 - restated		200,000,000.00	-	4,770,370.88	33,170,932.81	237,941,303.69
Share capital increase		90,000,000.00	261,000,000.00	-	-	351,000,000.00
Distribution expense for share capital		-	(10,908,396.95)	-	-	(10,908,396.95)
Legal reserve		-	-	6,776,035.65	(6,776,035.65)	-
Dividend payment		-	-	-	(26,097,660.00)	(26,097,660.00)
Comprehensive income (loss) for the three month period		-	-	-	136,476,609.50	136,476,609.50
Balance as at December 31, 2012		290,000,000.00	250,091,603.05	11,546,406.53	136,773,846.66	688,411,856.24
Legal reserve	20			414,644.81	(414,644.81)	
Dividend payment	21				(34,798,800.00)	(34,798,800.00)
Comprehensive income (loss) for the nine month period		-	-	-	8,292,896.25	8,292,896.25
Balance as at December 31, 2013		290,000,000.00	250,091,603.05	11,961,051.34	109,853,298.10	661,905,952.49

Notes to financial statements are parts of these financial statements

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STATEMENTS OF CASH FLOWS

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
FOR THE YEARLY PERIOD ENDED DECEMBER 31, 2013

Unit : Baht

	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash flows from operating activities :				
Profit before income tax	10,730,057.81	175,225,566.90	12,347,197.89	175,219,728.26
Adjustment to reconcile net profit to cash provided				
by (used in) operating activities				
estimated short-term liabilities	25,706,439.53	1,141,858.32	25,706,439.53	1,141,858.32
Provision for employee benefit	7,298,661.00	2,329,481.40	7,298,661.00	2,329,481.40
Depreciation and amortization	43,499,141.25	37,232,926.77	43,327,750.73	37,232,926.77
Doubtful accounts (reversal)	(454,993.13)	531,144.55	(454,993.13)	531,144.55
(Gain)Loss on exchange rates	(5,516.98)	112,715.43	(5,516.98)	112,715.43
Loss (reversal) on devaluation of inventories	3,311,918.65	3,003,559.97	3,311,918.65	3,003,559.97
(Gain) on sales of assets	(763,495.69)	(683,677.75)	(763,495.69)	(683,677.75)
interest receive	(3,493,251.51)	(2,025,485.37)	(3,366,596.74)	(1,927,148.64)
loss on write off assets	59,539.28	103,191.00	59,539.28	103,191.00
Interest expenses	3,522,261.26	7,680,363.64	3,522,261.26	7,680,363.64
Profit from operations before change				
in operating assets and liabilities	89,410,761.47	224,651,644.86	90,983,165.80	224,744,142.95
(Increase) Decrease of change in operating assets				
Trade accounts receivable and other receivable	9,116,589.75	23,918,266.98	6,594,090.43	23,918,516.79
Inventories	(43,860,133.16)	25,711,074.94	(40,826,989.34)	25,711,074.94
Other non-current assets	(180,836.45)	(87,000.00)	(180,836.45)	(87,000.00)
(Increase) Decrease of change in operating	(34,924,379.86)	49,542,341.92	(34,413,735.36)	49,542,591.73

Notes to financial statements are parts of these financial statements

STATEMENTS OF CASH FLOWS (Cont.)

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
FOR THE YEARLY PERIOD ENDED DECEMBER 31, 2013

Unit : Baht

	Consolidated		Separate	
	financial statements		financial statements	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Increase (Decrease) of change in operating liabilities				
Trade accounts payable and other payable	(70,958,205.31)	25,712,719.61	(72,400,471.76)	25,713,744.61
Paid for employees' retirement benefits	(2,441,305.00)	(596,548.40)	(2,441,305.00)	(596,548.40)
Increase (Decrease) of change in operating liabilities	(73,399,510.31)	25,116,171.21	(74,841,776.76)	25,117,196.21
Cash received from (paid for) operating activities	-18,913,128.70	299,310,157.99	-18,272,346.32	299,403,930.89
Interest paid	(3,534,839.08)	(7,846,728.86)	(2,951,607.09)	(7,846,728.86)
Income tax paid	(39,619,791.53)	(28,705,442.53)	(39,618,525.30)	(28,704,459.16)
Net cash provided by (used in) operating activities	(62,067,759.31)	262,757,986.60	(60,842,478.71)	262,852,742.87
Cash flow from investing activities :				
Cash received for temporary investments	150,000,000.00	4,500,000.00	150,000,000.00	-
Cash paid for temporary investments	-	(154,500,000.00)	-	(150,000,000.00)
Cash paid for restricted bank deposit	(5,000,000.00)	-	(5,000,000.00)	-
Paid for investments in subsidiaries	-	-	(2,795,050.00)	-
Cash paid for purchase of property, plant and equipment	(302,223,450.14)	(53,525,309.53)	(299,632,253.58)	(53,525,309.53)
Cash paid for purchase of intangible assets	(2,242,013.66)	(1,114,582.53)	(2,242,013.66)	(1,114,582.53)
Cash received from sales of equipment	7,129,224.14	1,136,164.73	7,129,224.14	1,136,164.73
Interest receive	4,596,539.18	955,345.10	4,469,884.41	857,008.37
Net cash received by (used in) investing activities	(147,739,700.48)	(202,548,382.23)	(148,070,208.69)	(202,646,718.96)

Notes to financial statements are parts of these financial statements

STATEMENTS OF CASH FLOWS (Cont.)

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
FOR THE YEARLY PERIOD ENDED DECEMBER 31, 2013

Unit : Baht

		Consolidated		Separate	
		financial statements		financial statements	
	Note	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Cash flow from financing activities :					
Increase (Decrease) in overdrafts and short-term loan from financial institutions		215,000,000.00	(161,149,823.90)	215,000,000.00	(161,149,823.90)
Received long-term loans		150,000,000.00	-	150,000,000.00	-
Repayment to long-term loans		(13,076,607.00)	(32,986,912.93)	(13,076,607.00)	(32,986,912.93)
Repayment to liabilities under financial lease		(4,631,900.23)	(16,483,580.28)	(4,631,900.23)	(16,483,580.28)
Cash receive from minority interest		1,108,352.42	-	-	-
Cash receive from IPO		-	340,091,603.05	-	340,091,603.05
Paid for dividend		(34,827,935.70)	(25,933,325.09)	(34,827,935.70)	(25,933,325.09)
Net cash provided by (used in) financing activities		313,571,909.49	103,537,960.85	312,463,557.07	103,537,960.85
(Gain) Loss on foreign exchange rate for cash and cash equivalents		(131,212.53)	(116,467.33)	(131,212.53)	(116,467.33)
Increase (decrease) in cash and cash equivalents - net		103,633,237.17	163,631,097.89	103,419,657.14	163,627,517.43
Cash and cash equivalents at the beginning of period	5.2	184,446,265.22	20,815,167.33	179,631,934.33	16,004,416.90
Cash and cash equivalents at the end of period	5.2	288,079,502.39	184,446,265.22	283,051,591.47	179,631,934.33

Notes to financial statements are parts of these financial statements

NOTES TO FINANCIAL STATEMENTS

T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED AND SUBSIDIARY
FOR THE YEARLY PERIODS ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION

Registration	: T.M.C. INDUSTRIAL PUBLIC COMPANY LIMITED ("the Company") is registered as a juristic person and domiciled in Thailand. The Company converted to a public company on March 14, 2011. The Company was listed on the Stock Exchange in Thailand.
Location :	
Head Office	: No. 125/10 Moo 5, Baan Saun, Mueng, Chonburi.
Branch 1	: No. 68/1 Moo 5, Nong Ree, Mueng, Chonburi.
Branch 2	: No. 8/42 Moo 6, Baan Saun, Mueng, Chonburi.
Branch 3	: No. 6/10 Ratyindee Road, Had Yai, Songkhla.
Type of Business	: Main business is to produce machineries and hydraulic labour-saving machine. Improving used machinery for sale.
Subsidiary 1	: Metal Fabrication Co., Ltd. locates at No. 125/10 Moo 5, Baan Saun, Mueng, Chonburi.
Subsidiary 2	: T.M.C.-Lao Assembly and Manufacturing Co; Ltd locates at Group 03 Unit 61 Dongdok-Sikheurt Road, Ban Tanmix, Xaythany District, Vientiane, LAO P.D.R

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 Basis for the preparation of financial statements

This interim financial statements are prepared according to the condensed form which should be included in the financial statements of the Department of Business Department in accordance with Thai Accounting Standard (TAS) 34 (revised 2009) "Interim Financial Reporting" including the guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

This interim financial statements are prepared to provide an additional information on the recent financial statements to ensure that data is current. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements. Therefore, these interim financial statements should be read in conjunction with the financial statements of the Company for the latest year.

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS (Cont.)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of T.M.C Industrial Public Company Limited and its subsidiaries as follows:

	Country of incorporation	Currency	Paid-up share capital		Percentage of shareholding	
			December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Subsidiaries			(Unit : Baht)			
Metal Fabrication Co., Ltd.	Thai	Baht	4,999,950.00	4,999,950.00	99.99	99.99
T.M.C.-Lao Assembly and Manufacturing Co; Ltd	Lao	Lak	2,795,050.00	-	70.00	-

Subsidiaries are fully consolidated as from the date of acquisition (the date on which the Company obtains control the subsidiaries) and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared using the same significant accounting policies and accounting periods as the Company.

The financial statements of the subsidiary which incorporation in overseas are translated into Thai Baht using the closing rate ruling at the statement of financial position date as for the assets and liabilities and using the average exchange rate for the period for the revenues and expenses. Such differences from the translation are presented under "Translation of financial statement differences" in the statement of comprehensive income.

Material balances and transactions between the Company, its subsidiaries and the investments in subsidiaries, Share capital of the subsidiaries have been eliminated from the consolidated financial statements.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

2.4 Adoption of new accounting standards during the period

The Federation of Accounting Professions issued accounting standards, financial reporting standards, accounting standard interpretations and accounting treatment guidance which are expected to be effective for the financial statements beginning on or after January 1, 2013 as follows:

<u>Thai Accounting Standards</u>	<u>Contents</u>
TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rate
<u>Thai Financial Reporting Standards</u>	
TFRS 8	Operation Segments

2.4 Adoption of new accounting standards during the period (Cont.)

Thai Accounting Standard Interpretations

TSIC 10	Government Assistance-No Specific Relation to Operating Activities
TSIC 21	Income Taxes- Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes- Changes in the Tax Status of an Enterprises or its Shareholders.

Accounting treatment guidance

Accounting treatment guidance	Transfers of Financial Assets
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The accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance as mentioned above have no significant impact on these financial statements, except for TAS 12 Income tax as stated in note 3,4

2.5 New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of Accounting Standard, Financial Reporting Standard, Accounting Standard Interpretation and Financial Reporting Standard Interpretations as follows.

<u>Tai accounting standard</u>	<u>Contents</u>	<u>Effective date</u>
TAS 1 (Revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (Revised 2012)	Statement of cash flows	1 January 2014
TAS 12 (Revised 2012)	Income Taxes	1 January 2014
TAS 17 (Revised 2012)	Leases	1 January 2014
TAS 18 (Revised 2012)	Revenue	1 January 2014
TAS 19 (Revised 2012)	Employee Benefits	1 January 2014
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (Revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (Revised 2012)	Investments in Associates	1 January 2014
TAS 31 (Revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (Revised 2012)	Impairment of assets	1 January 2014
TAS 38 (Revised 2012)	Intangible assets	1 January 2014
<u>Thai financial reporting standard</u>		
TFRS 2 (Revised 2012)	Share-bases Payment	1 January 2014
TFRS 3 (Revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (Revised 2012)	Operating Segments	1 January 2014

2.5 New accounting standards issued during the period and not yet effective (Cont.)

Thai Accounting Standard Interpretations

TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

Thai Financial Reporting Standard Interpretations

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

At present, the management of the Company is evaluating the impact on the financial statements in the year when such Accounting Standard, Financial Reporting Standard, Accounting Standard Interpretations and Financial Reporting Standard Interpretations are adopted.

SIGNIFICANT ACCOUNTING POLICIES**3.1 Revenues and Expenses Recognition**

- 3.1.1 Revenues from sales of goods are recognized as income when the significant risk and rewards of ownership have been transferred to the buyer.
- 3.1.2 Revenues from repair of machinery are recognized when services have been rendered.
- 3.1.3 Revenues from service contract are recognized as contract period.
- 3.1.4 Revenues from dividend are recognized when the Company and its subsidiary have right to receive the dividend.
- 3.1.5 Other income and expenses are recognized on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont.)

3.2 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, which are due within 3 months without restriction on withdrawal.

3.3 Trade Accounts Receivable and Other Receivable / Allowance for Doubtful Accounts

The Company and its subsidiary stated trade accounts receivables and other receivables net of allowance for doubtful accounts and provided the allowance for doubtful accounts equal to the estimated loss from uncollectable. The estimated loss are based on historical collection experience and review of the current status of existing receivable.

3.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by using weight average method except for cost of goods in process and raw material in transit is determined by using specific cost method.

3.5 Investment in Subsidiary

Investment in subsidiary in the separate financial statements is stated at cost less provision for impairment of value (if any).

3.6 Property, Plant and Equipment / Depreciation

Land, Property and Equipment are stated at cost. Cost comprises the initial cost of an asset, removal the item and restoration the site on which it is located less accumulated depreciation and allowance for impairment (if any).

The determination of depreciation considers the component approach if the components are materiality. The residual value of building and equipment have to be estimated of the net realizable value in the present if they can use after fully depreciated. Also the residual value and the useful life have to review at least at the year end.

Assets are depreciated by the straight-line method over the estimated useful lives of the assets as follows:

	Years
Building and improvement	20
Machinery	5 - 15
Tools and factory equipment	5
Office furniture and equipments	5 - 10
Vehicle	5

There is no depreciated calculation for land and assets that in process/restore. Depreciation is included in the operation result calculation. The interest expenses that occur from the loan for purchasing fixed assets will be recorded as assets and will be ceased for record of the interest as the cost of assets when that assets are available to use.

3.7 Intangible Assets

Intangible assets represent computer software which are stated at cost less accumulated amortization which will be amortized on a straight-line basis over the estimated useful life for 10 years.

3.8 Devaluation of Assets

The Company and its subsidiary have considered the impairment for land, building and equipment, investment and intangible assets whenever events or changes indicate that the carrying amount of assets lower its recoverable value. The impairment loss will be recognized in statements of comprehensive income. The Company and its subsidiary will reverse the impairment loss whenever there is no longer impairment or reduction in impairment.

Recoverable value of asset is either the net selling price or value from utilization of that asset, whichever is higher. The impairment will be estimated from each item of assets or each cash generating unit, whichever is practical.

3.9 Long-Term Lease Agreement

Operating Lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of comprehensive income over the lease term.

Financial Lease

Lease in which substantially all the risks and rewards of ownership are transferred to the lessee is classified as a financial lease. The Company and its subsidiary capitalized the equipment at the lower of estimated present value of the underlying lease payments or at the fair value of the equipment at the contractual date. The leased assets are depreciated on the straight-line method over their estimated useful life. Interest or financial charge is recognized by effective interest rate method over the term of contracts.

3.10 Employee Benefit Obligation

3.10.1 The Company chose to record entire liabilities in accordance with provisions of TAS 19. The Company provided post - employment benefits obligation, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefit is calculated by using the actuarial technique. The present value of benefits is the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. Actuarial gains or losses will be recognized in the statements of comprehensive income in the occurring period. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

3.10.2 Payment on stock basis

The company recognised payment on stock basis upon service receipt from employee according to fair value of common stock at the date of right exercise. The company granted the right to employees to purchase stock at the price lower than fair value. The difference between fair value and exercise price is recognised as expense in the statements of comprehensive income.

3.11 Income Tax**Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity

3.12 Use of Accounting Estimates

The preparation of financial statements in conformity with Financial reporting standards require management to make estimates that may affect to amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from estimates.

3.13 Provision for Liabilities

The Company and its subsidiary recognized a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company and its subsidiary settle the obligation. The amount recognized should not exceed the amount of the provision.

The estimation and hypothesis for the provision of the employee's benefit may be risk for the valuation of the carry forward in the statement of financial position in the proceed years. Because the provision of the employee's benefit is calculated by using actuarial techniques and the management assertion in this estimation rather uncertainty owing to it is a long-term project as describe in note No. 3.10. The other estimations are disclosed in each part of these notes to financial statement.

3.14 Related Parties Transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Company. Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company which has a power in planning and operating control.

3.15 Transactions in Foreign Currencies

The Company and its subsidiary recorded the transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statement of financial position date are converted into Thai Baht by using the exchange rates ruling on that day.

Gain or loss on exchange rate is recognized as income or period cost.

3.16 Financial Instruments

Financial assets in the financial statements consist of cash and cash equivalents, trade accounts receivables and other receivable. Financial liabilities in the statements of financial position consist of short-term loans from financial institution, trade accounts payable and other payable and long-term loans. The particular recognition methods adopted are disclosed in the individual policy associated with each items.

3.17 Operating Segments

Segment information has had no significant effect on the segment information reported in the Company's financial statements and no significant on the assets, liabilities, or earning per share of the Company.

3.18 Earnings per Share

Earnings per share as stated in comprehensive income is basic earnings per share. The basic earnings per share is determined by dividing net profit (loss) for the period by the weighted average number of common shares issued during the period.

30. DISCLOSURE AND PRESENTATION OF FINANCIAL INSTRUMENTS**30.1 Accounting Policy**

The significant accounting policies and method adopted the basis of recognition and measurement relating to each class of financial assets and liabilities which have been disclosed in note 3.

30.2 Credit Risk

Credit risk derives from failure by counterparties not following terms and conditions in the agreements, resulting in financial loss to the Company and its subsidiary. For preventing this credit risk, the Company and its subsidiary have policy to permit credit conservatively and keep various customer bases. The Company and its subsidiary expected that the uncollectible amount will less than the provided allowance for doubtful accounts in financial statements.

30.3 Interest Rate Risk

Interest rate risk derives from changes in interest rates which may have impact to the operation result and cash flows. The Company and its subsidiary have interest rate risk because of short - term loans and long - term loans at the floating rate. Liabilities under long - term hire purchase, the management believes that the effect of interest rate risk is low because of fixed interest rate.

30.4 Exchange Rate Risk

The Company has exchange rate risk because of some transactions dominated in foreign currency. The Company will make forward contract to hedge the exchange rate risk when the Company expects the high fluctuation on exchange rate.

As at December 31, 2013 and 2012, the Company has assets and liabilities in foreign currency as follows :

Unit : Baht

		Consolidated		Separate	
		December 31,2013	December 31,2012	December 31,2013	December 31,2012
Foreign currency					
Assets					
Deposits at banks	(Million U.S. dollars)		0.42	0.02	0.42
Trade accounts receivable	(Million U.S. dollars)		0.02	0.10	0.02
Liabilities					
Trade accounts payable	(Million Japan yen)		0.12	-	0.12

30.5 Fair Value

Book value of cash and cash equivalents, trade accounts receivable and trade accounts payable, and short -term loans have the carrying values approximate to their fair values because the short- term loans have due in short period. Liabilities under financial lease have interest bearing approximate at the market rate; therefore the carrying value is close to their fair value.

31. CAPITAL MANAGEMENT

The primary objects of the Company's and subsidiaries' financial management are to ensure that they presences the ability to continue their business as going concern and to maintain an appropriate capital structure.

According to the financial statements as at December 31, 2013, the Company and its subsidiary has debt : equity ratio equal to 0.87 : 1 in the consolidated financial statements and 086 1: 1 in the separate financial statements.

32 Subsequent events after date on financial statements

According to the minutes of Director's meeting held on February 27, 2014, the meeting passed resolution to propose shareholders' meeting #1/2014 to approve the dividend payment from unappropriated retained earnings for the year end as at December 31, 2013 to shareholders in the amount of 290 million of share, for Baht 0.04 per share totalling Baht 11.60 million.

33. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements were approved by the Company's Board of Directors on February 27, 2014.

4. CHANGES IN ACCOUNTING POLICY FOR DEFERRED TAX

On January 1, 2013, the Company and its subsidiary have changed accounting policy for deferred tax, which recognized on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts as at the end of reporting period by using tax rate enacted as at the end of reporting period as stated in note 3.11. The Company has recorded deferred tax by using cumulative effects as an adjustment to the beginning retained earnings of 2013 and made retroactively adjustments the 2012 financial statements. From the changes in this accounting policy, the consolidated and separate financial statements for the year ended December 31, 2012 and January 1, 2012 had changed as follows:

	Unit : Baht					
	Consolidated			Separate		
	Before reclassification	After reclassification	Increase (decrease)	Before reclassification	After reclassification	Increase (decrease)
STATEMENTS OF FINANCIAL POSITION AS JANUARY 1, 2012						
Assets						
Deferred income tax	-	5,119,406.15	5,119,406.15	-	5,071,909.48	5,071,909.48
Shareholders' equity						
Unappropriated retained earnings	27,978,666.24	33,098,072.39	5,119,406.15	28,099,023.33	33,170,932.81	5,071,909.48
STATEMENTS OF FINANCIAL POSITION AS DECEMBER 31, 2012						
Assets						
Deferred income tax	-	6,074,134.98	6,074,134.98	-	6,027,806.04	6,027,806.04
Shareholders' equity						
Unappropriated retained earnings	130,631,962.77	136,706,097.29	6,074,134.52	130,746,040.62	136,773,846.66	6,027,806.04
Non - controlling interests	47.69	48.15	0.46	-	-	-
STATEMENTS OF COMPREHENSIVE INCOME						
For the period ended December 31, 2012						
Income tax (revenue) expense	39,699,015.32	38,744,286.49	(954,728.83)	39,699,015.32	38,743,118.76	(955,896.56)
Net profit for the period	135,526,551.58	136,481,280.41	954,728.83	135,520,712.94	136,476,609.50	955,896.56
Earnings per share	0.62	0.63	0.01	0.62	0.63	0.01

5. DISCLOSURE - NON CASH TRANSACTION**5.1 Non cash transaction**

For the nine months period ended December 31, 2013, the Company purchased fixed assets by hire purchase in amount of Baht 7.97 million and transfer assets that in process/restore to expense in amount of Baht 0.33 million.

5.2 Cash and cash equivalents to statements of cash flow

Unit : Baht

	Consolidated		Separate	
	January 1, 2013	January 1, 2012	January 1, 2013	January 1, 2012
Cash	346,000.00	360,000.00	346,000.00	355,000.00
Current account	2,882,210.71	3,045,402.40	2,863,610.71	3,025,402.40
Savings account	148,513,067.61	10,173,371.60	143,717,336.72	5,387,621.17
Fixed deposit for 3 months	30,000,000.00	-	30,000,000.00	-
Non - clearing cheque	2,704,986.90	7,236,393.33	2,704,986.90	7,236,393.33
Total	184,446,265.22	20,815,167.33	179,631,934.33	16,004,416.90

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash	422,125.00	346,000.00	417,000.00	346,000.00
Current account	7,355,055.56	2,882,210.71	7,334,555.56	2,863,610.71
Savings account	275,838,379.82	148,513,067.61	270,836,093.90	143,717,336.72
Fixed deposit for 3 months	-	30,000,000.00	-	30,000,000.00
Non - clearing cheque	4,463,942.01	2,704,986.90	4,463,942.01	2,704,986.90
Total	288,079,502.39	184,446,265.22	283,051,591.47	179,631,934.33

6. CASH AND CASH EQUIVALENTS

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash	422,125.00	346,000.00	417,000.00	346,000.00
Current account	7,355,055.56	2,882,210.71	7,334,555.56	2,863,610.71
Savings account	275,838,379.82	148,513,067.61	270,836,093.90	143,717,336.72
Fixed deposit for 3 months	-	30,000,000.00	-	30,000,000.00
Non - clearing cheque	4,463,942.01	2,704,986.90	4,463,942.01	2,704,986.90
Total	288,079,502.39	184,446,265.22	283,051,591.47	179,631,934.33

7. SHORT - TERM INVESTMENTS

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Fixed deposits at bank for 4 months with interest rate at 3.3-3.4 % per annum	-	150,000,000.00	-	150,000,000.00
Total	-	150,000,000.00	-	150,000,000.00

8. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
8.1 Trade accounts receivable and other receivable				
Trade accounts receivable				
Trade accounts receivable	66,958,925.51	78,662,485.95	71,082,849.46	78,662,485.95
Notes receivable	8,238,120.55	3,543,761.63	8,238,120.55	3,543,761.63
Total	75,197,046.06	82,206,247.58	79,320,970.01	82,206,247.58
Less Allowance for doubtful accounts	(698,136.06)	(1,153,129.19)	(698,136.06)	(1,153,129.19)
Trade accounts receivable - net	74,498,910.00	81,053,118.39	78,622,833.95	81,053,118.39
other receivable				
Prepaid expense - inventories	732,169.70	-	732,169.70	-
Prepaid expense	3,586,266.93	4,162,991.19	2,218,571.54	4,162,991.19
other receivable	2,093,412.79	4,543,544.47	1,077,680.08	4,540,801.15
Total other receivable	6,411,849.42	8,706,535.66	4,028,421.32	8,703,792.34
Total trade accounts receivable and other receivable	80,910,759.42	89,759,654.05	82,651,255.27	89,756,910.73
Accounts receivable classified by aging:				
Within due date	39,655,363.94	30,591,774.20	39,093,986.32	30,591,774.20
Overdue				
Within 30 days	18,369,052.96	43,957,202.36	18,369,806.53	43,957,202.36
Over 30 days within 60 days	4,623,878.90	2,179,159.43	9,354,500.73	2,179,159.43
Over 60 days within 90 days	4,335,640.00	1,141,498.40	4,079,794.39	1,141,498.40
Over 90 days within 180 days	2,751,929.80	2,831,037.80	2,828,490.01	2,831,037.80
Over 181 days not over 1 year	5,026,858.50	704,644.66	4,868,146.50	704,644.66
Over 1 year	434,321.96	800,930.73	726,245.53	800,930.73
Total	75,197,046.06	82,206,247.58	79,320,970.01	82,206,247.58

8. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE (Cont.)

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
8.2 Allowance for doubtful accounts				
Beginning balance	1,153,129.19	621,984.64	1,153,129.19	621,984.64
Increase (Decrease) during the period	(454,993.13)	531,144.55	(454,993.13)	531,144.55
Ending balance	698,136.06	1,153,129.19	698,136.06	1,153,129.19

9. INVENTORIES

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Finished goods	38,531,171.65	35,780,630.71	35,498,027.83	35,780,630.71
Semi - finished goods	51,675,234.17	22,856,023.57	51,675,234.17	22,856,023.57
Work in process	110,809,655.28	108,361,585.75	110,809,655.28	108,361,585.75
Raw materials	44,491,068.86	30,927,935.46	44,491,068.86	30,927,935.46
Factory supplies	2,545,546.20	2,354,142.51	2,545,546.20	2,354,142.51
Raw material in transit	-	4,241,710.73	-	4,241,710.73
Total	248,052,676.16	204,522,028.73	245,019,532.34	204,522,028.73
Less Allowance for devaluation	(8,223,205.16)	(4,911,286.51)	(8,223,205.16)	(4,911,286.51)
Net	239,829,471.00	199,610,742.22	236,796,327.18	199,610,742.22

10. RESTRICTED BANK DEPOSIT

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Note on fixed deposit account period 6 months				
Rate of interest 1.6 % per year	5,000,000.00	-	5,000,000.00	-
Total	5,000,000.00	-	5,000,000.00	-

As at December 31, 2013 bank overdraft were guaranteed by fixed deposit as stated in note 14.

11. INVESTMENT IN SUBSIDIARY

Unit : Baht

<u>Company Name</u>	Separate financial statement					
	<u>Shareholding</u>		<u>December 31, 2013</u>		<u>December 31, 2012</u>	
	2013	2012	Cost	Dividends	Cost	Dividends
Metal Fabrication Co., Ltd.	99.99	99.99	4,999,950.00	-	4,999,950.00	-
T.M.C.-Lao Assembly and Manufacturing Co., Ltd.	70.00	0.00	2,795,050.00	-	-	-
			7,795,000.00	-	4,999,950.00	-

Metal Fabrication Co., Ltd. has registered share capital amount of Baht 20 million which issued and paid-up amount of Baht 5 million.

According to the meeting of board of director of the Company No. 2/2013 held on May 15, 2013, the meeting passed resolution to invest in T.M.C.-Lao Assembly and Manufacturing Co., Ltd, in which the Company has authorized share capital Lak 1,430 million (Baht 5.72 million) or shareholding 70%. Paid-up share capital of Kip 998.21 million (Baht 3.99 million).

The financial statements for the yearly period ended December 31, 2013 presented in the consolidated financial statements have been reviewed by auditor.

12. PROPERTY, PLANT AND EQUIPMENT

Consolidated								Unit : Baht
	Land	Building and improvement	Machinery	Factory equipment	Office furniture and equipment	Vehicle	Assets under construction and installation	Total
Assets - Cost								
As at January 1, 2012	90,967,774.00	107,760,649.01	231,774,665.02	56,705,768.82	24,859,538.13	43,239,506.99	865,747.47	556,173,649.44
Purchase	2,000,000.00	-	1,575,000.00	2,574,870.32	6,484,541.68	30,748,784.43	13,217,580.39	56,600,776.82
Disposal / Write off	-	-	(830,000.00)	(149,629.17)	(578,395.30)	(916,723.68)	(103,191.00)	(2,577,939.15)
Transfer in (out)	-	1,013,620.00	586,870.00	924,806.54	164,600.00	403,522.31	(2,110,638.42)	982,780.43
As at December 31, 2012	92,967,774.00	108,774,269.01	233,106,535.02	60,055,816.51	30,930,284.51	73,475,090.05	11,869,498.44	611,179,267.54
Purchase	193,096,032.00	2,691,030.10	280,000.00	6,255,414.72	10,951,590.28	10,829,295.65	86,093,660.24	310,197,022.99
Disposal / Write off	-	-	(12,904,548.12)	(2,120,394.61)	(1,986,336.71)	(2,054,205.61)	-	(19,065,485.05)
Transfer in (out)	26,698,056.09	23,329,200.95	20,897,723.61	5,488,379.66	-	-	(76,083,874.58)	329,485.73
As at December 31, 2013	312,761,862.09	134,794,500.06	241,379,710.51	69,679,216.28	39,895,538.08	82,250,180.09	21,879,284.10	902,640,291.21
Less Accumulated depreciation								
As at January 1, 2012	-	38,590,419.80	134,393,854.94	34,508,213.42	16,853,319.35	27,927,602.42	-	252,273,409.93
Depreciation for the year	-	5,263,179.94	12,604,274.15	7,102,409.41	3,105,288.04	7,114,508.62	-	35,189,660.16
Depreciation of disposal / Write off	-	-	(648,574.70)	(130,777.51)	(508,838.19)	(734,070.77)	-	(2,022,261.17)
As at December 31, 2012	-	43,853,599.74	146,349,554.39	41,479,845.32	19,449,769.20	34,308,040.27	-	285,440,808.92
Depreciation for nine month periods	-	5,612,207.75	12,664,594.74	7,220,531.84	4,126,637.34	11,688,762.25	-	41,312,733.92
Depreciation of disposal / Write off	-	-	(6,804,043.34)	(1,828,543.53)	(1,953,429.84)	(2,054,200.61)	-	(12,640,217.32)
As at December 31, 2013	-	49,465,807.49	152,210,105.79	46,871,833.63	21,622,976.70	43,942,601.91	-	314,113,325.52
Net book value								
As at December 31, 2013	312,761,862.09	85,328,692.57	89,169,604.72	22,807,382.65	18,272,561.38	38,307,578.18	21,879,284.10	588,526,965.69
As at December 31, 2012	92,967,774.00	64,920,669.27	86,756,980.63	18,575,971.19	11,480,515.31	39,167,049.78	11,869,498.44	325,738,458.62

12. PROPERTY, PLANT AND EQUIPMENT (Cont.)

Unit : Baht

	Separate						
	Land	Building and improvement	Machinery	Factory equipment	Office furniture and equipment	Assets under construction and installation	Total
Assets - Cost							
As at January 1, 2012	90,967,774.00	107,760,649.01	231,774,665.02	56,705,768.82	24,859,538.13	43,239,506.99	556,173,649.44
Purchase	2,000,000.00	-	1,575,000.00	2,574,870.32	6,484,541.68	30,748,784.43	56,600,776.82
Disposal / Write off	-	-	(830,000.00)	(149,629.17)	(578,395.30)	(916,723.68)	(2,577,939.15)
Transfer in (out)	-	1,013,620.00	586,870.00	924,806.54	164,600.00	403,522.31	982,780.43
As at December 31, 2012	92,967,774.00	108,774,269.01	233,106,535.02	60,055,816.51	30,930,284.51	73,475,090.05	611,179,267.54
Purchase	193,096,032.00	2,691,030.10	280,000.00	6,255,414.72	8,360,393.72	10,829,295.65	307,605,826.43
Disposal / Write off	-	-	(12,904,548.12)	(2,120,394.61)	(1,986,336.71)	(2,054,205.61)	(19,065,485.05)
Transfer in (out)	26,698,056.09	23,329,200.95	20,897,723.61	5,488,379.66	-	-	329,485.73
As at December 31, 2013	312,761,862.09	134,794,500.06	241,379,710.51	69,679,216.28	37,304,341.52	82,250,180.09	900,049,094.65
Less Accumulated depreciation							
As at January 1, 2012	-	38,590,419.80	134,393,854.94	34,508,213.42	16,853,319.35	27,927,602.42	252,273,409.93
Depreciation for the year	-	5,263,179.94	12,604,274.15	7,102,409.41	3,105,288.04	7,114,508.62	35,189,660.16
Depreciation of disposal / Write off	-	-	(648,574.70)	(130,777.51)	(508,838.19)	(734,070.77)	(2,022,261.17)
As at December 31, 2012	-	43,853,599.74	146,349,554.39	41,479,845.32	19,449,769.20	34,308,040.27	285,440,808.92
Depreciation for nine month periods	-	5,612,207.75	12,664,594.74	7,049,141.32	4,126,637.34	11,688,762.25	41,141,343.40
Depreciation of disposal / Write off	-	-	(6,804,043.34)	(1,828,543.53)	(1,953,429.84)	(2,054,200.61)	(12,640,217.32)
As at December 31, 2013	-	49,465,807.49	152,210,105.79	46,700,443.11	21,622,976.70	43,942,601.91	313,941,935.00
Net book value							
As at December 31, 2013	312,761,862.09	85,328,692.57	89,169,604.72	22,978,773.17	15,681,364.82	38,307,578.18	586,107,159.65
As at December 31, 2012	92,967,774.00	64,920,669.27	86,756,980.63	18,575,971.19	11,480,515.31	39,167,049.78	325,738,458.62

Depreciation for the periods ended December 31, 2013 was Baht 41.31 million and Baht 41.14 million, respectively, shown in the consolidated financial statements and separate financial statements.

As at December, 2013 building and equipment at cost of Baht 132.56 million, shown in the consolidated financial statements and separate financial statements have been fully depreciated.

As at December 31, 2013, land with its construction and partial machinery at net book value of Baht 378.81 million shown in the consolidated financial statements and separate financial statements were used as collateral for facilities from bank as stated in note 14, 17 and 23.

As at December 31, 2013, vehicle and partial machinery at net book value Baht 16.74 million in the consolidated financial statements and of Baht 12.98 million in the separate financial statements, respectively, has commitment under financial lease as stated in note 16

13. INTANGIBLE ASSETS

Unit : Baht

	Consolidated / Separate	
	Computer software	Total
Cost		
As at January 1, 2012	21,322,983.46	21,322,983.46
Purchase	1,114,582.53	1,114,582.53
As at December 31, 2012	22,437,565.99	22,437,565.99
Purchase	2,242,013.66	2,242,013.66
As at December 31, 2013	24,679,579.65	24,679,579.65
Less Accumulated amortization		
As at January 1, 2012	5,054,253.83	5,054,253.83
Amortization for the year	2,043,266.61	2,043,266.61
As at December 31, 2012	7,097,520.44	7,097,520.44
Amortization for the year	2,186,407.33	2,186,407.33
As at December 31, 2013	9,283,927.77	9,283,927.77
Net book value		
As at December 31, 2013		15,395,651.88
As at December 31, 2012		15,340,045.55

Amortization for the period ended December 31, 2013 was Baht 2.19 million shown in the consolidated financial statements and separate financial statements.

14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Loan - Promissory notes	215,000,000.00	-	215,000,000.00	-
Total	215,000,000.00	-	215,000,000.00	-

As at December 31, 2013, The Company has bank overdraft with bank in amount of Baht 5 million were guaranteed by bank fixed deposits according in note 10 and short-term credit with 2 banks were guaranteed by land with its construction and partial machinery as stated in note 12.

15. TRADE ACCOUNTS PAYABLE AND OTHER PAYABLE

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Trade accounts payable				
Trade accounts payable	59,899,729.21	86,362,945.43	59,899,729.21	86,362,945.43
Notes Payable-trade	714,505.00	-	714,505.00	-
Total trade accounts payable	60,614,234.21	86,362,945.43	60,614,234.21	86,362,945.43
Other payable				
Accrued expense	10,059,136.50	27,717,472.12	9,977,199.55	27,667,472.12
Unearned revenue	57,909,687.37	87,786,671.48	57,906,612.37	87,786,671.48
Withholding tax & Social security payable	3,893,836.22	4,727,390.46	3,893,836.22	4,727,390.46
VAT - Revenue Department Payable	1,770,648.88	774,081.63	1,770,648.88	774,081.63
Other payable	2,527,166.91	406,067.80	1,703,144.40	406,067.80
Total other payable	76,160,475.88	121,411,683.49	75,251,441.42	121,361,683.49
Total trade accounts payable and other payable	136,774,710.09	207,774,628.92	135,865,675.63	207,724,628.92

16. LIABILITIES UNDER FINANCIAL LEASE

Details of assets under financial lease and hire purchase are as follows:

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cost :				
Machinery	-	2,800,000.00	-	2,800,000.00
Vehicle and office equipment	25,262,158.08	17,487,042.47	25,262,158.08	17,487,042.47
Total	25,262,158.08	20,287,042.47	25,262,158.08	20,287,042.47
Accumulated depreciation :				
Machinery	-	(527,424.72)	-	(527,424.72)
Vehicle and office equipment	(8,518,625.72)	(6,778,210.96)	(8,518,625.72)	(6,778,210.96)
Total	(8,518,625.72)	(7,305,635.68)	(8,518,625.72)	(7,305,635.68)
Net book value	16,743,532.36	12,981,406.79	16,743,532.36	12,981,406.79

16. LIABILITIES UNDER FINANCIAL LEASE (Cont.)

Minimum amount to be paid for financial lease and hire purchase:

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Within 1 year	4,884,646.25	4,015,153.32	4,884,646.25	4,015,153.32
Over 1 year within 5 years	7,249,219.00	4,644,778.23	7,249,219.00	4,644,778.23
Total	12,133,865.25	8,659,931.55	12,133,865.25	8,659,931.55
Less Future interest of financial lease and hire purchase	(770,306.26)	(516,376.91)	(770,306.26)	(516,376.91)
Suspense input tax of financial lease and hire purchase	(252,082.94)	(373,751.21)	(252,082.94)	(373,751.21)
Present value of financial lease and hire purchase	11,111,476.05	7,769,803.43	11,111,476.05	7,769,803.43
Less Current portion of liabilities under financial lease and hire purchase	(4,319,219.42)	(3,532,782.34)	(4,319,219.42)	(3,532,782.34)
Liabilities under financial lease and hire purchase - net	6,792,256.63	4,237,021.09	6,792,256.63	4,237,021.09

As at December 31, 2013 ,the Company entered into contracts and has liabilities in accordance with hire financial lease contract and purchase for the machinery and vehicle in many commercial banks and leasing companies by making principal payment through 24 - 48 installments at Baht 5,778.00 to Baht 71,335.00 per month, and due in year 2014 to year 2017.

17. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS

The Company has credit line for long - term loans from a bank are as follows:

Unit : Baht

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
1. Credit line 1	2,438,155.76	13,958,155.76	2,438,155.76	13,958,155.76
2. Credit line 2	2,209,536.63	3,766,143.63	2,209,536.63	3,766,143.63
3. Credit line 3	150,000,000.00	-	150,000,000.00	-
Total	154,647,692.39	17,724,299.39	154,647,692.39	17,724,299.39
Less Current portion				
1. Credit line 1	(2,438,155.76)	(11,520,000.00)	(2,438,155.76)	(11,520,000.00)
2. Credit line 2	(1,654,490.99)	(1,533,502.64)	(1,654,490.99)	(1,533,502.64)
3. Credit line 3	(24,000,000.00)	-	(24,000,000.00)	-
Total	(28,092,646.75)	(13,053,502.64)	(28,092,646.75)	(13,053,502.64)
Long - term loans - net	126,555,045.64	4,670,796.75	126,555,045.64	4,670,796.75

Credit line 1 The Company entered into loan agreement in amount of Baht 80 million by making principal payment through 84 installments at Baht 0.96 million per month ; the last repayment will be on December 24, 2015 and the interest payment at the end of month with the rate at MLR - 1%

17. LONG - TERM LOANS FROM FINANCIAL INSTITUTIONS (Cont.)

Credit line 2 The Company entered into agreement in amount of Baht 8 million by making principal and interest payment through 72 installments at Baht 0.145 million per month; the last payment is on December 24, 2015 with interest rate at MLR - 1%.

Credit line 3 Line no. 3 is loan from bank Baht 150 million. Principal repayment will be fully made by quarterly Baht 6 million each in September 2020 total 84 instalments and interest is paid by monthly at interest rate LIBOR plus 1.5-2.0 per annum.

Such loan is guaranteed by partial of land as stated in note. 12.

18. EMPLOYEE BENEFITS OBLIGATION

Movement in present value of employee benefits obligation project are as follows:

	Unit : Baht			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Employee benefits obligation at beginning	18,667,822.00	16,934,889.00	18,667,822.00	16,934,889.00
Cost of services in current project and interests	7,298,661.00	2,329,481.40	7,298,661.00	2,329,481.40
Paid to employee benefit	(2,441,305.00)	(596,548.40)	(2,441,305.00)	(596,548.40)
Employee benefits obligation at ending	23,525,178.00	18,667,822.00	23,525,178.00	18,667,822.00

	Unit : Baht			
	Consolidated		Separate	
Employee benefits expense was recorded in the following	for the ended period as at			
transactions in the comprehensive income	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cost of sales and services	4,392,794.67	1,264,374.78	4,392,794.67	1,264,374.78
Selling expenses	1,586,261.00	482,567.44	1,586,261.00	482,567.44
Administrative expense	1,319,605.33	582,539.18	1,319,605.33	582,539.18
Employee benefits obligation	7,298,661.00	2,329,481.40	7,298,661.00	2,329,481.40

The actuarial technique basis assumptions are as follows :

	Unit : Baht	
	Consolidated/Separate	
	December 31, 2013	December 31, 2012
Discount rate	3.6837%	3.6837%
Employee turnover	13-50%	13-50%
Mortality rate (separated based on Male and Female)	year 2008	year 2008
Retirement age	60 Years	60 Years

(Sign).....Authorized Director

(Mr.Surachet Kamolmongkolsuk Mr.Teerapap Kamolmongkolsuk)

19. INCOME TAX EXPENSE/DEFERRED INCOME TAX**19.1 Income tax expense for the periods ended December 31, 2013 and 2012 are as follows:**

	Unit : Baht			
	Consolidated		Separate	
	for the ended period as at			
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Income tax recognize				
Current tax :				
Income tax for the year	10,829,444.47	39,699,015.32	10,829,444.47	39,699,015.32
Deferred income tax				
Deferred tax from temporary difference and reversal of temporary difference	(6,768,179.11)	(954,728.83)	(6,775,142.83)	(955,896.56)
Income tax (revenue) expenses presented in statements of comprehensive income	4,061,265.36	38,744,286.49	4,054,301.64	38,743,118.76

19.2 Reconciliation of effective tax rate

	Unit : Baht			
	Consolidated		Separate	
	for the ended period as at			
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Taxable profit before income tax	12,381,322.87	175,225,566.90	12,347,197.89	175,219,728.26
Income tax rate	20	23	20	23
Income tax using the Thai corporation tax rate	2,476,264.57	40,301,880.39	2,469,439.57	40,300,537.50
Expenses not deductible for tax purposes	1,585,000.79	(1,953,718.14)	1,584,862.07	(1,953,542.98)
Decrease income tax rate 23% to 20%	-	396,124.24	-	396,124.24
statements of comprehensive income	4,061,265.36	38,744,286.49	4,054,301.64	38,743,118.76
Effective tax rate	32.80	22.11	32.84	22.11

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

The Federation of Accounting Professions has considered this matter and has resolved that the substantively enacted tax rates which should be applied in measuring deferred tax assets and liabilities shall be the reduced rates as approved by the Cabinet; i.e. 23% shall be applied for the accounting period 2012 and 20% shall be applied for accounting periods 2013 onwards.

19. INCOME TAX EXPENSE/DEFERRED INCOME TAX (Cont.)**19.3 As at December 30,2013 and 2012 the composition of deferred income tax follows:**

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Deferred income tax	12,842,314.09	6,074,134.98	12,802,948.87	6,027,806.04

Unit : Baht

Movement of the deferred tax assets incurred during the period are as follows:

	Consolidated				
	record as expense (revenue) in			record as expense (revenue) in	
	January 1, 2012	Profit (loss)	December 31, 2012	Profit (loss)	December 31, 2013
Deferred income tax				(Note 19.1)	
Allowance for devaluation	438,777.10	(543,480.20)	982,257.30	(662,383.73)	1,644,641.03
Provision for short - term liabilities	1,246,154.58	(65,829.76)	1,311,984.34	(5,141,287.90)	6,453,272.24
Employee benefit obligation	3,386,977.80	(346,586.60)	3,733,564.40	(971,471.20)	4,705,035.60
Net loss	47,496.67	1,167.73	46,328.94	6,963.72	39,365.22
	5,119,406.15	(954,728.83)	6,074,134.98	(6,768,179.11)	12,842,314.09

Unit : Baht

	Separate				
	record as expense (revenue) in			record as expense (revenue) in	
	January 1, 2012	Profit (loss)	December 31, 2012	Profit (loss)	December 31, 2013
Deferred income tax				(Note 19.1)	
Allowance for devaluation	438,777.10	(543,480.20)	982,257.30	(662,383.73)	1,644,641.03
Provision for short - term liabilities	1,246,154.58	(65,829.76)	1,311,984.34	(5,141,287.90)	6,453,272.24
Employee benefit obligation	3,386,977.80	(346,586.60)	3,733,564.40	(971,471.20)	4,705,035.60
Net loss	-	-	-	-	-
	5,071,909.48	(955,896.56)	6,027,806.04	(6,775,142.83)	12,802,948.87

Unit : Baht

20. LEGAL RESERVE

According to Sec 116 of the Public Company Limited Act B.E. 2535, the Company has to allocate the annual net profit as a legal reserve not less than 5% deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the authorized share capital. Such legal reserve is not available for dividends distribution.

21. DIVIDEND PAYMENT

According to the minutes of shareholders' meeting held on April 19, 2013, the meeting passed resolution to propose committee's meeting 1/2013 held on February 26, 2013 to approve the dividend payment to shareholders amount of share 290 million, for Baht 0.21 per share totalling Baht 60.90 million. As the Company has already paid interim dividend on December 12, 2012 for Baht 0.09 per share totalling Baht 26.10 million the additional payment of dividend is Baht 0.12 per share totalling Baht 34.80 million. Dividend was paid on May 17, 2013

22. INCOME TAX CALCULATION

The Company and its subsidiary recognized income tax for the periods ended December 31, 2012 at the rate 20% (and foreign subsidiary at the rate 30%) and for the periods ended December 31, 2011 at the rate 23% of profit (loss) before tax adjusted by allowance and other expenses which shall not be allowed as expenses in tax calculation less taxable deficit of previous years.

23. COMMITMENT AND CONTINGENT LIABILITIES**23.1 Commitment**

23.1.1 As at December 31, 2013 and 2012, the Company has commitment according to lease for land with building and other service contract in terms of the contract are 1-4 years. The service that not yet due are as follows:

	Unit : Baht			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Within 1 year	5,570,066.28	13,281,314.09	5,570,066.28	13,281,314.09
Over 1 year within 5 years	943,986.45	1,701,616.29	943,986.45	1,701,616.29
Total	6,514,052.73	14,982,930.38	6,514,052.73	14,982,930.38

23.2 Contingent Liabilities

The Company had contingent liabilities from a commercial bank issuance letter of guarantee for electricity usage and following sale-purchase agreement in the consolidated and separate statements as at December 31, 2013 in amount of Baht 2.06 million and Baht 0.08 million (translated into Baht equal to Baht 2.79 million), collateral by using land with construction and partial machinery as stated in note 12.

24. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company's directors and its subsidiary in accordance with Section 90 of the Public Limited Company Act and resolution of the shareholders' meeting. These director's remuneration include salaries and related benefits payable to executive director.

25. MANagements' REMUNERATION

Management remuneration consist of salaries and other benefits paid to the management according to the announcement of the Office of Securities and Exchange Commission i.e. Manager or persons in management levels of first four persons from manager and all persons in positions comparable to these persons.

26. PROVIDENT FUND

The Company and its employees have established provident fund under the Provident Fund Act B.E. 2530. The fund is contributed monthly by the Company and the employees at the rate of 3% of employees' salaries. The provident fund is managed by BBL Asset Management Co., Ltd and will be paid to employees according to the rules and regulation of the provident fund.

For Provident fund for the years ended December 31, 2013 and 2012, the company had a contribution to the fund as follows :

Unit : Baht

	Consolidated/Separate			
	For the period ended			
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Contributions to the provident fund	3,037,658.00	1,013,094.00	3,037,658.00	1,013,094.00
Total	3,037,658.00	1,013,094.00	3,037,658.00	1,013,094.00

27. EXPENSES ANALYZED BY NATURE

Significant expenses analyzed by nature for the yearly period ended December 31, 2013 and 2012, are as follows:

Unit : Baht

	Consolidated/Separate			
	For the period ended			
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Change in finished goods and work in process	(33,699,226.90)	21,971,564.17	(30,984,677.25)	21,971,564.17
Raw materials and supplies	393,766,854.70	440,585,467.78	392,569,621.41	440,585,467.78
Employee expenses	228,072,678.49	190,684,999.46	227,767,831.49	190,684,999.46
Managements' remuneration	32,481,426.32	25,840,565.09	32,481,426.32	25,840,565.09
Directors' remuneration	1,875,000.00	2,025,000.00	1,875,000.00	2,025,000.00
Depreciation and amortization	43,499,141.25	37,232,926.77	43,327,750.73	37,232,926.77

28. TRANSACTIONS WITH RELATED PARTIES

28.1 During the period, the Company and its subsidiary have significant transactions with related parties. These related transactions are determined on the price and conditions in the normal course of business as follows:

The relationship between the Company with the related parties and persons can be summarized as follows:

<u>Name of Related Parties</u>	<u>Relationship</u>	<u>Type of Business /</u>	
		<u>Inter - Transaction</u>	<u>Pricing Policy</u>
1. Kang Yong Electric Plc.	Co - director	Repair for machinery	Market price
2. Permsin Steel Works Plc.	Co - director	Sales of goods	Market price
3. New Kwang Sung Lee sugar Co., Ltd	Co - director	Sales of goods	Market price
4.SVOA Plc.	Co - director	Machinery repair service	Market price
5.T.M.C.-Lao Assembly and Manufacturing Co., Ltd	Subsidiary	Sales of goods	Cost plus margin 5%
		Sales of asset	Negotiable
6. Mrs. Tabtim Kamolmongkolsuk	Shareholder and director	Loan to the Company	MLR-1
		Purchase for land	Price at independence appraiser
7. Mr. Teeraphap Kamolmongkolsuk *	Shareholder and director	Advisory expense	Negotiable

* Act as director start from November 2012

28. TRANSACTIONS WITH RELATED PARTIES (Cont.)

28.1 Balance and inter-transaction are as follows:

				Unit : Baht	
		Consolidated		Separate	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Transactions with related parties in the statements of financial position					
Trade account receivable					
T.M.C.-Lao Assembly and Manufacturing Co., Ltd		-	-	4,685,280.58	-
SVOA Public Company Limited		33,170.00	-	33,170.00	-
Permsin Steel Works Public Company Limited		2,996.00	563,001.90	2,996.00	563,001.90
Trade accounts receivable					
SVOA Public Company Limited			19,313.50		19,313.50
Transactions with related to in the comprehensive income					
for the periods ended December 31, 2013 and 2012					
Unit : Baht					

for the periods ended December 31, 2013 and 2012		Unit : Baht			
		Consolidated		Separate	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Revenues from sales and services					
Kang Yong Electric Plc.	258,000.00	342,500.00	258,000.00	342,500.00	
New Kwang Sung Lee sugar Co.,Ltd.	12,000.00	600.00	12,000.00	600.00	
Permsin Steel Works Public Company Limited	42,800.00	58,450.00	42,800.00	58,450.00	
T.M.C.-Lao Assembly and Manufacturing Co., Ltd	-	-	4,252,831.61	-	
Revenues from sale fix asset					
T.M.C.-Lao Assembly and Manufacturing Co., Ltd	-	-	304,979.28	-	
Repair expenses					
SVOA Public Company Limited	33,130.00	319,900.00	33,130.00	319,900.00	
Permsin Steel Works Public Company Limited	599,812.50	526,170.00	599,812.50	526,170.00	
Interest income					
Mrs. Tabtim Kamolmongkolsook	-	11,362.29	-	11,362.29	
Administrative expense					
Advisory expense					
Mr. Teeraphap Kamolmongkolsook	-	290,000.00	-	290,000.00	

28.2 Managements' Remuneration

Managements' remuneration for the period ended December 31, 2013 and 2012, are as follows :

	Unit : Baht			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Short-term benefits	29,521,670.32	23,661,789.92	29,521,670.32	23,661,789.92
Benefits after retirement	2,959,756.00	2,178,775.17	2,959,756.00	2,178,775.17
Total	32,481,426.32	25,840,565.09	32,481,426.32	25,840,565.09

29. FINANCIAL INFORMATION SEGMENT

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating officer in order to make decisions about the allocation of resources to the segment and assess its performance. The decisions are made by the operations management of the Company and the Managing Director of the Company.

29.1 Financial information classified by business segment of the Company and its subsidiary for the yearly period ended December 31, 2013 and 2012 are as follows:

Financial information classified by business segment for the yearly period ended December 31, 2013 and 2012 are as follows:

Unit : Million Baht

	Consolidated																	
	for the yearly period ended December 31, 2013									for the yearly period ended December 31, 2012								
	Sales					Service			Total	Sales					Service			Total
	Press	Crane	M.Handling	Others	Sub Total	Service	Convert	Sub Total		Press	Crane	M.Handling	Others	Sub Total	Service	Convert	Sub Total	
Revenues	437.60	134.50	71.92	29.15	673.17	98.52	13.63	112.15	785.32	563.27	162.77	88.40	26.48	840.92	124.32	37.63	161.95	1,002.87
Cost					(540.95)			(94.97)	(635.92)					(631.53)			(82.53)	(714.06)
Gross profit					132.22			17.18	149.40					209.39			79,417	288.81
Other revenues									5.72									3.08
Selling expense									(41.35)									(29.30)
Administrative expense									(99.51)									(79.69)
Financial cost									(3.52)									(7.68)
Profit (loss) before income tax									10.73									175.22
Income tax revenue (expense)									(4.06)									(38.74)
Net profit (loss)									6.67									136.48
The parent shareholders' equity									7.16									136.48
Non-controlling interests									(0.05)									-
	for the yearly period ended December 31, 2013									for the yearly period ended December 31, 2012								
Property, plant and equipment									588.53									325.74
Other assets									646.78									646.59
Total assets									1,235.31									972.33

29. FINANCIAL INFORMATION SEGMENT (Cont.)

Financial information classified by business segment for the yearly period ended December 31, 2013 and 2012 are as follows:

Unit : Million Baht

	Consolidated																	
	for the yearly period ended December 31, 2013									for the yearly period ended December 31, 2012								
	Sales					Service			Total	Sales					Service			Total
	Press	Crane	M.Handling	Others	Sub Total	Service	Convert	Sub Total		Press	Crane	M.Handling	Others	Sub Total	Service	Convert	Sub Total	
Revenues	437.60	134.50	74.49	29.15	675.74	98.52	13.63	112.15	787.89	563.27	162.77	88.40	26.48	840.92	124.32	37.63	161.95	1,002.87
Cost					(542.90)			(94.97)	(637.87)					(631.53)			-82.53	-714.06
Gross profit					132.84			17.18	150.02					209.39			79,417.14	288.81
Other revenues									5.59									2.99
Selling expense									(41.35)									-29.30
Administrative expense									(98.37)									-79.60
Financial cost									(3.52)									-7.68
Profit (loss) before income tax									12.37									175.22
Income tax revenue (expense)									(4.05)									-38.74
Net profit (loss)									8.32									136.48
	for the yearly period ended December 31, 2013									for the yearly period ended December 31, 2012								
Property, plant and equipment									586.11									325.74
Other assets									648.21									646.73
Total assets									1,234.32									972.47

29. FINANCIAL INFORMATION SEGMENT (Cont.)

29.2 Financial information classify by geographical segment of the Company and its subsidiary for the yearly period ended December 31, 2013 and 2012 are as follows:

Financial information classify by geographical segment for the three months period ended December 31, 2013 and 2012 are as follows:

Unit : Million Baht

	Consolidated						Separate					
	for the yearly period ended December 31, 2013			for the yearly period ended December 31, 2012			for the yearly period ended December 31, 2013			for the yearly period ended December 31, 2012		
				Restated						Restated		
	Domestics	Overseas	Total	Domestics	Overseas	Total	Domestics	Overseas	Total	Domestics	Overseas	Total
Revenues	695.90	89.41	785.31	934.88	67.99	1,002.87	694.79	93.10	787.89	934.88	67.99	1,002.87
Cost	(585.84)	(50.08)	(635.92)	(663.01)	(51.05)	(714.06)	(583.71)	(54.17)	(637.88)	(663.01)	(51.05)	(714.06)
Gross profit	110.06	39.33	149.39	271.87	16.94	288.81	111.08	38.93	150.01	271.87	16.94	288.81
Other revenues			5.72			3.09			5.59			3.09
Selling expense			(41.35)			(29.30)			(41.35)			(29.30)
Administrative expense			(99.51)			(79.70)			(98.38)			(79.70)
Financial cost			(3.52)			(7.68)			(3.52)			(7.68)
Profit (loss) before income tax			10.73			175.22			12.35			175.22
Income tax revenue (expense)			(4.06)			(38.74)			(4.05)			(38.74)
Net profit (loss)			6.67			136.48			8.30			136.48
The parent shareholders' equity			7.16			136.48						
Non-controlling interests			(0.50)			-						
	as at December 31, 2013			as at December 31, 2012			as at December 31, 2013			as at December 31, 2012		
Property, plant and equipment			588.53			325.74			586.11			325.74
Other assets			646.78			646.59			648.21			646.73
Total assets			1,235.31			972.33			1,234.32			972.47

29.3 In formation about major customers

In 2013, the Company had total revenue from 7 major customers amount totaling Baht 221.34 million, which from assembly production for press machine and hydrolic and sold in the domestic. (Year 2012 from 9 major customers amount totaling Baht 1,252 million which from assembly production for press machine and Hydrolic and sold in the domestic.



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