



Loxley Public Company Limited

Loxley Public Company Limited

Annual Report

2011



Vision

“INSPIRED CHOICE FOR CUSTOMERS,
BUSINESS PARTNERS AND INVESTORS”

Mission

We seek to provide greater value in products and services to ensure complete customer satisfaction.

We strive to keep ahead of market changes and foster a climate of business innovation.

We seek to maintain our leadership in the area of information technology for our business progress.

We seek to continually strengthen our financial and human resources.

We shall adhere to the fair conduct of business for our shareholders, employees and society.

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BACKGROUND, MAJOR CHANGES AND MILESTONES



Loxley Public Company Limited has operated its business for over 70 years. It was founded on 15 January 1939 under the name Loxley Rice Company (Bangkok) Limited as a joint venture between Ng Yuk Long Lamsam and Andrew Beattie of W.R. Loxley Company of Hong Kong. Initially, the Company's main activities were exports of agricultural products of Thailand, including rice and timbers.

For over seven decades, the business has grown from strength to strength. In 1957, the Company's name was changed to Loxley (Bangkok) Company Limited and expanded its export businesses as well as distribution of foreign products including industrial products and advanced technology products. Due to its outstanding performance, the Company had attracted a huge number of leading local and foreign corporations, many of which later became the company's business partners. By the year 1988, with an aim to meet the ever-changing market demands, the Company expanded its business to cover technology.

On 1 April 1993, the Company was transformed into a public company, being listed on the Stock Exchange of Thailand under the name of Loxley Public Company Limited. Our shares began to be traded on 25 January 1994 under the designation "LOXLEY" in the commercial group of stocks.

The Company has always committed to operating its business with a comprehensive range of products and services, focusing on sustainable growth in order to cater client's needs and to manage our assets in accordance with the value-added principle for maximum benefits of shareholders, employees, and the society.

Message from the Chairman

In 2011, despite the Company being somewhat affected by flooding and economic recession, the performance of the Company saw a satisfactory financial result achieved. This last financial year saw the Company and its subsidiaries generate consolidated revenue of Baht 14,247.66 million, an increase of Baht 3,834.60 million from that of 2010. Total net profit was Baht 298.07 million, an increase of Baht 436.93 million over that of 2010. This added contribution in revenue was due to the undertaking of various mega projects within the Company's core business, growth in sales volume of consumer products and improved performance from the services businesses.

A certain number of the Company's staff was affected by the flooding that occurred toward the end of the 2011 year. The Company set up an emergency notification centre for the provision of assistance to staff both before and after the occurrence of the flood: issues such as helping to remove belongings, providing temporary accommodation, relief supplies and cash were taken care of. Further the Company rendered aid to all flood affected people by donating cash, general supplies and food both directly and through various organizations.

In 2012, the Company is determined to continue growth while maintaining stability. The Company is expanding its trading businesses and investments while expanding its trading network: firstly into neighboring countries, Vietnam, Laos, Myanmar and Cambodia as well as China. This expansion is undertaken in order to generate positive results from the business opportunities arising from the establishment of the Asean Economic Community in 2015. Moreover, the Company has expanded its business capabilities into alternative energy and environmentally friendly products sectors.

On behalf of the Board of Directors I would like to personally thank all shareholders, customers, partners, business alliances, including staff and management, who have been devoted in support of the Company's business operations thus bringing about the Company's continuous growth. We are confident that the Company's potential, together with ongoing support from everyone, will move the Company onward in a stable manner ensuring growth and greater prosperity.



(Mr. Pairote Lamsam)

Chairman of the Board of Directors

Activities in 2011



01. Loxley PLC with BlueScope Lysaght (Thailand) Group, e.g., BlueScope Lysaght (Thailand) Co., Ltd., BlueScope Steel (Thailand) Co., Ltd., delivered kindergarten multimedia room, mushroom nursery, and library roofing for Wat Klongtoey School in the occasion of the 72nd anniversary of Loxley.

02. Mr. Pairote Lamsam, Chairman of Loxley PLC received the Trade Award from H.E. Mr. Shalom Simhon, Minister of Industry, Trade, and Labor, State of Israel during the commendation of Asia Security Management Co., Ltd. as a business partner.

03. Loxley PLC exhibited Loxley's products, e.g., green products, consumer products, technology products, in China International SME Fair 2011 or CISMEF 2011 in Guangzhou, Guangdong, People's Republic of China.

04. L Solar 1 Co., Ltd. under Loxley Group together with MFC Asset Management PLC, Leonics Co., Ltd., and Colonel Dr. Prasert Shusang held a press conference of the grand opening of its solar power plant in Kabinburi, Prachinburi.

05. Loxley PLC with Bangchak Petroleum PLC under Ministry of Energy by Department of Alternative Energy Development and Efficiency, and Ratchaburi Electricity Generating Holding PLC signed a Memorandum of Understanding (MOU) to develop the industry of biofuels production from algae.

06. Loxley PLC expanded cooperation in power plant projects in the Republic of the Union of Myanmar.

07. Loxley PLC donated Baht 1,000,000 into “Capital Market Flood Recovery Fund” as a short- and long-term integrated recovery measure.

08. Loxley PLC with Smart Corporation PLC, Nokia Siemens Co., Ltd., and Huawei Technology (Thailand) Co., Ltd. under SL Consortium signed a contract with TOT PLC to build the 3rd Generation (3G) Mobile Network.

09. Loxley PLC donated 100,000 Nongpho UHT Milks and 20 boats for flood victims through the Flood Relief Operations Center (FROC).

10. Loxley PLC with Ministry of Science and Technology, Office of the Royal Development Projects Board, and Geo-Informatics and Space Technology Development Agency (Public Organization) launched the www.rdp.in.th website under the “Geo-Informatics Information Management System for Royal Development Projects” project.

11. Loxley PLC with Siam Dhurakit Technological College and Laemthong Technology College signed the Memorandum of Understanding (MOU) for human resource development in service industry, business administration, information technology, and industrial technology.

12. Loxley Trading Co., Ltd. held a press release of a new product Munchys biscuits, crackers, cookies, and wafer snacks, the Malaysias top seller, in “Munchys bite me bite Munchy’s” event.

13. Loxley PLC together with HARRIS CORPORATION, USA, has operated the DVB-T2 digital TV transmission trial for the Royal Thai Army Radio and Television Channel 5 at its broadcast station.

14. Loxley Wireless Co., Ltd. signed a contract with CAT Telecom PLC for the Gulf of Thailand Submarine Cable Project to support the telecommunications infrastructure among land stations and oil rigs in Gulf of Thailand from Sri Racha through oil rigs to Songkhla.

15. Loxley PLC with National Innovation Agency (Public Organization) and Chiangmai Environment Protect Co.,Ltd. launched the “Mobile Burn” gasification incineration project and received a Top Ten 2011 Business Innovation Award from National Innovation Agency.



Financial Summary

Loxley Public Company Limited and Its Subsidiaries

Unit : million Baht

Item	2011	2010 ** Restated	2009 * Restated
Total Revenues	14,247.66	10,413.06	10,280.24
Net Profit (Loss)	298.07	(138.86)	310.17
Earning (Loss) per share (Baht)	0.15	(0.07)	0.16
Total Assets	12,251.86	9,792.86	10,149.52
Total Liabilities	7,846.27	5,617.60	5,894.66
Paid-up Shares	2,000.00	2,000.00	2,000.00
Share Par Value (Baht)	1.00	1.00	1.00
Shareholders' Equity	4,405.59	4,175.26	4,254.86
Dividend per share (Baht)	N/A	0.05	0.00
Dividend to Net Income Ratio (%)	N/A	-72%	0%

* The adoption of Thai Accounting Standard (TAS) 19 "Employee Benefit" has been applied retrospectively, thus the audited financial statement for 2009 restated for comparative purposes.

** The adaption of deferred tax from unrealized gain on available-for-sale investments has been 2010.

Summary of 2011 operating results of Loxley Public Company Limited and its subsidiaries :

Assets : Total assets as at 31 December 2011 amounted to Baht 12,251.86 million ; an increase of Baht 2,459 million or 25.11% under the 2010 level.

Shareholders' Equity : Shareholders' equity as at 31 December 2011 was Baht 4,405.59 million ; an increase of Baht 230.33 million or 5.52% under the 2010 level.

Revenues : Total revenues for 2011 was Baht 14,247.66 million, representing an increase of Baht 3,834.60 million or 36.82% from the Baht 10,413.06 million under level of 2010

Net Income (Loss) : In 2011 Loxley and its subsidiaries recorded a net profit of Baht 298.07 million and net loss Baht 138.86 million in 2010

Financial Ratio

Financial ratio	31 December 2011	31 December 2010 ** Restated	31 December 2009 ** Restated
Net profit (loss) to total revenue	2.09%	-1.33%	3.02%
Return on average equity	6.95%	-3.29%	7.16%
Return on average total assets	2.70%	-1.39%	3.19%
Earning per share (Baht)	0.15	-0.07	0.16
Net book value per share (Baht)	2.20	2.09	2.13

* The adoption of Thai Accounting Standard (TAS) 19 "Employee Benefit" has been applied retrospectively, thus the audited financial statement for 2009 restated for comparative purposes.

** The adaption of deferred tax from unrealized gain on available-for-sale investments has been 2010.

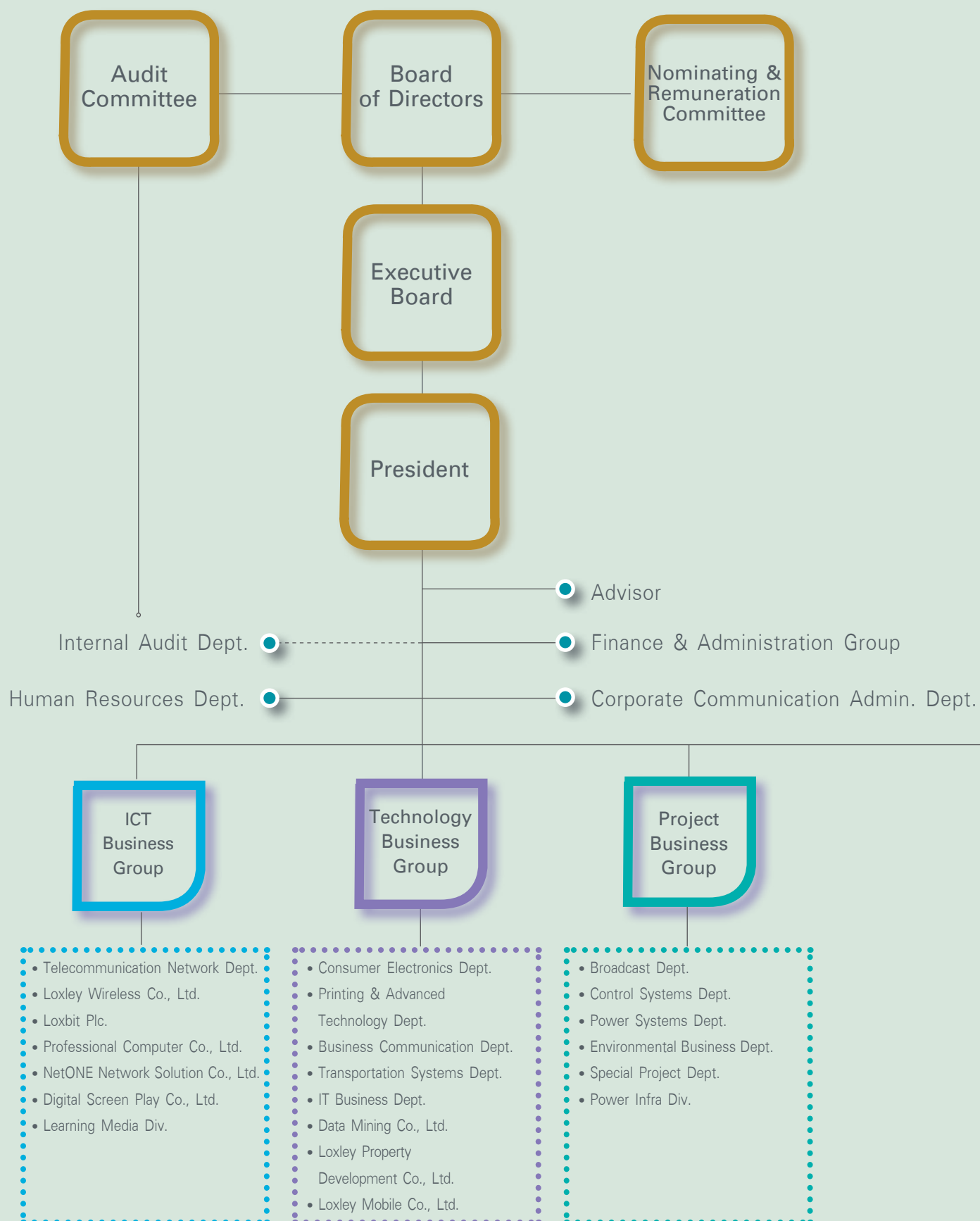
Revenue Structure

(ANNOUNCEMENT 56-2 FROM COMMITTEES OF STOCK EXCHANGE OF THAILAND)
 COMPARED INFORMATION FOR THE SAME PERIOD ENDED 2011, 2010 AND 2009

LOXLEY PUBLIC COMPANY LIMITED AND SUBSIDIARIES

REVENUE STRUCTURE	2011		2010		2009	
	TOTAL REVENUE	% C.SIZE	TOTAL REVENUE	% C.SIZE	TOTAL REVENUE	% C.SIZE
1. TECHNOLOGY	8,856.00	62.16	5,382.00	51.69	5,362.00	52.16
1.1 ICT BUSINESS GROUP	6,107.00	42.86	2,978.00	28.60	3,464.00	33.70
1.2 TECHNOLOGY BUSINESS GROUP	440.00	3.09	406.00	3.90	449.00	4.37
1.3 PROJECT BUSINESS GROUP	2,305.00	16.18	1,996.00	19.17	1,423.00	13.84
1.4 OTHER BUSINESS GROUP	4.00	0.03	2.00	0.02	26.00	0.25
2. TRADING	4,759.00	33.40	4,580.00	43.98	4,263.00	41.47
2.1 TRADING BUSINESS GROUP	4,759.00	33.40	4,580.00	43.98	4,263.00	41.47
3. SERVICES AND OTHERS	984.00	6.91	803.00	7.71	745.00	7.25
3.1 SERVICE BUSINESS GROUP	908.00	6.37	750.00	7.20	690.00	6.71
3.2 FINANCE & ADMIN / OTHERS	76.00	0.53	53.00	0.51	55.00	0.54
TOTAL REVENUE	14,599.00	102.46	10,765.00	103.38	10,370.00	100.88
<u>LESS</u> RELATED TRANSACTION	(379.00)	(2.66)	(382.00)	(3.67)	(204.00)	(1.98)
<u>ADD</u> UNALLOCATED OTHER REVENUE	28.00	0.20	30.00	0.29	114.00	1.11
GRAND TOTAL REVENUE	14,248.00	100.00	10,413.00	100.00	10,280.00	100.00

Corporate Structure



* ICT Business Group, Technology Business Group, and Project Business Group collectively called the Technology Business Segment according to characteristic of works which mostly are projects.

**Trading
Business
Group**

- Chemical Group
- Construction Materials Dept.
- Upcountry Business Dept.
- International Business Dept.
- Food Services Business Dept.
- Loxley Trading Co., Ltd.
- Parts Zone (Thailand) Co., Ltd.

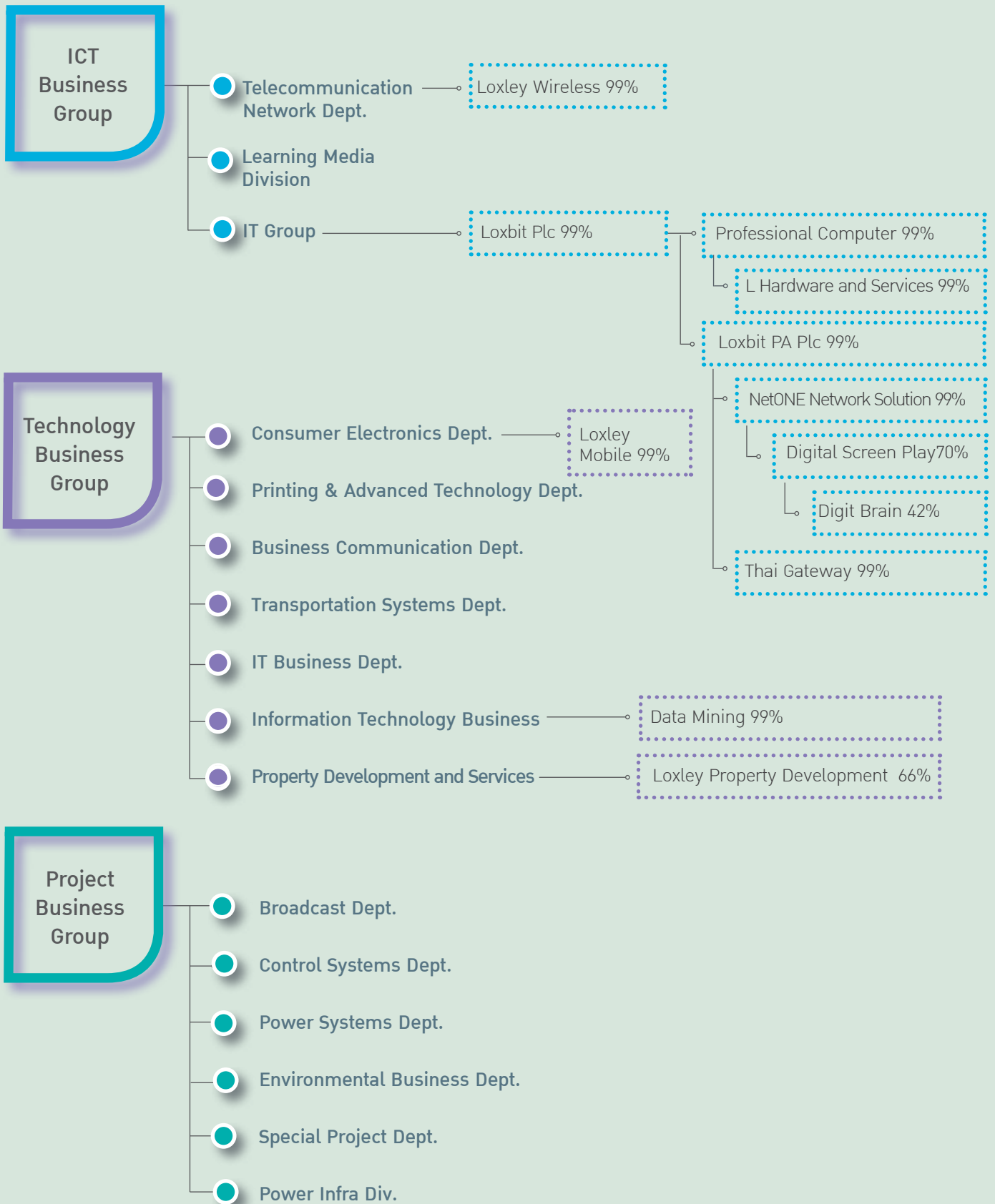
**Service
Business
Group**

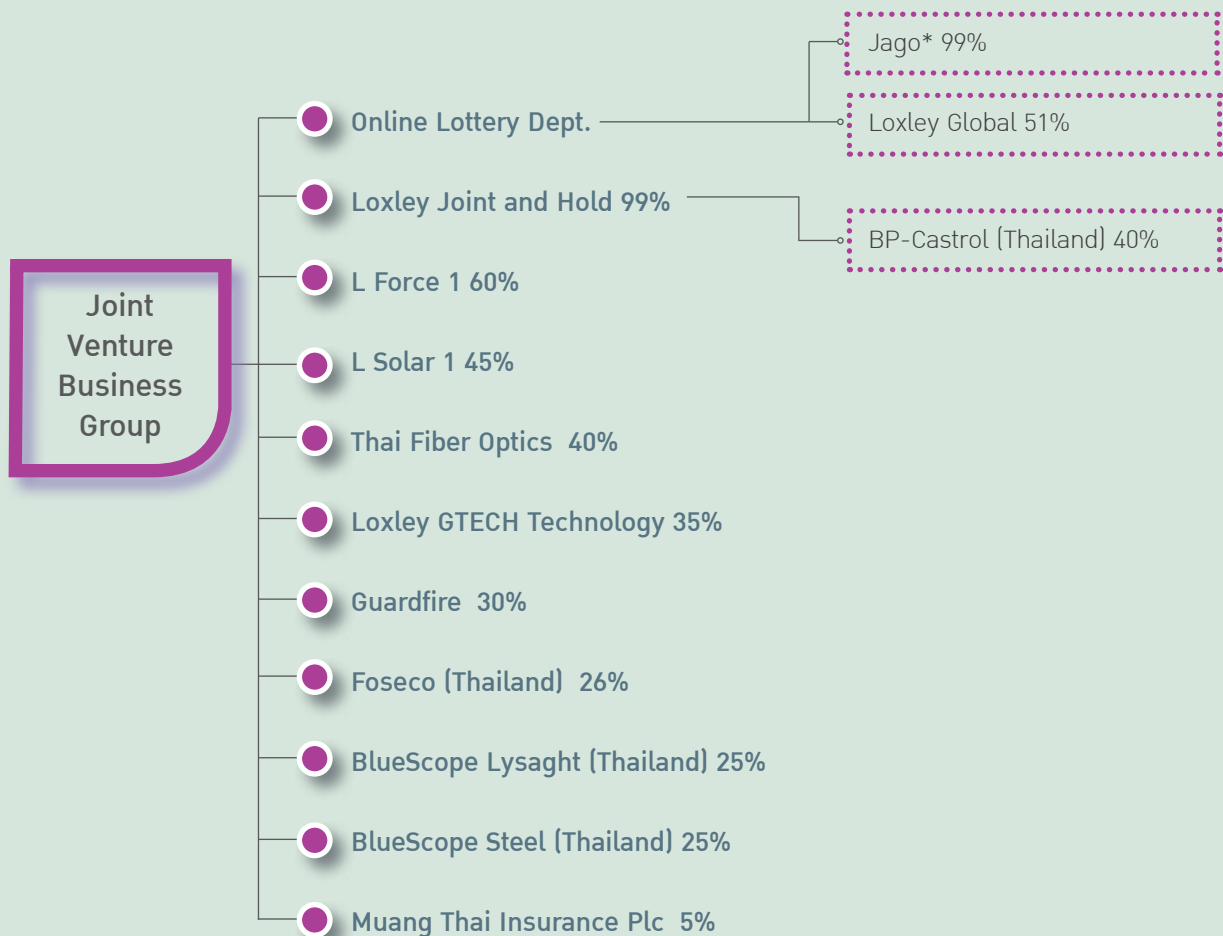
- Asia Security Management Co., Ltd.
- Oriental Post Co., Ltd.

**Joint Venture
Business
Group**

- Online Lottery Dept.
- L Force 1 Co., Ltd.
- L Solar 1 Co., Ltd.
- BP - Castrol (Thailand) Limited
- Thai Fiber Optics Co., Ltd.
- Loxley GTECH Technology Co., Ltd.
- Guardfire Limited
- Foseco (Thailand) Limited
- BlueScope Lysaght (Thailand) Limited
- BlueScope Steel (Thailand) Limited
- Muang Thai Insurance Plc.

Subsidiaries' Organization Chart





Remark : * Not yet started principal commercial operations

Board of Directors



1. Mr. Pairote Lamsam
Chairman



2. Mr. Sukit Wanglee
Vice Chairman



3. Mr. Dhongchai Lamsam
President



7. Dr. Supavud Saicheua
Independent Director



8. Mr. Charoon Chinalai
Independent Director



9. Mr. Dusit Nontanakorn*
Independent Director



13. Mr. Vasant Chatikavanij
Director



14. Mr. Suraphand Bhasitnirand
Director



15. Dr. Sompop Chareonkul
Director



4. Dr. Harit Sutabutr
Independent Director



5. Dr. Wissanu Krea-ngam
Independent Director



6. Mr. Sirin Nimmanahaeminda
Independent Director



10. Mr. Supachai Wanglee
Director



11. Mr. Suebrakul Soonthornthum
Director



12. Mr. Poomchai Lamsam
Director



16. Mr. Suroj Lamsam
Director



17. Lt. Chalermchoke Lamsam**
Director

Remarks: * Mr. Dusit Nontanakorn resigned on 6 September 2011.

** Lt. Chalermchoke Lamsam was appointed to be director on
30 December 2010.

Executive Board



1. Mr. Dhongchai Lamsam
President



2. Mr. Suebtrakul Soonthornthum
Senior Executive Vice President



5. Dr. Sompop Chareonkul
Senior Executive Vice President



6. Mr. Suroj Lamsam
Senior Executive Vice President



9. Mrs. Kosoom Sinphurmsukskul*
Executive Vice President



10. Mr. Thongyai Chanthanawan*
Executive Vice President



13 Mr. Supat Karachalkul*
Executive Vice President



3. Mr. Vasant Chatikavanij
Senior Executive Vice President



4. Mr. Suraphand Bhasitnirandr
Senior Executive Vice President



7. Lt. Chalermchoke Lamsam
Senior Executive Vice President



8. Mr. Sakchai Weerasakwattana*
Executive Vice President



11. Mr. Natavoot Chitasombat*
Executive Vice President



12. Mr. Saknarong Saengsangapong*
Executive Vice President

Note: * was appointed to be Executive Vice President on 1 January 2012.

List of Department Management in 2011

SENIOR VICE PRESIDENT

- | | |
|---------------------------------|----------------------------------------|
| 1. MRS. SUGANYA VEERAKIATIKIT | ADMINISTRATION & GENERAL AFFAIRS |
| 2. MR. ANUSONE RUTHAIYANONT | TRANSPORTATION SYSTEMS |
| 3. MR. THONGCHAI KONGSAKPHAISAL | CHEMICAL INDUSTRY |
| 4. MR. SAKCHAI WEERASAKWATTANA | CHEMICAL INDUSTRY |
| 5. MR. PRASERT SHUSANG (PH.D) | SPECIAL PROJECT |
| 6. MR. NARISORN MANASPITI | ONLINE LOTTERY |
| 7. MR. THONGYAI CHANTHANAWAN | TELECOMMUNICATION NETWORK |
| 8. MR. CHAMNAN CHOTCOMWONGSE | INTERNAL AUDIT |
| 9. MR. NATAVOOT CHITASOMBAT | PROJECT BUSINESS GROUP |
| 10. MR. SUPAT KARACHALKUL | CORPORATE FINANCE & INVESTOR RELATIONS |
| 11. MR. PRASERT SUVITHYASIRI | INTERNATIONAL BUSINESS |

VICE PRESIDENT

- | | |
|-------------------------------------|-----------------------------------------|
| 1. MR. WIROTE LIMPANAWATTANAKUL | TRANSPORTATION SYSTEMS |
| 2. MR. KOMSON RUNGRUENSORAKARN | CORPORATE COMMUNICATION ADMINISTRATION |
| 3. MISS PATRA LAOHAPOLWATANA | INTERNATIONAL LEGAL AFFAIRS |
| 4. MR. TIM TAK TIMOTHY WONG | OFFICE OF THE PRESIDENT |
| 5. MISS NALINEE BIJAISORADAT | INFORMATION SYSTEMS |
| 6. MISS SARIPORN PRUKSATHORN | ACCOUNTING MANAGEMENT |
| 7. MR. SUTON RAKPRATHED | BROADCAST |
| 8. MR. PATTARA POJANAPANICH | BROADCAST |
| 9. MR. NIMIT PRASERTSUK | POWER SYSTEMS |
| 10. MR. SANIT RATANAVADI | OFFICE OF THE PRESIDENT |
| 11. MR. DAWARIT TANSUPHASIRI (PH.D) | HUMAN RESOURCES |
| 12. MR. ANUCHA DUNGSIRISANGTHONG | CHEMICAL INDUSTRY |
| 13. MRS. SUPHATTRA BUSARAKUL | PRINTING & ADVANCED TECHNOLOGY |
| 14. MR. ARTHASITH KATANYUTANON | SPECIAL PROJECT |
| 15. MR. PICHAI MOOPUTTARAK | LEGAL & SECURITIES |
| 16. MR. NATTAPON DEJVITAK | TRADING BUSINESS GROUP'S ADMINISTRATION |
| 17. MR. PIBOON PIBOONTUM | FINANCIAL MANAGEMENT |
| 18. MR. PISES DISSAWAT | OFFICE OF THE PRESIDENT |
| 19. MR. WITAWAT MEESOMMONTA | FOOD SERVICES BUSINESS |
| 20. MR. KITTICHAJ RAKTAKANIT | GREEN SOLUTIONS |
| 21. MR. MANIT LOHATEPANONT | OFFICE OF THE PRESIDENT |
| 22. MRS. KRUMAS PUWATTANAVANICH | FINANCE & CREDIT |

ASSISTANT VICE PRESIDENT

- | | |
|------------------------------------|----------------------------------------|
| 1. MR. TAWEEWAT TACHAKUMTORNKIT | ENVIRONMENTAL BUSINESS |
| 2. MR. WERASAK PATTARAPAKORN | TRANSPORTATION SYSTEMS |
| 3. MR. SIRICHAJ CHAROENPHOLPHANT | CONTROL SYSTEMS |
| 4. MR. WICHAN WITONKITWANICH | CHEMICAL INDUSTRY |
| 5. MRS. SUDKANUENG MALITHONG | OFFICE OF THE PRESIDENT |
| 6. MISS MALINEE SAHAVONGJAROEN | ACCOUNTING MANAGEMENT |
| 7. MRS. WANIDA SANGKAEW | CONSUMER ELECTRONICS |
| 8. MR. WATCHARIN THANGJIDVIRIYAKUL | CHEMICAL INDUSTRY |
| 9. MRS. THAVEERATANA LEELANUJA | CORPORATE SOCIAL RESPONSIBILITY |
| 10. CDR. NIJKASEM PANYARACHUN | OFFICE OF THE PRESIDENT |
| 11. MRS. NETRA RUTHAIYANONT | OFFICE OF THE PRESIDENT |
| 12. MR. VORANUN UTANJID | HUMAN RESOURCES |
| 13. MISS SASANPIN RATANANUPONG | GREEN SOLUTIONS |
| 14. MR. CHAIRAT LAOSURASOONTORN | BUSINESS COMMUNICATION |
| 15. MR. PATIYUT CHANTRAKANTANOND | CONTROL SYSTEMS |
| 16. MR. BOONLERT JAIMUN | CORPORATE FINANCE & INVESTOR RELATIONS |
| 17. MRS. PENSIRI SOWANWANICHAKUL | IT BUSINESS |
| 18. MR. PUTTHITORN VONGPRECHAKUL | FOOD SERVICES BUSINESS |

Directors in the Subsidiaries Directly Owned by Loxley

LOXLEY WIRELESS CO., LTD.



1. MR. DHONGCHAI LAMSAM
2. MR. VASANT CHATIKAVANIJ
3. LT. CHALERMCHOKE LAMSAM
4. MR. THONGYAI CHANTHANAWAN (MD)
5. MR. TIM TAK TIMOTHY WONG
6. MR. WERACHAI KITSIRISIN

LOXBIT PLC



1. MR. VASANT CHATIKAVANIJ
2. MR. SAKNARONG SAENGSANGAPONG (MD)
3. MRS. VANIDA VIRIYATHARANGKUNR
4. MR. TIM TAK TIMOTHY WONG
5. MRS. PUANGKAEW POJANAPANICH
6. MR. THAVISAKDI THANGSUPHANICH
7. MRS. VONGTHIP CHUMPANI

ASIA SECURITY MANAGEMENT CO., LTD.



1. MR. DHONGCHAI LAMSAM
2. MR. SUEBTRAKUL SOONTHORNTHUM
3. DR. SOMPOP CHAREONKUL
4. ADM. TAVEECHAI LIENGPHIBOON
5. AM. ADIREG SASTARARUCHI
6. MR. CHUSAK BHACHAIYUD
7. MR. KARN THONGYAI (MD)
8. MR. SUPAT KARACHALKUL
9. MR. ZAMIR EL DAR
10. MR. SHAI MEIRAV
11. MR. EHUD HERBST
12. MISS OSNAT LEVAV

DATA MINING CO., LTD.

1. MR. DHONGCHAI LAMSAM
2. MR. SUEBTRAKUL SOONTHORNTHUM
3. MR. VASANT CHATIKAVANIJ
4. MR. SUROJ LAMSAM
5. MRS. SUGANYA VEERAKIATIKIT
6. MRS. SUDKANUENG MALITHONG

LOXLEY MOBILE CO., LTD.

1. MR. VASANT CHATIKAVANIJ
2. MR. SUROJ LAMSAM
3. LT. CHALERMCHOKE LAMSAM
4. MR. TIM TAK TIMOTHY WONG
5. MRS. SUGANYA VEERAKIATIKIT
6. MRS. WANIDA SANGKAEW

LOXLEY PROPERTY DEVELOPMENT CO., LTD.



1. MR. PAIROTE LAMSAM
2. MR. DHONGCHAI LAMSAM
3. MR. SUEBTRAKUL SOONTHORNTHUM
4. MR. VASANT CHATIKAVANIJ
5. MR. SURAPHAND BHASITNIRANDR
6. MR. SUROJ LAMSAM (MD)
7. LT. CHALERMCHOKE LAMSAM
8. MRS. SUGANYA VEERAKIATIKIT
9. MR. VICHAYA CHATIKAVANIJ

LOXLEY TRADING CO., LTD.



1. KHUNYING CHATCHANI CHATIKAVANIJ
2. MR. PAIROTE LAMSAM
3. MR. SUPHOT WANGLEE
4. MR. DHONGCHAI LAMSAM
5. MR. SUEBTRAKUL SOONTHORNTHUM
6. DR. SOMPOP CHAREONKUL
7. MR. SURAPHAND BHASITNIRANDR
8. MR. PHEAT WANGLEE
9. MRS. KOSOOM SINPHURMSUKSKUL (MD)

L FORCE 1 CO., LTD.

1. MR. SUEBTRAKUL SOONTHORNTHUM
2. LT. CHALERMCHOKE LAMSAM
3. COL. PRASERT SHUSANG
4. MR. PIBOON PIBOONTUM
5. MR. SAKDA SRIVIRIYAHPHAIBOON
6. MR. PONGPUN WADWIENG
7. MRS. JUREERAT SRIVIRIYAHPHAIBOON

PARTZONE (THAILAND) CO., LTD.



1. MR. SURAPHAND BHASITNIRANDR
2. LT. CHALERMCHOKE LAMSAM
3. MR. GRAHAM STORAH
4. MR. NATTAPON DEJVITAK
5. MR. WACHIRA YONGYAI (MD)
6. MR. KEATTISAK IAMSRI
7. MR. PONGTHEP SURATTANAVONGKUL

SOCIETE COMMERCIAL LAO CO., LTD.

1. MR. SUEBTRAKUL SOONTHORNTHUM
2. DR. SOMPOP CHAREONKUL
3. DR. JINGJAI HANCHANLASH
4. MRS. VANIDA EKSAENGSI
5. MR. VIPHET SIHACHAKR
6. MRS. SANGMANEE VIYAGATE

Business and Operation Structure





ICT

Business Group

Overview

The Group has been separated into 2 business divisions, i.e., Telecommunications, and Computer products, where the Telecommunications Business Division is responsible for complete telecommunications infrastructure services, telecommunications equipment distribution, and wireless broadband internet services, while the Computer Business Division is responsible for financial and banking services, IT, and computer services.

The Information and Communications Technology projects generally require continuous maintenance after system installation is completed or during normal use. Whenever a department within the Group is chosen in a project, it is usually selected to maintain it as well. This results in maintaining revenue level of the Group. Nevertheless, by building partnership with internationally-known technology manufacturers, the Group can also develop its staff as respective system experts at the same time as its team building technique.

In 2011, the Group has been chosen to manage 2 mega projects, e.g., Third Generation Mobile Network (3G) Implementation, and Submarine Cable System whose revenue will continuously contribute to the Group's growth.

■ ■ ■ ■ ■ Telecommunication Network Department

Scope of Products or Services

The Department engages in a procurement and complete services of large telecommunications equipment as a System Integrator including (1) Transmission: SDH & DWDM high-speed communications equipment, Microwave equipment, Fiber Optics (2) Satellite System: Mobile

Satellite Communication trucks (3) Access System and (4) Mobile Base Station construction.

Marketing and Competition

The Department is targeting at large enterprises in either government and private entities, e.g., CAT Telecom (Public) Co., Ltd., TOT (Public) Co., Ltd., Provincial Electricity Authority (PEA), Higher Education Commission, Signal Department Royal Thai Army, etc. Additionally, the Department also possesses staff with high expertise in project management and technical support in order to ensure efficient system the customers purchased and look for.

Most projects are resulted from high competition auctions especially in the government entities where e-auction policy was enforced. Part of the business competitions are of international companies. However, the Department holds supporting factors essentially required in such competition especially in consistent service quality and suitability of product solutions bundling for current business operations and customer requirements.

On-going Project

On-going project includes the Fiber Optics installation project for the Higher Education Commission in the 3rd phase, 2011-2012.

Loxley Wireless Company Limited ■ ■ ■ ■ ■

Scope of Products or Services

Loxley Wireless Co., Ltd. is a subsidiary of Loxley Plc that engages in telecommunications business in 4 major areas:

On-going Projects and Future Plans

The Company has new platform of IVR, EDC and ATM installation projects for banks, full color Credit Card Statement printing based on lifestyle. Loxbit aims at becoming the one-stop shopping company which provides all necessary equipment and procedures for prospective and existing customers. Loxbit plans to provide services in data management for organization security, risk management and IFRS for banking and financial institutes. The new technology for Interactive Voice Response System that allows multiple protocols of communications in one single generic platform will give the users access to it by their own convenience channels and make the providers a lot easier to maintain and manage. The replacement project for new EDC model that support GPRS is another ongoing project.

and services and reasonable prices. The Company has the policy to continuously emphasize to controlling product costs, delivery, including increasing efficient management.

The Company also selects products from manufacturers with quality standards such as IBM, HP, CISCO, Oracle, and Microsoft. Its prospective customers include the government sector, state enterprises, telecommunication businesses, healthcare businesses, and banking businesses. In addition, we'd increased to expand our market on Agriculture Factory and also The Private Company by offering services through delegated distributors and sales representatives.

On-going Projects and Future Plans

Projects to be delivered are : Krung Thai Computer Services Company Limited, Fund for Student Loan' Project, Office of the Permanent Secretary for the Ministry of Interior, projects for the Comptroller General's Department, and the Revenue Department.

In the future the Company will target network expansion projects, virtualization, Video Conference system installation projects, e-TAX portal projects, and e-Procurement projects (Phase III) in order to expand its business offerings and services to existing and potential customers.

Professional Computer Company Limited

Scope of Products or Services

The Company offers total IT solution services including distributing, renting, and maintaining computer hardware, software, network and site preparation. It also offers consultancy services in Information Technology and computer center management through its professional and highly qualified staff.

It is a founder member of The Association of Thai Software Industry (ATSI), Software Industry Club of The Federation of Thai Industries and receives quality standards of ISO9001:2008 from MASCI, CMM standard level2, ISO 29110 (The Foundation of innovate and develop Institute) and other awards including IBM BEACON Award (2003). Moreover, the Company has been granted certification for the Maturity Model for Software (SW-CMM) Level 2 which was a world-wide software development standard in 2005. The Company also emphasizes upgrading its software development team to CMM level 2 and its IT Outsourcing team to Information Technology Infrastructure Library (ITIL) Certifications. Presently, the Company's staffs have completed more than 100 certifications within the IT field.

Marketing and Competition

Despite last year's political conditions which have affected the Company's business through the delays in purchases, Government IT budget decrease. Besides, the Company still emphasizes offering standardized solutions

NetONE Network Solution Company Limited

Scope of Products or Services

The Company has engaged in a business as a Data Communication System Integrator by distribution and lease of network equipment, computer system, as well as the design and installation of network infrastructure, and mission-critical operations through the data-voice-video integration technique over the Internet. The Company also provides IT network security system and computer system installation with increasing demand especially for SMEs, and large enterprises with Internet usage and data communications among branches. The Company also targets in maintain product quality and excellent services.

The Company is a distributor of internationally known products, e.g., Cisco System Inc., F5 Network, Blue Coat, and Microsoft. In 2011, the Company has been certified by Cisco System as the Gold Certified Partner, which is the highest certification possessed by a few Thai companies.

Marketing and Competition

Thailand's Internet communication development has promoted the Company's distribution of equipment and services as well as various services that meets efficient use of Internet usage demand, and with high security that customers can enjoy.

On-going Project and Future Plan

The Company's pending projects include Network Integration and Maintenance Project for TOT (Public) Co., Ltd., Big C Supercenter, government entity, large enterprises, and several network infrastructure operations projects. Additionally, the Company also expands itself in vertical market integration, e.g., among medium-to large-factories, educational institutes, hotels, hospitals, etc.

The Company plans to expand into the high demand market, e.g., Service Outsourcing, networking system, and security system by emphasizing its Desktop Network Management and Services, and security system.

In addition, the Company plans to improve its service up to international standard by applying for the ISO/IEC 20000-1:2011 in the past year. Nevertheless the Company continues to encourage its engineers to apply for International Certification as well as providing a network lab for internal research and self-experiment for the engineers.

design of digital contents for every level of education which is an essential factor for the customers to utilize its ICT system for education.

Marketing and Competition

The Company's feature is the possession of staff with high expertise in both e-Learning services over the Internet, and network services that can be integrated and efficiently expanded its business operations in the highly competitive market.

On-going Projects and Future Plan

The Company's pending projects along the 10 years course for Phranakorn Rajabhat University starting from 2006, the 3-year ICT educational Integration Learning Center project for Triam Udom Suksa School, the 1-year e-Learning Center Management for MICT, including content development in online gaming over social media for Bank of Thailand, which is currently in implementation stage.

In the near future, the Company plans to develop its services for universities, and companies, who are interested in supporting the government's e-Learning policy, by importing the Smart Classroom system, to Edutainment Digital Contents over various devices, e.g., Tablet PC, Smart TV, Interactive TV, and Smart Phones.

■ ■ ■ ■ Digital Screen Play Company Limited

Scope of Products or Services

The Company is a subsidiary of NetONE Network Solution Co., Ltd. that engages in e-Learning services over the Internet in one-stop service operations. The Company possesses experts in both Digital Contents Production and e-Learning Management and Services for either educational institutes or any interested organizations in e-Learning over the Internet. The Company has vast experience in education center over Rajabhat University's Information Technology system as public-private partnership for over 10 years. It also implemented the electronics learning center for Ministry of Information and Communications Technology, ICT Integrated Learning Centers, Triam Udom Suksa School, and several organizations.

From years of experience in e-Learning business, the Company has gained expertise in manufacturing and

Mobile Innovation Company Limited ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

Scope of Products or Services

The Company provides Thailand's first Real Time Fleet Management System services as an Application Service Provider (ASP) entitled Fleet Expert. This tracing and tracking technology combines GSM communication networks, GPS Satellites (Global Positioning System) and Digital Vector Map technologies to enable call center monitoring of accurate co-ordinates of fleet, text based fleet positions and information on existing conditions. The system permits authorized staff to monitor fleets' movements, drivers' behaviors, vehicles' status, with details reports for vehicle management such as Safety & Economical Driving Report, Trip Management Report etc. as well as to interactively communicate (2-way communication) to the drivers directly from the control center.

Marketing and Competition

Its competitive strategy is focused not only on good-quality services and provision of reliable and constant services to clients, but also on appropriate and reasonable pricing. Work will, therefore, be based on and follow the direction of its clients' requirements with a clientele base both in the private and public sectors. Its target clients range from entities which have a number of cars, such as logistics companies and retailers. Market competition focuses on pricing and various service strategy offerings.

Despite a severe competition within the industry, most of the competitors are focusing on prices. The company emphasizes on not only having highly skillful and experienced personnel who handle services, providing both consultation and after-sales services but also continuously develop more suitable solutions and value added services for our customers. Thus the Company gains customers' confidence and product loyalty and we can expand customer base.

Future Plans

The Company focuses not only on providing management services and location monitoring systems but also new services that can collaborate with our shareholders, DOCOMO and Loxley Plc. for every category of logistics businesses including private vehicles and will be expanding its operations to neighboring countries, especially ASEAN region, with accessibility to GSM telephone signals, which will be mentioned as below. The company will increasingly invest on procuring equipment and upgrading its various technologies to achieve better operational efficiency which should effectively meet and exceed its clients' demands and expectations.

For new businesses in Year 2012, we have planned to launch various services with various technologies which relate to GSM network, such as Location Management System, Asset Management System, SMS Service System and mobile GPS tracking.

aimed for learning institutes and individuals who have the urge to acquire new knowledge and skills in ICT, which enable them to deliver the highest level of benefits to the organizations that work for. Training programs and services are as followed: OPPY (Old People Playing Young) Club established by Khunying Chatchani Chatikavanij. OPPY Club has offered ICT training for elderly since 2000 with over 4,000 members as well as other fun activities, e.g., sightseeing, invention, arts, etc., Beside OPPY, we also provide other programs such as PIE (Parent Internet Education), SME Online, PLAY Camp for Kids, Internet Marketing Tactics, Intelligent e-Learning, Instructional Design, Train-the-Trainer in ICT and Customized Corporate Training Programs.

Marketing and Competition

In general ICT training under highly competitive market, the service provider has to compete in both quality and price while the market for ICT training course for the elderly and senior executives is less competitive where the Division is focusing on. However, others competitor that the Division may have to pay attention to is social activities and health care activities for senior citizens which have a high impact on living style of these target group.

The Division has advertised via various media, e.g., newspapers, magazines, radio, television, OPPY Newsletter (every 3 months), OPPY website (<http://www.happyppy.com>), OPPY Facebook (<http://www.facebook.com/OPPYClub>) and past customers, who may also introduce new customers, when the new training courses are arranged. For OPPY Club, we provide 3-hours free computer and Internet training courses as part of our marketing plan. Additionally, it also publicizes new training courses and activities through strategic partners, e.g., Muang Thai Smile Club of Muang Thai Life Insurance and other business sector related to health care activities.

Future Plans and Projects

The Division has planned to expand its services to "Lifelong Learning Center" concentrating on both ICT training courses and non-ICT training courses such as painting, crafting, cooking, sight-seeing and etc. Beside training program, we plan to provide other related IT services for OPPY members. Train-the-trainer in ICT subjects also provided to government and private sector. ■

Learning Media Division

Scope of Products or Services

Learning Media Division is a business unit that is determined to create and offer the highest level of quality and standard ICT training programs. Such programs are

TECHNOLOGY

Business Group



Overview

The Group has been providing services and procurement of technology products, e.g., 3G mobile service reseller, mobile phone distributors, and related products. It also provided services and sales of printing products, installation of expressway management system, railway signaling system, as well as real estate management and services.

In 2011, the Group has expanded itself into being a distributor and repair service centers of iPad tablet products as well as into respectively new business venture.

Consumer Electronics Department

Scope of Products or Services

The Department is a distributor of Sony Ericsson mobile phones including Apple iPad tablets and leading brands. It has been officially appointed by Sony Ericsson and Motorola to operate its repair and after-sale service centers of those units. Additionally, the Department was chosen by TOT (Public) Co., Ltd. as one of its 3G mobile phone reseller, a.k.a. Mobile Virtual Network Operator (MVNO) and also licensed by the National Broadcasting and Telecommunications Commission (NBTC) to operate under the Type I telecommunications service. Its i-Kool Real 3G mobile service brand has been operating for 2 years to provide data, voice, SMS, and video call adding airtime revenue to the Department in the long run.

Marketing and Competition

Today the Telecommunications and IT business has been developed in the area of technology of data communication speed that supports modern applications and entertainment activities, e.g., applications as a assistive tool for effective work processes, music and movies, games, facebook, etc. Therefore, more utilization of 3G high-speed data communication capability by consumers, the Department as an MVNO would also gain more Airtime revenue from its customers. It also plans to put emphasis on Data services and corporate customers who focuses on data usage. In addition, the Department also held marketing activities to build customer base and retain existing i-Kool Real 3G subscribers in the long run from its successful marketing that puts it to being the second-best of TOT's MVNOs.

Future Plans

The Department plans to distribute 3G SIM cards and devices that leads closer to daily activities by providing various applications for each group of consumers via different packages for organizations and corporate uses to best utilize i-Kool Real 3G for its business use. Additionally, the Department also put emphasis on differentiation by providing data services for effective 3G usage among customers. As TOT's 3G network is being expanded into provincial areas, the Company will also expand its distribution channels into such areas as well as efficient after-sale services in order to retain its subscribers in the long run.

■ ■ ■ ■ ■ Printing & Advanced Technology Department

Scope of Products or Services

The Department imports Miyakoshi's Variable Digital Inkjet and offset printing products from Japan and desktop digital Inkjet printing import including complete consultants services in design, procurement, and installation of printing processes, as well as security printing techniques. In addition to various printing services, it also provides toner/ink, spare parts, printing apparatus, and after-sale services.

Marketing and Competition

The Department's products have been well perceived in today's printing market although market demand tends to require various coloring techniques including accounting statements, credit card invoices, and telephone bills. Although there is competition in variable digital printing market but the number is low and even at higher prices.

Future Plans

The Department plans to penetrate into high-speed printing market and high-quality digital color printing among private entities.

Marketing and Competition

During this era of digital technologies, both government and private sectors have increasing demands for the latest technologies in order to increase their competitiveness and effectiveness in the marketplace. Despite fierce competition in terms of price and service among domestic and international companies, the Department has had an advantage on having a large base of customers who have trusts on the company's good service and product quality, thanks to its 25-year experience. This has contributed to the Department's good performance over the years.

Additionally, the Department has incessantly focused on personnel development. To enhance the employees' skills and working effectiveness, all of the employees at all levels have been given opportunities to be trained in related fields in national and international institutes on a regular basis.

On-going Projects and Future Plans

Currently, the Department's on-going projects include call center and IPPBX system improvement for Muang Thai Life Insurance Company's Chiang Mai branch; Muang Thai Assurance's contact Center; telephone network system improvement for Sukhothai Thammathirat University; TOT's 113 Call Center; Excise Call Center; CAT Telecom's new contact center; PEA's (Provincial Electricity Authority) VOIP upgrade; and telephone system improvement for leading hotels including the Four Wings Hotel; and the Hilton Silom Hotel.

In the future, the Department plans to bid more projects of governmental, state enterprise, and private organizations, which include Multi-Channel Contact Center projects, Data Networks and Wireless Networks projects, and Unified Communications projects.

■ ■ ■ ■ ■ Business Communication Department

Scope of Products or Services

The Department is providing communication system products and services to both state and private organizations. The products and services can be categorized into Voice Network, and Data Network. The Voice Network products include legacy PABX, IP PABX, Unified Communications, Voice Over IP, Contact Center and related applications. The Data Network products include Router, Switch, Wireless Access Point, Video Conference, Data Security and others related products. At present the Department distributes products and services from world-class manufacturers including Avaya, Aruba, Audio Code, Hua Wei, Dell, HP and many more.

Most of the products and services are imported with distributing licenses. Only a few specific products are ordered directly from distributors for turn-key projects.

Transportation Systems Department ■ ■ ■ ■ ■

Scope of Products or Services

The Transportation Systems Department provide a full systems service to the customer complete with design, manufacture (in country and oversea) assembly, installation, test, documentation (operate and maintenance), training, and maintenance service to make sure that our customer will received a full comprehensive system. Our service cover



Railway Signaling System, Community Train Control System, Train Telecommunication, Intelligent Traffic Control System, Toll Collection System (Cash and Electronic), Traffic Control System.

All of our products are emphasized the use of environment friendly equipment and control all process under the international standard ISO 9001.

Marketing and Competition

All Government policies which emphasize infrastructure development, especially road and rail transportation systems have provided the Department with good business opportunities. The Department has undertaken projects for responsible authorities such as the State Railway of Thailand, the Expressway Authority of Thailand, Mass Rapid Transit Authority of Thailand, Bangkok Expressway Public Company Limited, Department of Highway, Metropolitan Waterworks Authority of Thailand. The Department has partnered with the well-known international corporations (particularly European Companies) which offer high quality technologies at reasonable prices. Since the Department's products offering require specialized skills and expertise, competition in this market has not been intense.

Future Plans

The Department consistently follows up on Government related plan and policies on Transportation Systems Development include the investment in the concession process or PPP project if required by the Government.

has developed a Data Communication Network system, software application system, IT security system, including information center upgrade for the government entities, state enterprises, banks, and major private companies.

One of the Department's major products includes the Location Based Information System (LBIS) that tops off corporate information technology usage in order to efficiently support strategic planning and decision making of top executives. It also analyzes information, provides overall data, and details of each information point with complete accuracy. Its main customers include government entities, state enterprises, bank, and private companies, who utilize the system in survey, assessment, project/department monitoring system in Real Time. It also received an award in flood prevention and preparation system with remedy flood and problem solving processes in order to completely meet with corporate requirements.

Marketing and Competition

Technology development and implementation in any organization has directly and indirectly influenced the business. Therefore highest utilization of technology is vital in whether or not the organization will proceed with effectiveness and efficiency in the highly competitive market.

As today's Information and Communications Technology market is highly competitive with rapid changes, the Company must put emphasis on providing suitable solutions for its customers by providing Perceived Price in order to gain Perceived Value. Additionally, after-sale service is also essential in utilizing service mind into providing best services.

IT Business Department

Scope of Products or Services

The Department has been providing design and installation of complete Information and Communication Technology network with technical experts with high experience by planning according to customer's requirement to most efficiently access and utilize the information system as well as corporate risk management and prevention in hardware and software asset. In the past, the Department

Data Mining Co., Ltd.

Scope of Products and Services

The Company has been operated in information technology business, computer system and peripherals, and related processing systems, e.g., specific application and data processing software, and system integration from core systems to complicated process design solutions to meet customer needs.

Marketing and Competition

The Company's major customers are law enforcement entities, anticorruption agencies in both government and private sectors where vital financial information is required for investigation to prevent money laundering and abusive terrorist activities.

Future Plans

The Company has planned to expand the business to cover state organizations by offering computer system installation service in addition to financial protection and crime control.

■ ■ ■ ■ ■ Loxley Property Development Co., Ltd.

Functions and Responsibilities

The Company engages in the real estate business in 2 areas, i.e., real estate development, and real estate management. In real estate development area, the Company has to prepare feasibility study of any real estate investment through research and analysis. A summarized report will be prepared for determination of the highest return on investment. Additionally, the real estate management area includes office space rental, advertisement billboard rental, cleaning services, and public utility within the buildings as well as other related completed services.

Operations in Preceding Year and 2012 Plan

In 2011, the operation has provided consistent return as well as adding corporate images in various projects including real estate investment in high potential areas around Bangkok and provincial areas. In real estate management, the Company emphasizes business strategy building, customer base expansion, and service development up to international standards, as well as efficient team building through continuous training and practices. ■



Overview

The Group has been in public utility operations, e.g., TV and Radio communications, energy processes, electrical systems, waste water management, including specialized tools and electronic equipment, by winning auctions arranged by the government, state enterprises, and private organizations domestically and internationally covering survey processes, design, installation, customized implementation, maintenance, and consultations in various projects.

The 2011 flood crisis has vast impact on some ongoing projects affecting delays in deliverables from related parties. While the customers were aware of the inevitable, the Group's field offices within the jeopardized zones had been well prevented and saved from the crisis.

Most of the Radio and Television broadcasting products are technology products which are needed to be imported from other countries such as United States, Japan and European countries. However, some equipment can be manufactured and supply local suppliers.

Marketing and Competition

According to the National Radio and Television Broadcasting Act of Thailand latest version, there is the possibility to move broadcasting technology to Digital Broadcasting. This will increase the broadcast capability from 1 program to more programs. This will help stimulate the customers to expand their business by changing to new technology. Therefore, the potential in this business is still vast in future.

Our customers comprises of government sector, state enterprises and private sector including Radio and Television broadcasting business, such as the Public Relations Department, Royal Thai Army Radio and Television, MCOT Public Company Limited, Parliament Radio and Television Station, Military Development Office and others.

Ongoing Projects and Future Plans

Broadcast Department has projects which are under implementation and has plan to deliver in 2012, those are the Procurement of Television Transmitter of Television Thailand, Public Relations Department, The procurement of Radio Transmitter of Office of Secretary of the Parliament, the Procurement of Radio Transmitter of Army Signal Department, the Improvement of Television Transmitter of Army Television, the Studio and Transmitter Equipment Upgrade of central radio transmission room of MCOT.

Broadcast Department

Scope of Products and Services

The Broadcast Department operates as representative or authorized dealer of Television and Radio transmitter equipment also other equipment associated with television and radio broadcasting system such as Studio. The Department also operates as System Integrator for large bidding projects. This includes designing, installation and construction of radio or television stations for government agencies, state enterprises agencies and private organization. The Department also cooperates with various agencies in providing technology, experimental and testing of digital television broadcast in Thailand.



In future, the Department plans to expand its market in terms of products and services. Setup, installation and consultant for Digital Television Trial with Army Television. The Department is currently do the research for new product and support focusing on the digital broadcasting technology, telecommunication and IT-based products, as well as searching for the possibility to for joint ventured with other private sectors.

Control Systems Department

Scope of Products or Services

The Department provides engineering and integration services in Automation Control Systems, Supervisory Control and Data Acquisition, (SCADA) systems and Telemetry Systems for clients in infrastructure and utilities. The provided service is based on the total-solution and turn-key basis.

Its business alliances are technology owners which cover wide range of products, technology and applications. Thus, the Department can fulfill to the clients needs and wants.

Marketing and Competition

The competition of services in control systems industry has been high for local and foreign players. However, our key strengths are the experiences and track records in working with multi national contractors in providing quality services to our clients. The Department is a leading local company who provides total telemetry solutions for water forecasting, flood early warning and water management.

On-going Projects and Future Plan

Due to the flood disaster in Thailand including Bangkok during 4th Quarter of 2011, some projects scheduled for completion in 2011 were affected and delayed until early 2012. The projects are the telemetry system for flood forecasting of Mae Klong river basin for the Royal Irrigation

Department, and Dispatcher Training Simulator (DTS) for the Metropolitan Electricity Authority.

With our in depth experiences in the Control Systems technology, the Department continues to explore and pursue the opportunities in the Telemetry applications in water management for the Royal Irrigation Department as well as the Metropolitan Water Authority (MWA), and also in the SCADA systems for utilities clients such as Metropolitan Electricity Authority (MEA), Trans-Thai Malaysia Co., Ltd., Electricity Generating Authority of Thailand (EGAT), etc. The Department is also interested in applying the technology for the Green Energy.

Power Systems Department

Scope of Products or Services

The Department is engaged in business related to the power systems for both public and private sectors. Work under its mandate consists of system integration spanning a range of activities including engineering, design, product procurement, construction, and project management so as to meet customer requirements. Examples of activities include: construction and renovation of Electrical Substations, construction of Electrical Transmission and Distribution Line Systems, Construction of Underground Cables, Construction of Submarine Cables, procurement and installation of Electrical Substation Control Systems, Solar Electricity Generating Systems, Factory Electricity Systems, Building Electricity Systems as well as other electrical system-related activities such as maintenance, system testing and consultancy services.

The Department has good working relations with business allies who are domestically and internationally reputable manufacturers and distributors. With such cooperation from its various business partners, our solutions can be flexible and most suitable to meet our customers requirements and expectations.

Marketing and Competition

The government has continued to invest in expanding the electrical and power distribution systems since they represent major factors for the country's development and peoples quality of living. Additionally, the private sector has shown greater interest for investments in electrical and power systems - hence, reason for numerous business opportunities. Moreover, the Departments experience in this specialized business, its recent undertaking to introduce a quality service policy, and its highly experienced staffs have all contributed to the Departments valuable reputation, status, and business potential. Our current key customers include the Provincial Electricity Authority of Thailand, the Metropolitan Electricity Authority, and the Electricity Generating Authority of Thailand.

The Department offers services by submitting tenders as well as through direct selling to its prospects as a main contractor or sub-contractor. The system design, product procurement, and effective project management are the key areas of our expertise.

On-going Projects and Future Plans

Projects under implementation including:

1. Construction of Transmission Substations of the Provincial Electricity Authority
 - 115-22 KV Conventional system: four substations in the central area, Compact Switchgear: two substations in the northern area, and Modular Switchgear: three substations in the northern area
 - 115-33 KV Compact Switchgear: one substation in the southern area
2. Improvement of the Provincial Electricity Authority's Computer-Based Substation Control System in 12 substations in the central area
3. Procurement and installation of Field Device Interfaces for the Provincial Electricity Authority in the southern area.

The Department plans to solidify its reputation in Electrical Systems' procurement and installations, and in other power related activities such as energy replacement and management. The Department also plans to become a distributor of a full range of electrical and energy equipment so as to provide full coverage of power-related activities.

In addition, the Department plans to expand its business more into the private sector which has business in energy field and industrial estates because these groups have tendency to increase investment continuously and issue many new projects.

Additionally, the Department has prepared to operate in alternative energy, e.g., solar, wind, and other sources, with promising future due to strong support from the government and international organizations including Smart Grid business as one of the national energy control and management infrastructure, which also has promising future.

Environmental Business Department

Scope of Products or Services

The Department provides environment-related activities including environmental balance, waste or contamination resuscitation, especially in water supply businesses, wastewater treatment/reclamation, hazardous waste treatment and waste to energy. It provides consultation services on technical management including installation design, sale, installation and system maintenance services, which benefit the public. The Department selects highly experienced partners, manufacturers, and distributors by applying analytical and comparative procedures on their competencies in order to meet the markets demands and customers requirements, consistently.

Marketing and Competition

At the current market situation, competition in this market is very competitive and expected to be at a highly intense level; the Department concentrates on developing good relationships with its customers so as to maintain its solid customer base. Moreover, the Department partakes in small to medium size projects so as to expand its market coverage and increase marketing activities and performances by utilizing its skillful engineers and its contemporary technologies. The Department utilizes its direct approach strategies with customers in both the public and private sectors.

Future Plans

The Department plans to focus on all environmentally related projects, in particularly in water supply businesses, wastewater treatment/reclamation, and waste to energy, including: concession projects of Water Supply Systems, Construction of medium size water treatment plants, Water Reuse System Projects, Operation and maintenance of Water & Waste Water Treatment System Projects, Wastewater treatment system projects for communities and industries, Municipal Solids Waste to Energy Projects.

Special Project Department

Scope of Products or Services

The Department supplies, provides installation, maintenance and after-sales services for specialized, electronic equipment and systems. Most products require specialized skills and high levels of technology. The products are mostly imported from highly-reputable and well established companies in the USA and European countries. Some products are locally purchased while others such as software applications are developed in house by the Department.

The Department has always focused on providing products that meet customers requirements and put importance on good long-term relationship with customers. Moreover, it has also focused on providing first class after-sales services while ensuring no surplus products that would eventually affect the environment.

Marketing and Competition

The Departments target customers are mostly government agencies, military and police authorities as well as other organizations involved in various communication and security technologies. Direct approach strategies to prospective customers on a project basis have been the mostly-used distribution channel. To respond to customer needs and satisfaction, the Department always researches and develops products to keep up with advancement of technology.

Competition within this market is moderate since the Departments products and service are within highly specialized fields. Any competition in these fields would be based on technological expertise, readiness of information, sales strategies, customer care, in addition to good relationship with customers.

The market trend mainly depends on the allocation of government budget and whether the suitable products are represented. Meanwhile, the overall economical situation has slight effect on the business operations because the products and services offered are in highly specialized fields which are somewhat niche.

On-going Projects and Future Plans

The Departments main projects are a project for the Royal Thai Navy to provide and install airborne sonar systems and another to provide the Defense Technology Institute with a material vertical mixer, with delivery expected in early 2012.

Power Infra Division

Scope of Products or Services

The Division procures, imports and installs high voltage transmission lines as well as offers other products to meet the clients requirements. It imports main equipment on a complete set basis and has other equipment produced domestically so as to provide integration services to its clients.

Market and Competition

Its main prospective customers include state enterprises such as the Electricity Generating Authority of Thailand and others. The Division contacts prospects directly and offers quality products and services - with its high technical skilled personnel - at reasonable prices. This has granted the Division additional advantages over its competitors.

Future Plans

The Division plans to expand to regional markets and other markets in neighboring countries. ■

TRADING

Business Group



Overview

The Group engages in manufacturing and distribution of consumer, industrial chemical, computer, and telecommunications equipment products for education as well as distribution of construction equipment, tools, and services plus automobile services and other specialized procurement that meet customers' requirements.

In 2011 the Group had expanded itself into food business sector by opening the "Ai" Japanese restaurant in 3 leading shopping centers in Bangkok with high recognition. Additionally, the Group had increased its distribution channels by expansion into neighboring countries, e.g., Vietnam, and China. In the past year, the Group has prepared itself when Thailand is to enter into ASEAN Economic Community era via its business reinforcement strategies, merchandize and service bundling within the Group to meet with customer demand as complete as possible as well as expanding its business partnership network and distribution channel to cover domestic and international markets.

Chemical Industrial Group

The Group includes the Sales and Marketing Department, Marketing Service and Logistics Department, and Green Natural Products Co., Ltd. as a manufacturer of volatile oil from kaffir lime for chemical product mixtures.

Scope of Products or Services

The Chemical Industrial Group is an official distributor of both domestic and imported chemical products by including high quality product line with competitive price as well as environmentally friendly materials with latest technology in

order to offer for consumer product manufacturers, e.g., detergents, cosmetics, food and medical products, animal feed, ceramic and glass products, paint and toner, rubber and plastic, lubricant, petrochemical, textile and paper, agriculture, and cleaning products. The Group realizes the upcoming expansion and competition as a result of the ASEAN Economic Community in 2015 therefore we have expanded our market into Vietnam and Myanmar as a potentially high growth in the near future.

Marketing and Competition

Relevant factors directly impacting the Group include foreign exchange rates, and oil price that affect cost and thus competitive pricing. As a result, the Group has put an emphasis specifically on risk management of foreign exchange rates and logistics.

The Group has utilized its high potential by emphasizing the management strategies and complete inventory management services including as a service provider. In addition, the Group has achieved the ISO 9001:2008 standard to assure customer trust.

Future Plans

The Group intends to invest in high demand products with clear future, i.e., as a manufacturer, co-investment in either shareholding or takeover of high potential business in the market.

Construction Materials Department ■■■■■

Scope of Products or Services

The Department functions from acquiring, marketing through servicing and installing the product regarding the

construction sector in 2 categories; Architectural products group, and Mechanical and Electrical products group. The first group are comprised of roof products including the metal sheet roofing, uPVC roofing and natural stone chip roof tile, also with others product, for example; steel decking, and aluminum composite panel. And the Mechanical and Electrical products include elevator and escalator, building maintenance unit and also home automation, lighting control systems, and energy saving devices.

The Department's currently supplies ranges product and continuously improves our service with an intention to create a better customers' satisfaction from our total solution for construction, also look for new products and services by means of more advance technology, higher quality and environmental friendliness.

Marketing and Competition

Currently, the construction material market's competition is highly intensive, especially in pricing rivalry by the local manufacturers and imported products from AEC and China. As a consequence, the Department strategizes as a provider of the wide selection of construction solutions to serve each specific requirement of projects along with additional services from designing, consulting and installing in order to expand the business opportunities.

The Department now direct marketing and sales primarily servicing both private and public sectors. However, in order to enhance the future competitiveness, The Department is now expanding the business neighborhood countries as well as seeking an opportunity for the end-consumer market by introducing the product to serve the market demand through the appropriate distribution channel.

On-going Projects and Future Plans

The Department, currently, is carrying several ongoing projects such as, the roof work of the new MRT red line from Bang Sue to Taling Chan and the Purple line from Tao Poon to Bang Yai, also the contract for supply and install the security system for the SCG pre-fabricated house.

Although there is the unforeseen fluctuation of economy, The Department is still working intimately to clients to secure the large construction projects,

developing new products and solution, and expanding the business both domestic and international. The aims to be one of the leading construction materials' providers in Thailand with the plan in introducing new high technology and environmental friendly product that able to create more market opportunity for the department in the future.

Upcountry Business Department ■ ■ ■ ■ ■

Scope of Products or Services

The Department has operational offices both in the central and regional areas, providing rental services and distributing high quality computers and telecommunication equipments both imported and local made to governmental and private educational institutions across the country. The services include network installations, maintenance and repairs of office automations.

Also, the Department acts as distributors of many other products including software for e-learning, authoring tools, e-classroom, online English language learning and PC management to support innovations in creative learning processes.

Although most of the products are imported, the Department has had business alliances who are main local distributors of IT products. These distributors have helped in procurement and delivery of products and thus lessening the number of imported products and stock management workloads.

Marketing and Competition

Products distributed by the Department are necessities for education market, and hence, a large number of competitors, especially small competitors who have tried to cut the costs. However, to maximize customers' satisfaction, the Department has had a strong point in creating trust and reliability in the company's stability, quality products, good after-sale services, and reasonable prices, among customers.

Future Plans

The Department has continuously planned to seek new products with high quality and reasonable prices to serve customers, and to search for governmental projects to increase sales volume.



International Business Department

Scope of Products or Services

The Department performs merchandize export and import into Thailand. Its majority products include shrimp feed, films for printing business, etc., mainly to the Vietnam market.

Marketing and Competition

Recently, fierce competition in Vietnam as well as strength and extreme weakness of Thai Baht have unavoidably affect export business. One of our strategies includes merchandize import from Vietnam into Thailand and inventory control of merchandize to maintain quality before and after the sales to ensure highest customer satisfaction.

Future Plans

From continuous success in export/import business, the Department intends to increase the expansion of its market into Indo-China by emphasizing on agriculture and industry products as well as providing high quality IT products for the customers. Simultaneously, In order to minimize the impact from foreign exchange rate fluctuation, the Department has increased the amount of merchandize import into Thailand.

relationship with supply chain & real estate developer, as well as assessing the right business partners.

Starting Q2-2011, the Department has directly engaged in Japanese dine-in restaurant business with five brands in portfolio (three Loxley created brands and two as Master Franchisee of well-known Japanese brands). The Department is currently operating three restaurants at dominant locations in Bangkok vicinity - The Nine Rama 9, Terminal 21, and Siam Paragon. Food Service Department was formed with young and dynamic team, leading by highly experienced senior executives from the retail food industry.

Market and Competition

Food service is one of the largest and fast growing segments in Thailand. Japanese food market alone accounts more than Baht 9.0 billion with few key prominent players. Apart from offering an excellence in food, value, and experience, we develop our competitive strategy in three core areas:

i) Varied and diversified type of restaurants to cover many customer segments and day-parts. Currently, our brand portfolio includes Tetsumen (Ramen), Dohtonbori (Okonomiyaki & Teppan), Meshiya (Katsu and Don), Wa-Q (Yakiniku & Shabu), Ai Sushi (Sushi)

ii) A new innovative restaurant concept, called Ai Japanese Village. Ai Japanese Village is designed to be an ultimate food destination, housing all five brands under one roof. This dining concept offers customer an authentic taste of Japanese food dish while also provides convenience for customer to order menu across five brands under unique atmosphere of Japanese 60's street. Our restaurant at the Nine Rama 9 is the first store of its kind in Thailand.

iii) Prominent locations that easy to access and build awareness among customers.

Future Plans

The Department will continue to expand Ai Japanese Village concept in 2012 for at least two locations in Bangkok. In parallel, the Department also plans to invest in supply chain and logistic system by establishing central warehouse

Food Services Business Department

Scope of Products or Services

The Department was established in 2010 with three clear business objectives i.e. (i) expand and diversify Loxley TBG in potential market segment - food service, (ii) build synergy and arm-length-capability in supplying food products to other trading business unit., and (iii) develop Loxley owned brands in both restaurant and packaged food as well as franchise expansion in the future.

In 2010, the Department dedicated all the efforts in building foundation by studying potential food service market in Thailand, establishing know-how, building

to support existing and future restaurant expansion both in equity and franchise formats. We will continue to launch new menu, and new innovative food concept to tab unmet need of Thai consumers. With underlying strategy and the success of Loxley brand initiative, we are confident that this will further leverage potential of other trading business units in the near future.

Products offered are from its sole distributorship agreements and authorized distributors. Nevertheless, the Company stresses gaining sole distributorship rights for any product it considers suitable for its own marketing and pricing activities. However, for popular and highly needed products with many distributors, the Company will still pursue such orders in order to meet the exceeding demands of such market segment.

Loxley Trading Co., Ltd.

Scope of Products or Services

Loxley Trading Co., Ltd. is a member of Loxley (Public) Co., Ltd. where its operation includes distribution of leading consumer products, e.g., “Cook” cooking oil, “Nongpho” UHT milk, “Tra Chang” fish sauce, “Green Nut” roasted peas, “Sealect” canned tuna and sardine, “Raming” organic tea, etc. The Company distributes its merchandize through wholesale stores, retail stores, modern retail stores, hotels, leading restaurants, and consumer groups. In addition to being a sales and distributor, the Company also provides marketing events and activities for the merchandize owners.

Marketing and Competition

Despite high competition in consumer products especially in pricing, sales promotion, quick market transformation, and various competitors, but the Company’s rigorous policy on product quality and close monitoring of every customer has consistently put the Company’s products on top of the shelf among the consumers.

Future Plans

In addition to being a leading sales and distributor that covers every type of customers, the Company has brought up a policy to develop its own products and business branding including international expansion especially in AEC in order to enhance its business strength.

Market and Competition

The Company upholds the policy to generate controllable distribution channels such as its retail outlets, dealers, direct sales, or sale representatives. The Company has wholesale representatives throughout the whole country. For retailing business, the Company distributes thru its branches.

In the after market of car parts and technical tools, there are a large number of direct competitors, family business is mostly. The indirect competitors are manufacturers and importers. With the Company’s experienced personnel, clear business strategy and supports from major business allies, it ensures that its business will grow as planned. In addition, the Market has high potential according to the climbing growth rate of car and motorcycle sale. The Company’s prospective customers are providers of repair and maintenance services for cars and motorcycles.

Referring to vehicle spare parts, vehicle technology has not changed drastically, except new car models. Nowadays, there are many spare part manufacturers and the Free Trade Area policy of the government brings more distributors in the country. Then, the company needs to expand its area coverage and to become a market leader.

Future Plans

The Company plans to appoint intensive sales force to well cover all market segments in Thailand. The term of new market development, the company plan to develop into commercial market including Modern trade-Hardware, Technical College, Bus and Truck, and Industries. ■

Partzone (Thailand) Company Limited

Scope of Products or Services

The Company distributes vehicle spare parts and motorcycle spare parts of the After Market as well as equipment and tools for vehicle services, industries and other uses.

SERVICE VICE

Business Group



Overview

The Group offers security services at Suvarnabhumi Airport, security equipments and systems for office buildings, hotels, and hospitals, as well as in media, education, and entertainment business.

In 2011, demands for security services in the airport industry and office buildings were risen. Meanwhile, there were expansions of post production services in advertising and film industries. The post production services of the Group have been widely recognized both domestically and internationally.

■ ■ ■ ■ Asia Security Management Co., Ltd.

Scope of Products and Services

Asia Security Management (ASM) Co., Ltd. is a joint venture between Loxley Public Co., Ltd. and ICTS Europe Holdings B.V., who is a world leading security service provider in European countries.

ASM is providing security services at Suvarnabhumi Airport for Airports of Thailand (Public) Co., Ltd. since 2006 until present. Additionally, in 2008, the Company expanded its business to offer security guard services. The business has been very successful in the past two years.

Marketing and Competition

The Company's security business has grown rapidly with more than 3,300 employees. Its clients include governmental and private organizations such as aviation business group, mass transit business group, hospitality business group, financial institutions, and office and industrial buildings. At present, ASM is among top five security companies who provide international standard quality security services.

The Company has also extended its business to cover computer-based training (CBT). The targets are governmental and private organizations which use X-ray machines in security operation. ASM has provided both initial and recurrent course with full training facilities for staff of target clients.

■ ■ ■ ■ ■ ■ ■ ■ Oriental Post Company Limited

Scope of Products or Services

Oriental Post specialized in the post production business of television commercial, feature film, and documentary for local and international market. Company provides service solution to cope with the growth and development of today's technology that include film developing and processing, telecinetransferring, editing, visual effect creation, compositing, 3D animation, kinetransfer service, and advanced digital media transfer service with the group of creative people and expertise.



In addition, the Company separates the services business to serve the demand of the growing for digital films and post production named Postique Co., Ltd., where is established to provide comprehensive high-end video post production facilities such as digital cinema package, digital subtitling, and direct-to-print films to serve the film industry with qualified product.

Marketing and Competition

Economy crisis and the overall competition for both local and international are severe due to the increasing growth and demand of post production business. Our strategies gear towards diversifying our services to suite with client's requirement in terms of their budget and time. A strong point of the Company is that there is a team of experts available on hands to give advices from shooting to post production to meet the real needs of clients in limited time. The prospective customers of the Company are from production house, advertising agency and films production. Moreover, the Company has had plans to meet the increasing demands for digital shooting in order to keep abreast with the changing shooting technology.

Future Plans

The Company has focused on business expansion to regional markets which offer high growth of opportunities. Additionally, it has planned to increase revenues from special effect technology for film and advertising productions by emphasizing on quality, services, and time management to enhance the efficiency in meeting future demands of technology standards. The Company has also enhanced the efficiency of the Storage Area Network, which can safely store high resolutions images.

To meet the higher demand for digital filming industry, the Company has committed to developing quality products and innovations. Among them is 3-dimension stereoscopic color collection technique. We also help to custom made the workflow for client to fit their demand and within the budget in cost effective way. ■



JOINT VENTURE

Business Group

Overview

The Company strives for new opportunities by targeting at consistently profitable business with growth potential or supporting other Companies businesses in order to strengthen the Groups competitiveness.

In 2011, the Loxley Groups new joint venture, L Solar 1 Co., Ltd., has been established to operate in solar energy power plant, one of the alternative energy supported by the government and communities. The new company has generated profit from the first year of operation and will continue to do so similar to those of other joint venture businesses of the Companies while being satisfactorily profitable with consistent dividend to the Company.

Online Lottery Department

Scope of Products or Services

The Department is a subcontractor of Loxley GTECH Technology Co. Ltd. who is the Online Lottery System Services provider for the Government Lottery Office (GLO) under the Lottery System Service Contract (signed on 29 July 2005). The subcontract services performed by the Department include site preparation, lottery systems installation, telecommunication networks implantation, installation of 12,000 lottery terminals, Lottery system operation, training and support retailers. The duration of the contract along with monthly service payment is 5 years starting from the 1st day of Commercial Launch.

By end of 2006, the Department had installed up to 7,000 terminals at retailers nation wide authorized by GLO. However, up until now, GLO has not been able to launch the online lottery commercially due to legal issues and government policy. By year end 2011, there were 5,793 terminals installed at retailers and the Department has to maintain them for commercially launch should GLO issue notice to service.

Loxley GTECH Technology Company Limited

Scope of Products or Services

The Company is a Joint Venture between Loxley Public Company Limited group and GTECH Corporation group. It is the provider of the Online Lottery System Service Contract for the Government Lottery Office (GLO). The contract includes design, procuring, implementing and operating the Online Lottery System. The System consists of the two Data Centers (one for primary and the other for backup), an online communication network system, and terminal installation to retailers who are selected by GLO.

The Online Lottery System is provided by GTECH Corporation of USA. It is a global IT company and the worlds leading full-service lottery provider. GTECH designs, installs, operates, and supports complex computer and telecommunications systems for lotteries around the world, including many of the largest revenue-producers. GTECH has more than 100 customers on six continents.

The Company is currently working with the GLO to ensure Online Services are launched at the earliest possible opportunity.

BP-Castrol (Thailand) Limited

Scope of Products or Services

The Company has partnered with BP Oil from the UK to jointly form a business, which operates as a manufacturer and distributor of engine lubricants under the trade name of CASTROL and BP. While both products have different market potentials, they are both well-perceived and renowned. The Company used raw materials from various sources within the country; it continues to produce high quality products that meet

customers demands and expectations. Moreover, the Company engages itself in continuous activities to develop new products as well as ensures its existing ones highly meet customers requirements.

Meanwhile, the Company consistently improves the quality of distribution channels (using distributors as the primary channel) in order to facilitate smooth, accurate, quick and easy delivery to the customers and end consumers.

Marketing and Competition

Lubricants market in Thailand is highly competitive. Competitors have continuously deployed price cutting strategies, promotion activities, and mass advertisements. The top 5 lubricant companies in Thailand include PTT, Shell, Caltex, Exxon/Mobil and BP-Castrol (Thailand) Ltd. These companies represent 65% of the market while the remaining 35% belong to smaller competitors, around 200 companies. As one of the leading companies, the Company has continuously reviewed the growth agenda and business strategies in order to sustain the competitiveness in the market while upholds the principle of providing the superior quality products and service offers to customers and consumers.

The target customers include land and marine transportation businesses, industries which utilize heavy machineries, as well as any party that employs transportation vehicles.

Future Plans

The Company's goal is to win in lubricant globally. The key strategy to drive future growth are not only by offering innovative products but also to win in workshop channels (both cars and motorcycle) through the strong customer relationship and differentiated services and product offers provided by the Company's branded workshop (service centers) operating under the name Castrol Auto Service and Castrol BikePoint.

technology supervision from the world leader Furukawa Electric Co., Ltd. of Japan exceeding International Telecommunication Union (ITU).

In addition, the Company has been aware of the environmental impact. We design and produce green product under RoHS (Restriction of Hazardous Substances Directive in electrical and electronic equipment). It also received the ISO 9001:2008 and ISO 14001:2004 certification from Bureau Veritas (BVQI), a renowned international organization.

Marketing and Competition

There has been waiting for installed 3G infrastructure expansion, Broadband Internet and WIFI. The Transmission of multimedia content usage in high-technology equipment would mainly require fiber optic medium. Therefore, the Ministry of Industry has revised new TIS in 2011 for optical fiber cable manufacturers and importers in Thailand to be granted a new license.

The Company has been manufacturing and distributing its products for government, offices and state enterprises. The Company has been supported by its parent company to oversee in Middle East except ASEAN market.

Under high domestic demand, there is not only high competition within domestic competitors but also the newcomers who establish their manufacture in Thailand. The main importer are China and India. Most of the competitors would mainly exercise their price advantage as their marketing tactic whose inadequate quality and infrastructure instability would affect customers who experience shorter lifespan, higher maintenance, and unnecessary replacement investment eventually. The Company has instructed its customers to realize their investment activities, proper product utilization to meet with specific requirements.

On-going Projects and Future Plans

The Company has remained undelivered UNINET Project final year that Loxley Public Co., Ltd. got award. The products value is 33 Million Baht. The Company has been continuously developing its products to meet with customers requirement and budget. Such innovating product strategies include smaller size, light weight, and cheaper services. The FTTx outdoor product to serve Broadband customers is ready for the market.

■ ■ ■ ■ ■ Thai Fiber Optics Company Limited

Scope of Products or Services

Thai Fiber Optics Co., Ltd. (TFOC) is a joint venture between Loxley Public Co., Ltd. and Bangkok Telecom Co., Ltd., a leading copper telephone cable manufacturer in Thailand under the fiber optic design and manufacturing

SUPPORT

Units



■ ■ ■ ■ ■ Finance and Administration Group

Functions and Responsibilities

The Group is responsible for finance, accounting, and legal, including credit for new projects and other related investments. It can be divided into 4 departments namely Corporate Finance & Investor Relations Department, Accounting Management Department, Finance & Credit Department, and Legal and Securities Department.

Operations in Preceding Year and 2012 Plan

In 2011, the Group planned to maintain its financial liquidity and preparing for the investment credit in addition to the usual working capital as well as utilizing proper financial tools to ensure highest efficiency with competitive cost at the same time. It also accelerates collection from debtors within specified time frames and rigorously approves credits to avoid bad debt. Additionally, the Group has revised its accounting guidelines to follow changes in the generally accepted accounting standard set by the Federation of Accounting Professions as well as consistent coordination with other business units among corporate groups.

In 2012, the Group will revise its accounting system to support the new accounting standard under new set of rules as well as newly established business. It also improves itself in technology and business knowledge in order for future business analysis as a tool for incoming transactions for the management into the ASEAN Economic Community goal. Other than that, effective cost management

must be emphasized as well as credit line extension to handle new investment and future businesses.

Internal Audit Department ■ ■ ■ ■ ■

Functions and Responsibilities

The Internal Audit Department is an independent unit whose responsibility is to audit, regulate, and verify the adequacy of the Company's and its subsidiary's internal control processes, risk assessment, audit and verification report with respective suggestions, verification of related transactions, analysis and evaluation of operations, and other functions in internal control and audit. It also provides suggestions to ensure accuracy and reliability in the information system and financial reports within the Company and its subsidiaries to comply with related laws and regulations. Company asset protection is accurately controlled and stored to guarantee transparency with caution, efficiency, and effectiveness according to corporate goal.

Operations in Preceding Year and 2012 Plan

The Department has prepared the annual auditing plan for approval by the Audit Committee. The Department has verified the corporate financial information proposed to the management as well as the internal control processes verification within the Company and its subsidiaries. It also provide assistance and support for other departments' work processes in order to obtain proper internal control activities to meet with Company objectives.



The Department also conducts operation control according to the Company's rules and regulations, laws, and government regulations, as well as verification of related transactions to ensure compliance with the rules and regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Additionally, the Internal Audit Department has coordinated with other corporate departments to develop the risk management control system to guarantee corporate efficiency and encourage collaboration in risk management throughout corporate levels.

The Department has emphasized comments and suggestions from the external auditor in order to improve the Company's general operation processes. It also is a mechanism in emphasizing proper internal control according to the good governance guidelines as well as encouraging the Company's adequate and consistent internal control processes.

In 2012, the Department will continue to provide services to business units in the Company and its subsidiaries. It will focus on public relation activities, promotion of marketing-related activities as well as mass media connections.

Human Resources Department ■■■■■■■■■■

Functions and Responsibilities

The Department is responsible for management and development of human resource through coordination and providing suggestions in wage and compensation benefit, recruitment, human resource strategic planning, as well as human resource development planning towards corporate vision and missions by putting emphasis on adjustment according environment and business competition, aggressive management by utilizing the information technology as a tool.

Operations in Preceding Year and 2012 Plan

During 2011, the Company has aimed at strengthen skills, knowledge, and competency among staff in current functions and along the growth path of staff especially among preliminary and middle management. It has continuously held the Team Quality Management with top human resource development institutes and arranging activities in internal communications and staff relations to promote participation and relationships among staff. Additionally, the Department has prepared itself by recruiting management executives and staff with competent qualification, especially for the food and service business as well as international business expansion.

In 2012, the Department will continue to put emphasis on staff development in management and operation level as well as succession planning and international market expansion. In addition, the Department will also stress on coordination among Human Resource Departments of Loxley Group to ensure highest efficiency and effectiveness to acclaim the corporate policy of Loxley Group in the future. ■

■■■■ Corporate Communication Administration Department

Functions and Responsibilities

The Department's responsibilities include conducting and supporting public relation activities, manage marketing and social work, and publishing significant company-related media such as the Company's yearly calendar, poster, website and other creative material.

Operations in Preceding Year and 2012 Plan

In 2011, the Department had public relation work and marketing-related activities that supported other business units continuously including: introducing new products and business channels for Trading Business Group, ICT Business Group, Technology Business Group, Online Lottery Project, Service Business Group. The Department was also responsible for other creative activities (printing media) as well as organized other internal and external activities such as, the Company's staff club, welcome parties, photographic service, conferences; and organized social activities with external agencies.

Corporate Social Responsibility (CSR)



The Company has encouraged activities arranged for the community to permit the management, staff, and related personnel to participate by being good members of the community while starting from the nearby community as well as joining with the government and other organizations. In 2011 the Company has initiated the second phase of the “Recuperation for Sustainable Community” program where it is continued from the 2010 program by targeting at the management executives, Loxley volunteers, youth groups, Penang market community, and other volunteers, to participate in the 4 following activities;

1. Community Relation Activities by encouraging activity design aiming to strengthen relationships between the Company and the community through special holiday occasions.

2. Loxley Volunteer Development Activities by encouraging volunteers to design and run the projects where they brainstormed, surveyed community’s demand, and customized the project, e.g., “Penang Market Community Big Cleaning Day” to increase awareness in sustainable environment and landscape preservation. In 2011 the Company with cooperation from the Company Subsidiaries, Department of Public Park and Cleaning; Klontoei Municipality, and Thung Mahamek Police Station to clean the community, as well as “Penang Sport Day” activity resulted from the Penang Market Youth Group’s idea to utilize sports as remedy to all community temptations, e.g., game addicts, drug abuse, etc.

3. Living Skill Improvement for Youth to practice the young generations in Penang market to find their own ability. The Company executives, staff, and other volunteers

were providing knowledge, advices, and participating in activities to promote leadership skill, public expression, public awareness, and unity through recreation activities, public activities, sports, arts, music, and field trips. In 2011, the Company had arranged 22 of such activities for kids, and youth in Penang market every Sunday afternoon at Loxley Health Park throughout the year.

4. Dialogue Activity between Loxley Volunteer and the Community through brainstorming discussion to mutually design proper activities to formulate cooperation among the Company executives, Loxley volunteers, and Penang market community to foster one another which leads to sustainable community development through participative meetings. In 2011, there was 11 meetings both onsite and outside the Company, e.g., colloquium with Penang market community in waste management, seminar on activity extracts for the community to render it into action plan for 2012.

Significant Impact from 2011 Activities

- More participation from Penang market community
- Development in relationship between youths and adults, more adjustment and obedient to adults
- Community youths more courageous in public expression with development in emotional skill, social skill, and intelligence
- Community designed activities by Loxley volunteers, developed from self learning through activities with voluntary consciousness
- Good relationship between Penang market community and Loxley volunteers through mutual community development program design ■

Risk Factors

Risk Factors in Business Operations

Risk from Government Policy

The government policy in 300 baht minimum wage and the 15,000 baht salary for newly graduate civil servants will not severely affect the Company group since most of the staff have been with the Company for some time with salary above those of the government officials. However, the Company has revised its employment policy to ensure effectiveness and higher efficiency to cope with the increased expense as a result of such policy by utilizing internal recruitment so as to lessen new recruitment.

In any event, the Company will not be able to avoid the increasing labor cost. Initially the affected businesses has planned to appropriately raise service fees so that the Company and its customers can maintain their operations, as well as customer acquisition to enhance its revenue stream.

Risk in Inundated Warehouse

In 2011, the Company's warehouse located in Pathumthani province had been flooded for 2 months during end of October until December. Although the warehouse was last to be flooded around the community area due to its location in high ground together with early flood prevention until it was eventually overwhelmed by inundation. The Company has relocated part of the merchandizes onto high ground and some to other reserved

areas so as to subside further damages. Additionally, the Company has been insured for possible flood damage earlier with some coverage compensation. However, the Company is still under risks from planning and other uninsured coverage when under manufacturers' logistic control whereas Inundation would be problematic to merchandize consignment and distribution that would negatively affect sales figures.

Risk Factor in Management

Risk in Granting Credit

Risk in credit granting exists when the customers cannot pay their debts. The Company has prevented such risk via establishment of credit granting measures, e.g., customer credit check from government agency or related financial institution, prior to credit grant. If customer's credit is underrated, the Company will require additional performance bond, e.g., bank guarantee or other collateral. In the case when a customer is in default, Credit Department will press the claim and investigate customer's rationale by extending payment deadline with applicable interest or may accept payment in other forms. Further unpaid debt will be passed on to Legal Department for applicable legal procedures. However, the 2011 flood crisis has affected short-term default in payment for some customers while not appearing to be bad debts.

Legal Disputes

Loxley GTECH Technology Co., Ltd., an associate of the Company, has entered into an agreement with the Government Lottery Office (GLO) of Thailand on 29 July 2005 to service the lottery project. The term stipulated in the agreement required that the lottery commence within 7 months after the agreement has been signed. However, the date of debut sales of lottery has been delayed without definite schedule.

Since 2009 until now, the associate has submitted letters to GLO demanding that the Government should comply with the contract and compensate for losses arising from non-compliance.

Currently, the associate has not received any further correspondence from the GLO regarding the project progress; then, the associate has taken legal process to enforce GLO to compliance with the agreement. ■

Details of the Company

Company Name	:	Loxley Public Company Limited
Location of Head Office	:	No. 102 Na Ranong Road, Klong Toey Subdistrict, Klong Toey District, Bangkok 10110
Telephone No.	:	0-2348-8000
Facsimile No.	:	0-2348-8001
Type of Business	:	Commerce
Number and Type of Total Issued Shares:		
Registered Capital	:	Baht 2,000,000,000, divided into 2,000,000,000 ordinary shares
Paid-up Capital	:	Baht 2,000,000,000, divided into 2,000,000,000 ordinary shares
Par Value per Share	:	Baht 1.00

Information on Registered Capital

Date/Month/Year of Registration in Articles of Association	Increased/Decreased Capital (Million Baht)	Capital after Increase/Decrease of Capital (Million Baht)	Reason of Capital Increase/Decrease	Number of Shares and Price of Capital Increase/Decrease
1 April 1993	240.00	400.00	Business expansion and increase of investment fund	24,000,000 shares, at Baht 10.00 per share
27 January 1995	60.00	460.00	Reservation for the exercise of conversion right on debentures	6,000,000 shares, at Baht 10.00 per share
20 March 1996	60.00	520.00	Reservation for the exercise of conversion right on debentures	6,000,000 shares, at Baht 10.00 per share
30 November 2000	(120.00)	400.00	Reduction of shares for non-converted debentures	12,000,000 shares, at Baht 10.00 per share
4 December 2000	1,600.00	2,000.00	- Offering 65 million shares to existing shareholders - Reservation of 85 million shares for the exercise of conversion rights on debentures - Offering 10 million shares to Company directors and staff	- 65,000,000 shares, at Baht 10.00 per share - 85,000,000 shares, at Baht 10.00 per share - 10,000,000 shares, at Baht 10.00 per share
25 December 2003	-	-	Reduction of share value from Baht 10.00 to Baht 1.00	2,000,000,000 shares, at Baht 1.00 per share
3 May 2007	(1.92)	1,998.07	Cancellation of non-issued ordinary shares	1,998,078,970 shares, at Baht 1.00 per share
11 May 2007	1.92	2,000.00	- Offering shares to Ekpavee Company Limited	- 2,000,000,000 shares, at Baht 1.00 per share
	650.00	2,650.00	- Reservation for the exercise of conversion right on debentures	- 2,650,000,000 shares, at Baht 1.00 per share
8 May 2008	(650.00)	2,000.00	Reduction of reserve shares for the exercise of conversion right on debentures	2,000,000,000 shares, at Baht 1.00 per share

Capital Structure

(1) The Company's Securities

At 31 December 2011, the Company has authorized share capital valued at 2,000,000,000 Baht, with issued and paid-up share capital at 2,000,000,000 Baht, 1 Baht per share.

(2) Shareholders

Details of top 10 major shareholders whose names were shown in the share register book as of 23 March 2011 (The latest share registry book closing date for the Annual General Meeting of Shareholders on 27 April 2011) were as follows:

No.	Name	Number of Shares	Total Shareholding Percentage
1.	Ekpavee Co., Ltd.	556,341,060	27.82
2.	Thai NVDR Co., Ltd.* ¹	115,310,167	5.77
3.	Mrs. Amphai Harnkaivilai	40,000,000	2.00
4.	Mr. Pairote Lamsam	35,589,030	1.78
5.	American International Assurance Co., Ltd-Tiger	33,500,000	1.67
6.	Mr. Dhongchai Lamsam	25,459,090	1.27
7.	Mr. Photipong Lamsam	24,433,680	1.22
8.	Mr. Surapol Tangkprasert	22,832,800	1.14
9.	M.L. Prasobchai Kasemsant	20,400,000	1.02
10.	Mr. Kiatchai Limpichotpong	20,305,900	1.01

*¹ Thai NVDR Company Limited is a subsidiary established by The Stock Exchange of Thailand. It is automatically regarded as a listed security by SET. Those who invest in Thai NVDR receive the same full financial benefits as they would receive they had invested directly in shares, however, without any voting right in shareholders meeting.

Ekpavee Co., Ltd. and Lamsam Group comprise
(as at the close of share registry book dated 23 March 2011)

Name		Shareholding Percentage
1.	Ekpavee Co., Ltd.	27.82
2.	Mr. Pairote Lamsam	1.78
3.	Mr. Dhongchai Lamsam	1.27
4.	Mr. Photiphong Lamsam	1.22
5.	Mr. Banyong Lamsam and Mrs. Nartrudee Weeramaeteekul	0.96
6.	M.R. Sam-aungvarn Lamsam	0.56
7.	LT. Chalermchoke Lamsam	0.47
8.	Mr. Sukit Wanglee	0.23
9.	Mrs. Chanjaree Lamsam	0.19
10.	Mr. Yutti Lamsam	0.18
Total		34.68

■ ■ ■ ■ ■ (3) Dividend Payment Policy

It is the Company's policy to make dividend payments of at least 40% of its net profits before vested interests in subsidiaries and associated companies.

In 2007, the Company did not pay dividend in order to reserve the capital for future business expansions. In 2008 and 2009, the Company did not pay dividend due to retained deficit. In 2010, the Company paid dividends at the rate of Baht 0.05 per share, for the total of Baht 100 million.

It is the policies of the Company's subsidiaries, however, to pay dividends when they have an excess out of their operating profits less investment costs, working capital and debts payable. Dividend payments by each subsidiary, however, depend on the category of its business and conditions of the industries in which it is engaged. ■

Details of Ownership in Loxley Subsidiaries and Associated Companies

As of 31 December 2011, the Company's paid-up capital is Baht 2,000,000,000. The Company holds shares, directly and indirectly, in 20 subsidiaries and 12 associated companies, as follows:

Subsidiaries directly owned by Loxley

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
1	LOXBIT PLC	No.475, 8 th Floor, Unit No.801, Siripinyo Building, Sriyudhaya Road, Phayathai Subdistrict, Rajthevi District, Bangkok	trading of telecommunication equipment, computers and computer programs	375	99
2	Jago Co., Ltd.*	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	sale of online lottery	330	99
3	Loxley Wireless Co., Ltd.	No.555 Rasa Tower, Phaholyothin Road, Chatuchak Subdistrict, Chatuchak District, Bangkok	sale and service of telecommunication and information technology systems	100	99
4	Data Mining Co., Ltd. (former name, Loxley Energy Co., Ltd.)	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	service of information technology equipment and computer systems	8	99
5	Loxley Joint & Hold Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	holding company	1,000	99
6	Loxley Mobile Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	sale and service of various prepaid electronics cash card	5	99
7	Asia Security Management Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	provide security services at Suvarnaphumi Airport	100	69
8	Societe Commerciale Lao	Unit 36, Bon Dongpalad, Alley 10 Chanthabouly District, Vientiane, LAO. P.D.R.	trading in Lao Peoples Democratic Republic	4,135 Million Kip	67
9	Loxley Property Development Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	office, billboard rental and services	133	66
10	Part Zone (Thailand) Co., Ltd.	No.19 Ramkamhaeng Road, Meenburee District, Bangkok	trading in automotive parts and equipment	25	64

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
11	L Force 1 Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting	20	60
12	Loxley Global Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	holding company	99	51

Subsidiaries which Loxley Controls

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
13	Loxley Trading Co., Ltd.	No.102 Loxley Building, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	sale of consumer products	50	50

Subsidiaries indirectly owned by Loxley

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
14	Professional Computer Co., Ltd.	No.475 Siripinyo Building, 17 th -18 th Floors, Sriyudhaya Road, Phayathai Subdistrict, Rajthevi District, Bangkok	supply, maintenance and set up of work system, installation of computers and management of computerized center	230	99
15	Loxbit PA PLC (former name, Point Asia PA)	No.102 Loxley Building, 14 th Floor, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	telecommunication and computerized database service	45	99
16	NetONE Network Solution Co., Ltd.	No.408/81, 19 th Floor, Phaholyothin Place Building, Phaholyothin Road, Samsean Nai Subdistrict, Chatuchak District, Bangkok	trading of computer, computer spare parts and equipment, of all types	70	99
17	Thai Gateway Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	trading of telecommunication equipment	20	99

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
18	L Hardware and Services Co., Ltd.	No.44/385-389 Moo 10, Navamin Road, Klong-kum Subdistrict, Bueng-kum District, Bangkok	installation and repair of IT equipment, sale of computers and peripherals	5	99
19	Digital Screen Play Co., Ltd.	No.88/12 Moo 4 Soi Ramintra 21, Ramintra Road, Tha-Rang Subdistrict, Bangkhen District, Bangkok	educational services through network system	10	70
20	Digit Brain Co., Ltd.	No.88/12 Moo 4 Soi Ramintra 21, Ramintra Road, Tha-Rang Subdistrict, Bangkhen District, Bangkok	sales of knowledge related equipment and media	5	42

Associated companies directly owned by Loxley

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
1	Oriental Post Co., Ltd.	No.333/3 Rachadanivej Village, Soi 19, Pracha-uthit Road, Samsennok Subdistrict, Huay-kwang District, Bangkok	advertising series post production services	150	50
2	L Solar 1 Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	solar power plant	220	45
3	Thai Fiber Optics Co., Ltd.	989 Siam Tower Building, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok	manufacture of fiber optic	100	40
4	Loxley GTECH Technology Co., Ltd.	No.102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale and service of information technology and online lottery sale system	300	35
5	Guardfire Limited	No.1780 Tiauhong-Bangna Building, Bangna-trad Road, Bangna Subdistrict, Bangna District, Bangkok	import and sale of accident preventive systems	20	30
6	Mobile Innovation Co., Ltd. (former name, L Spot Co., Ltd.)	No.128/224, 227, 228 21 st Floor, Phayathai Plaza Building, Phayathai Road, Thung Phayathai Subdistrict, Rajthevi District, Bangkok	services of real time vehicles tracking management system	184	27

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
7	Foseco (Thailand) Limited (former name, OLN (Thailand) Limited)	No.170/69, 22 nd Floor, Ocean Tower I Building, Rajchadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	manufacture and sale of chemicals for metal casting	10	26
8	BlueScope Steel (Thailand) Limited (former name, BHP Steel (Thailand) Limited)	No.2 Soi G9, Pakornsongkrohrad Road, Maptaphut Subdistrict, Muang District, Rayong	manufacture and sale of cold rolled steel	5,000	25
9	BlueScope Lysaght (Thailand) Limited (former name, BHP Steel Lysaght (Thailand) Limited)	No.16, Soi Phahonyothin 96, Prachathipat Subdistrict, Thanyaburi District, Patumthani	manufacture and sale of steel roofing	600	25

Associated companies indirectly owned by Loxley

No.	Name of companies	Address	Type of business	Paid-up capital (Million Baht)	% of shareholding
10	BP-Castrol (Thailand) Limited	No.183 ,23 th floor, Rajanakarn Building, South-Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok	Sale of Castrol and BP lubricant	49	40
11	Ecartstudio Co., Ltd.	No.129, Praram 9 Road, Huai khwang Subdistrict, Huai khwang distict, Bangkok	website design service	3	30
12	MOCAP Limited	989 Siam Tower Building, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok	outsourcing contact center	61	25

NOTE * This company has not operated its main business.

Management

Loxley's management structure comprises a company committee, whose members are experts in different fields. Sub-committees are appointed by the company committee to oversee and manage businesses. Each member of the committees has responsibilities as follows:

The Company's Board of Directors

Pursuant with the Company's Articles of Association, the Company's Board of Directors shall consist of not less than 5 and not more than 21 members of whom not less than half of that number must have residence in the Kingdom. And, the Company's directors must be qualified in accordance with the prerequisites of law.

In 2011, members of the Company's Board of Directors are :

No.	Name	Position
1.	Mr. Pairote Lamsam	Chairman of the Board
2.	Mr. Sukit Wanglee	Vice Chairman of the Board
3.	Mr. Dhongchai Lamsam	President and Member of the Nominating and Remuneration Committee
4.	Dr. Harit Sutabutr	Independent Director and Chairman of the Audit Committee
5.	Dr. Wissanu Krea-ngarm	Independent Director
6.	Mr. Sirin Nimmanahaeminda*	Independent Director and Member of the Audit Committee
7.	Dr. Supavud Saicheua	Independent Director
8.	Mr. Charoon Chinalai	Independent Director and Member of the Audit Committee
9.	Mr. Dusit Nontanakorn**	Independent Director, Chairman of the Nominating and Remuneration Committee and Member of the Audit Committee
10.	Mr. Supachai Wanglee	Director
11.	Mr. Suetrakul Soonthornthum	Director, Senior Executive Vice President and Member of the Nominating and Remuneration committee
12.	Mr. Poomchai Lamsam	Director
13.	Mr. Vasant Chatikavanij	Director and Senior Executive Vice President
14.	Mr. Suraphand Bhasitnirandr	Director, Senior Executive Vice President and Member of the Nominating and Remuneration Committee
15.	Dr. Sompop Chareonkul	Director and Senior Executive Vice President
16.	Mr. Suroj Lamsam	Director and Senior Executive Vice President
17.	Lt. Chalermchoke Lamsam***	Director and Senior Executive Vice President

Company Secretary is Mr. Pichai Mooputtarak.

Remarks: * Mr. Sirin Nimmanahaeminda was appointed to be member of the Audit Committee on 14 November 2011.
 ** Mr. Dusit Nontanakorn resigned from all positions on 6 September 2011.
 *** Lt. Chalermchoke Lamsam was appointed to be director on 30 December 2010.

Authority of Directors and Restrictions on Authority of Directors

Number and names of the directors who are authorized to sign on behalf of the Company are as follows: Two of the following eight persons jointly sign and affix the Company's seal: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, Mr. Sukit Wanglee, Mr. Supachai Wanglee, Mr. Poomchai Lamsam, Mr. Vasant Chatikavanij, Mr. Suroj Lamsam, Lt. Chalermchoke Lamsam OR any one of the eight directors above mentioned jointly signs with any one of the following directors totaling two directors and affix the Company's seal: Mr. Suebrakul Soonthornthum, or Mr. Suraphand Bhasitnirandr, or Mr. Sompop Chareonkul.

Independent Directors

The Company's independent directors whose opinions, instructions, and warnings are independent and free from the Company's management. As a result, the Company does not authorize any independent director the rights to enter into any legally binding documentation with the Management.

An Independent Director is required to follow the guidelines as follows:

1. Holds not more than 1% of the common shares from the Company, its parent company, subsidiaries, joint-ventures, juristic persons with possible conflicts of interests including his/her relative's shareholding activities.
2. Does not or has not been a director related to operation management, staff member, employee, permanent consultant, or administrative person of the Company, its parent company, subsidiaries, joint-ventures, partners, or juristic person with conflicts of interest for the past 2 years on the date of appointment.
3. Does not relate either by birth or marriage, e.g., father, mother, spouse, brother or sister, child, and child's spouse, of the Management, major shareholder, influential person, Management candidate, or influential person of the Company's subsidiaries.
4. Does not or has not related in business operations, e.g., regular business transactions, real-estate rental, asset service transaction, financial assistance, including related activities where debt payment transaction is required from 3% of the Company's net assets or Baht 20 million, whichever is less, with the Company, its parent company, subsidiaries, joint-ventures, or juristic person with possible conflict of interest affecting independent judgment, as well as not being a major shareholder, non-independent director, or management executive of the business related with the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, for the past 2 years prior to the appointment.
5. Does not or has not been the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, as well as not being a major shareholder, non-independent committee, management executive, or shareholder of Auditing office where the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, belongs to, for the past 2 years prior to the appointment.
6. Does not or has not provided professional services including legal advice or financial advice with annual fee of over Baht 2 million from the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest. However, in the case when such professional is a juristic person, it would include being a major shareholder, non-independent committee, management executive or management share of such professional, for the past 2 years prior to the appointment.

7. Is not a Director appointed on behalf of the major shareholder or a shareholder related to the major shareholder of the Company.
8. Does not possess any other features that would affect independent opinion regarding Company's operations.

Furthermore, after the Independent Director has been appointed, he/she would be delegated by the Board of Directors to authorize transactions on the operations of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, under an optional collective decision.

Scope of Authority and Responsibilities of the Company's Board of Directors

1. Discharges its duties in line with the laws, Company Objectives and its Articles of Association as well as resolutions adopted by general meeting(s) of shareholders and exerts care in safeguarding the Company's interests.
2. Sets out policies, objectives, strategies, and directs the Company's course of action as well as supervises and monitors the management's activities to ensure that they are effectively implemented pursuant with the policies that had been laid down.
3. Make approvals on issues of substance such as policies, business plans, major investment and any other items as prescribed by the law unless such matters are subjected to resolutions from general meeting(s) of shareholders as required by law.
4. Nominates director(s) duly authorized to sign to bind the Company, appoints Chairman of the Board and Deputy Chairman or else assigns one or several directors or any other person(s) to carry out any action on behalf of the Board.
5. Appoints the company secretary to be responsible for any operations abide by law.
6. Convenes shareholders meetings, Board of Directors meetings and ensures that there are preparations for financial reports which shall be presented in conjunction with the Licensed Auditors report in the annual report covering major issues pursuant with the Stock Exchange of Thailand's policy and as prescribed by the law.
7. Establishes the internal control, risk management, and regulation according to the corporate governance guidelines as well as transparent, accurate, and timely disclosure of information for shareholders, investors, and stakeholders.

Meetings of the Board of Directors

The Board meetings are scheduled at least once every quarter, where special meetings may be arranged as necessary. Meeting agenda would be specified in advance which includes operation performance monitoring as one of them. During the meeting, each Board member is free to express his/her opinion and advise additional agendas where the Chairperson is responsible to manage proper timing in order for the Management to prepare documentation and information related to the agenda. The secretary to the Board is responsible for meeting appointment, document preparation, meeting invitation all of which is to be submitted at least 7 days in advance for prior consideration unless necessary including recording minutes of meeting, and safekeeping for future verification.

Meetings of the Board of Directors and Sub-Committees in 2011:

No.	Name	Frequency of Attendance/Number of Meetings			
		Board of Directors	Executive Board	Audit Committee	Nominating and Remuneration Committee
1	Mr. Pairote Lamsam	9/9	-	-	-
2	Mr. Sukit Wanglee	9/9	-	-	-
3	Mr. Dhongchai Lamsam	9/9	10/11	-	2/2
4	Dr. Harit Sutabutr	8/9	-	7/7	-
5	Dr. Wissanu Krea-ngarm	7/9	-	-	-
6	Mr. Sirin Nimmanahaeminda	7/9	-	-	-
7	Dr. Supavud Saicheua	7/9	-	-	-
8	Mr. Charoon Chinalai	9/9	-	7/7	-
9	Mr. Dusit Nontanakorn	6/6	-	5/5	1/1
10	Mr. Supachai Wanglee	7/9	-	-	-
11	Mr. Suebrakul Soonthornthum	9/9	11/11	-	2/2
12	Mr. Poomchai Lamsam	6/9	-	-	-
13	Mr. Vasant Chatikavanij	6/9	7/11	-	-
14	Mr. Suraphand Bhasitnirandr	9/9	10/11	-	2/2
15	Dr. Sompop Chareonkul	9/9	10/11	-	-
16	Mr. Suroj Lamsam	7/9	10/11	-	-
17	Lt. Chalermchoke Lamsam	7/9	8/11	-	-

The Executive Board

In 2011, members of the Executive Board are:

No.	Name	Position
1	Mr. Dhongchai Lamsam	President
2	Mr. Suebrakul Soonthornthum	Senior Executive Vice President
3	Mr. Vasant Chatikavanij	Senior Executive Vice President
4	Mr. Suraphand Bhasitnirandr	Senior Executive Vice President
5	Dr. Sompop Chareonkul	Senior Executive Vice President
6	Lt. Suchin Baholyodhin RTN *	Executive Vice President
7	Dr. Jingjai Hanchanlash **	Executive Vice President
8	Mr. Suroj Lamsam	Senior Executive Vice President
9	Mr. Trichakr Tansuphasiri ***	Executive Vice President
10	Lt. Chalermchoke Lamsam	Senior Executive Vice President

Secretary to the Executive Board is Mr. Pichai Mooputtarak.

Remarks: * Lt. Suchin Baholyodhin RTN resigned from the position of Executive Vice President on 1 January 2011.

** Dr. Jingjai Hanchanlash resigned from the position of Executive Vice President on 1 January 2011.

*** Mr. Trichakr Tansuphasiri resigned from the position of Executive Vice President on 1 January 2011.

Scope of Authority and Responsibilities of the Executive Board

1. Determines business plans, budgets, strategies, core management structure for business operations and defines various management authorities of the Company compatible to economic conditions and competition. With the Board of Director's approval, leads the Company through any crisis.
2. Inspects, follows-up and implements Company policies and operating results as well as controlling operating costs to ensure effective and efficient implementation of business plans.
3. With the Presidents authorization, considers matters concerning recruitment, appointment, employment, re-location, discharge, re-positioning, transfer, work suspension, termination of employment and defines remuneration including expenses and facilities for employees from Senior Vice Presidents downwards.
4. Considers issues pertaining to investment, seeks new business opportunities as well as handling other activities of the Company which are or relate to its normal course of operations.
5. Takes action on various matters as assigned by the Company's Board or shareholders or as required by the laws or the Companys Articles of Association which includes screening various matters for submission to the Company's Board.

Management Authorization to the President

In reference to the Companys Board of Directors Meeting no.2/2001 held on April 9, 2001. The Board approved the President's scope of authority and responsibilities as follows:

1. Monitor and supervise work undertaken by the management to ensure that they are implemented in accordance with policies laid down by the Companys Board of Directors.
2. Administer the operations and approve various matters concerning the Company's operation in its normal course of business so as to ensure continuity.
3. Look after, operate and perform regular work in the normal course of operations in the Company's interest to ensure that they are implemented in line with the Company's Objectives and Articles of Association as well as pursuant with orders, resolutions, policies, plans and budgets approved or assigned by the Company's Board under the framework of relevant laws.
4. The President is vested with the authority, in cases of new or overseas investments, borrowing or lending of money right through to guarantee over and above those in the normal course of business in order to protect the Company's rights and interests and to ensure that the conduct of its operations are carried out effectively, to carry out such various actions although any of such matters may be submitted, at his/her discretion, to the Board for its consideration/approval. The exception is where the Company is required to act in accordance with criteria prescribed by the Stock Exchange of Thailand, the President will take action along such criteria as well. In case the President or person(s) who may have conflicts of interests as defined by the Notifications of Office of Securities and Exchange Commission or the Stock Exchange of Thailand have vested interests or may have any conflict of interests in any other manner with the Company or its subsidiaries, such transaction can be approved only by the Independent Directors and/or the Company's Board of Directors.

On this matter governing the normal signing of approval for various matters for the Company and its subsidiaries, the Company normally has a policy in place which sets out the scope of authority concerning the signing for approval of such matters which are in a form that will be decentralizing power by setting out the line and matters

for which an executive at any specific level will be authorized to approve. Review, improvement and changes will also be made appropriately in accordance with the circumstances. As for other matters which are of material importance to the Company, the Company has prescribed that two directors signing jointly under affixment of the Company's seal will have the authority to act on its behalf.

■ ■ ■ ■ ■ The Audit Committee

The Audit Committee is an independent entity which will give its support to, and act in the name of, the Company's Board of Directors in order to review financial information to be submitted to shareholders and other relevant parties, review internal control system set up by management and the Company's Board and the internal audit procedure as well as communicating with the Company's auditor.

The Company has specified the qualifications of the Audit Committee in the Audit Committee Charter as follows:

1. Holds not more than 1% of the common shares from the Company, its parent company, subsidiaries, joint-ventures, juristic persons with possible conflicts of interests including his/her relatives shareholding activities.
2. Does not or has not been a committee related to operation management, staff member, employee, permanent consultant, or administrative person of the Company, its parent company, subsidiaries, joint-ventures, partners, or juristic person with conflicts of interest for the past 2 years on the date of appointment.
3. Does not relate either by birth or marriage, e.g., father, mother, spouse, brother or sister, child, and child's spouse, of the Management, major shareholder, influential person, Management candidate, or influential person of the Company's subsidiaries.
4. Does not or has not related in business operations, e.g., regular business transactions, real-estate rental, asset service transaction, financial assistance, including related activities where debt payment transaction is required from 3% of the Company's net assets or Baht 20 million, whichever is less, with the Company, its parent company, subsidiaries, joint-ventures, or juristic person with possible conflict of interest affecting independent judgment, as well as not being a major shareholder, non-independent director, or management executive of the business related with the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, for the past 2 years prior to the appointment.
5. Does not or has not been the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, as well as not being a major shareholder, non-independent director, management executive, or shareholder of Auditing office where the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, belongs to, for the past 2 years prior to the appointment.
6. Does not or has not provided professional services including legal advice or financial advice with annual fee of over Baht 2 million from the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest. However, in the case when such professional is a juristic person, it would include being a major shareholder, non-independent director, management executive or management share of such professional, for the past 2 years prior to the appointment.
7. Is not a Director appointed on behalf of the major shareholder or a shareholder related to the major shareholder of the Company.
8. Is not a Director delegated by the Board of Directors to make a decision on behalf of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest.

9. In the case when an Independent Director is appointed as an Independent Director in the Company, its parent company, subsidiaries, he/she is required to disclose information related to such position including remuneration received in Form 56-1 and 56-2, accordingly.
10. Does not possess any other features that would affect independent opinion regarding Company's operations.

In 2011, The Audit Committee of Loxley Public Company Limited consists of:

No.	Name	Position
1	Dr. Harit Sutabutr	Chairman of Audit Committee
2	Mr. Charoon Chinalai	Audit Committee Member
3	Mr. Dusit Nontanakorn*	Audit Committee Member
4	Mr. Sirin Nimmanahaeminda**	Audit Committee Member

Secretary to the Audit Committee is Mr. Chamnan Chotcomwongse.

Remarks: * Mr. Dusit Nontanakorn resigned from the position of the Audit Committee member on 6 September 2011.
 ** Mr. Sirin Nimmanahaeminda who possesses accounting and finance experience was appointed to be the Audit Committee member on 14 November 2011.

The Audit Committee's Scope of Duties and Authority

1. The Audit Committee is responsible for the following functions specified by the Board of Directors:
 - 1.1 Verify the Company's financial reports
 - 1.2 Optimize the Company's Internal Control and Internal Audit processes properly and efficiently as well as verify the independence of the Internal Auditor including consideration of appointment, transfer, and dismiss the Internal Auditor or related agency responsible for Internal Audit
 - 1.3 Follow Securities and Exchange Regulations and Rules of the Stock Exchange of Thailand, Public Company Act, Accounting Act, or related laws
 - 1.4 Optimize the Company's Risk Management properly and effectively
 - 1.5 Nominate an independent candidate as an Internal Auditor as well as his/her salary including participation in auditor's meeting with the absence of the Management at least once a year
 - 1.6 Verify all related transactions or transactions with possible conflicts of interests according to the law and Securities and Exchange regulations to ensure integrity for the Company's maximum benefit
 - 1.7 Prepare the Audit Committee Report to be included in the Company's Annual Report and signed by the Audit Committee Chairperson with the following details:
 - 1.7.1 Opinion on integrity and confidence of the Company's Financial Report
 - 1.7.2 Opinion on the adequacy of the Company's Internal Control
 - 1.7.3 Opinion on the compliance to the Securities and Exchange regulations, Stock Exchange rules, or related business laws
 - 1.7.4 Opinion on the Auditors qualification
 - 1.7.5 Opinion on the transactions with possible conflicts of interests
 - 1.7.6 Number of Audit Committee meetings and each Committee member's participation

1.7.7 Opinion or suggestion of the Audit Committee by complying with the Charter

1.7.8 Other transactions worth for the shareholders and general investors under the assigned roles and responsibilities from the Board of Directors

1.8 Perform additional assignment from the Board of Directors with an approval from the Audit Committee
On performing the activities specified in the first paragraph, the Audit Committee is directly accounted for the Board of Directors where the Board of Directors is accounted for the Companys operation to the public.
Whenever the Audit Committees duties are changed, the Company shall prepare the change of duty policy and the updated member and duties of the Audit Committee set forth by the Stock Exchange to be submitted to the Stock Exchange by 3 days after such changes according to the Stock Exchanges guidelines on electronic reporting.

2. Should the Audit Committee find or suspect any of the following transactions or actions that would significantly affect the Companys financial status or operations, the Audit Committee shall report the Board of Directors in order to adjust such items accordingly on time:

2.1 Errors or incomplete transaction record in Accounting or Financial Reports

2.2 Improper or inefficient Internal Control and Internal Audit

2.3 Inefficient Risk Management

2.4 Transactions with conflict of interest

2.5 Fraudulent or significant defects in Internal Control

2.6 Breaching of Securities and Exchange Regulations, Stock Exchange rules or related laws

Should the Board of Directors or the Management does not correct such impairment specified in the first paragraph, an Audit Committee member may report such impairment to the Securities and Exchange Commission or the Stock Exchange directly.

■ ■ ■ ■ ■ The Nominating and Remuneration Committee

The Nominating and Remuneration Committee consists of:

No.	Name	Position
1	Mr. Dusit Nontanakorn*	Chairman of Nominating and Remuneration Committee
2	Mr. Dhongchai Lamsam	Member
3	Mr. Suebrakul Soonthornthum	Member
4	Mr. Suraphand Bhasitnirandr	Member

The Secretary of this Committee is Dr. Dawarit Tansuphasiri.

Remark: * Mr. Dusit Nontanakorn resigned from the position of Chairman of Nominating and Remuneration Committee on 6 September 2011.

Scope of Authority and Responsibilities of the Nominating and Remuneration Committee

1. Searches for a suitable list of directors and senior executives from the positions of executive directors upwards from individuals inside or outside the Company.
2. Submits nominations of members of the Board of Directors and senior executives who have been short-listed as well proposing their remuneration and other fringe benefits for the approval by the Company's Board or shareholders.
3. Reviews the ratio, number and qualifications as well as performance evaluation guidelines for directors.
4. Conducts studies in order to make proposals for policies, criteria governing payment of remuneration as well as payment of remuneration and other fringe benefits for the Company's Board, members of other committee (s) or sub-committee(s) appointed by the Company's Board. Data for such studies will be compiled by work units in the Company's organization.
5. Takes other action as assigned by the Company's Board or the Chairman of the Board or pursuant to Rules of the Office of the Securities and Exchange Commission (SEC) or the Stock Exchange or other laws.

Selection Procedures of Directors and Sub-Committee Members

As far as search for the Company's Board of Directors, President and members of the Executive Board right through to members of the sub-committees is concerned, they will be first short-listed and selected from those already screened by the Nominating and Remuneration Committee and then submitted to the Company's Board of Directors and/or the shareholders meeting for further consideration. Action in this respect will be taken in line with the Company's policy and matters as suitable qualifications, adeptness and capabilities as well as ability to devote adequate time to the Company's operations will always be taken into consideration.

Appointment and removal of directors will be made by majority votes adopted by meeting(s) of shareholders in accordance with the following criteria and procedure:

1. One shareholder will have one vote for one share.
2. Each shareholder must cast all the votes he/she holds under (1) to select one or several person(s) as director(s) although they may not share out their votes in any more or less manner to any candidate.
3. Person(s) receiving the maximum number of votes in the respective order will be appointed as director(s) for the number of directors to be selected or appointed on that occasion. Where persons selected in the next sequence receive equal votes which exceed the number of director(s) to be selected or appointed on that occasion, the decisive vote shall be cast by the chairman of that meeting.

At each Annual Ordinary General Meeting, one-third members of the Board shall retire. The number of directors to retire if there is a fraction of this number shall be the nearest figure to this one-third.

Directors to retire in the first and second years after the Company's incorporation will be decided by lots. For subsequent years, however, director(s) with the longest term in office shall retire. However, those who retire at the end of their term may be re-elected.

A vacancy in the Board by reasons other than retirement at the end of the term will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by law unless the remaining term of that director is less than two months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces.

The Board's resolution under paragraph one shall consist of not less than three-fourths of votes from the remaining directors. ■

Executives Remuneration

Executives Remuneration

(1) Remuneration for year 2011:

- 1.1 Total remuneration for 17 members of the Company's Board of Directors was Baht 13,906,000. (constituting meeting allowances and remuneration)
- 1.2 Total remuneration for the Audit Committee and Nominating and Remuneration Committee members was Baht 1,790,000. (constituting meeting allowances)
- 1.3 Total remuneration for 7 Executive Board members was Baht 82,398,000 (constituting salaries, bonus, and contribution toward the provident fund).

Details were as follows:

(In Baht)

Name	Company's Directors	Remuneration	Audit Committee Members	Nominating and Remuneration Committee Members
1. Mr. Pairote Lamsam	1,184,000	400,000	-	-
2. Mr. Sukit Wanglee	592,000	200,000	-	-
3. Mr. Dhongchai Lamsam	592,000	200,000	-	240,000
4. Dr. Harit Sutabutr	592,000	200,000	360,000	-
5. Dr. Wissanu Krea-ngam	592,000	200,000	-	-
6. Mr. Sirin Nimmanahaeminda* ¹	592,000	200,000	20,000	-
7. Dr. Supavud Saicheua	592,000	200,000	-	-
8. Mr. Charoon Chinalai	592,000	200,000	240,000	-
9. Mr. Dusit Nontanakorn* ²	442,000	200,000	180,000	270,000
10. Mr. Supachai Wanglee	592,000	200,000	-	-
11. Mr. Suebrakul Soonthornthum	592,000	200,000	-	240,000
12. Mr. Poomchai Lamsam	592,000	200,000	-	-
13. Mr. Vasant Chatikavanij	592,000	200,000	-	-
14. Mr. Suraphand Bhasitnirandr	592,000	200,000	-	240,000
15. Dr. Sompop Chareonkul	592,000	200,000	-	-
16. Mr. Suroj Lamsam	592,000	200,000	-	-
17. Lt. Chalermchoke Lamsam	592,000	-	-	-
Total	10,506,000	3,400,000	800,000	990,000

Notes: *¹ Mr. Sirin Nimmanahaeminda was appointed to be member of the Audit Committee in replacement of Mr. Dusit Nontanakorn on 14 November 2011.

*² Mr. Dusit Nontanakorn resigned from all positions on 6 September 2011.

(2) Other Compensation

- None-

(3) Provident Funds

To encourage savings for its employees and to ensure that they will be equipped with additional welfare measures in time of necessity and on their retirement, the Company and some of its subsidiaries have set up a Contributory Fund and a Provident Fund for permanent employees in which respect monthly contributions will be made by employees at the rate of 5% of their monthly salaries while the Company and its subsidiaries will also make their contributions towards such Contribution Funds and Provident Funds in accordance with rules/regulations set up by that particular company. ■

Corporate Governance

Board of Directors of Loxley Public Co., Ltd. is well aware of the importance and its business purposes to ensure corporate governance with proper regulation and control with morality and ethics in order to promote corporate efficiency and competitiveness as well as increase confidence among shareholders and stakeholders. The Company has conformed to guidelines for registered companies set by the Stock Exchange of Thailand. In the past year, the Company has conducted its operations in accordance with corporate governance as follows;

1. Rights of Shareholders

The Company arranged the annual ordinary shareholders' meeting for the year 2011 on 27 April 2011 at 3rd Floor, Chao Praya Conference Room, Montien Riverside Hotel, Rama 3 Road, Bangkok. In this meeting, the Company informed the meeting schedule to shareholders 30 days in advance of the meeting date via the Stock Exchange of Thailand website and the Company website so the shareholders had the opportunity to study the meeting agenda in advance and submitted such documents to shareholders more than 14 days in advance of the meeting. Each agenda had the Board of Directors' opinions. The Company also attached the CD-ROM annual report in Thai and English language and published the report for shareholders who expressed their intention to obtain such report in document, and also letter of power of attorney consisting of the explanation of documents used for the power of attorney in order to facilitate the shareholders for voting. In additions, the Company also provided the telephone number for inquiry in case of additional questions.

Board of Directors realized the importance of shareholder rights so adequate business information has been provided and decided concerning the Company's significant changes in accordance with the Corporate Governance guidelines as follows:

1. Ensuring every shareholder has fundamental right

- Right to obtain share certificate and right to transfer and obtain sufficient and timely information in the format proper for making decisions that impact the Company and themselves.

- Right to attend and vote in the shareholders' meeting in order to make decisions regarding the alteration of company's important policies and rights of shareholders that the Board of Directors must request the approval from the shareholders' meeting.

- Right to elect and withdraw the directors and approve the appointment of auditors.

- Right to obtain the appropriation of profit.

2. The shareholders shall obtain the invitation letter and information regarding the place, time, agenda, and items need to be considered. The Company shall provide the proper place and time by informing shareholders at least 14 days in advance of the meeting and advertise such invitation on the newspaper for 3 consecutive days.

3. In the agenda regarding the election of directors, the shareholders are able to elect an individual director and one shareholder has one vote.

4. The Chairman of the Board explains all the rules and methods of counting the number of votes from shareholders in each agenda and during the meeting, the Chairman shall open the opportunity for every shareholder to express his/her opinion and recommendation, and inquire in each agenda, and shall give the sufficient time for discussion. The Chairman, the directors and the executives, and relevant Sub-Committees shall pay attention to every question and answer every question clearly and shall summarize each agenda by voting and counting the number of votes.

5. After the shareholders' meeting, the shareholders are able to retrieve the meeting report and outcome of the vote from the company's website within 14 days after the meeting date.

2. Equitable Treatment of Shareholders

The Company has treated all shareholders, major, small, individual, and corporate, equally. They all have

Staff and Management : The Company treats its staff as the company's success factor. It has supported professional development among staff by providing additional trainings to strengthen confidence and growth of staff as well as to ensure quality of life at work with fair compensation and rewards.

Business Partners : The Company has focused on procurement, which is an important process concerning expenses and product quality. We have selected good bidders, paid serious attention to bidding, and have never invited bidders just to complete the number required by the company's rules. All bidders must get the same details, information and terms. No products or services have been purposely specified in favor of any bidder unless adequate reasons are provided. All bidders are given equal opportunity while all executives and employees related to procurement must prove their transparency in conducting their business to ensure fairness and good image of the Company.

Competitors : The Company has promoted free and fair competition. We have never accused and defamed our competitors without any facts. The Company has focused on the competition in terms of quality, product efficiency, and service, bearing in mind maximum benefits of customers and maintaining overall business image.

Community and Society : In 2011, the Company has extended itself into environmental friendly businesses or alternative energy areas, i.e., partnership and establishment of L Solar 1 Co., Ltd. to operate in solar energy power plant to relieve global warming as it would lessen carbon dioxide generation into the atmosphere.

In addition to business operations, the Company has established the Corporate Social Affairs Department to be responsible for social activity arrangement for the management and staff to become members of the society, and build appreciation of civil society. In 2011, the Company has arranged the "Recuperation for Sustainable Community" Phase II by targeting at Penang market, Loxley volunteers, Junior Club Group, Penang market community, and other volunteers to participate in activities throughout the year. Additionally, the Company and staff has also provided helps for flood victims through related organizations, e.g., "Capital Market Flood Recovery Fund" as part of the integrated assistance in short and long term, as well as assistance in financial and supply through government and private entities including cleaning activities after the flood.

4. Disclosure of Information and Transparency ■ ■ ■ ■ ■

To assure all the shareholders of the company's business transparency, accuracy and fairness, the Company has complied with the Stock Exchange of Thailand's guidelines on accurate, complete, and transparent disclosure of information via various communication channels as follows:

1. The Company's website, www.loxley.co.th, is a communication channel for investors and the general public to access to the company's information anytime, anywhere.

2. A Securities Division is established to be responsible for revealing important information, both financial and non-financial, which includes the Company's reports, performances, quarterly and annual financial reports, important resolutions approved by the Board of Directors of the Company and its subsidiaries, and other announcements in compliance with the Office of Securities and Exchange Commission and Stock Exchange of Thailand' regulations.

3. The Company has completely, accurately, and timely disclosed the financial information and report of the Board of Directors' responsibilities for financial statements and the auditor's report, MD&A, general information and important information in the annual report, and form 56-1 in order to be in compliance with the Office of Securities and Exchange Commission and Stock Exchange of Thailand' requirements.

4. The Company has disclosed roles and responsibilities of the Board of Directors and Sub-Committees, number of meetings, and number of times that each director attends the meeting in the year 2010.

5. The Company has disclosed the directors' and executives' remuneration that reflects the duties and responsibilities of each person, and pattern or characteristic of the remuneration in the year 2010. The Nominating and Remuneration Committee has considered the director's remuneration by comparing with the companies registered in the Stock Exchange of Thailand within the same industry and comparable business size.

6. The Company has assigned its President and high level executives to be responsible for investor relations work to communicate and provide investors with accurate information. In addition, meetings among high level executives, institutional investors, analysts and media are regularly held. We have also provided information to all companies who paid visits to the company in order to

build up good relationships and exchange opinions for future improvement.

7. The Company has disseminated up-to-date news and activities to all the employees and executives in form of journal called “CONNECT”, newsletters and intranet communication.

5. Accountability of the Board

The Company has realized the roles and responsibilities of its Board of Directors by emphasizing on proper Corporate Governance for the Company’s maximum benefit. The Directors and the Management shall perform their functions with responsibility, care, and honesty. As a result, the Company has clearly specified the structure, roles, and responsibilities of its directors as well as respective subcommittees in compliance with principles of Corporate Governance as follows:

5.1 Structure of the Board of Directors

As on 31 December 2011, the Board of Directors consisted of 16 members, 7 of whom are the company executives, 9 of the remaining are the non-company executives who 5 of them are independent directors and some of them are Audit Committee members and external directors. In other words, more than half of the Company’s Board of Directors is independent and/or non-management directors. Six members of the Board are from engineering field while two from laws and administration field; four from economic science and management fields; and four from accounting and financial fields. All the Directors are qualified according to the Public Company Act 1992 and the Securities and Exchange Act 1992.

The independent directors and other directors from outside the Company are ready to freely apply their judgement for identifying the strategy, management, resource utilization, director’s appointment, and business operations standard, and ready to object other directors or management’s conduct in case of the objection regarding the issue that may impact the equality of every shareholder. Therefore, the Company is confident that the Board of Directors has proper check and balance and is able to freely perform their duties as the representative of shareholders and this abovementioned will prohibit any persons or groups to have unlimited authority.

The Company has identified the qualifications of

independent directors in order to be in compliance with the Office of Securities and Exchange Commission and Stock Exchange of Thailand’ requirements so the Company’s independent directors have genuine freedom.

The Company has clearly classified the position, duties, and authorities of the Board. The Chairman shall not hold another position as the Managing Director and must not be the Company’s employees or executives. The Chairman acts as the Chairman of the Board of Directors and oversees the administration work of the administration team. The chairman can give advice and assistance but cannot participate or intervene in daily administration tasks. The Managing Director acts as the Chairman of the Company’s executives and has authority and responsibility under the administration framework assigned by the Board of Directors. In additions, the Chairman shall not hold any positions in the Sub-Committee. The authority of the Board of Directors and the Sub-Committee such as Audit Committee, Nominating and Remuneration Committee has been clearly classified. The Chairman of the Sub-Committee must be the independent director so the action performed by the Sub-Committee has genuine freedom and every director must have freedom of expressing his/her opinions towards the company’s business operations in order to supervise the efficient, accurate, and transparent Company’s business operations. The Board of Directors has taken care of the identification of policies, strategies, and maintained the benefit of shareholders. For the daily business operations and company’s business performance, the Executive Board shall perform the duties according to the goal specified by the Company. The authority of the Board of Directors and the Sub-Committees has been clearly classified under the Management.

The Company Secretary was appointed to give legal advices, to inform rules and regulations the Board of Directors needed to know and perform, to prepare for meetings, to keep important documents as specified by law, to oversee the business administration of the Board of Directors and of the Management’s team in compliance with the law, as well as to conduct any related activities set forth by the Stock Exchange Commission.

5.2 Sub-Committee

In order for the maximization of the goal of good corporate governance, the Board of Directors has appointed the members of the Committees who are knowledgeable

and proficient to be the Sub-Committee in order to assist the study of details and screen the Committee's work more efficiently. Currently, there are sub-committees, namely, Executive Board, Audit Committee, Nominating and Remuneration Committee with the clear structure, duties and responsibilities specified (for the details of roles, duties, and responsibilities, they shall be explained under Management).

5.3 Roles, Duties and Responsibilities of Committee

The Company has realized the importance of its Board of Directors' performance with responsibilities and honesty. The Company has clearly specified the structure, roles, and responsibilities of its Committees as well as respective Management Executives where the Board of Directors is responsible for corporate policy making and regulation while the Management Executives are responsible for operational management according to the company policies. The Committee also reviews the policy regarding the company's corporate governance and regularly evaluates the performance according to such policy. The Company has clearly prepared the manual "Company's Business Ethics" in writing so the directors, executives, and employee at every level are able to realize and apply to be the standard of conduct. Therefore, they are able to perform their duties with honesty, integrity, and fairness according to the Company's mission towards both the Company and every parties with vested interests. The Company has regularly communicated with the employees and monitored the performance according to such abovementioned guidelines.

In addition, the Company's Board of Directors has identified the policy concerning the conflict of interest on the principle that the Company shall not support the related transactions with persons that may lead to conflict of interest. In case that such transaction must occur, they shall be according to the guideline of normal business operations like transactions with outsiders. If any transactions are not in compliance with the guideline of normal business operations, the Company shall perform according to the step of approving the related transactions where Directors, Executives, and related personnel are required to provide additional information for such transaction for the Company

Secretary in accordance with the regulation set forth by the Securities and Exchange Commission (SEC) and forfeit the right to ballot in such transaction.

The executive directors has provided the efficient internal control system, regularly monitored and evaluated the system. In case of any abnormal circumstances, they shall be thoroughly audited and rapidly solved the problems. The internal control system is the important mechanism of management in order to help reduce business risk and stabilize the business operations to attain the specified goals, and help protect the company's properties from any leakages, and also protect the benefit and investment of shareholders.

5.4 Committee's Meeting

The Company has identified the schedule of the Committee's meetings in advance except the special agenda. In such case, the Chairman or Directors according to the number specified by the law are able to call for additional meetings deemed as appropriate. The Chairman or Chairman of the meeting shall rely on the policy to support the consideration of various issues with transparency and shall allocate sufficient time for presenting the details and answering the questions. The Secretary shall submit the meeting agendas and documents in advance of the meeting date.

In additions, The Company has also prepared the meeting report in writing and stored such reports orderly for auditing and the auditors shall audit the report every quarter. For other Sub-Committees, the meeting shall be separately conducted and such Sub-Committees shall perform according to the abovementioned (for details of number of the Board of Directors' meeting in the year 2009, they are explained in the topic of Management).

5.4 Committee's Meeting

The Company has identified the schedule of the Committee's meetings in advance except the special agenda. In such case, the Chairman or Directors according to the number specified by the law are able to call for additional meetings deemed as appropriate. The Chairman or Chairman of the meeting shall rely on the policy to support the consideration of various issues with transparency and shall allocate sufficient time for presenting the details

and answering the questions. The Secretary shall submit the meeting agendas and documents in advance of the meeting date. Should there be any conflict of interest in any agenda by Directors, Management Executives, and related personnel, he or she must provide an additional report to the Company Secretary so that it can be proposed to the Chairman of the Board and Chairman of the Audit Committee within 7 days of the receipt of such report.

5.5 Committee's Self-evaluation

In the Board of Directors' meetings, each director shall report the business performance under his/her responsibility so the Committee is able to consider the performance, propose the opinions, and inquires various questions for further improvement.

5.6 Remuneration

Regarding the identification of director's remuneration, the Nominating and Remuneration Committee shall consider before proposing to the Company's Board of Directors and shareholders for approval. The Nominating and Remuneration Committee has set the criteria for consideration by comparing with other companies in the same industry. The rate shall not be too high but shall be proper and sufficient for motivating and maintaining the qualified directors. The director's remuneration shall be disclosed in the annual report as specified by the Office of Securities and Exchange Commission.

5.7 Development of Directors and Executives

The Company has realized the importance of personnel development at every level, especially directors, and executives since this group of personnel must be seriously developed and must always have updated opinions in order to adjust the business operations' strategies to be in compliance with the conditions of business operations. The Company has periodically arranged training, seminar, and brainstorming by inviting experts from various institutes to be the instructor. In addition to the managerial development, the Company has realized the importance

of personality development and ethics for executives. The training schedule for directors and executives is under the annual action plan of the Human Resource Department. In additions, persons who have the potential to be promoted to the executives or high level executives must pass various curriculum in order to develop themselves according to the succession planning criteria and the Company has identified various curriculums classified by each level of executive and the Company's performance shall be reported in the Board's meetings.

Monitor on the use of inside information ■ ■ ■ ■ ■

It is the Company's policy to oversee that its executives would not be using the Company's inside information for their own benefits and to ensure that trading of securities are conducted in line with legal requirements, i.e. its directors and the executives are required to report on the changes of their securities holdings to the Office of the Securities and Exchange Commission by virtue of Section 59 of the Securities and Exchange Act 1992. They are required to submit such report each time a sale, purchase, transfer or acceptance of transfer of the Company's securities takes place within 3 business days from the date of such transaction. In addition, any executive or work unit which has come into knowledge of inside information shall not disclose any of such information to a third party or to those who have no duty to be involved with the matter and to keep such major information which has not as yet been disclosed as confidential and restricted to senior executives involved with the issues only. For example, they will not buy or sale or offer or persuade others to buy or sell Company's securities both directly and indirectly within one month, before the declaration of quarterly and annually financial statement to the public. Furthermore, the Company sets regulations not allow every board member and employee to use their authority or opportunity to work for their own or other person benefits. Those who violates will face a disciplinary action immediately. ■

Personnel

The Company has never had any labor argument for the past 3 years. As at 31 December 2011, it had 845 permanent staff, and 129 contract staff, divided by groups as follows:

Segment	Total (Personnel)
ICT Group	83
Technology Business Group	194
Project Business Group	153
Trading Business Group	325
Joint Venture Business Group	19
Office of the President	48
Finance and Administration Group	85
Human Resources and Administration Group	51
Internal Audit Department	6
Corporate Communication Administration Department	10
Total Employees	974

Personnel Policy

To accomplish the corporate visions, the Company clearly identified goals and missions both on organizational unit basis and individual basis. The Company developed personnel competency by training and development systems. It sent appropriate and potential staff to attend necessary training and development courses to uplift their knowledge, understanding, technology, and work skills. The Company organized both internal and external training programs by either inviting knowledgeable speakers/trainers, or sending its staff to attend courses organized by external training organizers. Also, it sponsored its staff on overseas training programs or field trips to learn more work skills and services in business sectors or in technology not available in Thailand.

The Company continued implying the Appropriate Remuneration Policy by considering both Performance-based Pay and Variable Pay. It also emphasized on organizing activities to promote internal communication, and various personnel relation activities to gain more participation resulting in positive relationship among staff. Also, it conducted the personnel development schemes with emphasis on current skill, knowledge and competency development as well as preparation for the career growth in conjunction with the Succession Planning, especially in executive levels.

Total Personnel Remuneration of Company staff from January to December 2011 in form of salaries, wages, overtime, and bonus is Baht 431 million. ■

Information of Company Executives

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Work Experience for the Past 5 years		
			Own	Spouse & Children below 20 Years old		Duration	Position	Organization
1. Mr. Pairote Lamsam Chairman	78	- B.A.(Commerce) University of Manchester England - Director Accreditation Program 17/2004 Thai Institute of Directors Association	35,589,030 1.78%	None	Brother of Mr. Dhongchai Lamsam and Mr. Poomchai Lamsam, Brother-in-law of Dr. Jingjai Hanchanilash Uncle of Mr. Vasant Chatkavanij, Mr. Suroj Lamsam, and L.T. Chalermchoke Lamsam	2010-present 2000-present 1995-present 1991-present 1990-present 1989-present 1981-present 1972-present 1969-present 1960-present	Director Advisor to the Board Chairman Director Director Chairman Chairman Director Director Director Chairman Managing Director	Loxley Joint and Hold Company Limited Kasikorn Bank Public Company Limited Loxley Trading Company Limited BlueScope Steel (Thailand) Limited BlueScope Lysaght (Thailand) Limited BP-Castrol (Thailand) Limited Loxley Public Company Limited Ekpavee Company Limited Loxley Property Development Company Limited Loxley International Company Limited Zin Suapah Company Limited Siam Sanitary Ware Company Limited Lamsam Estate Company Limited
2. Mr. Sukit Wanglee Vice Chairman	81	- Mechanical Engineering Leicester College, England - Director Accreditation Program 12/2004 Thai Institute of Directors Association	4,659,840 0.23%	None	Brother of Mr. Supachai Wanglee	2010-present 2003-present 1996-present 1990-present 1984-present 1982-present	Chairman Chairman Chairman Director Director Vice Chairman	Thai Metal Drum Manufacturing Public Company Limited Rojana Industrial Park Public Company Limited Poonphol Company Limited Ekpavee Company Limited Siam Sanitary Ware Company Limited Loxley Public Company Limited
3. Mr. Dhongchai Lamsam - President - Nominating & Remuneration Committee Member	65	- Bachelor of Science (Honors),Chemical Technology, Chulalongkorn University - M.Sc. Industrial Engineering Illinois Institute of Technology, U.S.A. - Advanced Management Program, Harvard Business School, U.S.A. - Director Accreditation Program 12/2004 Thai Institute of Directors Association	25,459,090 1.27%	1,112,870 0.06%	Brother of Mr. Pairote Lamsam and Mr. Poomchai Lamsam Brother-in-law of Dr. Jingjai Hanchanilash Uncle of Mr. Vasant Chatkavanij and Mr. Suroj Lamsam Father of L.T. Chalermchoke Lamsam	2010-present 2006-present 2005-present 2003-present 2001-present 2000-present 1998-present 1996-present 1995-present 1994-present 1990-present 1989-present 1983-present 1981-present 1977-present 1972-present 1960-present	Director Chairman Director Director Director Director Chairman Director Director Director Managing Director Director Director President Managing Director Director Director	Loxley Joint and Hold Company Limited Asia Security Management Company Limited Loxley Global Company Limited L-TAG Technologies Company Limited Loxley GTECH Technology Company Limited Loxley Wireless Company Limited Law Enforcement Technology Solutions Co.,Ltd. Oriental Post Company Limited Thai Fiber Optics Company Limited General Aviation Company Limited Data Mining Company Limited BP-Castrol (Thailand) Limited Ekpavee Company Limited Loxley Property Development Company Limited BlueScope Steel (Thailand) Limited BlueScope Lysaght (Thailand) Limited Loxley Public Company Limited Loxley International Company Limited Loxley Trading Company Limited Zin Suapah Company Limited Lamsam Estate Company Limited

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Work Experience for the Past 5 years		
			Own	Spouse & Children below 20 Years old		Duration	Position	Organization
4. Dr. Harit Sutabutr - Independent Director - Chairman of the Audit Committee	75	- Ph.D. Mechanical Engineering University of California, Berkeley - Director Accreditation Program 16/2004 Thai Institute of Directors Association	52.500 0.003%	None	None	2002-present 1998-2002 1998-present 1993-present 1992-1998 1987-1999	Senior Adviser to the Director Acting Deputy Director Vice Chairman of the University Council Independent Director President Director	National Science and Technology Development Agency National Science and Technology Development Agency King Mongkut's University of Technology Thonburi Loxley Public Company Limited King Mongkut's University of Technology Thonburi National Center for Metal & Material Technology National Science and Technology Development Agency, Ministry of Science and Technology
5. Dr. Wissanu Krea-Ngam Independent Director	60	- LL.D. Honoris Causa Chulalongkorn University 2001 - Certificate from National Defense College 1997 - J.S.D. University of California, Berkeley 1976 - LL.M. University of California, Berkeley 1974 - Barrister-AT-Law (Thai) 1973 - LL.B. (Hons. 1st Class) Thammasat University 1972 - Director Accreditation Program 68/2008 Thai Institute of Directors Association	None	None	None	2011-present 2010-present 2009-present 2008-present 2006-present 2006-2007 2002-2006 1993-2002 1992-2000	Director Director Chairman Chairman Independent Director Chairman Member of National Legislative Assembly Deputy Prime Minister Secretary General of the Cabinet Senator	Serm Suk Public Company Limited Post Publishing Public Company Limited Amata Corporation Public Company Limited Bangkok First Investment and Trust Public Company Limited Loxley Public Company Limited Sikarin Public Company Limited National Legislative Assembly Government House Government House Senate
6. Mr. Sirin Nimmanahaeminda - Independent Director - Audit Committee Member	64	- M.B.A. Stanford University, Palo Alto, California, U.S.A. - B.A. (Economics), University of Michigan, Ann Arbor, Michigan, U.S.A.	None	None	None	2011-present 2008-present 2007-2010 2006-2010 2006-2007 2005-2007 2002-present	Audit Committee Member Independent Director Director to the Risk Management Committee Independent Director, Director to the Audit Committee, and Director to the Remuneration Committee Director and Executive Board Chairman Chairman, Independent Director, and Chairman of the Audit Committee	Loxley Public Company Limited Loxley Public Company Limited PTT Exploration and Production Public Company Limited PTT Exploration and Production Public Company Limited Thai Airways International Public Company Limited Thai Sri Insurance Company Limited Trinity Wattana Public Company Limited

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Work Experience for the Past 5 years		
			Own	Spouse & Children below 20 Years old		Duration	Position	Organization
7. Dr. Supavud Saicheua Independent Director	54	- Ph.D. in Economics University of Hawaii at Manoa, U.S.A. - M.A. in Economics University of the Philippines (Diliman), Philippines - B.A. in Economics Victoria University of Wellington, New Zealand - Director Accreditation Program 36/2003 Thai Institute of Directors Association	None	None	None	2012-present 2011-present 2008-2011 2007-present 2007-Jan 2008 2006-present 2005-present 2004-Jan 2006 2004-2005 2003-2005 2002-2006 2001-2003 1999-2005	Chairman of the Executive Board Vice Chairman, Director to the Risk Management Committee Advisor of Investment Committee Committee Investment Expert of Investment Committee Independent Director Committee Sub-Committee Trustee Executive Director Managing Director (Head of Research) Advisor to the Board of Directors Director and Independent Director Director Committee Investment Expert of Investment Committee Research Committee on Economics	Niyom Panich Group of Companies Double A (1991) Public Company Limited Government Pension Fund Strategic Committee for Reconstruction and Future Development Government Pension Fund Loxley Public Company Limited Macro Economic Steering Committee, Office of the Prime Minister The National Economic & Social Development Board(NESDB) Kenan Institute Asia Phatra Securities Public Company Limited Industrial Estate Authority of Thailand Golden Land Property Development Public Co., Ltd. Securities Analyst Association The Economic Society of Thailand Government Pension Fund National Research Council of Thailand
8. Mr. Charoon Chinalai - Independent Director - Audit Committee Member	73	- Civil Engineering King's College London University, England - Director Accreditation Program 12/2004 Thai Institute of Directors Association	None	None	None	1992-present 1980-present	Director Independent Director Director Director	Parinda Public Company Limited Loxley Public Company Limited CoffarThai Company Limited EkThana Engineering Company Limited
9. Mr. Dusit Nontanakorn - Independent Director - Chairman of the Nominating & Remuneration Committee	64	- MBA(1977) Marketing, University of California at Los Angeles - M.S.(1969) Structural Engineering, Ohio State University	None	None	None	2009-2011 2008-2011	Chairman Director Director	The Thai Chamber of Commerce and Board of Trade of Thailand Board of Investment Amata Corporation Public Company Limited

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Work Experience for the Past 5 years		
			Own	Spouse & Children below 20 Years old		Duration	Position	Organization
- Audit Committee Member		-B.E.(1968) Civil Engineering, Youngstown State University,Ohio -Director Certification Program 24/2002 Thai Institute of Directors Association -Chairman 2000 Thai Institute of Directors Association -Audit Committee Program 10/2005 Thai Institute of Directors Association -Advanced Management Program Harvard University -Public Director Institute(PDI), State Enterprise Policy Office, Ministry of Finance 2009				2007-2009 2005-2011 2002-2011 2002-2006 1999-2007 1999-2005	Vice Chairman Independent Director Advisor to the President & CEO Director Chairman Member of the Executive Board of Directors President	The Thai Chamber of Commerce Loxley Public Company Limited The Siam Cement Public Company Limited Siam Future Development Public Company Limited Thailand Management Association Vajiravudh College Cementthai Distribution Company Limited
10. Mr. Supachai Wanglee Director	78	- Master of Engineering University of Pennsylvania, U.S.A. -Director Accreditation Program 12/2004 Thai Institute of Directors Association	2,897,530 0.15%	None	Brother of Mr. Sukit Wanglee	1977-present 1982-2010 1976-present 1973-present 1971-2010 1970-present 1967-present 1964-present 1962-present	Director Director Director Director Director Director Director Managing Director Director Director	Loxley Public Company Limited Sapha-Aroon Company Limited Sathon Thani Company Limited Pathaweewathana Company Limited Tawara Company Limited Poonpatanakran Company Limited Suep Siri Company Limited Pipatanasin Company Limited Pirakit Company Limited GES Company Limited Poopipat Company Limited Poonvanich Company Limited
11. Mr. Suebtrakul Soonthornthum - Director - Senior Executive Vice President - Nominating & Remuneration Committee Member	69	- MBIM,Hon.Ditt : Curtin University, Australia - PMD, Harvard University, Graduate School of Business Administration-U.S.A. - National Defense College-Thailand - Director Accreditation Program 17/2004 Thai Institute of Directors Association	None	None	None	2010-present 2006-present 2004-present 2000-present 1999-present 1996-present 1992-present 1991-present 1987-present	Director Director Director Chairman Director Independent Director Chairman Senior Executive Vice President Chairman Director Director Director	Loxley Joint and Hold Company Limited Asia Security Management Company Limited United Overseas Bank (Thai) Public Company Limited Muang Thai Real Estate Public Company Limited BP - Castrol (Thailand) Limited Vanachai Group Public Company Limited Foseco (Thailand) Limited Loxley Public Company Limited Guardfire Limited Blue Scope Lysaght (Thailand) Limited Blue Scope Steel (Thailand) Limited Muang Thai Life Assurance Company Limited

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Work Experience for the Past 5 years		
			Own	Spouse & Children below 20 Years old		Duration	Position	Organization
12. Mr. Poomchai Lamsam Director	62	- B.A. Political Science, (1973) University of Colorado, U.S.A. - Strayer College, U.S.A. - Trent College, England - Saint Gabriel, Thailand - Director Accreditation Program 28/2004 Thai Institute of Directors Association	1,000,000 0.05%	55,250 0.003%	Brother of Mr. Parote Lamsam and Mr. Dhongchai Lamsam Brother-in-law of Dr. Jingjai Hanchanilash Uncle of Mr. Vasant Chatikavanij, Mr. Suroj Lamsam, and LT. Chalermchoke Lamsam	2010-present 1989-present 1988-present 1987-present	Director and Advisor Advisor Director Director Director Vice Chairman	Muang Thai Life Assurance Company Limited Muang Thai Insurance Public Company Limited Loxley Public Company Limited Muangthai Real Estate Public Company Limited Muangthai Fortis Holding Company Limited Phatra Leasing Public Company Limited
13. Mr. Vasant Chatikavanij - Director - Senior Executive Vice President	55	- M.S.Chemical Engineering Lehigh University, U.S.A. - B.S.E. Chemical Engineering, Princeton University, U.S.A. - Director Accreditation Program 12/2004 Thai Institute of Directors Association	1,849,980 0.09%	None	Nephew of Mr. Parote Lamsam, Mr. Dhongchai Lamsam, and Mr. Poomchai Lamsam Nephew-in-law of Dr. Jingjai Hanchanilash Cousin of Mr. Suroj Lamsam and LT. Chalermchoke Lamsam	2011-present 2009-present 2008-present 2007-2010 2007-Present 2006-present 2001-present 1999-present 1995-present 1993-present 1989-present 1981-present 2005-2007 2002-2008 1994-2008 1984-2007	Senior Executive Vice President Chairman Director Chairman Executive Vice President Director Director Chairman Director Chairman Chairman Chairman Director Director Director Chairman Executive Director	Loxley Public Company Limited Loxley Mobile Company Limited Muangthai Asset Company Limited Ecartstudio Company Limited Loxley Public Company Limited Mobile Innovation Company Limited Loxley Wireless Company Limited NetONE Network Solution Company Limited TT&T Public Company Limited Loxbit PA Public Company Limited Data Mining Company Limited LOXBIT Public Company Limited Loxley Property Development Company Limited Loxley International Company Limited Teleinfo Media Public Company Limited CS Loxinfo Public Company Limited MOCAP Limited Loxley Public Company Limited
14. Mr. Suraphand Bhasitirand - Director - Senior Executive Vice President - Nominating & Remuneration Committee Member	60	- Master Degree in Business Administration, University of West Los Angeles, U.S.A. - Bachelor Degree in Accountancy (Honours), Chulalongkorn University - Director Accreditation Program 12/2004 Thai Institute of Directors Association - Certificate Politics and Governance in Democratic Systems for Executives Course King Prajadhipok's Institute 10/2006	60,000 0.003%	None	None	2011-present 2010-present 2008-present 2008-2010	Senior Executive Vice President Management Committee of Trading Business and International Human Resources and Corporate Administration Group Director Director Director	Loxley Public Company Limited Loxley Public Company Limited Parts Zone (Thailand) Company Limited Loxley Property Development Company Limited MOCAP Limited

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Work Experience for the Past 5 years		
			Own	Spouse & Children below 20 Years old		Duration	Position	Organization
		- Certificate Capital Market Academy Leader Program Capital Market Academy 5/2007				2007-2010 2007-present 2005-present 1999-2007	Executive Vice President Director Chairman Director Executive Director	Loxley Public Company Limited Loxley Trading Company Limited L-Elevator and Engineering Company Limited Guardfire Company Limited L-TAG Technologies Company Limited Loxley Public Company Limited
15. Dr. Sompop Chareonkul - Director - Senior Executive Vice President	62	- B.Commerce (1st Class Honours), Chulalongkorn University - MBA (Marketing), University of Wisconsin-Madison, U.S.A. - M.S. (Business Administration), University of Wisconsin-Madison, U.S.A. - Ph.D. (Business Administration), University of Wisconsin-Madison, U.S.A. - National Defense College (4212) - Director Accreditation Program 15/2004 - Thai Institute of Directors Association - Advanced Security Management Program National Defense College Association of Thailand - Top Executive Program in Commerce and Trade : TEPCoT 4 (Commerce Academy)	800,000 0.04%	None	None	2011-present 2011-2011 2008-present 2008-2010 2007-2008 2007-present 2006-2007 2005-2006 2003-2007 2002-2004 1999-2007 1998-present 1997-2006 1994-present	Senior Executive Vice President Director Chairman of the Executive Board Chairman of the Executive Board Executive Vice President Qualified Director Honorary Counsel Member Member Director Member Committee Committee Committee Executive Director Executive Director Director Director	Loxley Public Company Limited Vanachai Group Public Company Limited Asia Security Management Company Limited Law Enforcement Technology Solutions Company Limited Loxley Public Company Limited The Central Committee on the Price of Goods and Services, Ministry of Commerce Software Industry Promotion Agency (Public Organization) The Civil Service Sub-Commission on Ethics Promotion for Public Sector Transparency National Campaign Against Vote-Buying Following a Sensational Leak of the Council for Nation Security Loxley Trading Company Limited The National Legislative Assembly, Thailand Customer Services Quality Assurance Thai Airways International Public Company Limited Special Sub-Commission on Effective Public Sector Human Resource Management Public Warehouse Organization Loxley Public Company Limited Oriental Post Company Limited Diana Department Store Public Company Limited Societe Commerciale Lao Company Limited

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Work Experience for the Past 5 years		
			Own	Spouse & Children below 20 Years old		Duration	Position	Organization
16. Mr. Suroj Lamsam - Director - Senior Executive Vice President	45	- MM, Sasin Graduate Institute of Business Administration of Chulalongkorn - MA, Communications, New York University - BA, Marketing and Consumer Studies Syracuse University, Syracuse, New York - Graduate Diploma in Management of Public Economy King Prajadhipok's Institute - Director Accreditation Program 40/2005 Thai Institute of Directors Association	1,137,150 0.06%	None	Nephew of Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Poomchai Lamsam Nephew-in-law of Dr. Jingjai Hanchanliash Cousin of Mr. Vasant Chatikavanij and LT. Chalermchok Lamsam	2011-present 2008-2010 2008-present 2005-present 2004-2008 2000-present 1999-present	Senior Executive Vice President Chairman Executive Vice President President President President President Director Executive Director Director Director Director Director	Loxley Public Company Limited Loxley Mobile Company Limited Loxley Public Company Limited Loxley Property Development Company Limited Data Mining Company Limited Thai Gateway Company Limited L-Mobile & Computer Company Limited TT&T Public Company Limited Loxley Public Company Limited Loxbit PA Public Company Limited Thanakom Vegetable Oil Company Limited Navakij Company Limited The Lamsam Estate Company Limited
17. LT. Chalermchoke Lamsam - Director - Senior Executive Vice President	38	- Bachelor of Business Administration, Chulalongkorn University - MBA, Seattle University, U.S.A. - Public Administration and Public Laws, King Prajadhipok's Institute	9,406,370 0.47%	3,733,750 0.19%	Son of Mr. Dhongchai Lamsam Nephew of Mr. Pairote Lamsam, and Mr. Poomchai Lamsam Nephew-in-law of Dr. Jingjai Hanchanliash Cousin of Mr. Vasant Chatikavanij and Mr. Suroj Lamsam	2011-present 2010-present 2008-2010 2006-2008 2006 2005-2006 2005-present 2004-2005 2002-present 2002-2003 2000-present 2000-2001 1997-2000	Senior Executive Vice President Director Director Director Director Director Director Executive Vice President Executive Director Assistant Vice President Assistant Vice President (Marketing) Director Director Senior Manager Director Manager Executive Director Director Assistant Manager Officer, Directorate of Intelligence	Loxley Public Company Limited L Force 1 Company Limited Loxley Mobile Company Limited Parts Zone (Thailand) Company Limited Loxley Wireless Company Limited Loxley Property Development Company Limited L Solar 1 Company Limited Loxley Public Company Limited Asia Security Management Company Limited Loxley Public Company Limited Loxley GTECH Technology Company Limited Thai Fiber Optics Company Limited L-TAG Technologies Company Limited Loxley Public Company Limited Law Enforcement Technology Solutions Company Limited Loxley Public Company Limited Loxley International Company Limited LTS Travel Service Company Limited Loxley Public Company Limited Royal Thai Army
18. Mr. Sakchai Weerasakwattana Executive Vice President	58	- MPP (Master of Public Administration) National Institute of Development Administration - Bachelor of Science (Chemistry) Kasetsart University	254,290 0.01%	None	None	2012-present 2010-present 2009-present 2000-2011	Executive Vice President Executive Committee Chairman Senior Vice President Chemical Group	Loxley Public Company Limited Thai-Russian Chamber of Commerce Green Natural Product Co., Ltd. Loxley Public Company Limited

Name-Surname Position	Age (Years)	Education / Training	Shareholding Ratio (%)		Family Relationship among Executive	Duration	Work Experience for the Past 5 years	
			Own	Spouse & Children below 20 Years old			Position	Organization
19. Mrs. Kosoom Sinhurmsukskul Executive Vice President	58	- Master of Business Administration (MBA) University of Dallas, U.S.A. - Finance & Accounting for the Non-Financial Professionals, Double Digits Ltd. - Senior Executive, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Bangkok	None	None	Cousin of Mr. Dhongchai Lamsam	2012-present 2005-present 2000-present	Executive Vice President Director Managing Director Director	Loxley Public Company Limited L-TAG Technologies Company Limited Loxley Trading Company Limited Thai Herbal Product Company Limited
20. Mr. Thongyai Chanthanawan Executive Vice President	54	Bachelor in Electrical Engineering (Power) Kasetsart University	None	None	None	2012-present 1998-present	Executive Vice President Managing Director	Loxley Public Company Limited Loxley Wireless Company Limited
21. Mr. Nataroot Chitasombat Executive Vice President	55	- Master of Economics, University of Nebraska, USA. - Bachelor of Accounting, Bangkok University	None	None	None	2012-present 2003-2008	Executive Vice President Senior Vice President Power Systems and Environmental Business	Loxley Public Company Limited Loxley Public Company Limited
22. Mr. Saknarong Saengsangapong Executive Vice President	50	- Master Degree, Business Administration (International Program), Bangkok University - Bachelor of Science, Chiangmai University - Certificate in Advance Computer Engineering, CICC, Tokyo, JAPAN - Advance Certificate in Politics & Governance in Democratic Systems for Executives, King Prajadhipok's Institute - National Defence Program for Public and Private Executive 23 (NDC 2010) National Defence College	412,000 0.02%	None	None	2012-present 2006-Present 2004-Present 1998-present 1993-present	Executive Vice President President & CEO Director Director President	Loxley Public Company Limited Loxbit Public Company Limited L Hardware & Services Company Limited Netone Network Solution Company Limited Professional Computer Company Limited
23. Mr. Supat Karachalkul Executive Vice President	47	- B.A. Accountancy, Assumption University - LL.B. Laws, Thammasat University	None	None	None	2012-present 2011-present 2009-present 2006-present 2006-2011 1998-present	Executive Vice President Chief Financial Officer Directors Directors Directors Senior Vice President Directors	Loxley Public Company Limited Loxley Public Company Limited L Solar 1 Company Limited Loxley Global Company Limited Asia Security Management Company Limited Loxley Public Company Limited L Elevator & Engineering Company Limited

Remark : Director No.1-3 and 10-17 are directors who have the authorizes to sign and binding the Company specified in Company's Certificate.

Information of Directors' Positions in the Related Companies as on 31 December 2011

Jointly-controlled entities

Direct and Indirect Associates

Director	Jointly-controlled entities			Direct and Indirect Associates										
	1. VH Services (Thai) Co., Ltd.	2. CKLX Joint Venture	1. Oriental Post Co., Ltd.	2. L Solar 1 Co., Ltd.	3. Thai Fiber Optics Company Limited	4. Guardfire Limited	5. Mobile Innovation Co., Ltd.	6. Foseco (Thailand) Limited	7. BlueScope Lysaght (Thailand) Limited	8. BlueScope Steel (Thailand) Limited	9. Loxley GTECH Technology Co., Ltd.	10. BP-Castroi (Thailand) Limited	11. Ecartstudio Company Limited	12. MOCAP Limited
Company														
1 Mr. Pairote Lamsam								/	/	/				
2 Mr. Sukit Wanglee														
3 Mr. Dhongchai Lamsam	/		/		/					/	/	/		
4 Dr. Harit Sutabutr														
5 Dr. Wissanu Krea-ngam														
6 Mr. Sirin Nimmanahaeminda														
7 Dr. Supavud Saicheua														
8 Mr. Charoon Chinalai								/						
9 Mr. Dusit Nontanakorn														
10 Mr. Supachai Wanglee														
11 Mr. Suebrakul Soonthornthum			/			/	/	/	/	/	/	/		
12 Mr. Poomchai Lamsam														
13 Mr. Vasant Chatikavanij							/						/	
14 Mr. Suraphand Bhasitnirandr						/								
15 Dr. Sompop Chareonkul			/											
16 Mr. Suroj Lamsam	/													
17 Lt. Chalermchoke Lamsam				/	/									
18 Mr. Sakchai Weerasakwattana														
19 Mrs. Kosoom Siphurmsukskul														
20 Mr. Thongyai Chanthanawan														
21 Mr. Natavoot Chitasombat														
22 Mr. Saknarong Saengsangapong														
23 Mr. Supat Karachalkul						/								

Information of Directors' Positions in the Related Companies as on 31 December 2011

Other Related Parties

Director	Company											
	1. Muang Thai Insurance Plc	2. Amata City Company Limited	3. L-Elevator and Engineering Co., Ltd.	4. L-Mobile and Computer Co., Ltd.	5. General Aviation Co., Ltd.	6. L-TAG Technologies Company Limited	7. Green Natural Products Co., Ltd.	8. Zin Suapah Company Limited	9. Thanakorn Vegetable Oil Co., Ltd.	10. Loxley International Co., Ltd.	11. Law Enforcement Technology Solution Co., Ltd.	12. LTS Travel Service Co., Ltd.
1 Mr. Pairote Lamsam							/	/				
2 Mr. Sukit Wanglee												
3 Mr. Dhongchai Lamsam					/	/	/	/	/	/		
4 Dr. Harit Sutabutr												
5 Dr. Wissanu Krea-ngam												
6 Mr. Sirin Nimmanahaeminda												
7 Dr. Supavud Saicheua												
8 Mr. Charoon Chinalai												
9 Mr. Dusit Nontanakorn												
10 Mr. Supachai Wanglee												
11 Mr. Suebtrakul Soonthornthum					/		/					
12 Mr. Poomchai Lamsam												
13 Mr. Vasant Chatikavanij									/			
14 Mr. Suraphand Bhasitnirandr			/			/						
15 Dr. Sompop Chareonkul											/	
16 Mr. Suroj Lamsam				/				/				
17 Lt. Chalermchoke Lamsam						/			/	/	/	/
18 Mr. Sakchai Weerasakwattana												
19 Mrs. Kosoom Sinphurmsukskul						/						
20 Mr. Thongyai Chanthanawan												
21 Mr. Natavoot Chitasombat												
22 Mr. Saknarong Saengsangapong												
23 Mr. Supat Karachalkul			/									

Internal Control and Audit

The Company has emphasized on the internal control and audit system. Working descriptions of the operators and executives are clearly assigned. The company's assets are effectively managed. Works of internal control staffs and monitoring staffs are separated for transparency and reciprocal examination. The Company has had comprehensive internal control covering the areas of finance, administration and operation, ensuring working efficiency and compliancy with related laws, rules and regulations. Monthly financial reports are presented to relevant departments. The Company has transparently disclosed information in related transactions to ensure confidence and financial report credibility.

The established Internal Audit Department is responsible for auditing of internal control processes according to its annual audit planning with monitoring and correction of significant issues to be reported to the Audit Committee. A Senior Vice President of Internal Audit Department, who is directly under the Audit Committee, is the secretary of the Audit Committee and is appointed by the Board of Directors according to the Stock Exchange of Thailand's regulations.

The Audit Committee has assessed the Company's internal control and audit processes including encouraging risk management processes and various advices as well as emphasizing the importance of the auditor's remarks. The Committee concluded that the Company and its subsidiaries have adequately established proper internal control processes in 5 categories as follows:

1. Corporate and Environment

The Company has properly structured itself in a good environment, which is an important factor in internal control processes. Under the Company's vision, goal, strategies, and budgeting, the Company has continuously restructured itself according to the concurrent business planning to ensure efficient operations of the management that can be clearly monitored, verified, and assessed. Additionally, the Company's regulations also cover every type of transactions, continuous human resource development policy, and delegation of responsibilities to ensure efficient operations.

2. Risk Management

The management has verified the policies and established the Risk Management Committee to perform risk management procedures due to internal and external factors in order to prevent or lessen impacts in business performance, operations,

financial management, safety management, and significant risks affecting corporate performance. Efficient risk control measures were adjusted and utilized for use in different scenarios. In addition, it also cooperates with corporate departments to encourage mutual risk management in every level so that corporate strategies can be adjusted accordingly to perform countermeasure and prevention in every related risk to ensure that corporate goal shall be met.

3. Management Operations Control

Policies and measures or its management processes have been specified in written format with monitoring procedures within the Company and its subsidiaries by categorizing functions into business groups in order to efficiently cascade its management processes and reciprocal control according to corporate policies and goal. In addition, the Company also consistently performs monitoring of its own operations and its subsidiaries' by appointment of directors or management executives as directors of its subsidiaries to ensure close management.

4. Information System and Communications

The Company has established adequate information system for business decision purposes with responsible department. The Company has emphasized on its information system by encouraging communications via e-mail among management executives and staff including internal and external communications and corporate website to distribute current information or notices for all staff. The Company also provides information on operations, rules and regulations, job function handbook, and related regulations within its corporate website to provide information access for all staff and precise operations.

5. Monitoring and Assessment

The Company has established the monitoring and assessment processes for the management and executive committee by assessing corporate performance monthly compared with the budget and plan. Additionally, the Internal Audit department will independently monitor and assess its internal control processes by directly reporting to the management with suggestions for improvement to prevent possible damage and avoid risks to raise confidence in the management through its adequate and proper internal control processes.

Report of Board's Responsibility for financial Report

The Company's Board of Directors is responsible for the financial statements of the Company and its subsidiaries as well as the financial data shown in the Annual Report. Such financial statements are prepared according to the accounting standards generally accepted in Thailand by adoption of appropriate accounting policies and with constant practices, utmost care and discretion. Moreover, essential information is sufficiently disclosed in the notes to the financial statements.

The Company's Board procures an efficient internal control system to ensure proper and complete accounting recording. The Financial statements of the Company and its subsidiaries are audited by the Company's auditor, KPMG

Phoomchai Audit Limited. In conducting the audit, the auditor is provided by the Company's Board with information and documents to allow audit and expression of opinion by the auditor pursuant to the accounting standards, the auditor's opinion is shown within "Auditor's Report", a part of the Annual Report.

The Company's Board of Directors opines that the Company's overall internal control system is at a satisfying level. The system can reasonably assure that the Company's and its subsidiaries' annual financial statements ending 31 December 2011 are reliable, comply with the generally accepted accounting standards and properly adhere to the laws and other related regulations.



(Mr. Pairote Lamsam)
Chairman of the Board



(Mr. Dhongchai Lamsam)
President

Report of the Audit Committee

The Audit Committee of Loxley Public Company Limited consists of 3 independent members whose experience and qualifications meet all regulations required by Securities and Exchange Commission and the Stock Exchange of Thailand, as well as not being the Company executive or staff to ensure independence in performing its duty. During 2011, 7 Audit Committee meetings were held with the following attendance details:

No.	Name	Position	No. of Total Meetings	No. of Meeting attended
1	Dr. Harit Sutabutr	Chairman	7	7
2	Mr. Charoon Chinalai	Member	7	7
3	Mr. Dusit Nontanakorn*	Member	6	6

Remark: Mr. Dusit Nontanakorn resigned on 6 September 2011.

Mr. Chamnan Chotcomwongse, Senior Vice President of the Internal Audit Department of the Company, was the secretary to the Audit Committee.

The Audit Committee has submitted its meeting reports to the Company Board of Directors in order to take appropriate action. The Audit Committee performed following functions :

1. Reviewed Company's and subsidiaries' Quarterly Financial report and Annual Financial reports after being audited by the Auditor. The Audit Committee can confirm that the Company's and subsidiaries' financial reports conform with the generally accepted accounting standard with adequate information disclosure.
2. Reviewed the 2-month, 5-month, and 8-month Company financial reports to see whether the goal has been met then submitted comments and suggestions to the Executive Board.
3. The company's Auditor was invited to attend the Quarterly Audit Committee meetings to submit its reports, financial report verification, and suggestions about the internal control process as well as credibility of the financial report.
4. The Company's and its subsidiaries' management were invited to attend the Audit Committees meetings from time to time to provide information, to acknowledge comments, and suggestion in order to promote management efficiency of the Group of companies.

5. Reviewed that the Company has followed the business guidelines required by the Securities and Exchange law, regulations of the Stock Exchange of Thailand, and related laws.
6. Reviewed and assessed the adequacy of the internal control processes and gave recommendations that led to proper internal control processes and adequate internal auditing including promoting efficient business operations through Control Self-Assessment processes as well as risk management processes with the affirmation from the management that they realized that importance of risk management and regularly managed the risks
7. Approved the annual auditing plan and acknowledged the auditing report and followed up on corrective actions of significant issues raised by the report to ensure good corporate governance, as well as assessed effectiveness of auditing processes
8. Reviewed the Company's Quarterly information disclosure especially in related transactions according to the notification of the Securities and Exchange Commission regarding information disclosure and the registered company's code of conduct for related transactions
9. Nominated the Company's auditor and remuneration for the year 2011 prior to seeking approval from the Company Board of Directors and Shareholders, respectively

The Audit Committee has performed its duty with a satisfactory degree of independence and has received good cooperation from the management. The Audit Committee concluded that the Company has prepared the financial report with proper information disclosure according to the generally accepted accounting standard and conformed with rules, regulations, and related laws, without significant issues that may affect efficiency of the business internal control and risk management processes The Company Board of Directors was duly informed of the above opinion.



(Dr. Harit Sutabutr)
Chairman of Audit Committee

Related Transactions

The Company does not have a policy engaging in related party transactions with related companies, shareholders, or the Company's management, unless it is a related party transaction between the Company and its subsidiaries or associated companies. However, if the Company needs to engage in related party transactions with related companies, shareholders, or the Company's management, it would be done under the rules and regulations of the stock market, taking into consideration the highest benefits of the Company's shareholders as the main priority.

According to the notes to the financial statement ending 31 December 2011, note#6, related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Under the terms and conditions above, the Company has issued a policy to announce list price of each related transaction, e.g., sale of goods and rendering of services, fees, other income, purchase of goods and receiving of services, and selling/general & administrative expenses, between the Company and its subsidiaries against individuals or related businesses. List prices in such business transactions are in similar conditions as those of general trading agreements and commercially justified in accordance with each particular business and competition in the industry.

Significant transactions for the year ended 31 December 2011 with related-parties were as follows:

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Loxley International Co., Ltd. Mr. Pairote Lamsam and Mr. Dhongchai Lamsam are its major shareholders with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, Mr. Vasant Chatikavanij, and Mr. Chalermchoke Lamsam	income for service	0.96	- space rental service and other services
	accounting service fee and other services	0.76	- accounting and other services
	consultancy service expense	16.95	- security service consultancy as agreement
	account receivable - net	0.07	
	account payable	12.12	
L-TAG Technologies Co., Ltd. 80% of its shares are held by Ekpavee Co., Ltd., with the following directors in common: Mr. Dhongchai Lamsam, Mr. Chalermchoke Lamsam, and Mr. Suraphand Bhasitnirandr.	income from sale and services	0.41	- sale of project materials and services
	income from accounting service and other services	0.23	- accounting service and other services
	purchase of goods and services	1.61	- purchase of goods for use in projects
	account receivable - net	2.54	
	account payable	0.04	

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Sin Suapah Co., Ltd. 20% of its shares are held by Ekpavee Co., Ltd., with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suebtrakul Soonthornthum.	income from accounting service and other services	1.15	- accounting and other services
	expenses for parking spaces and other services	0.35	- parking and building space rental services
	account receivable - net	0.07	
Loxley Pacific Co., Ltd. 15% of its shares are held by Loxley Wireless Co., Ltd.	income from sale and services	3.37	- sale of project equipments and other services
	consultancy fee income	1.75	
	account receivable - net	0.02	- consultancy service and space rental service as agreement
Thanakorn Vegetable Oil Products Co., Ltd. 6% of its shares are held by Ekpavee Co., Ltd., with a director in common, namely Mr. Suroj Lamsam.	purchase of vegetable oil	1,685.76	- Thanakorn Vegetable Oil Products Co., Ltd. manufactures of vegetable oil and distributes to Loxley Trading Co., Ltd., the Company's subsidiary; general distributor agreement was used by accepting expense for goods distribution from center.
	account payable	182.96	
Foseco (Thailand) Limited 26% of its shares are held by Loxley Plc., with a director in common, namely Mr. Suebtrakul Soonthornthum.	income from warehouse rental and consulting service	7.16	- fee for inventory management and consulting at general market price
	account receivable - net	2.13	
BlueScope Lysaght (Thailand) Limited 25% of its shares are held by Loxley Plc., with the following directors in common: Mr. Pairote Lamsam and Mr. Suebtrakul Soonthornthum	income from selling goods and services	1.15	- sale of project materials and advertising space rental service
	income from warehouse rental	4.27	- warehouse rental service
	purchase of construction materials	72.74	- BlueScope Lysaght (Thailand) Limited is the manufacturer of steel roofing and construction materials under the standard required by the Company. Prices are at general market price.
	account receivable - net	0.26	
	account payable	8.83	
LTS Travel Service Co., Ltd. Mr. Dhongchai Lamsam is its major shareholder with a director in common, namely Lt. Chalermchoke Lamsam.	income from service	0.38	- space rental service and other services at general market price
	accounting and other service	0.49	- accounting service and other services
	fees purchase of air tickets	20.54	- purchase of air tickets from LTS Travel Service Co., Ltd., the air tickets selling agent, at general market price
	account receivable - net	0.01	
	account payable	2.56	

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
MOCAP Co., Ltd. 25% of its shares are held by Loxbit Plc.	income from service expense for office telephone service account receivable - net account payable	0.48 1.69 0.06 0.15	- cleaning service and other services - office telephone service and other
Law Enforcement Technology Solution Co., Ltd. Mr. Dhongchai Lamsam is its major shareholder. Directors in common are Mr. Dhongchai Lamsam, Dr. Sompop Charoenkul, and Mr. Chalermchoke Lamsam.	income from service accounting fee income and other service fee safety maintenance expenses account receivable - net account payable	1.44 1.36 2.61 0.30 0.62	- space rental service and other services at general market price - accounting service and other services - security service expense for projects and consultancy service
Muang Thai Insurance Plc. 5% of its shares are held by Loxley Plc.	Income from selling goods insurance premium expense account payable	0.84 6.38 0.17	- PABX maintenance service - insurance premium at general market price
Lamsam Estate Co., Ltd. Directors in common are: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suroj Lamsam	income from space rental & service, and other services account receivable - net	1.81 0.03	- space rental service and other services at general market price
BP Castrol (Thailand) Limited 40% of its shares are held by Loxley Joint and Hold Co., Ltd., with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suebtrakul Soonthornthum	sale of goods purchase of goods account receivable net account payable	7.14 0.1 1.65 0.19	- product cost and car maintenance expenses at general market price
Green General Products Co., Ltd. 75% of its shares are held by Ekpavee Co., Ltd.	accounting service fee and other service fee product purchase account receivable - net account payable	0.45 19.19 0.04 4.09	- accounting service fee and other service fee at general market price - purchase of kaffir oil
Ecart studio Co., Ltd. 30% of its shares held by Loxbit Plc. With a director in common, namely Mr. Vasant Chatikavanij.	sale of goods income from space rental & service, and other services project management expense	0.02 0.06 1.03	- sale of multi sims - space rental service and other services at general market price - flood prevention management service

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
L Solar 1 Co., Ltd. 45% of its shares held by Loxley Plc. with a director in common, namely Mr. Chalermchoke Lamsam.	income from service	0.92	- space rental service and other services at general market price - consultancy service
	income from consultancy service	21.40	
	account receivable - net	20.06	
L Elevator and Engineering Co., Ltd. Ekpavee Co., Ltd. is its major shareholder with a director in common, namely Mr. Suraphand Bhasitnirandr.	income from service	1.07	- space rental service and other services - purchase of elevators for projects - expense for elevator maintenance
	income from space rental & service, and other services	1.05	
	purchase of elevator equipments	5.74	
	expense for elevator maintenance	0.28	
	account receivable - net	0.20	
	account payable	0.74	
Other related companies (Loxley Plc.s subsidiaries and associated companies)	sale of goods and services	23.47	- total value of related party transactions between the Company and its subsidiaries with various related companies. Size of each transaction is relatively small. All related party transactions are conducted in ordinary course of business, with prices and conditions in compliance with general market prices and conditions
	fee and other income	0.66	
	purchase of goods and services	0.08	
	administrative expense	3.97	
	account receivable - net	5.95	
	account payable	0.74	

Explanation and Analysis of Operations and Financial Status

Revenue

In 2011 the Company made Baht 14,247.66 million in revenue whose structure consists of Technology Business Segment, Trading Business Segment, and Service Business Segment with 62%, 33%, and 5% of total revenue, respectively. Subsequently, 62% of revenue made by Technology Business Segment or Baht 8,856 million consists of ICT Business Group, Project Business Group, and Technology Business Group with 69%, 26%, and 5% share, respectively.

The aforementioned revenue in 2011 has increased from 2010, which was Baht 10,413.06 million. The Baht 3,834.60 million or 37% increase in revenue has resulted from the revenue growth in all business segments where Baht 3,474 million increase in Technology Business Segment was the outcome of successive mega projects made by ICT Business Group since mid-2011. Similarly, Trading Business Segment has made Baht 179 million increase in revenue mostly from the increase in consumer sales while Service Business Segment has also made some Baht 181 million increase in revenue.

Gross Profit and Earnings before Interest and Taxes

Gross Profit in 2011 was Baht 2,039.22 million although increasing from 2010 at Baht 1,629.57 million but the 2011 Profit Margin of 14% slightly decreased from that of 2010 at 16% due to proportional increase in mega projects whose Gross Profit Margin is generally smaller. However, the 37% increase in revenue has resulted in Baht 409.65 million Gross Profit increase from 2010.

The Company's Selling, General & Administrative (SG&A) Expense in 2011 was Baht 1,945.82 million, increasing from 2010 at Baht 1,749.04 million. However, the SG&A/Revenue ratio has reduced from 17% in 2010 to 14% in 2011, which is one of the reasons of an increase in Company's Earnings before Interest and Taxes (EBIT) in 2011. Another significant factor is the earning of Baht 375.90

million from investment in associate companies, increasing from 2010 at Baht 356.76 million, resulting in EBIT increase from Baht 369.06 million in 2010 to Baht 590.32 million in 2011.

Net Profit

The Company's Net Profit was Baht 298.07 million, a Baht 436.93 million or 315% increase from Baht 138.86 million net loss in the previous year. The significant improvement in net profit was the result of 2010 net loss due to doubtful accounts in short-term loans of Baht 342.65 million whereas significant doubtful accounts in 2011 was not present, as well as the significant improvement in revenue and profit generating performance of the Group especially in Technology Business Segment.

Financial Status

In 2011, the Company's total asset was Baht 12,251.86 million where majority of asset was Accounts Receivable, Investment in related companies, Inventory, and Land/Buildings and Equipment at 35%, 29%, 11%, and 9% of total asset, respectively.

Baht 2,459.00 million of Total Asset in 2011 has increased from 2010 or a 25% increase where majority of the change came from the increase in Accounts Receivable and Inventory. While Accounts Receivable grew Baht 1,195.87 million due to revenue increase from mega projects especially in the second half of the year, and Baht 651.43 million growth in Inventory due to such megaprojects.

The Company's Total Liabilities of 7,846.27 million consists of Accounts Payable, Short-Term Loan from Financial Institutions, and Long-Term Liabilities of 36%, 25%, and 14% of Total Liabilities, respectively.

In 2011, Total Liabilities has grown Baht 2,228.67 million from 2010 or 40% growth where majority of the increase was from Accounts Payable, and Short-Term Loan to handle the growing number of projects especially mega projects in the latter half of the year.

However, the Company's price per share has increased from Baht 2.09 per share in 2010 to Baht 2.20 per share in 2011 as a result of the Baht 298.07 million Net Profit in 2011.

Source of Funding

The Company's source of funding derives from current liabilities of 6,242.57 million or 51%, non-current liabilities of Baht 1,603.70 million or 13%, and shareholders equity of Baht 4,405.59 million or 36%.

The increase in number of projects in 2011 was one of the increasing factors in current asset and current liabilities above. However, growth in accounts receivable and inventory is higher than growth in accounts payable and short-term loan resulting in current ratio of 1.16, increasing from 1.04 in 2010.

The Company's Debt-to-Equity Ratio has increased from 1.35 in 2010 to 1.78 in 2011 due to such increase in liabilities.

Cash Flow

In 2011, the liquidity in cash flow of the Company was related to operational activities at Baht 734.42 million whose majority was spent on working capital for the growing number of projects where Company cash flow was from investing and financing activities.

The Company's investing and financing activity has generated Baht 119.01 million of cash flow whose majority of the amount was from cash flow from dividend at Baht 363.76 million. However, the Company has invested Baht 240.50 million in permanent asset including investment in subsidiaries and joint ventures.

The Company's financing activity has gained Baht 734.79 million mostly from cash flow receivable in short-term loan to support number of new projects.

Since 2010, the Company carried Baht 856.86 million of brought-forward cash where three operations above had gained Baht 119.38 million of cash flow resulting in Baht 976.24 million of cash at 2011 year end. ■

Audit Report of Certified Public Accountant

To the Shareholders of Loxley Public Company Limited

I have audited the accompanying consolidated and separate statements of financial position as at 31 December 2011 and 2010, and the related statements of income, comprehensive income, changes in equity and cash flows for the years then ended of Loxley Public Company Limited and its subsidiaries, and of Loxley Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of the information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits. I did not audit the financial statements of three associates. The carrying value of the investments in these associates in the consolidated financial statements as at 31 December 2011 and 2010 was Baht 291 million and Baht 277 million, respectively and, the share of their net profit for the years then ended was Baht 19 million and Baht 39 million, respectively. The carrying value of these investments in the separate financial statements as at 31 December 2011 and 2010 was Baht 189 million. The financial statements of these associates were audited by other auditors whose reports have been furnished to me and my report, insofar as it relates to the amounts included for these associates, is based solely on the reports of the other auditors.

Except as discussed in the third paragraph, I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits and the reports of the other auditors referred to in the first paragraph provide a reasonable basis for my opinion.

As described in note 14 to the financial statements, the consolidated and separate financial statements as at 31 December 2011 and 2010 of Loxley Public Company Limited and its subsidiaries, and of Loxley Public Company Limited,

respectively, included investments in two associates which have an accounting period ended 30 June. Investments in those associates were recorded by including the financial statements of those associates for the six-month periods ended 31 December 2011 and 2010, which had been reviewed, but not audited by auditors. The carrying value of those investments in the consolidated financial statements as at 31 December 2011 and 2010 was Baht 1,873 million and Baht 1,849 million, respectively and the share of their net profit for the six-month periods ended 31 December 2011 and 2010 was Baht 53 million and Baht 25 million, respectively. The carrying value of those investments in the separate financial statements as at 31 December 2011 and 2010 was Baht 950 million.

In my opinion, based on my audits and the reports of the other auditors, and except for the effects of such adjustments, if any, as might have been disclosed had I audited the financial statements of two associates as described in the third paragraph, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2011 and 2010 and the results of operations and cash flows for the years then ended of Loxley Public Company Limited and its subsidiaries, and of Loxley Public Company Limited, respectively, in accordance with Financial Reporting Standards.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended 31 December 2010 have been restated accordingly.



(Siripen Sukcharoenyingyong)
Certified Public Accountant
Registration No. 3636

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2012

Statements of financial position

Loxley Public Company Limited and its Subsidiaries
As at 31 December 2011 and 2010

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
Assets					
<i>Current assets</i>					
Cash and cash equivalents	7	976,243,225	856,858,322	243,840,094	230,470,976
Current investments	8	6,361,095	12,587,313	-	-
Trade and other accounts receivable	9,19	2,207,668,212	2,332,192,706	754,066,538	734,482,904
Unbilled trade accounts receivable		1,988,447,629	673,794,554	521,093,494	428,477,468
Retentions receivable		84,958,488	79,210,112	84,958,488	79,210,112
Short-term loans to other parties	10	10,000,000	11,000,000	-	-
Inventories	11	1,316,058,917	664,631,404	285,571,499	270,608,871
Advances paid to suppliers		227,749,049	189,595,778	59,755,754	168,506,703
Other current assets	12	415,168,140	152,757,917	201,175,448	57,729,979
Total current assets		7,232,654,755	4,972,628,106	2,150,461,315	1,969,487,013
<i>Non-current assets</i>					
Investments in subsidiaries	5,13	-	-	1,742,050,463	1,699,093,063
Investments in jointly-controlled entities	14	14,957,214	8,676,063	-	-
Investments in associates	14	3,281,101,471	3,247,810,997	1,196,496,328	1,198,746,328
Other long-term investments	15	275,736,412	306,132,554	218,606,212	249,002,354
Property, plant and equipment	16,19	1,065,833,571	975,014,182	493,805,193	477,194,484
Intangible assets	17	45,246,253	35,947,192	36,365,086	27,602,467
Retentions receivable		89,661,741	62,173,033	89,661,741	62,173,033
Other non-current assets	8,18	246,665,167	184,481,711	77,428,895	58,427,418
Total non-current assets		5,019,201,829	4,820,235,732	3,854,413,918	3,772,239,147
Total assets		12,251,856,584	9,792,863,838	6,004,875,233	5,741,726,160

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

Statements of financial position

Loxley Public Company Limited and its Subsidiaries
As at 31 December 2011 and 2010

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	19	1,955,544,506	1,116,995,720	614,445,512	563,722,314
Trade and other accounts payable	20	2,826,633,967	1,795,778,799	784,100,604	665,804,085
Advances received from customers		296,318,295	320,507,799	124,129,775	270,814,479
Current portion of long-term liabilities	19	183,430,073	834,852,987	115,975,602	813,947,586
Short-term loans from related parties	6,19	2,300,000	1,000,000	18,000,000	-
Short-term loans from other party	19	45,996,713	40,946,186	-	-
Income tax payable		84,433,202	3,430,194	-	-
Other current liabilities	21	847,911,325	672,435,091	273,110,022	258,650,862
Total current liabilities		6,242,568,081	4,785,946,776	1,929,761,515	2,572,939,326
Non-current liabilities					
Long-term liabilities	19	1,128,730,963	323,915,979	956,669,948	172,629,206
Employees' provident fund		27,038,284	37,425,117	27,038,284	37,425,117
Deferred tax liabilities	22	106,176,362	168,383,385	88,452,362	141,797,385
Employee benefit obligations	23	334,108,744	296,879,118	222,122,152	205,335,571
Other non-current liabilities		7,648,655	5,052,599	-	-
Total non-current liabilities		1,603,703,008	831,656,198	1,294,282,746	557,187,279
Total liabilities		7,846,271,089	5,617,602,974	3,224,044,261	3,130,126,605

Statements of financial position

Loxley Public Company Limited and its Subsidiaries
As at 31 December 2011 and 2010

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
Liabilities and equity					
Equity					
Share capital	24				
Authorised share capital		2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Issued and paid-up share capital		2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Retained earnings					
Appropriated					
Legal reserve	25	26,360,500	14,050,000	26,360,500	14,050,000
Unappropriated		551,476,309	365,669,633	400,653,466	266,681,429
Other components of equity	25	1,619,207,427	1,580,477,571	353,817,006	330,868,126
Equity attributable to equity holders					
of the Company		4,197,044,236	3,960,197,204	2,780,830,972	2,611,599,555
Non-controlling interests		208,541,259	215,063,660	-	-
Total equity		4,405,585,495	4,175,260,864	2,780,830,972	2,611,599,555
Total liabilities and equity		12,251,856,584	9,792,863,838	6,004,875,233	5,741,726,160

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

Statements of income

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
Continuing operations					
<i>Income</i>	27				
Revenue from sale of goods and rendering					
of services	6	14,126,634,539	10,281,281,437	4,455,978,069	4,265,246,140
Fees and other income	6,28	119,350,809	127,287,609	641,458,410	549,315,668
Gain on sale of investment, net	5,6	1,676,380	4,488,946	501,013	970,884,979
Total income		14,247,661,728	10,413,057,992	5,097,937,492	5,785,446,787
<i>Expenses</i>					
Cost of sale of goods and rendering of services	6	12,087,414,816	8,651,714,165	3,780,837,725	3,618,944,561
Selling expenses	6,29	730,629,633	681,161,324	374,081,570	348,772,615
Administrative expenses	6,30	1,215,189,921	1,067,875,083	594,118,064	601,501,237
Finance costs	6	158,447,776	115,180,646	90,844,506	86,047,020
Doubtful debts expense for short-term loans to related party	14	11,818,065	342,654,348	11,818,065	369,598,274
Total expenses	32	14,203,500,211	10,858,585,566	4,851,699,930	5,024,863,707
<i>Share of profit (loss) of equity accounted investees</i>					
Jointly-controlled entities	14	(3,720,849)	(2,209,628)	-	-
Associates	14	379,617,281	358,967,162	-	-
Total		375,896,432	356,757,534	-	-
Profit (loss) before income tax expense					
from continuing operations		420,057,949	(88,770,040)	246,237,562	760,583,080
Income tax expense	33	(114,708,438)	(42,199,623)	-	-
Profit (loss) from continuing operations		305,349,511	(130,969,663)	246,237,562	760,583,080
Discontinuing operation					
Profit from discontinued operation		-	-	-	-
Profit (loss) for the year		305,349,511	(130,969,663)	246,237,562	760,583,080
Profit (loss) attributable to:					
Equity holders of the Company		298,072,201	(138,856,213)	246,237,562	760,583,080
Non-controlling interests		7,277,310	7,886,550	-	-
Profit (loss) for the year		305,349,511	(130,969,663)	246,237,562	760,583,080
Basic earnings (loss) per share	34	0.15	(0.07)	0.12	0.38

Statements of comprehensive income

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Note	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)				
Profit (loss) for the year	305,349,511	(130,969,663)	246,237,562	760,583,080
Other comprehensive income				
Foreign currency translation differences for foreign operations	638,882	3,876,416	-	-
Net change in fair value of available-for-sale investments	(4,484,195)	46,447,111	(4,484,195)	46,447,111
Revaluation of land, net-portion of Company	27,433,075	60,405,086	27,433,075	60,405,086
Revaluation of land, net-portion of subsidiary	8,862,000	6,081,600	-	-
Change in percentage of holding in subsidiaries and associates	4,727,103	(8,680,994)	-	-
Other comprehensive income for the year 26	37,176,865	108,129,219	22,948,880	106,852,197
Total comprehensive income for the year	342,526,376	(22,840,444)	269,186,442	867,435,277
Total comprehensive income attributable to:				
Equity holders of the Company	336,802,057	(34,542,988)	269,186,442	867,435,277
Non-controlling interests	5,724,319	11,702,544	-	-
Total comprehensive income for the year	342,526,376	(22,840,444)	269,186,442	867,435,277

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

Statements of changes in equity

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Consolidated financial statements

Note	Retained earnings			Other components of equity						Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
	Issued and paid-up share capital	Legal reserve	Unappropriated	Currency translation differences of the financial statements of foreign entity	Fair value changes of available-for-sale investments	Revaluation surplus on land, net		Change in percentage of holding in subsidiaries and associates	Total other components of equity			
						Portion of Company	Portion of subsidiary					
(in Baht)												
Balance at 1 January 2010	2,000,000,000	-	518,575,846	(6,062,008)	92,389,490	131,626,439	32,788,106	1,225,422,319	1,476,164,346	3,994,740,192	260,123,018	4,254,863,210
Transactions with owners, recorded directly in equity												
Contributions by and distributions to equity holders												
Dividends of subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,289,016)	(4,289,016)
Total contributions by and distributions to owners of the Company	-	-	-	-	-	-	-	-	-	-	(4,289,016)	(4,289,016)
<i>Changes in ownership interests in subsidiaries</i>												
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	(43,719,006)	(43,719,006)
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	(8,753,880)	(8,753,880)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(52,472,886)	(52,472,886)
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	(56,761,902)	(56,761,902)
<i>Comprehensive income for the year</i>												
Profit or loss	-	-	(138,856,213)	-	-	-	-	-	-	(138,856,213)	7,886,550	(130,969,663)
Other comprehensive income	-	-	-	2,578,204	46,447,111	60,405,086	3,563,818	(8,680,994)	104,313,225	104,313,225	3,815,994	108,129,219
Total comprehensive income for the year	-	-	(138,856,213)	2,578,204	46,447,111	60,405,086	3,563,818	(8,680,994)	104,313,225	(34,542,988)	11,702,544	(22,840,444)
Transfer to legal reserve	-	14,050,000	(14,050,000)	-	-	-	-	-	-	-	-	-
Balance at 31 December 2010	2,000,000,000	14,050,000	365,669,633	(3,483,804)	138,836,601	192,031,525	36,351,924	1,216,741,325	1,580,477,571	3,960,197,204	215,063,660	4,175,260,864

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

Statements of changes in equity

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Consolidated financial statements

	Note	Retained earnings				Other components of equity						Equity attributable to equity holders of the Company	Non-controlling interests	Total equity
		Issued and paid-up share capital	Legal reserve	Unappropriated	Currency translation differences of the financial statements of foreign entity	Fair value changes of available-for-sale investments	Revaluation surplus on land, net		Change in percentage of holding in subsidiaries and associates	Total other components of equity				
							Company	Portion of subsidiary						
(in Baht)														
Balance at 1 January 2011		2,000,000,000	14,050,000	365,669,633	(3,483,804)	138,836,601	192,031,525	36,351,924	1,216,741,325	1,580,477,571	3,960,197,204	215,063,660	4,175,260,864	
Transactions with owners, recorded directly in equity														
Contributions by and distributions to equity holders														
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(6,670,463)	(6,670,463)	
Dividends to owners of the Company	35	-	-	(99,955,025)	-	-	-	-	-	-	(99,955,025)	-	(99,955,025)	
Total contributions by and distributions to owners of the Company		-	-	(99,955,025)	-	-	-	-	-	-	(99,955,025)	(6,670,463)	(106,625,488)	
Changes in ownership interests in subsidiaries														
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	(5,576,257)	(5,576,257)	
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	(5,576,257)	(5,576,257)	
Total transactions with owners, recorded directly in equity		-	-	(99,955,025)	-	-	-	-	-	-	(99,955,025)	(12,246,720)	(112,201,745)	
Comprehensive income for the year														
Profit or loss		-	-	298,072,201	-	(4,484,195)	27,433,075	10,737,199	4,618,856	38,729,856	298,072,201	7,277,310	305,349,511	
Other comprehensive income	26	-	-	-	424,921	(4,484,195)	27,433,075	10,737,199	4,618,856	38,729,856	38,729,856	(1,552,991)	37,176,865	
Total comprehensive income for the year		-	-	298,072,201	424,921	(4,484,195)	27,433,075	10,737,199	4,618,856	38,729,856	336,802,057	5,724,319	342,526,376	
Transfer to legal reserve	25	-	12,310,500	(12,310,500)	-	-	-	-	-	-	-	-	-	
Balance at 31 December 2011		2,000,000,000	26,360,500	551,476,309	(3,058,883)	134,352,406	219,464,600	47,089,123	1,221,360,181	1,619,207,427	4,197,044,236	208,541,259	4,405,585,495	

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

Statements of changes in equity

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Separate financial statements

	Retained earnings (Deficit)				Other components of equity				Total equity
	Issued and paid-up share capital	Legal reserve	Fair value Unappropriated (Deficit)	changes of available-for-sale securities, net (In Baht)	Revaluation differences on land, net	Total other components of equity			
Balance at 1 January 2010	2,000,000,000	-	(479,851,651)	92,389,490	131,626,439	224,015,929	1,744,164,278		
Comprehensive income for the year	-	-	760,583,080	-	-	-	760,583,080		
Profit or loss	-	-	-	46,447,111	60,405,086	106,852,197	106,852,197		
Other comprehensive income	-	-	760,583,080	46,447,111	60,405,086	106,852,197	867,435,277		
Total comprehensive income for the year	-	-	(14,050,000)	-	-	-	-		
Transfer to legal reserve	-	14,050,000	266,681,429	138,836,601	192,031,525	330,868,126	2,611,599,555		
Balance at 31 December 2010 and 1 January 2011	2,000,000,000	14,050,000	-	-	-	-	-		
Transactions with owners, recorded directly in equity									
Contributions by and distributions to equity holders									
Dividends to owners of the Company	-	-	(99,955,025)	-	-	-	(99,955,025)		
Total contributions by and distributions to equity holders	-	-	(99,955,025)	-	-	-	(99,955,025)		
Comprehensive income for the year	-	-	246,237,562	-	-	-	246,237,562		
Profit or loss	-	-	-	(4,484,195)	27,433,075	22,948,880	22,948,880		
Other comprehensive income	-	-	246,237,562	(4,484,195)	27,433,075	22,948,880	269,166,442		
Total comprehensive income for the year	-	-	(12,310,500)	-	-	-	-		
Transfer to legal reserve	-	12,310,500	400,653,466	134,352,406	219,464,600	353,817,006	2,780,830,972		
Balance at 31 December 2011	2,000,000,000	26,360,500	-	-	-	-	-		

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

Statements of cash flows

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Note	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)				
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	305,349,511	(130,969,663)	246,237,562	760,583,080
<i>Adjustments for</i>				
Depreciation and amortisation	128,456,780	123,159,820	39,918,169	39,834,711
Interest income	(35,463,211)	(30,469,818)	(27,055,427)	(26,781,815)
Finance costs	158,447,776	115,180,646	90,844,506	86,047,020
Dividends received	(25,965,747)	(25,478,032)	(495,259,027)	(436,203,297)
Written off withholding tax deducted at source	2,776,791	484,732	25,384	28,740
Set up provision for:				
- Bad debts and doubtful accounts for trade and other accounts receivable	28,841,412	53,545,371	24,988,846	69,838,265
- Doubtful accounts for short-term loans to related parties	11,818,065	342,654,348	11,818,065	369,598,274
- Decline in value of inventories	4,830,675	21,128,965	4,525,463	17,010,114
- Decline in value of investment in associates	-	5,311,781	-	36,000,000
- Decline in value of other long-term investment	-	7,000,000	-	7,000,000
Loss (gain) on sales of investments in subsidiaries	-	-	(7,650)	5,176,815
Gain on sales of investments in associates	(1,556,066)	-	(493,363)	(975,400,259)
Gain on sales of other long-term investments	-	(17,500)	-	(17,500)
Gain from liquidation of other long-term investments	-	(3,103,475)	-	(644,035)
Gain from deconsolidation of subsidiaries	(120,314)	(1,367,971)	-	-
Loss (gain) on disposals of property, plant and equipment and intangible assets	13,632,509	(1,115,908)	(180,662)	(944,875)
Share of profit of jointly-controlled entities and associates	(375,896,432)	(356,757,534)	-	-
Exchange differences on translation of the financial statements of foreign entity	638,882	4,306,565	-	-
Income tax expense	114,708,438	42,199,623	-	-
	330,499,069	165,691,950	(104,638,134)	(48,874,762)
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivable	120,074,416	48,917,285	(20,181,147)	331,811,821
Unbilled trade accounts receivable	(1,314,653,076)	178,728,808	(92,616,026)	14,014,689
Retentions receivable	(33,237,084)	(37,700,884)	(33,237,084)	(37,700,884)
Inventories	(656,258,188)	181,089,066	(19,488,091)	44,141,383
Advances paid to suppliers	(38,153,271)	51,259,666	108,750,949	56,563,492
Other current assets	(257,310,589)	49,101,032	(87,772,673)	63,671,056
Other non-current assets	(3,475,346)	(569,835)	(19,903,320)	585,950
Trade and other accounts payable	1,031,149,588	17,917,600	118,296,518	(9,291,383)
Advances received from customers	(28,375,864)	(138,267,787)	(146,684,704)	(122,410,453)

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

Statements of cash flows

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Note	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)				
Employees' provident fund	(10,386,833)	(14,312,952)	(10,386,833)	(14,312,952)
Employee benefit obligations	37,229,626	35,847,615	16,786,582	18,627,324
Other current liabilities	181,508,277	19,450,565	14,517,687	92,438,654
Withholding tax deducted at source refunded	60,133,108	38,682,740	34,289,623	36,825,848
Income tax and withholding tax deducted at source paid	(153,162,556)	(99,335,892)	(32,383,935)	(34,312,692)
Net cash provided by (used in) operating activities	(734,418,723)	496,498,977	(274,650,588)	391,777,091
<i>Cash flows from investing activities</i>				
Interest received	10,788,696	7,414,033	2,507,745	3,758,076
Dividends received	363,758,337	347,545,464	444,458,502	417,003,342
Decrease in current investments in fixed deposits and promissory notes with maturity more than 3 months and pledged as collateral	5,031,412	9,626,256	-	-
Effect on cash flows from sales and deconsolidation of subsidiaries and indirect subsidiaries	(7,274)	4,215,016	-	-
Increase in investments in subsidiaries	(957,400)	(52,400,000)	(42,957,400)	(1,159,400,300)
Increase in investments in associates	(10,002,000)	(99,000,000)	-	(99,000,000)
Increase in short-term loans to related party	(11,818,065)	(14,280,000)	(11,818,065)	(14,280,000)
Decrease (increase) in short-term loans to other party	1,000,000	(10,000,000)	-	-
Cash dividends of subsidiaries paid to non-controlling interests	(6,670,463)	(4,289,016)	-	-
Increase in property, plant and equipment	(240,494,620)	(98,673,972)	(60,760,838)	(21,016,102)
Increase in intangible assets	(14,769,922)	(9,023,413)	(13,781,226)	(7,439,993)
Proceeds from sales of investments in subsidiaries	7,650	68,185	7,650	68,185
Proceeds from sales of investments in associates	10,090,283	-	-	995,000,559
Proceeds from sales of investments in available-for-sale securities	-	5,017,500	-	5,017,500
Proceeds from liquidation of subsidiaries	-	-	-	10,255,000
Proceeds from liquidation of an associate	-	-	2,743,363	-
Proceeds from liquidation of other long-term investments	-	3,203,794	-	644,035
Proceeds from sales of property, plant and equipment and intangible assets	13,056,803	8,491,877	9,431,229	6,202,293
Net cash provided by investing activities	119,013,437	97,915,724	329,830,960	136,812,595

Statements of cash flows

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

Note	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)				
<i>Cash flows from financing activities</i>				
Finance costs paid	(157,654,660)	(117,279,462)	(90,756,676)	(86,461,885)
Dividends paid to owners of the Company	(99,955,025)	-	(99,955,025)	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	838,548,786	(104,624,996)	50,723,198	(260,851,153)
Increase (decrease) in short-term loans from related parties	1,300,000	(1,350,000)	18,000,000	-
Increase in short-term loans from related parties	5,050,527	39,646,186	-	-
Increase in long-term liabilities	1,040,032,156	18,939,892	1,000,000,000	137,789
Repayment of long-term liabilities	(892,531,595)	(166,508,000)	(919,822,751)	(156,000,000)
Net cash provided by (used in) financing activities	734,790,189	(331,176,380)	(41,811,254)	(503,175,249)
Net increase in cash and cash equivalents	119,384,903	263,238,321	13,369,118	25,414,437
Cash and cash equivalents at 1 January	856,858,322	593,620,001	230,470,976	205,056,539
Cash and cash equivalents at 31 December 7	976,243,225	856,858,322	243,840,094	230,470,976

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

Notes to the financial statement

Loxley Public Company Limited and its Subsidiaries
For the years ended 31 December 2011 and 2010

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 28 February 2012.

1 General information

Loxley Public Company Limited, the “Company”, is incorporated in Thailand, and has its registered office at 102 Na Ranong Road, Klong Toey, Klong Toey, Bangkok, 10110, Thailand.

The Company was listed on the Stock Exchange of Thailand in 1994.

The Company’s major shareholder during the financial year was Ekpavee Company Limited (28% shareholding) which was incorporated in Thailand.

The principal businesses of the Company are trading and turnkey contract sales of telecommunication equipment and other items. Active subsidiaries mainly engage in their core businesses of trading and sales and services of computers. Details of the Company’s subsidiaries as at 31 December 2011 and 2010 were as follows:

Name of the entity	Type of Business	Ownership interest (%)	
		2011	2010
Direct subsidiaries			
Loxley Wireless Company Limited	Sale and service of telecommunication and information technology systems	99	99
Jago Company Limited (not yet started principal commercial operations)	Sale of online lottery	99	99
Data Mining Co.,Ltd.	Service of information technology equipment and computer systems	99	99
Loxbit Public Company Limited	Trading of telecommunication equipment, computers and computer programs	99	99
Loxley Joint and Hold Co., Ltd.	Holding company	99	99
Loxley Mobile Company Limited	Sale and service of various prepaid electronics cash card	99	-
Asia Security Management Co., Ltd.	Provide security service at Suvarnabhumi Airport and others	69	69
Societe Commercial Lao	Trading in Lao People’s Democratic Republic	67	67
Loxley Property Development Co., Ltd.	Renting of building, advertising board and providing services	66	59
Parts Zone (Thailand) Co., Ltd.	Trading in automotive parts and equipment	64	60
L Force 1 Co., Ltd.	Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting	60	-
Loxley Global Co., Ltd.	Holding company	51	51
Loxley Trading Company Limited	Sale of consumer products	50	50
Loxley Thales Co., Ltd.	Sale and service of electronics communications equipment	-	51

Name of the entity	Type of Business	Ownership interest (%)	
		2011	2010
Indirect subsidiaries			
Professional Computer Company Limited	Supply, maintenance and set up of work system, installation of computers and management of computerised center	99	99
Loxbit PA Public Company Limited	Telecommunication and computerised database service	99	99
NetOne Network Solution Co., Ltd.	Trading of computer, computer spare parts and equipment, of all types	99	99
Thai Gateway Company Limited	Trading of telecommunication equipment	99	99
L Hardware & Services Co., Ltd.	Installation and repair of IT equipment, sale of computers and peripherals	99	99
Digital Screen Play Company Limited	Educational services through network system	70	70
Digit Brain Company Limited	Sales of knowledge related equipment and media	42	42

The above direct subsidiaries and indirect subsidiaries were incorporated in Thailand except Societe Commercial Lao which was incorporated in Lao People's Democratic Republic.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and guidelines promulgated by the Federation of Accounting Professions (“FAP”); applicable rules and regulations of the Thai Securities and Exchange Commission; and with generally accepted accounting principles in Thailand.

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Group's/Company's operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates

TFRS	Topic
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
TFRIC 15	Agreements for the Construction of Real Estate
FAP Announcement no. 17/2554	Transitional Procedures for Other Long-term Employee Benefits
FAP Announcement no. 18/2554	Accounting Guidance on Revaluation of Assets
FAP Announcement no. 19/2554	Accounting Guidance for Condominiums

The adoption of these new and revised TFRS has resulted in changes in the Group's/Company's accounting policies. The effects of these changes are disclosed in note 3.

Prior year change in accounting policy

Accounting for employee benefits

In 2010, the FAP issued the TAS 19: Employee Benefits, effective for accounting periods beginning on or after 1 January 2011. The Group early adopted this TAS resulting in a change in the accounting policy for employee benefits in the consolidated and separate financial statements for the year ended 31 December 2010.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 39.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Land are measured at fair value;
- Investment in available-for-sale securities are measured at fair value

(c) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 23	Employee benefit obligation
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3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group/Company has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for business combinations
- Accounting for acquisitions of non-controlling interests
- Accounting for property, plant and equipment

Details of the new accounting policies adopted by the Group/Company are included in notes 3(b) to 3(e) below.

(b) Presentation of financial statements

The Group/Company has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of income;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group/Company presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

(c) Accounting for business combinations

The Group has adopted TFRS 3 Business Combinations (revised 2009) and TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all business combinations on or after 1 January 2011. The new policy for accounting for business combinations, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standards.

The Group has been no business combinations during 2011 and, accordingly, adoption of these two revised standards has had no impact on profit or earnings per share for 2011.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Acquisitions on or after 1 January 2011

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions between 1 January 2008 and 31 December 2010

Goodwill represented the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 January 2008

Goodwill was measured in the same way as described in the preceding paragraph. However, both positive and negative goodwill were amortised over their estimated useful life of 10 years. On 1 January 2008, on adoption of the former TAS 43 (revised 2007), the Group discontinued amortising goodwill. Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

(d) Accounting for acquisitions of non-controlling interests (previously termed 'minority interests')

The Group has adopted TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all acquisitions of non-controlling interests in subsidiaries. The new policy for accounting for acquisitions of non-controlling interests, together with information on the previous policy, is given below. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standard. There have been no acquisitions of non-controlling interests during 2011 and, accordingly, adoption of this revised standard has had no impact on profit or earnings per share for 2011.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

(e) Accounting for property, plant and equipment

The Group/Company has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

The principal changes introduced by the revised TAS 16 and affecting the Group/Company are that: (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the years ended 31 December 2011 and 2010.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and jointly-controlled entities.

Business combinations

The accounting policy for business combinations has been changed from 1 January 2011. See note 3(c) for details. The Group/Company applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group/Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group/Company to the previous owners of the acquiree, and equity interests issued by the Group/Company. Consideration transferred also includes the fair value of any contingent consideration. If a business combination results in the termination of pre-existing relationships between the Group/Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group/Company measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group/Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Jointly-controlled entities and associates

Jointly-controlled entities and associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence and joint control commences until the date that significant influence and joint control ceases. When the Group's share of losses exceeds its interest in an associate and jointly-controlled entity, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate and jointly-controlled entity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date. Except for intra-group balances are translated using exchange rates ruling on transaction dates.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. Gains or losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

Unbilled trade accounts receivable represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised for the portion of work performed, less progress billings and recognised losses.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Merchandise inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and certain slow-moving inventories.

(g) Construction contracts work in progress

Construction contracts work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable costs incurred in the Group's/Company's contract activities based on normal operating capacity.

(h) Investments

Investments in subsidiaries, jointly-controlled entities and associates

Investments in subsidiaries, jointly-controlled entities and associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and jointly-controlled entities in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

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

(i) Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss. When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognised as income over the lease term.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income under the heading 'revaluation surplus' unless it offsets a previous decrease in value recognised loss in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and Improvements	5, 6, 8, 20	years
Furniture, fixtures and office equipment	3, 5	years
Tools and equipment	3, 5	years
Equipment held for lease	3, 5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software license	3 - 10	Years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised

directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's/ Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on long term government bond or risk free long term bond that have maturity dates approximating the terms of the Group's/ Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed and considered appropriateness annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group/Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group/Company. An economic benefit is available to the Group/Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group/Company recognises all actuarial gains or losses arising from defined benefit plans in profit or loss and all expenses related to defined benefit plans in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group/Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group/Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or other benefits if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group/Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Service contracts revenue

Services contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group/Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's/Company's incremental borrowing rate.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group/Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

5 Acquisitions and disposals of subsidiaries

2011

In May 2011, the Company incorporated a new subsidiary, Loxley Mobile Company Limited, with a registered capital of Baht 20 million and paid up share capital of Baht 5 million. The new subsidiary engages in the sale and service of various prepaid electronics cash card. The Group holds a 99% of the shares and voting interest in the subsidiary and has included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2011. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In June 2011, the Company purchased an additional 5,974 shares, 4% of interest, in Parts Zone (Thailand) Co., Ltd. at a cost of Baht 1 million. The Company recorded the difference between the cost of purchase and the fair value of net assets acquired on the date of purchase of Baht 0.1 million as "Other component of equity" in the "Equity" section of the consolidated statements of financial position. Subsequent to the purchase transaction, the Company's percentage of shareholding in Parts Zone (Thailand) Co., Ltd. rose from 60% previously to 64%.

In October 2011, the Company incorporated a new subsidiary, L Force 1 Co., Ltd., with a registered capital of Baht 20 million and paid up share capital of Baht 12 million. The new subsidiary engages in supply, manufacture and sell of shooting stimulator for fixed shooting and trapshooting. The Group holds a 60% of the shares and voting interest in the subsidiary and has included the subsidiary's financial statements in the consolidated financial statements for the year ended 31 December 2011. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In December 2011, the Company increased its investment in share capital of Loxley Property Development Co., Ltd. amounting to Baht 25 million. The additional investment has increased the Company's percentage of shareholding in Loxley Property Development Co., Ltd. from 60% to 66%.

In December 2011, the Company sold 51% of its investment in a subsidiary, Loxley Thales Co., Ltd., to a related party amounting to Baht 7 thousand, with a gain for sale amounting to Baht 7 thousand. The Company deconsolidated the financial statements of the said subsidiary from the consolidated financial statements for the year ended 31 December 2011.

2010

In March 2010, the Company purchased an additional 28,041,756 shares in the subsidiary company, Loxbit Public Company Limited, at a cost of Baht 53 million. The Company recorded the difference between the cost of purchase and the fair value of net assets acquired of Baht 8.7 million in shareholders equity. As a consequence, the Company's percentage of shareholding in Loxbit Public Company Limited and indirect subsidiaries which are wholly owned by Loxbit Public Company Limited increased from 92% to 99%. On December 2010, Loxbit Public Company Limited increased their authorised share capital and fully paid-up share capital from Baht 338.2 million to Baht 375.2 million. The Company paid up the increased share capital of Baht 37 million at par value. As at 31 December 2010, the Company's percentage of shareholding in the Loxbit Public Company Limited and indirect subsidiaries remains at 99%.

In April 2010, a subsidiary of the Company sold 36% of its investment in an indirect subsidiary, Nin Development Farm Company Limited, to a third party amounting to Baht 8.6 million, with a gain from sale amounting to Baht 2 million. Subsequently in December 2010, the subsidiary sold its remaining investment in the said company at a loss of Baht 1 million.

In August 2010, Loxley Wireless Company Limited, a subsidiary of the Company, increased the authorised and fully paid up share capital from Baht 30 million to Baht 100 million. The Company purchased the increase share capital of Baht 70 million at par value. As at 31 December 2010, the Company's percentage of holding in the subsidiary remains at 99%.

In August and December 2010, International Agriculture Holdings Company Limited., a subsidiary of the Company, decreased its authorised and fully paid up share capital from Baht 15.50 million to Baht 6.82 and later to Baht 5.25 million. In December 2010, the Company has sold all its investment in International Agriculture Holdings Company Limited to a shareholder at net book value.

In August 2010, the Company established a new subsidiary, Loxley Joint and Hold Co., Ltd. with an authorised and fully paid up share capital of Baht 100 million (99% owned subsidiary). In September 2010, Loxley Joint and Hold Co., Ltd. increased the authorised and fully paid up share capital from Baht 100 million to Baht 1,000 million in order to acquire shares of BP-Castrol (Thailand) Limited, which is a manufacturer and seller of lubricant products. The Company sold 40% of their investment in BP-Castrol (Thailand) Limited to Loxley Joint and Hold Co., Ltd., at a selling price of Baht 995.0 million (approximately to BP-Castrol (Thailand) Limited's net book value as at 30 June 2010), with a gain on sale of Baht 975.4 million in the separate financial statements for the period ended 31 December 2010. This transaction has no effect on the consolidated financial statements for the period ended 31 December 2010 as intra-group transactions, are eliminated in preparing the consolidated financial statements.

6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Significant relationships with related parties were as follows:

Name of entities	Nature of relationships
Major shareholder	
Ekpavee Company Limited	A major shareholder, 28% shareholding of the Company, common director
Subsidiaries	
Loxbit Public Company Limited	A subsidiary, 99% shareholding, common director
Loxley Wireless Company Limited	A subsidiary, 99% shareholding, common director
Jago Company Limited	A subsidiary, 99% shareholding
Data Mining Co., Ltd.	A subsidiary, 99% shareholding, common director
Loxley Joint and Hold Co., Ltd.	A subsidiary, 99% shareholding, common director
Loxley Mobile Company Limited	A subsidiary, 99% shareholding, common director
Subsidiaries	
Asia Security Management Co., Ltd.	A subsidiary, 69% shareholding, common director
Societe Commercial Lao	A subsidiary, 67% shareholding, common director
Loxley Property Development Co., Ltd.	A subsidiary, 66% shareholding, common director
Parts Zone (Thailand) Co., Ltd.	A subsidiary, 64% shareholding, common director
L Force 1 Co., Ltd	A subsidiary, 60% shareholding, common director
Loxley Global Co., Ltd.	A subsidiary, 51% shareholding, common director
Loxley Trading Company Limited	A subsidiary, 50% shareholding, common director
Indirect subsidiaries	
Loxbit PA Public Company Limited	An indirect subsidiary, 99% shareholding, common director
NetOne Network Solution Co., Ltd.	An indirect subsidiary, 99% shareholding, common director
Thai Gateway Company Limited	An indirect subsidiary, 99% shareholding, common director
Professional Computer Company Limited	An indirect subsidiary, 99% shareholding
L Hardware & Services Co., Ltd.	An indirect subsidiary, 99% shareholding
Digital Screen Play Company Limited	An indirect subsidiary, 70% shareholding
Digit Brain Company Limited	An indirect subsidiary, 42% shareholding
Jointly-controlled entities	
VH Services (Thai) Co., Ltd.	A jointly-controlled entity, 50% shareholding, common director
CKLX Joint Venture	A jointly-controlled entity, 25% shareholding
Associates	
Oriental Post Co., Ltd.	An associate, 50% shareholding, common director
L Solar 1 Co., Ltd.	An associate, 45% shareholding, common director
Thai Fiber Optics Company Limited	An associate, 40% shareholding, common director
Guardfire Limited	An associate, 30% shareholding, common director
Mobile Innovation Co., Ltd.	An associate, 27% shareholding, common director

Name of entities	Nature of relationships
Foseco (Thailand) Limited	An associate, 26% shareholding, common director
BlueScope Steel (Thailand) Limited	An associate, 25% shareholding, common director
BlueScope Lysaght (Thailand) Limited	An associate, 25% shareholding, common director
Loxley GTECH Technology Co., Ltd.	An associate, 35% shareholding (direct and indirect), common director
Indirect associates	
BP-Castrol (Thailand) Limited	An indirect associate, 40% shareholding, common director
Ecartstudio Company Limited	An indirect associate, 30% shareholding, common director
MOCAP Limited	An indirect associate, 25% shareholding
Key management personnel	
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Other related parties	
MuangThai Insurance Public Company Limited	A related party, 5% shareholding
Amata City Company Limited	A related party, 1% shareholding
L-Elevator and Engineering Co., Ltd.	A related party, shareholding by the major shareholder, common director
L-Mobile and Computer Co., Ltd.	A related party, shareholding by the major shareholder, common director
General Aviation Co., Ltd.	A related party, shareholding by the major shareholder, common director
L-TAG Technologies Company Limited	A related party, shareholding by the major shareholder, common director
Green Natural Products Co., Ltd.	A related party, shareholding by the major shareholder
Zin Suapah Company Limited	A related party, shareholding by the major shareholder, common director
Thanakorn Vegetable Oil Co., Ltd.	A related party, shareholding by the major shareholder, common director
Loxley International Company Limited	A related party, shareholding by Company's director, common director
Law Enforcement Technology Solutions Co., Ltd.	A related party, shareholding by Company's director, common director
LTS Travel Service Co., Ltd.	A related party, shareholding by Company's director, common director

The above related parties were incorporated in Thailand except Societe Commercial Lao which was incorporated in Lao People's Democratic Republic.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of services	Market prices, contractually agreed prices or third party compatible prices
Fees and other income	Market prices or contractually agreed prices
Dividend income	As declared for dividend
Sale of investment in an associate	Compatible prices of associate's net book value
Purchase of goods and rendering of services	Market prices, contractually agreed prices or prices agreed by distributors who absorb distribution costs
Selling expenses	Market prices or contractually agreed prices
Administrative expenses	Market prices or contractually agreed prices
Finance costs	Market prices or contractually agreed prices
Key management personnel compensation	Shareholders and/or Board of Directors approve

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Subsidiaries				
Sale of goods and rendering of services	-	-	27	32
Fees and other income	-	-	85	44
Dividend income	-	-	342	194
Gain on sale of investment in an associate	-	-	-	975
Purchases of goods and rendering of services	-	-	129 ¹	194 ¹
Selling expenses	-	-	9	4
Administrative expenses	-	-	112	71
Associates				
Sale of goods and rendering of services	10	7	1	1
Fees and other income	33	10	33	10
Dividend income	-	-	138	222
Purchase of goods and rendering of services	73	65	73	49
Selling expenses	3	1	3	1
Other related parties				
Sale of goods and rendering of services	34	62	17	30
Fees and other income	8	9	8	8
Dividend income	26	25	16	19
Purchases of goods and rendering of services	1,719 ²	1,204 ²	32	42
Selling expenses	4	4	4	4
Administrative expenses	40	27	11	9
Key management personnel compensation	167	171	55	52

- ¹ The amount mainly comprises the purchase of goods from a subsidiary for project works, totaling Baht 89 million and Baht 176 million for the years ended 31 December 2011 and 2010, respectively. The pricing policy was based on contractually agreed prices.
- ² The amount mainly comprises a subsidiary's purchase of vegetable oil from a related party totaling Baht 1,686 million and Baht 1,161 million for the years ended 31 December 2011 and 2010 in the consolidated financial statements, respectively. The pricing policy is based on prices agreed by distributors who absorb distribution costs.

Key management personnel compensation

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Short-term employee benefits	155	163	48	48
Long-term employee benefits	12	8	7	4
Total	167	171	55	52

Balances as at 31 December 2011 and 2010 with related parties were as follows:

Trade and other accounts receivable from related parties	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
(in million Baht)					
Subsidiaries					
Loxley Wireless Company Limited		-	-	40	-
Parts Zone (Thailand) Co., Ltd.		-	-	9	7
Asia Security Management Co., Ltd.		-	-	4	4
Professional Computer Company Limited		-	-	1	11
Others		-	-	2	2
Associates					
Loxley GTECH Technology Co., Ltd.	14	167	143	167	143
L Solar 1 Co., Ltd.		20	-	20	-
Others		4	6	2	4
Other related parties					
Others		9	8	5	1
Total		200	157	250	172
Less allowance for doubtful accounts		(167)	(143)	(167)	(143)
Net		33	14	83	29
Bad debts and doubtful debts expense for the year		24	11	24	34
Write-off bad debts previously fully provided for (no effect to statements of income) for the year		-	19	-	46

Dividend receivable (included as part of other current assets)	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Subsidiaries				
Loxley Wireless Company Limited	-	-	40	19
Loxbit Public Company Limited	-	-	30	-
Total	-	-	70	19

Loans to related party	Note	Interest rate		Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010	2011	2010
		(% per annum)		(in million Baht)			
Short-term							
Associate							
Loxley GTECH Technology Co., Ltd.	14	6	6	412	400	412	400
Less allowance for doubtful accounts				(412)	(400)	(412)	(400)
Net				-	-	-	-
Bad debts and doubtful debts expense for the year				12	370	12	370
Write-off bad debts previously fully provided for (no effect to statements of income) for the year				-	-	-	8

Movements during the years ended 31 December 2011 and 2010 of loans to related party were as follows:

Loans to related party	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Short-term				
Associate				
At 1 January	-	355	-	355
Increase	12	15	12	15
Decrease from set up allowance for doubtful accounts/equity loss	(12)	(370)	(12)	(370)
At 31 December	-	-	-	-

The currency denomination of short-term loans to related parties as at 31 December 2011 and 2010 was denominated entirely in Thai Baht.

Trade and other accounts payable - related parties	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Subsidiaries				
Loxley Property Development Co., Ltd.	-	-	20	-
Loxbit PA Public Company Limited	-	-	2	3
Societe Commercial Lao	-	-	-	14
Others	-	-	3	3
Associate				
BlueScope Lysaght (Thailand) Limited	9	8	9	8
Other related parties				
Thanakorn Vegetable Oil Products Co., Ltd.	183	245	-	-
Loxley International Company Limited	12	14	-	-
Green Natural Products Co., Ltd.	4	8	4	8
Others	5	7	4	5
Total	213	282	42	41

Loans from related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010	2011	2010
(% per annum)						
(in million Baht)						
Short-term						
Subsidiary						
Loxley Joint and Hold Co., Ltd.	2	-	-	-	18	-
Related party						
Director	3	3	2	1	-	-
Total			2	1	18	-

Movements during the years ended 31 December 2011 and 2010 of loans from related parties were as follows:

Loans from related parties	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Short-term loans				
Subsidiary				
At 1 January	-	-	-	-
Increase	-	-	225	-
Decrease	-	-	(207)	-
At 31 December	-	-	18	-
Other related party				
At 1 January	1	2	-	-
Increase	7	1	-	-
Decrease	(6)	(2)	-	-
At 31 December	2	1	-	-
Total short-term loans from related parties				
At 1 January	1	2	-	-
Increase	7	1	225	-
Decrease	(6)	(2)	(207)	-
At 31 December	2	1	18	-

Significant agreements with related parties

A subsidiary has entered into a technical service agreement with a related party in a foreign country to provide the subsidiary with services, information, technology and know-how pertaining to airport security operation. The term of this agreement shall be terminated on the effective date of termination as agreed in writing by the parties or on the date the Airports of Thailand Public Company Limited contract expires, is terminated or revoked. A subsidiary is committed to pay a service fee based on certain percentage as indicated in the agreement.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Cash on hand and cash at banks – current accounts	128	155	35	85
Cash at banks – savings accounts	516	468	208	145
Highly liquid short-term investments	332	234	1	-
Total	976	857	244	230

Highly liquid short-term investments consisted of promissory notes and fixed deposits at banks and others.

The currency denomination of cash and cash equivalents as at 31 December 2011 and 2010 was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Thai Baht (THB)	974	809	242	182
United States Dollars (USD)	2	48	2	48
Total	976	857	244	230

8 Deposits pledged as collateral

Certain short-term and long-term fixed deposits and promissory notes at financial institutions have been pledged as collateral for the projects performance. The short-term portion is included as part of current investments, while the long-term is included in other non-current assets. As at 31 December 2011, the pledged deposit amounts to Baht 27 million for the Group (31 December 2010: Baht 37 million).

9 Trade and other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
(in million Baht)					
Related parties	6	200	157	250	172
Other parties		2,361	2,503	731	765
Total		2,561	2,660	981	937
Less allowance for doubtful accounts		(353)	(328)	(227)	(203)
Net		2,208	2,332	754	734
Bad debts and doubtful debts expenses for the year		31	53	25	70
Write-off bad debts previously fully provided for (no effect to statement of income) for the year		4	26	-	51

Aging analyses for trade and other accounts receivable were as follow:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Related parties				
Within credit terms	23	9	30	22
Overdue:				
Less than 3 months	6	5	12	10
3-6 months	6	6	46	6
6-12 months	11	26	12	25
Over 12 months	154	111	150	109
Total	200	157	250	172
Less allowance for doubtful accounts	(167)	(143)	(167)	(143)
Net	33	14	83	29
Other parties				
Within credit terms	1,131	1,149	410	435
Overdue:				
Less than 3 months	926	923	225	190
3-6 months	48	186	10	69
6-12 months	47	35	16	7
Over 12 months	209	210	70	64
Total	2,361	2,503	731	765
Less allowance for doubtful accounts	(186)	(185)	(60)	(60)
Net	2,175	2,318	671	705
Total	2,208	2,332	754	734

Included in trade and other accounts receivable from other parties over the age thresholds of 6 months as at 31 December 2011 and 2010 are amounts receivable from government agencies and state enterprises as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
6-12 months	26	17	16	7
Over 12 months	14	27	9	9
Total	40	44	25	16

The currency denomination of trade and other accounts receivable as at 31 December 2011 and 2010 was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Thai Baht (THB)	2,522	2,627	942	904
United States Dollars (USD)	36	16	36	16
Euros (EUR)	3	17	3	17
Total	2,561	2,660	981	937

10 Short-term loans to other parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010	2011	2010
	(% per annum)		(in million Baht)			
Former subsidiary	3	3	98	98	-	-
Other parties	4,6	4,6	10	11	-	-
Total			108	109	-	-
<i>Less</i> allowance for doubtful accounts			(98)	(98)	-	-
Net			10	11	-	-

Movements during the years ended 31 December 2011 and 2010 of the short-term loans to other parties was as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Short-term				
Other parties				
At 1 January	109	99	-	-
Increase (decrease)	(1)	10	-	-
At 31 December	108	109	-	-

The Group and Company's short-term loans to other parties as at 31 December 2011 and 2010 was denominated entirely in Thai Baht.

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Merchandise inventories	500	522	203	278
Project equipment and project in progress	828	204	87	34
Goods in transit	31	2	22	2
Total	1,359	728	312	314
<i>Less</i> allowance for decline in value	(43)	(63)	(26)	(43)
Net	1,316	665	286	271

12 Other current assets

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
(in million Baht)					
Value added tax		125	7	1	-
Promotion receivables		96	63	-	-
Insurance receivable*		93	-	93	-
Prepaid expenses		35	27	5	7
Advance to employees		21	20	9	4
Accrued income		13	14	11	12
Deposit		10	-	-	-
Dividend receivable	6	-	-	70	19
Others		22	22	12	16
Total		415	153	201	58

* The Company's warehouse in Pathumthani has been affected by the unusually severe flooding that occurred in Thailand in October 2011, resulting in goods being damaged. Management estimates that losses arising as a consequence of the flooding amounted to Baht 106 million. However, after the reporting period the Company received compensation from the insurers amounted to Baht 96 million. Therefore, for the year ended 31 December 2011 the Company has recorded damaged goods from flood and insurance claim income from insurers in the consolidated and separate financial statements.

13 Investments in subsidiaries

	Separate financial statements	
	2011	2010
	(in million Baht)	
At 1 January	1,699	555
Acquisitions/increase	43	1,159
Write-off impaired investment - previous fully provided for:		
Investment - at cost	(3)	(330)
Allowance for impairment	3	330
Decrease	-	(15)
At 31 December	1,742	1,699

As at 31 December 2010, the Company wrote off its Baht 330 million investment in subsidiary in Jago Company Limited in the separate financial statements after the subsidiary had been notified of its legal case against the GLO. Additionally, the Company wrote off its trade and other accounts receivable and short-term loans to such subsidiary, previously fully provided for allowance for doubtful accounts, in the amounts of Baht 27 Million and Baht 8 Million, respectively.

Investments in subsidiaries as at 31 December 2011 and 2010 and dividend income for years then ended were as follows:

	Separate financial statements															
	Ownership interest			Paid-up capital			Cost method			Impairment			At Cost-net		Dividend income	
	2011	2010	(%)	2011	2010		2011	2010		2011	2010	2011	2010	2011	2010	
Subsidiaries																
Loxley Wireless Company Limited	99	99		Million Baht	100	Million Baht	100	100		-	-	100	100	40	95	
Jago Company Limited	99	99		Million Baht	330	Million Baht	330	-		-	-	-	-	-	-	
(not yet started principal commercial operations)																
Data Mining Co., Ltd.	99	99		Million Baht	8	Million Baht	8	8		-	-	8	8	-	-	
Loxbit Public Company Limited	99	99		Million Baht	375	Million Baht	375	401		-	-	401	401	50	93	
Loxley Joint and Hold Co., Ltd.	99	99		Million Baht	1,000	Million Baht	1,000	1,000		-	-	1,000	1,000	246	-	
Loxley Mobile Company Limited	99	-		Million Baht	5	-		5		-	-	5	-	-	-	
Asia Security Management Co., Ltd.	69	69		Million Baht	100	Million Baht	100	70		-	-	70	70	-	-	
Societe Commercial Lao	67	67		Million Kip	4,135	Million Kip	4,135	20		(6)	(6)	14	14	-	-	
Loxley Proerty Development Co., Ltd.	66	59		Million Baht	133	Million Baht	108	91		-	-	91	66	1	6	
Parts Zone (Thailand) Co., Ltd.	64	60		Million Baht	25	Million Baht	25	16		-	-	16	15	-	-	
L Force 1 Co., Ltd.	60	-		Million Baht	20	-		12		-	-	12	-	-	-	
Loxley Global Co., Ltd.	51	51		Million Baht	99	Million Baht	99	50		(50)	(50)	-	-	-	-	
Loxley Thales Co., Ltd.	-	51		-	-	Million Baht	6	3		-	(3)	-	-	-	-	
Loxley Trading Company Limited	50	50		Million Baht	50	Million Baht	50	25		-	-	25	25	5	-	
								1,798				1,758		(56)		
												1,742		1,699		194

14 Investments in jointly-controlled entities and associates

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Jointly-controlled entities				
At 1 January	9	11	-	-
Share of loss from investment	(4)	(2)	-	-
Acquisitions	10	-	-	-
At 31 December	15	9	-	-
Associates				
At 1 January	3,248	3,067	1,199	1,155
Share of profit from investments	379	358	-	-
Acquisitions	-	99	-	99
Dividend income	(338)	(322)	-	-
Loss on investment in associate exceeding carrying value	-	51	-	-
Allowance for impairment	-	(5)	-	(35)
Decreases	(8)	-	(2)	(20)
At 31 December	3,281	3,248	1,197	1,199
Total				
At 1 January	3,257	3,078	1,199	1,155
Share of profit from investments	375	356	-	-
Acquisitions	10	99	-	99
Dividend income	(338)	(322)	-	-
Loss on investment in associates exceeding carrying value	-	51	-	-
Allowance for impairment	-	(5)	-	(35)
Decreases	(8)	-	(2)	(20)
At 31 December	3,296	3,257	1,197	1,199

Investments in jointly-controlled entities and associates are based on the audited financial statements as at 31 December 2011 and 2010 except:

- BlueScope Lysaght (Thailand) Limited and BlueScope Steel (Thailand) Limited which have an accounting period ended 30 June. Investments in those associates were recorded by including the financial statements of those associates for the six-month periods ended 30 June 2011 and 2010 (the financial statements for the years ended 30 June 2011 and 2010 which had been audited by other auditors) and for the six-month periods ended 31 December 2011 and 2010, which had been reviewed, but not audited by auditors. The carrying value of those investments in the consolidated financial statements as at 31 December 2011 and 2010 was Baht 1,873 million and Baht 1,849 million, respectively and the share of their net profit for the six-month periods ended 31 December 2011 and 2010 was Baht 53 million and Baht 25 million, respectively. The carrying value of those investments in the separate financial statements as at 31 December 2011 and 2010 was Baht 950 million.

2011

In April 2011, a subsidiary invested in a 50% interest in VH Services (Thai) Co., Ltd. for Baht 10 million. The Company engages in hotel business and has a registered share capital of Baht 50 million and paid up share capital of Baht 20 million. The Group has 50% the voting rights in the Company and has classified this investment as a jointly-controlled entity. The Group has recognised the interest in the jointly-controlled entity using the equity method, as an alternative to proportionate consolidation, as described in TAS 31 (revised 2009) Interests in Joint Ventures.

In September 2011, Poonsap Communication Company Limited, an associate, has registered its liquidation on 1 September 2011 and repaid its capital amounting to Baht 2 million.

In September 2011, a subsidiary of the Company sold all of its investment in an associate, Mega Management Co., Ltd. to a third party amounting to Baht 7 million, with a gain from sale amounting to Baht 2 million.

2010

In December 2010, the Company purchased a 45% equity interest in L Solar 1 Co., Ltd. for Baht 99 million. The above company is incorporated in Thailand and engages in electricity generating business, which has an authorised and fully paid up capital of Baht 220 million. The Company classified this investment as an associate.

Investments in jointly-controlled entities and associates as at 31 December 2011 and 2010, and dividend income for the years then ended were as follows:

	Ownership interest				Paid-up capital						Consolidated financial statements									
	2011		2010		2011		2010		2011		2010		2011		2010		2011		2010	
	2011		2010		2011		2010		2011		2010		2011		2010		2011		2010	
	25		25		-		-		8		9		-		8		9		-	
CKLX Joint Venture	50		-		Million Baht 20		-		7		-		-		7		-		-	
VH Services (Thai) Co., Ltd.	50		-		Million Baht 20		-		15		9		-		15		9		-	
Associates	50		50		Million Baht 150		Million Baht 150		141		119		-		141		119		5	
Oriental Post Co., Ltd.	45		45		Million Baht 220		Million Baht 220		84		96		-		84		96		-	
L Solar 1 Co., Ltd.	40		40		Million Baht 100		Million Baht 100		99		136		-		99		136		-	
Thai Fiber Optics Company Limited	40		40		Million Baht 49		Million Baht 49		40		939		-		40		939		200	
BP-Castrol (Thailand) Limited	35		35		Million Baht 300		Million Baht 300		20		-		-		20		-		-	
Loxley GTECH Technology Co., Ltd.	30		30		Million Baht 20		Million Baht 20		105		62		-		105		62		-	
Guardfire Limited	27		27		Million Baht 184		Million Baht 184		6		15		-		6		15		-	
Mobile Innovation Co., Ltd.	26		26		Million Baht 10		Million Baht 10		50		21		-		50		21		8	
Fosoco (Thailand) Limited	30		30		Million Baht 3		Million Baht 3		3		5		(5)		3		-		-	
Ecartstudio Company Limited	25		25		Million Baht 600		Million Baht 600		8		265		-		8		265		-	
BlueScope Lysaght (Thailand) Limited	25		25		Million Baht 5,000		Million Baht 5,000		150		1,596		-		150		1,596		-	
BlueScope Steel (Thailand) Limited	25		25		Million Baht 61		Million Baht 61		800		3		-		800		1,596		125	
MOCAP Limited	-		45		-		Million Baht 5		15		2		-		2		3		-	
Poonsap Communication Co., Ltd.	-		25		-		Million Kip 5,100		2		3		-		2		3		-	
Mega Management Co., Ltd.	-		25		-		Million Kip 5,100		8		5		-		8		5		-	
Total	1,380		1,390		1,390		1,390		3,286		3,253		(5)		3,281		3,248		338	
	1,390		1,390		1,390		1,390		3,301		3,262		(5)		3,296		3,257		338	
	1,390		1,390		1,390		1,390		3,301		3,262		(5)		3,296		3,257		338	

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(%)				(in million Baht)							
Jointly-controlled entity												
CKLX Joint Venture	25	25	-	-	-	-	-	-	-	-	-	-
Associates												
Oriental Post Co., Ltd.	50	50	150	150	84	84	-	-	84	84	5	2
L Solar 1 Co., Ltd.	45	45	220	220	99	99	-	-	99	99	-	-
Thai Fiber Optics Company Limited	40	40	100	100	40	40	-	-	40	40	-	53
Guardfire Limited	30	30	20	20	6	6	-	-	6	6	-	-
Mobile Innovation Co., Ltd.	27	27	184	184	50	50	(35)	(35)	15	15	-	-
Fosoco (Thailand) Limited	26	26	10	10	3	3	-	-	3	3	8	8
BlueScope Lysaght (Thailand) Limited	25	25	600	600	150	150	-	-	150	150	-	-
BlueScope Steel (Thailand) Limited	25	25	5,000	5,000	800	800	-	-	800	800	125	-
Loxley GTECH Technology Co., Ltd.	18	18	300	300	55	55	(55)	(55)	-	-	-	-
Poonsap Communication Co., Ltd.	-	45	-	5	-	2	-	-	-	2	-	-
BP - Castrol (Thailand) Limited	-	-	-	-	-	-	-	-	-	-	-	159
Total					1,287	1,289	(90)	(90)	1,197	1,199	138	222

Investment in the 3-digit and 2-digit online lotteries project

Loxley GTECH Technology Co., Ltd., an associate of the Company, has entered into an agreement with the Government Lottery Office (GLO) of Thailand on 29 July 2005 to service the lottery project. The terms stipulated in the agreement require that the lottery commence within 7 months after the agreement has been signed. Because of circumstances, however, the project could not begin as scheduled. On 28 May 2008, the associate received a letter from the GLO indicating that the project was to be launched by 16 September 2008. Later, on 18 August 2008, the associate was informed in writing by the GLO about the results of their examination of the lottery system and the lottery vending machines installation. According to the GLO's letter, the associate was permitted to partially install the vending machine (6,761 machines) in preparation for the project commencement. On 7 November 2008, the associate sent the notice letter to the GLO requesting them to comply with the contract and manage to have the sales of lottery started. The associate also demanded compensation for losses arising from the investment outlay totaling over Baht 2 billion within 30 days. In the case the GLO neglected to take appropriate actions, the associate would take legal action against the GLO as deemed necessary. On 24 December 2008, the GLO replied to the associate's letter requesting fairness regarding the commercial launch of 3-digit and 2-digit online lotteries. The GLO responded that they had passed a resolution agreeing to such project; and that their resolution had been furnished to the Ministry of Finance.

In April 2009, the associate lodged another letter with the GLO demanding that the Government should comply with the contract. However, the Board of Directors of the GLO passed a resolution for the GLO to conduct further study over legal and social impacts concerns. A public poll commissioned later on revealed that more than 50 per cent of the respondents supported the lottery launch. In August 2009, the Council of State replied to the queries of the GLO in respect of the sale of the 3-digit and 2-digit online lotteries that the GLO could be done under the Government Lottery Office Act, B.E.2517. And the Company received a letter from the GLO dated 14 December 2009 notifying that its Board of Directors ("the Board") had passed a resolution on 4 December 2009 agreeing in principle to the sales of 3-digit and 2-digit online lotteries. The Board then requested that the project preparation be completed within 90 days for commercial launch, and reported to the Board for further Cabinet notification.

In January 2010, the Prime Minister appointed a panel to study and examine the facts and legal concerns over the sales of 3-digit and 2-digit online lotteries so as to determine options of and alternatives to the sales of online lotteries within 30 days. As a consequence, the Board issued a letter dated 15 January 2010 to the associate stating that the Board had resolved on 5 January 2010 to delay the commercial launch preparation in accordance with the Board's previous resolution on 4 December 2009 until the Prime Minister's appointed panel could finalise its decision for the Board's consideration. On 30 March 2010, the associate submitted a letter to the GLO requesting that they honor the agreement, and pay for the damages arising from non-compliance. The associate demanded that the GLO urgently comply with the contract, and launch the sales of lotteries. The associate also called for payment for damages incurred due to the operational delay and breach of agreement until the GLO honor the agreement. The demanded payment together with interest must be paid to the associate within 30 days after the GLO received the letter. The associate would, otherwise, take legal action and other measures deemed necessary to protect and enforce its rights. Consequently, on 9 June 2010, the associate was informed in writing by the GLO that GLO, as a government agency operating under the GLO Act, B.E. 2517, must strictly abide by the cabinet resolution and the prime minister's direction. GLO is aware of the business consequence that the associate has sustained, and has already furnished all relevant facts to those having authorities under the GLO Act for consideration. Once the conclusion is obtained, the associate shall be accordingly informed. GLO strongly hopes that the issue will be resolved in the near future. However, the associate will be able to recover all amounts due under the agreement with the GLO as it proposes to take legal action in consultation with its legal advisors to make GLO honor the agreement and to recover all expenses incurred plus related damages due under the terms of the agreement. However, as at 31 December 2011 and 2010, the associate did not receive any further correspondence from the GLO regarding the project progress, and accordingly could not determine the

date of debut sales of lottery. Currently, the associate has taken legal process to enforce GLO to compliance with the agreement. Furthermore, loss of the associate's financial positions have been increasing and operating costs have been rising over the initial budgets. The Company cannot be reliably estimating the effect and the amount of time required to recover its investment in the associate.

In respect of the above, the Company recorded full impairment loss on all remaining balances in respects of such project in the separate financial statements for the year ended 31 December 2011 and 2010 as required by TAS 36 (revised 2009) "Impairment of Assets." The standard provided that when the recoverable amount of an investment is less than its carrying value, the Company must record impairment loss on such investment directly in profit or loss by reducing the investment cost to its recoverable amount. The details are as follows:

Separate financial statements

	Investment	Trade receivable (note 6)	Short-term loans (note 6)	Total
(in million Baht)				
Balance				
At 1 January 2010	105	119	385	609
Addition	-	24	15	39
At 31 December 2010	105	143	400	648
Addition	-	24	12	36
At 31 December 2011	105	167	412	684
Allowance for doubtful accounts				
At 1 January 2010	105	119	30	254
Addition	-	24	370	394
At 31 December 2010	105	143	400	648
Addition	-	24	12	36
At 31 December 2011	105	167	412	684
Net book value				
At 31 December 2010	-	-	-	-
At 31 December 2011	-	-	-	-

In the consolidated financial statements, the Group complies with TAS 28 (revised 2009) "Investments in Associates" which states that the Group normally must record share of loss of an associate equals to its interest in the associate. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the investor's net investment in the associate, such as a settlement of loan that is neither planned nor likely to occur in the foreseeable future. The Group's additional share of loss recognised under the equity method is treated as deductions to the components of the interests in the associate. The Group only recognises additional share of loss as liability only when the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

As at 31 December 2011 and 2010, the Group recorded additional share of loss over its interest in the associate on the consolidated financial statements, representing 35% interest in the associate. Such share of loss over its interest in the associate is presented as deductions to the trade receivable and short-term loans to the associate. In addition, the Group recorded additional allowance for short-term loans to the associate. The details are as follows:

Consolidate financial statements

	Investment	Trade receivable (note 6)	Short-term loans (note 6)	Total
(in million Baht)				
Balance				
At 1 January 2010	105	119	385	609
Addition	-	24	15	39
At 31 December 2010	105	143	400	648
Addition	-	24	12	36
At 31 December 2011	105	167	412	684
Equity loss				
At 1 January 2010	105	119	30	254
Addition	-	24	27	51
At 31 December 2010	105	143	57	305
Addition	-	-	-	-
At 31 December 2011	105	143	57	305
Allowance for doubtful accounts				
At 1 January 2010	-	-	-	-
Addition	-	-	343	343
At 31 December 2010	-	-	343	343
Addition	-	24	12	36
At 31 December 2011	-	24	355	379
Net book value				
At 31 December 2010	-	-	-	-
At 31 December 2011	-	-	-	-

15 Other long-term investments

Movements during the years ended 31 December 2011 and 2010 of other long-term investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Available-for-sale securities				
At 1 January	234	173	234	173
Disposals/decrease	-	(5)	-	(5)
Valuation adjustment	(30)	66	(30)	66
At 31 December	204	234	204	234
General investments				
At 1 January	72	79	15	22
Impairment losses	-	(7)	-	(7)
At 31 December	72	72	15	15
Total	276	306	219	249

Other long-term investments as at 31 December 2011 and 2010, and dividend income for the years then ended were as follows:

Consolidated financial statements																
	Ownership interest		Paid-up capital		Cost method		Impairment		Unrealised gain from fair value changes		Fair value (Market price of listed securities)/ At cost - net		Dividend income			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010		
	2011		2010		2011		2010		2011		2010		2011		2010	
	(%)															
Available-for-sale securities-at fair value																
Other related party																
Muang Thai Insurance Public Company Limited	5	5	590	590	36	36	-	-	168	198	204	234	13	8		
General investments - at cost																
Other related parties																
Loxley Pacific Company Limited	15	15	700	700	161	161	(141)	(141)	-	-	20	20	-	-		
Thanakorn Vegetable Oil Product Co., Ltd.	7	7	300	300	35	35	-	-	-	-	35	35	10	6		
Others					13	13	(11)	(11)	-	-	2	2	-	-		
Other parties																
					25	25	(10)	(10)	-	-	15	15	3	11		
					234	234	(162)	(162)	-	-	72	72	13	17		
Total					270	270	(162)	(162)	168	198	276	306	26	25		

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Impairment		Unrealised gain from fair value changes		(Market price of listed securities)/ At cost - net		Dividend income			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010		
	2011		2010		2011		2010		2011		2010		2011		2010	
	(%)															
(in million Baht)																
<i>Available-for-sale securities-at fair value</i>																
Other related party																
Muang Thai Insurance Public Company Limited	5	5	590	590	36	36	-	-	168	198	204	234	13	8		
<i>General investments - at cost</i>																
Other parties					25	25	(10)	(10)	-	-	15	15	3	11		
Total			61	61	61	61	(10)	(10)	168	198	219	249	16	19		

16 Property, plant and equipment

Consolidated financial statements

	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
	(in million Baht)							
Cost / revaluation*								
At 1 January 2010	368	984	387	183	103	78	1	2,104
Revaluation on land	95	-	-	-	-	-	-	95
Addition	-	11	19	27	-	14	28	99
Disposals/written-off	-	(2)	(42)	(7)	-	(12)	-	(63)
Decrease from deconsolidation of subsidiaries	(1)	-	-	(10)	-	-	(1)	(12)
Transfers in (out)	-	1	-	8	-	-	(9)	-
At 31 December 2010 and 1 January 2011	462	994	364	201	103	80	19	2,223
Additions	-	19	43	66	13	22	77	240
Disposals/written-off	-	-	(29)	(4)	-	(13)	(2)	(48)
Transfers in (out)	-	65	(2)	(7)	-	-	(80)	(24)
At 31 December 2011	462	1,078	376	256	116	89	14	2,391

* Appraised land as at 31 December 2011 for the Group amounted to Baht 363 million (2010: Baht 363 million), based on the information provided by an independent appraiser and the Department of Lands in 2010.

Consolidated financial statements

	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
	(in million Baht)							
Accumulated depreciation								
At 1 January 2010	-	605	322	133	82	50	-	1,192
Depreciation charge for the year	-	44	26	19	17	11	-	117
Disposals/written-off	-	-	(40)	(6)	(1)	(8)	-	(55)
Decrease from deconsolidation of subsidiaries	-	-	-	(6)	-	-	-	(6)
At 31 December 2010 and 1 January 2011	-	649	308	140	98	53	-	1,248
Depreciation charge for the year	-	47	27	29	7	11	-	121
Disposals/written-off	-	-	(30)	(8)	(1)	(5)	-	(44)
At 31 December 2011	-	696	305	161	104	59	-	1,325
Net book value								
At 31 December 2010	462	345	56	61	5	27	19	975
At 31 December 2011	462	382	71	95	12	30	14	1,066

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2011 for the Group amounted to Baht 681 million (2010: Baht 561 million).

Separate financial statements

	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
(in million Baht)								
Cost / revaluation *								
At 1 January 2010	258	413	209	57	-	22	-	959
Revaluation on land	86	-	-	-	-	-	-	86
Additions	-	3	8	2	-	4	3	20
Disposals/written-off	-	(1)	(11)	(1)	-	(4)	-	(17)
At 31 December 2010 and 1 January 2011	344	415	206	58	-	22	3	1,048
Additions	-	9	34	3	-	9	5	60
Disposals/written-off	-	-	(4)	-	-	(10)	-	(14)
At 31 December 2011	344	424	236	61	-	21	8	1,094
Accumulated depreciation								
At 1 January 2010	-	309	179	46	-	14	-	548
Depreciation charge for the year	-	15	13	5	-	3	-	36
Disposals/written-off	-	-	(11)	(1)	-	(1)	-	(13)
At 31 December 2010 and 1 January 2011	-	324	181	50	-	16	-	571
Depreciation charge for the year	-	15	14	3	-	2	-	34
Disposals/written-off	-	-	(3)	-	-	(2)	-	(5)
At 31 December 2011	-	339	192	53	-	16	-	600
Net book value								
At 31 December 2010	344	91	25	8	-	6	3	477
At 31 December 2011	344	85	44	8	-	5	8	494

* Appraised land as at 31 December 2011 for the Company amounted to Baht 274 million (2010: Baht 274 million), based on the information provided by an independent appraiser and the Department of Lands in 2010.

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2011 for the Company amounted to Baht 425 million (2010: Baht 358 million).

During the year ended 31 December 2010, The Company and a subsidiary reappraised its land. Based on the information provided by an independent appraiser, the appraised value increased amounting to Baht 95 million and Baht 86 million for the consolidated and separate financial statements, respectively. The Group/Company recorded the appraised value incremental including in “Unrealised gain on revaluation differences on land” which is shown under “Equity” in the consolidated and separate of financial statements for the year ended 31 December 2010 in amounting to Baht 64 million and Baht 60 million (net of deferred tax liabilities), respectively.

17 Intangible assets

	Consolidated financial statements			Separate financial statements
	Software License	Goodwill	Total	Software License
(in million Baht)				
Cost				
At 1 January 2010	61	58	119	38
Additions	9	-	9	8
Disposals/written-off	(1)	-	(1)	(1)
At 31 December 2010 and 1 January 2011	69	58	127	45
Additions	15	-	15	14
Transfers in	2	-	2	-
At 31 December 2011	86	58	144	59
Accumulated amortisation				
At 1 January 2010	28	58	86	14
Amortisation charge for the year	6	-	6	4
At 31 December 2010 and 1 January 2011	34	58	92	18
Amortisation charge for the year	7	-	7	5
At 31 December 2011	41	58	99	23
Net book value				
At 31 December 2010	35	-	35	27
At 31 December 2011	45	-	45	36

18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Withholding taxes deducted at sources	147	91	32	34
Deposits	37	34	32	19
Fixed deposits pledged as collateral	27	27	-	-
Prepaid land rental	18	19	-	-
Loan to staff	8	-	7	-
Others	10	13	6	5
Total	247	184	77	58

19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
<i>Current</i>				
Bank overdrafts				
unsecured	128	6	-	-
Short-term loans from financial institutions				
secured	124	87	-	-
unsecured	1,240	624	284	190
Liabilities under trust receipts				
secured	464	400	330	374
Bank overdrafts and short-term loans from financial institutions	1,956	1,117	614	564
Current portion of long-term loans from financial institutions				
secured	42	11	-	-
unsecured	106	806	106	806
Current portion of finance lease liabilities				
secured	35	18	10	8
Current portion of long-term liabilities	183	835	116	814
Short-term loans from related parties				
unsecured	2	1	18	-
Short-term loans from other party				
unsecured	46	41	-	-
	2,187	1,994	748	1,378
<i>Non-current</i>				
Long-term loans from financial institutions				
secured	124	134	-	-
unsecured	950	168	950	168
Finance lease liabilities				
secured	55	22	7	5
	1,129	324	957	173
Total	3,316	2,318	1,705	1,551

Bank overdrafts and short-term loans from financial institutions and related parties

As at 31 December 2011, the above loans bear interest at the floating rates ranging from 4.1%-7.875% p.a. (2010: 2.50% - 8.50% p.a.).

Under the terms of trust receipts, the Group/Company imported merchandise in trust for the banks.

The Group/Company was obligated to maintain the goods or the proceeds from their sale or to hold them ready for repossession by the bank.

Long-term liabilities

(a) The above long-term loans bear interest at the rates ranging from 4.13% to 5.88% per annum and MLR to MLR-1.5% per annum; and are repayable in installments up to October 2016.

(b) The Group/Company entered into financial lease agreements for machinery and equipment which are repayable in amounts as specified in the agreements up to October 2014.

The Group/Company is subject to certain terms of the long-term loans, including the maintenance of certain financial ratios.

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December 2011 and 2010 were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Within one year	2,152	1,976	738	1,370
After one year but within five years	1,074	302	950	168
Total	3,226	2,278	1,688	1,538

Secured interest-bearing liabilities as at 31 December 2011 and 2010 were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Land and buildings	310	330	-	-
Trade accounts receivable *	117	87	-	-
Total	427	417	-	-

* A subsidiary has transferred to a bank as collateral under the security service project the right of collection of trade accounts receivable from such project.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidated financial statements					
	2011			2010		
	Principal	Interest	Payments	Principal	Interest	Payments
(in million Baht)						
Within one year	35	5	40	18	2	20
After one year but within five years	55	4	59	22	1	23
Total	90	9	99	40	3	43

	Separate financial statements					
	2011			2010		
	Principal	Interest	Payments	Principal	Interest	Payments
(in million Baht)						
Within one year	10	1	11	8	1	9
After one year but within five years	7	-	7	5	-	5
Total	17	1	18	13	1	14

Interest-bearing liabilities of the Group and the Company as at 31 December 2011 and 2010 were denominated entirely in Thai Baht.

20 Trade and other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
(in million Baht)					
Related parties	6	213	282	42	41
Other parties		2,614	1,514	742	625
Total		2,827	1,796	784	666

The currency denomination of trade and other accounts payable as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Thai Baht (THB)	2,085	1,377	359	258
United States Dollars (USD)	720	395	415	385
Euro (EUR)	12	7	-	6
Swiss Franc (CHF)	5	16	5	16
Australian Dollars (AUD)	3	1	3	1
Great Britain Pounds (GBP)	1	-	1	-
Japanese Yen (JPY)	1	-	1	-
Total	2,827	1,796	784	666

21 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Accrued cost and warranty cost	572	414	206	191
Accrued expenses	181	149	32	15
Others	95	109	35	53
Total	848	672	273	259

22 Deferred tax liabilities

Deferred tax liabilities present include in the statements of financial position as at the years ended 31 December were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
(in million Baht)					
<i>Deferred tax liabilities</i>					
At 1 January		168	109	142	96
Available-for-sale investments					
Change in fair value recognised in equity		(6)	20	(6)	20
Decrease from income tax rate reduction	33	(20)	-	(20)	-
Land revaluation					
Change in fair value recognised in equity		-	39	-	26
Decrease from income tax rate reduction	33	(36)	-	(28)	-
At 31 December		106	168	88	142

Deferred tax assets occurred from temporary differences which were not recorded in financial statements as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Temporary differences				
- Provisions	178	463	172	409
- Others	121	133	67	65
Loss carrying forward	281	406	244	336
Total	580	1,002	483	810

The Group/Company did not recognised deferred tax assets because a part of the Group's/Company's income is dividend income which is exempted from tax, so it is not probable that future taxable profit will be available against which the Group/Company can utilise the benefits therefrom.

23 Employee benefit obligations

Independent actuaries carried out an evaluation of the Company's obligations for employees' long-term benefits using the Projected Unit Credit Method. The Company has provided the obligations for employees' long-term benefits as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Statements of financial position obligations for				
Present value of unfunded obligations	334	297	222	205
Movement in employee benefit obligations				
Employee benefit obligations at 1 January	297	261	205	187
Expense recognised in profit or loss during year	48	43	28	25
Benefit paid during year	(11)	(7)	(11)	(7)
Employee benefit obligations at 31 December	334	297	222	205
Expense recognised in profit or loss				
Current service cost	35	31	19	17
Interest cost	13	12	9	8
Total	48	43	28	25
Principal actuarial assumptions				
Discount rate (%)	4 - 4.5	4 - 4.5	4.5	4.5
Future salary increase (%)	3 - 5	3 - 5	5	5
Retirement age (year old)	60	60	60	60

24 Share capital

	Par value per share (in Baht)	2011		2010	
		Number	Baht	Number	Baht
(million shares / million Baht)					
Authorised					
At 1 January					
Ordinary shares	1	2,000	2,000	2,000	2,000
At 31 December					
Ordinary shares	1	2,000	2,000	2,000	2,000
Issued and paid up					
At 1 January					
Ordinary shares	1	2,000	2,000	2,000	2,000
At 31 December					
Ordinary shares	1	2,000	2,000	2,000	2,000

25 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes

The fair value changes account within equity comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Valuation changes

The valuation changes account within equity cumulative net change in the valuation of land included in the financial statements at valuation until such land is sold or otherwise disposed of.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

26 Other comprehensive income

Consolidated financial statements

Attributable to owners of the Company

	Currency translation differences of the financial statements of foreign entity	Fair value changes in available-for-sale investments	Revaluation surplus on land, net		Change in percentage of holding in subsidiaries and associates	Total	Non-controlling interests	Total other comprehensive income
			Portion of Company	Portion of Subsidiary				
(in million Baht)								
For the year ended 31 December 2011								
Currency translation of the financial statements of foreign entity	1	-	-	-	-	1	-	1
Available-for-sale investments	-	(24)	-	-	-	(24)	-	(24)
Increase from income tax rate reduction of deferred tax liabilities	-	20	-	-	-	20	-	20
Revaluation on land	-	-	27	7	-	34	2	36
Increase from income tax rate reduction of deferred tax liabilities	-	-	-	4	-	4	(4)	-
Changes in percentage of holding in subsidiaries and associates recognised in equity	-	-	-	-	4	4	-	4
Total other comprehensive income for the year	1	(4)	27	11	4	39	(2)	37

Consolidated financial statements
Attributable to owners of the Company

	Currency translation differences of the financial statements of foreign entity	Fair value changes in available-for-sale investments	Revaluation surplus on land, net		Change in percentage of holding in subsidiaries and associates	Total	Non-controlling interests	Total other comprehensive income
			Portion of Company	Portion of Subsidiary				
(in million Baht)								
For the year ended 31 December 2011								
Currency translation of the financial statements of foreign entity	3	-	-	-	-	3	1	4
Available-for-sale investments	-	46	-	-	-	46	-	46
Change in fair value recognised in equity	-	-	60	4	-	64	3	67
Revaluation on land	-	-	-	-	-	-	-	-
Change in fair value recognised in equity	-	-	-	-	(9)	(9)	-	(9)
Changes in percentage of holding in subsidiaries and associates recognised in equity	-	-	-	-	(9)	(9)	-	(9)
Total other comprehensive income for the year	3	46	60	4	(9)	104	4	108

Separate financial statements

	Fair value changes of available-for-sale investments	Revaluation surplus on land, net (in million Baht)	Total comprehensive income
For the year ended 31 December 2011			
Available-for-sale investments			
Change in fair value recognised in equity	(24)	-	(24)
Increase from income tax rate reduction of deferred tax liabilities	20	-	20
Revaluation on land	-	27	27
Increase from income tax rate reduction of deferred tax liabilities			
Total other comprehensive income for the year	(4)	27	23
For the year ended 31 December 2010			
Available-for-sale investments			
Change in fair value recognised in equity	46	-	46
Revaluation on land	-	60	60
Change in fair value recognised in equity			
Total other comprehensive income for the year	46	60	106

27 Segment reporting

Segment reporting is presented in respect of the Groups/Company's business segments. The primary format is based on the Groups/ Company's management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise gain on sales of investments, share of profits from investments in jointly-controlled entities and associates accounted for using the equity method, dividend income and central expenses.

Business segments

The Group/Company comprises the following main business segments:

Technology	Sales and service of information technology, infrastructure, telecommunications, consumer electronics, special project, lottery business and others.
Trading	Trading of chemicals, construction materials and consumer products.
Service and others	Engagement in international businesses, rendering of services, provision of finance and administrative supports, and others.

The Groups/Company's major operations are in Thailand.

Business segments results

	Technology		Trading		Service and others		Eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(in million Baht)									
Revenues from sale of goods and rendering of services	8,782	5,347	4,733	4,523	893	748	(282)	(337)	14,126	10,281
Other income	74	35	26	57	91	55	(97)	(45)	94	102
Unallocated revenue									28	30
Total revenue									14,248	10,413
Cost of sale of goods and rendering of services	(7,427)	(4,376)	(4,188)	(3,965)	(729)	(601)	257	290	(12,087)	(8,652)
Selling and administrative expenses	(1,012)	(981)	(644)	(571)	(158)	(127)	122	92	(1,692)	(1,587)
Unallocated expenses									(266)	(505)
Finance costs	(88)	(44)	(25)	(21)	(46)	(50)	-	-	(159)	(115)
Total expenses									(14,204)	(10,859)
Share of profit from investments in jointly-controlled entities and associates under equity method, net									376	357
Profit (loss) before income tax expense									420	(89)
Income tax expense	(100)	(28)	(8)	(8)	(7)	(6)	-	-	(115)	(42)
Profit (loss) for the year									305	(131)
Segment assets	4,452	2,513	1,350	1,397	1,051	921	(78)	108	6,775	4,939
Unallocated assets									5,477	4,854
Total assets									12,252	9,793
Unallocated liabilities									7,846	5,618
Depreciation	(53)	(54)	(17)	(16)	(51)	(47)	-	-	(121)	(117)

28 Fees and other income

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Management fee income	26	29	87	27
Dividend income	26	25	495	436
Rental income	20	14	20	14
Gain on exchange rate	-	31	-	29
Others	47	28	39	43
Total	119	127	641	549

29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Employee expenditure	382	357	274	249
Promotion expenses	199	160	46	34
Transportation	61	63	22	26
Travelling expenses	48	49	16	17
Others	41	52	16	23
Total	731	681	374	349

30 Administrative

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Employee expenditure	679	563	273	222
Office, equipment and vehicle rental	130	107	80	64
Professional fees	73	68	10	13
Depreciation and amortisation expense	70	69	37	36
Entertainment	62	57	52	51
Travelling expense	36	23	23	14
Utilities	33	28	16	13
Office overhead	17	15	8	8
Provisions for doubtful accounts, declining value in stock and investment	16	87	14	130
Equipment repair and maintenance	10	10	7	7
Others	89	41	74	44
Total	1,215	1,068	594	602

31 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Salaries, wages, overtimes and bonus	1,410	1,202	431	384
Welfare	82	53	24	8
Pension and other benefits	54	51	27	29
Employees' long-term benefits	48	43	28	25
Contribution to defined benefit plans	35	32	18	16
Social security	31	28	8	7
Travelling expenses	16	18	-	-
Training expenses	11	7	11	7
Total	1,687	1,434	547	476

In 2005, the Company established a new contributory funded provident fund covering substantially all employees. This fund was registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership is voluntary upon attaining permanent status. Under the regulations of the fund, members are required to make monthly contributions to the fund at 5% of the members basic salaries and the Company is required to make monthly contributions to the fund at 5% of the members basic salaries. The Company will transfer its previous contributory funded provident fund to the new fund within 10 years according to the accounting period. The first transfer of the fund starts from 2005.

32 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Changes in work in progress and finished goods sold	11,231	7,945	3,693	3,554
Employee benefits expense	1,687	1,434	547	476
Promotion expenses	199	160	46	34
Finances cost	158	115	91	86
Office, equipment and vehicle rental	142	129	80	79
Depreciation and amortisation expense	129	123	40	40
Transportation expenses	112	123	71	85
Travelling expenses	84	72	39	31
Entertainment	83	76	54	51
Professional fee	73	68	10	13
Loss on exchange rate	35	-	20	-
Provisions for doubtful accounts, declining value in stock and investment	16	429	14	499
Other	255	185	147	77
Total expenses	14,204	10,859	4,852	5,025

33 Income tax expense

The current tax expense in the consolidated and separate statements of income is less than/more than the amount determined by applying the Thai corporation tax rate to the accounting profit (loss) for the year principally because:

- (a) the Group/Company unutilised tax losses brought forward from the previous year have been utilised during the year to set-off against the current year's tax charge.
- (b) the different treatment for accounting and taxation purposes of certain items of expense, in particular, provision for impairment loss of investments, provision for doubtful accounts and other provisions.
- (c) losses suffered by certain subsidiaries of the Group/Company cannot be set-off against the profits of other subsidiaries of the Group/Company for tax purposes.

Income tax reduction - deferred

On 11 October 2011, the Cabinet passed a resolution regarding tax measures to increase Thailand's competitiveness and approved the reduction of the corporate income tax rate from 30% to 23% of net taxable profit for the accounting period 2012 which ends on or after 31 December 2012 and to 20% of net taxable profit for the accounting period which begins on or after 1 January 2013 and onwards.

In order to give effect to the above Cabinet resolution, the Government has issued a Royal Decree under the Revenue Code regarding the Reduction and Exemption in Income Taxes (No. 530) B.E. 2554 to reduce 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. It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution.

Such announcement on the reduction of income tax rate has an impact on the measurement of deferred tax assets and deferred tax liabilities since Thai Accounting Standard No. 12 Income Taxes paragraph 47 states that deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

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.

34 Basic earnings (loss) per share

The calculation of basic earnings (loss) per share for the year ended 31 December 2011 and 2010 were based on the profit (loss) for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht / million shares)				
Profit (loss) for the year attributable to equity holders of the Company (basic)	298	(139)	246	761
Number of ordinary shares outstanding	2,000	2,000	2,000	2,000
Basic earnings (loss) per share (in Baht)	0.15	(0.07)	0.12	0.38

35 Dividends

At the annual general meeting of shareholders of the Company held on 27 April 2011, the shareholders approved the appropriation of dividends of Baht 0.05 per share, amounting to Baht 100 million.

36 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/ Company's operations and its cash flows. The Group/Company manages interest rate risk by analyzing exposure on an ongoing basis and by using a mix of both fixed interest rates and floating interest rates, depending on the market circumstances.

Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group/Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December 2011 and 2010, the Group/Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
(in million Baht)					
United States Dollars (USD)					
Cash and cash equivalent	7	2	48	2	48
Trade and other accounts receivable	9	36	16	36	16
Trade and other accounts payable	20	(720)	(395)	(415)	(385)
Euros (EUR)					
Trade and other accounts receivable	9	3	17	3	17
Trade and other accounts payable	20	(12)	(7)	-	(6)
Swiss Franc (CHF)					
Trade and other accounts payable	20	(5)	(16)	(5)	(16)
Australian Dollars (AUD)					
Trade and other accounts payable	20	(3)	(1)	(3)	(1)
Great Britain Pounds (GBP)					
Trade and other accounts payable	20	(1)	-	(1)	-
Japanese Yen (JPY)					
Trade and other accounts payable	20	(1)	-	(1)	-
Gross statements of financial position exposure		(701)	(338)	(384)	(327)
Currency forwards, net		113	86	75	86
Net exposure of assets (liabilities)		(588)	(252)	(309)	(241)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Group/Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, due to the large number of parties comprising the Group's/Company's customer base, management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Groups/Companies operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Groups/Companies accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group/Company uses the following methods and assumptions in estimating the fair value of financial instruments:

- Cash and short-term investments
The carrying amount approximates fair value because of the short period to maturity.
- Accounts receivable and accounts payable - trade and others
The carrying amount approximates fair value because of the short period to maturity.
- Loans to and loans from related and other companies
The carrying amount approximates fair value because most of these financial instruments bear interest at market rates.
- Investment in common shares
The carrying amount of investment in common shares for which there are no available quoted market prices approximates the fair value based on the underlying net asset base of the investment. The fair value of investments in available-for-sale equity securities is determined by reference to their quoted bid price at the reporting date.
- Bank overdrafts and short-term loans from financial institutions
The carrying amount approximates fair value because of the short period to maturity of these financial instruments.
- Long-term loan
The carrying amount approximates fair value because most of these financial instruments bear interest at market rates.
- Short-term foreign currency forward contracts with maturity of shorter than 6 months
Fair values of foreign currency forward contracts are measured at the market rates of forward contracts on the statement of financial position date. The fair values closely approximate the contract values because of short maturity of the contracts.

37 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
(in million Baht)				
Other commitments				
Unnegotiated letters of credits for goods and supplies	292	188	129	59
Purchase orders for goods and services accepted by suppliers	977	2,147	678	1,426
Purchase forward contracts	113	120	75	120
Sale forward contracts	-	34	-	34
Bank guarantees (for projects performance and customers tender guarantees)	5,509	2,257	1,884	1,835
Total	6,891	4,746	2,766	3,474

The above short-term purchase and sale forward contracts will come to maturity within June 2012.

38 Contingent liabilities

As at 31 December 2011:

- (a) A subsidiary is subject to a litigation claim as it and three other parties were jointly sued by a customer claiming for wrongful act compensation over alleged violations. The claim for compensation amounted to Baht 37.47 million, of which Baht 27.50 million and Baht 9.97 million are attributable respectively to the principle and 7.5% interest from 30 June 2004 to 30 April 2009. The customer additionally claimed for 7.5% interest to be accrued on top of the principle from 1 May 2009 onwards. On 12 October 2010, the court has suspended consideration of the civil case and temporarily taken the case off its case field in order to await the result of the criminal case which is linked to this case. Consequently, on 28 December 2010, the court issued judgments to dismiss the criminal case. However the civil case is still under consideration. The management of the Company and its subsidiary believe that the subsidiary has no liability in respect of the claim compensation; no provision for such compensation has been set aside in the financial statements.
- (b) Another subsidiary was involved in a lawsuit in 2009 in respect to a claim for compensation of Baht 10 million, by an insurance company of a contractor at Suvarnabhumi International Airport in conjunction with the loss of assets. As at 31 December 2011, the litigation proceeding was underway and the outcome was yet to be determined. The management of the Company and its subsidiary believe, however, that the subsidiary is not liable to pay compensation and that it will be able to recover in full from its insurer any damages incurred from such litigation should the outcome be otherwise.

39 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group/Company has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013

The management considers that the adoption of the above new and revised TFRS has no material impact on the consolidated and separate financial statements.

40 Reclassification of accounts

Certain accounts in the 2010 statements of financial position as at 31 December 2010 and statements of comprehensive income for the year ended 31 December 2010 include in financial statements for the purpose of comparison of 2011 have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new or revised TFRS as disclosed in note 3. There were no other significant reclassifications of accounts. ■

Auditor Remuneration

1. Financial Audit Fees

The Company and its subsidiaries paid annual financial audit fees to audit firm, individual, or related business to the auditor or audit firm in the total amount of Baht 9,519,000.00

2. Other Non-audit Fee

- Observation fee in merchandize annihilation: Baht 115,200.00 (Loxley Trading Company Limited)
- Financial information verification service for 2011 consolidated financial statements: Baht 10,000.00

Other Parties

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