

**ANNUAL REPORT**

**YEAR 2011**

**WYNCOAST INDUSTRIAL PARK PCL.**

## CONTENT

	<u>Page</u>
Message from Chairman of the Board	1
Audit Committee's Report	2
Resume of Directors and Management	3
General Information	8
Capital Structure and Major Shareholders	12
Nature of Business	13
Risk Factors	14
Structure of Management	16
Related Company Transaction	30
Financial Highlights	31
Management Discussion and Analysis	33
Auditor's Report and Financial Report	36

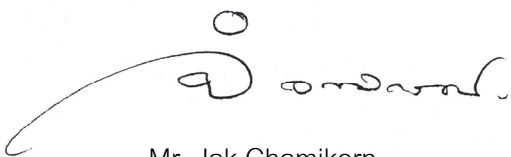
## Message from Chairman of the Board

Year 2011 has been passed by with the learning how to cope with the unexpected nature disaster all over the world more and more. Thailand has been encountered with the big flood in history during the last quarter of previous year covering its economic area from northern to center of the country as Wyncoast Industrial Park has been stated as the primary risk area but with the management's vision and preparation including the devotion of the management and all staff to keep up with such situation by converting critical to opportunity as the customer has confidence in Wyncoast Industrial Park accordingly more customer use our service as more than 40 percent increased, cause its occupancy rate raised to 97.50 percent.

Year 2011, the Company has a satisfied revenue from free zone comprising the solution's affiliate company has a potential completeness and also the management has plan to strengthen the Company by expanding Wyncoast Industrial Park to support both short term and long term of local and international investors as conform with the nature's living.

Moreover, the Company also concerns the living with masses surrounding the industrial park area by supporting the scholarship to children surrounded the area and its staff's children.

As a whole, I hereby represent the Board of Director, Management and all employees would like to thank you for your kind supporting and opportunity for giving us to show our abilities although such duty is tough and difficult but all of us are doing our best effort and so far we have been satisfactorily proved and verified. We are always ready to move forward and be stable



Mr. Jak Chamikorn

Chairman of Wyncoast Industrial Park Public Company Limited

## Audit Committee's Report

To Shareholders

Wyncoast Industrial Park Public Company Limited

The Company's Board of Directors appointed the Audit Committee by selecting directors who are distinguished and independent being three persons, namely, General Sompochana Sundaramani acting as chairman, Mr. Chaithawat Saowapon and Mrs. Marayat Pringthongfoo as directors.

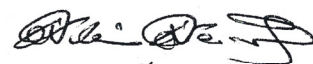
The Audit Committee has performed their duties under the responsibilities assigned by the Company's Board of Directors consistent with the requirement of the Stock Exchange of Thailand and held 5 meetings in 2011 and discussion with the management and internal auditor within the specified timeframe. In every meeting, the Audit Committee expressed their opinion and made comments on an as-is basis and then independently reported to the Board's Meeting. The material points are:

- 1) To review and approve every quarterly and annual financial statement that was prepared under generally accepted auditing standards to ascertain that the information is disclosed adequately before presenting to the Company's Board of Directors for their approval.
- 2) To review disclosure of the relevant transactions and the transactions that incurred conflict of interest to be in conformity with the standards of the Stock Exchange of Thailand.
- 3) To review a sufficiency and validity of internal control and internal audit system of the Company.
- 4) To review and advised on the internal audit plan of the Company to improve the quality of internal audit.
- 5) To considered the nomination of the external auditor, including the recommendation on the remuneration of the external auditor to the Board of Directors to seek for a shareholder's resolution in the annual shareholder meeting.

The Audit Committee considered that the Board adopted the proper preparation process and financial information disclosed in the financial statements and the adequate internal control system.

On behalf of the Chairman of Audit Committee

General



(Sompochana Sundaramani)

Chairman of Audit Committee

### **Resume of Directors and Management**

Name and Title	Age (Years)	Percent of Interest WIN. holds	Education Background	Family Relationship Between Management Team	Working Experiences		
					Time Period	Position	Company/Institute
1. Mr. Jak Chamikorn Chairman	41	18.10%	- M.B.A. from University of Northern Washington, U.S.A. - B.B.A. from University of Northern Washington, U.S.A. - DAP Class. 22/2004 of IOD	Ms. Koranun Sukonritikorn's husband	2008-Present 2007 – 2008 2006-Present 2006-Present 2003 – 2004 2001 – 2004	Chairman Director Director Director Executive Director Managing Director	Wyncoast Industrial Park Pcl. Wyncoast Industrial Park Pcl. T.A.G.Airline Co.,Ltd. Air Andaman Co., Ltd. TTB 5 Public Co., Ltd. B.H.I. Holding Pcl.
2. Mr. Phatpong Limchaikul Director	48	None	- Executive M.B.A., Chulalongkorn University - BA. Accounting, Thammasat University - DAP Class.76/2008 of IOD	None	2008–Present 1997-Present 1997-Present	Director Executive Director Finance & Accounting Manager	Wyncoast Industrial Park Pcl. Apple – A.D.C. Joint Venture Samprasit Limited Partnership BBTS Joint Venture SG-BM Joint venture SG-Bangsan Joint Venture SG-Bangsan-B.S. Joint Venture SG-Bangsan-World Multilink Joint Venture

### **Resume of Directors and Management**

Name and Title	Age (Years)	Percent of Interest WIN. hold	Education Background	Family Relationship Between Management Team	Working Experiences		
					Time Period	Position	Company/Institute
3. General Paiboon Aimphun Director	77	None	- Chulachornklo Royal Military Academy - Army Command and Staff College - The National Defense Course, The National - Defense College (Class 34) - DAP Class. 22/2004 of IOD	None	2010-Present 2004-Present 2004-Present 2003-2004 1995-1996	Director Chairman Chairman Chairman of Audit	Wyncoast Industrial Park Pcl B.H.I. Holding Pcl. Air Andaman Co., Ltd. TTB 5 Public Co., Ltd. Ministry of Defence
4. Ms. Koranan Sukonritikorn Director / Deputy Chief Executive Officer	41	None	- Master of Science, International Business, South Bank University, London, England - B.B.A. (Finance), Assumption University - DAP Class.22/2004 of IOD	Mr. Jak Chamikorn's Wife	2008-Present 2007-Present 2006-Present 2003-Present 1999-Present 2001 - 2006	Director / Deputy Chief Executive Officer Director Director Director Director Director	Wyncoast Industrial Park Pcl. T.A.G.Airline Co.,Ltd. Thai Society Chanel Co., Ltd. B.H.I. Media Co., Ltd. B.H.I. Holding Co., Ltd. B.H.I. Supply Co., Ltd.

### Resume of Directors and Management

Name and Title	Age (Years)	Percent of Interest WIN. hold	Education Background	Family Relationship Between Management Team	Working Experiences		
					Time Period	Position	Company/Institute
5. Mr. Tienchai Dawanwong Director / Board of Director and Management Selection and Remuneration Committee / Chief Executive Officer	46	None	- MBA. from National Institution of Development and Administration - BA of English , Srinakarinvirog University - DAP Class 73/2008 of IOD	None	2008-Present	Director/ Board of Director and Management Selection & Remuneration Committee /Chief Executive Officer	Wyncoast Industrial Park Pcl.
					2008-Present	Director	Wyncoast Transport Co.,Ltd.
					2008-Present	Director	Wyncoast Service Co.,Ltd.
					2008-2010	Director	Wyncoast Logistics Co.,Ltd.
					2007	Senior Sale Manager	} OOCL Thailand Ltd.
					2002 - 2006	Laem Chabang Barch Office	
					1998 - 2001	Manager	
					1995 - 1997	Sale Manager (Refrigerated Business Section) Export Manager	
6. Mrs.Krissana Prakobkandee Director / Board of Director and Management Selection and Remuneration Committee / Chief Operation Officer	48	None	- B.A. Journalism and Mass Communications, Faculty of Journalism and Mass Communications, Thammasat University	None	2011-Present	Director / Board of Director and Management Selection & Remuneration Committee / Chief Operation Officer	Wyncoast Industrial Park Pcl.
					2011-Present	Director	Wyncoast Transport Co.,Ltd.
					2008-2009	Support Manager	Wyncoast Industrial Park Pcl.
					2004-2007	Support Manager	B.H.I. Holding Pcl.
					1980-2000	Assistant Manager of the debt restructuring Department	Srinakorn Bank Co.,Ltd.

### **Resume of Directors and Management**

Name and Title	Age (Years)	Percent of Interest WIN. hold	Education Background	Family Relationship Between Management Team	Working Experiences		
					Time Period	Position	Company/Institute
7. Mr.Poonsak Tesniyom Independent Director	64	None	- Bachelor of Science (Teaching mathematics), Chiangmai University	None	2010-Present 2010-Present 2003-2007	Director Project Advisor Director	Wyncoast Industrial Park Pcl. Thai Teacher TV Co.,Ltd. Srinakharinwirot University Prasarnmit Demonstration School(secondary)
8. General Sompochana Sundaraman Director / Chairman of Audit Committee / Chairman of Board of Director and Management Selection and Remuneration Committee	71	None	- Chulachornklo Royal Military Academy - Army Command and Staff College (Class 52) - The National Defense Course, The National Defense College (Class 34) - DAP Class. 22/2004 of IOD	None	2008–Present  2005-2009 2005-2008 2003-2004	Director/Chairman of Board of Director and Management Selection and Remuneration Committee Director / Chairman of Audit Committee Subcommittee Audit Committee	Wyncoast Industrial Park PCL.  B.H.I. Holding PCL.  The Office of the National Counter Corruption Commission TTB 5 Public Co., Ltd.



## **Resume of Directors and Management**

Name and Title	Age (Years)	Percent of Interest WIN. hold	Education Background	Family Relationship Between Management Team	Working Experiences		
					Time Period	Position	Company/Institute
9. Mr. Chaithawat Saowapon Independent Director and Audit Committee	51	None	- Ph.D. Candidate , University of Waterloo, Canada - Master of Applied Science (Civil Engineering) University of Waterloo, Canada. - Bachelor's Degree (Construction), Chiangmai University - DAP Class.75/2008 of IOD	None	2007–Present	Independent Director / Audit Committee	Wyncoast Industrial Park Pcl.
					2006–2007	Director	Wyncoast Transport Co.,Ltd.
					2006–2007	Director	Wyncoast Logistics Co.,Ltd.
					2005-2006	Board Advisory	State Railway of Thailand
					2004–2006	Chairman of the Board of Subcommittee Director, Information	Software Industry Promotion Agency (Public Organization) , Chiang Mai Branch.
					2002–2005	Technology Services Center	Chiang Mai University
10. Mrs. Marayat Pringthongfoo Independent Director and Audit Committee	65	None	- Master of Development Public Administration, NIDA - BA Accounting, Thammasat University - DAP Class 73/2008 of IOD	None	2007-Present 1972 - 2006	Independent Director / Audit Committee Senior Auditor	Wyncoast Industrial Park Pcl. Office of The Auditor General

## Annual Report Year 2011

---

### General Information

#### 1. Company's name, location, type of business, telephone, fax, number and type of share capital

Company Name	Wyncoast Industrial Park Public Company Limited
Head Office	105 Moo 3, Bangna-trad Road KM.52, Thakham, Bangpakong, Chachoengsao 24130
Telephone	(038) 573-162-3
Fax	(038) 573-215, (038) 573-218
Type of Business	Sale and Rental Business of Free Zone Areas
Public Company Registration No.	No. 0107536000391
Capital share	632,963,479 Baht (Ordinary share) as of December 31, 2010
Paid up share capital	490,483,540 Baht (par value 1 Baht) as of December 31, 2010

### Company Profile

Wyncoast Industrial Park Public Company Limited ("the Company" or "WIN") has changed its name from Capetronic International (Thailand) Public Co., Ltd. with effective from the January 21, 2005 to ally with the company's future core businesses which are the assembling go-carts and bicycles started in the 4<sup>th</sup> quarter of 2004, and the Free Zone area for rental basis which the first customer rent the area since March 2005. The Company's profile and developments are summarized as below:

- Teletech (Thailand) Public Co., Ltd. established on the October 1, 1985 with the registered capital of Baht 3.5 million by joint investing with Teletech (Hong Kong) Co., Ltd. to produce telephones and televisions in Thailand. On the 28<sup>th</sup> May 1993, the Company transformed to public company limited as "Teletech (Thailand) Public Company Limited.
- The Company changed its name to Capetronic International (Thailand) Public Company Limited on November 9, 1994.
- In 2001, the Company started the business of manufacturing LCD monitor and LCD TV.
- In 2003, since the inadequate demand of the LCD monitors, the Company's board of directors had approved the selling of machines and some of the inventories to the third parties in the best effort and had reduced the number of employees significantly.
- In 2003, the Stock Exchange of Thailand (SET) had put the Company's securities into the rehabilitation sector and in December 2003 the company appointed MFC Asset Management Public Company Limited to be the financial advisor for preparing rehabilitation plan.
- On the 31<sup>st</sup> May 2004 the Company had changed its major shareholders namely the group of Wongsawats, and the group of Mr. Surasit Tiyawatcharapong and Mr. Wisanl Neranartkomol.
- In the last quarter of 2004, the company has structured the new business by operating in the go-carts and bicycle assembling business for serving the orders from the group of L.A. Bicycle (Thailand) Company Limited.

## Annual Report Year 2011

---

- On the 17<sup>th</sup> January 2005, the Company's Extraordinary Shareholders Meeting of 2/2004, approved to start rental business of free zone area as stated in the Company's business plan which proposed by the Company's Board of Director and the new management team on December 27, 2004. The business plan was approved by the SET after the Company ceased the business of manufacturing and exporting LCD monitor and TV under the customers brand since the end of 2003.
- On the 31<sup>st</sup> March 2005, the Company reduced its registered capital (according to the Company's extraordinary shareholders meeting of 2/2004 held on January 17, 2005) from Baht 20,156,392,580 to Baht 14,688,356,400, changed par value from Baht 10 to Baht 1 per share. As a result, the Company's registered capital was reduced from Baht 14,688,356,400 to Baht 1,468,835,640, and the paid-up capital was reduced from Baht 14,009,373,600 to Baht 1,400,937,360. The Company also wrote down the legal reserve of Baht 3,843,000 in order to reduce the retained losses and the discount on share capital which caused the exercise price of the warrant reduced from Baht 10 per share to Baht 1 per share and the exercise ratio was 1 warrant for 1.074 common shares.
- On the 15<sup>th</sup> June 2005, the Company invested in Wyncoast Service Company Limited, which provides services to customers in free zone area and other future project, in an amount of Baht 999,930 or 99% of paid-up capital.
- On the 30<sup>th</sup> June 2005, the Company received the permission from the Custom Department to operate the rental business of free zone area for commercial and industrial activities named "Wyncoast Free Zone". The free zone, renovated from the Company's old factory with the total area of 38,566 square meters.
- Since the 3<sup>rd</sup> quarter of year 2005, the Company ceased assembling go-carts and bicycles business.
- On the 2<sup>nd</sup> December 2005, the Company had the second reduction on its registered capital to one-fourth of the previous registered capital according to the Company's extraordinary shareholder meeting of 1/2005 held on September 20, 2005. Consequently, the Company's registered capital was reduced from Baht 1,468,835,640 to Baht 367,208,910, where the paid-up capital was reduced from Baht 1,400,937,360 to Baht 350,234,340 and the reserved shares of issued warrants reduced from 67,898,280 shares to 16,974,570 shares. The conversion ratio is 1 unit of warrant for 0.2685 common share at the exercise price of Baht 1 per share.
- On the 6<sup>th</sup> December 2005, the SET has announced to transfer the Company's securities from the Companies under Rehabilitation sector to the Real Estate Development sector. Therefore, the Company's securities were traded on the SET until December 16, 2005.
- On the 3<sup>rd</sup> August 2006, the Extraordinary General of Shareholders Meeting to approved the extension of the Company's investment project that has the project cost approximately Baht 613.23 million, which consists of investment of Baht 350.06 million and land rental at MTP Industrial Zone for 30 years of Baht 263.17 million by investing in the business of goods transportation service by train on Maptaput Estate Industrial - Laem Chabang trading port route by company subsidiaries and approved the increase of the Company's capital by Baht 143,172,550 from Baht 367,208,910 to Baht 510,381,460 by issuing

## Annual Report Year 2011

---

143,172,550 newly ordinary shares at the par value of Baht 1 and allocated 140,093,736 new shares to the existing shareholders pursuant to the shareholding ration of each shareholder at the rate of 5 existing shares to 2 new shares and allocated 3,078,814 new shares to accommodate the adjustment of right to exercise warrants of the Company.

- On December 2006, the subsidiaries company started to Rail transportation service at MTP Logistics Terminal.
- On the 13<sup>th</sup> November 2007, Wongsawat family, a major shareholder, had sold its stake to Mr. Jak Chamikorn and Petchtrakul group.
- On the 29<sup>th</sup> April 2008, the Company's Annual Shareholder Meeting 2008 approved the increase registered capital from Baht 510,381,460 to Baht 632,963,479 by issuing 122,582,019 newly ordinary shares at par value of Baht 1 and to allocate 122,582,019 new shares to private placement, the offered price will no less than 90% of the market price by referring to the weight average closing price to the Company's shares traded on the Stock Exchange 10 consecutive trading days prior to the approval of the Company's Board of Director or 90% of Baht 1.14 per share. The offering shall be accomplished within 12 months from the date of the approval from the Meeting of Shareholders.
- On the 30<sup>th</sup> June 2008, there was shareholder who exercised their rights of the Company's warrants for 490,118 units or 155,464 ordinary shares. The Company had been received the payment and had registered the increase capital at MOC therefore the total paid up capital is Baht 490,483,540 and there was 62,729,882 units that are unexercised after the final warrants had exercised and expired.
- On the 2<sup>nd</sup> July 2008, the SET has announced to transfer the Company's securities from the Real Estate Development sector to the Logistic sector subject to the Company's major revenue.
- On the 14<sup>th</sup> October 2009, Wyncoast Logistic Company Limited has submitted petition for business rehabilitation to the Central Bankruptcy Court and it has been accepted the submission.
- On the 16<sup>th</sup> October 2009, Wyncoast Logistic Company Limited has received the written notice from The Industrial Estate Authority of Thailand to terminate the Lease Agreement since Wyncoast Logistic Company Limited as the lessee has been ordered to convene the creditor meeting on December 14, 2009 from the Central Bankruptcy Court accordingly all the contracts and agreed commitments are automatically protected and not affected to the contracts therefore the subsidiary company has maintain the existing status of the lessee.
- On the 26<sup>th</sup> October 2009, Wyncoast Logistic Company Limited has temporary stopped the train logistic service from Maptaphut to Laemchabang as a result of the State Railway of Thailand's employee strike and the lack of locomotive, the subsidiary company could not provide train service as there is no locomotive from the State Railway of Thailand thus the subsidiary company has to provide the road transport to customer instead which increase its cost of sales and services and decrease its revenues substantially. Accordingly, the subsidiary company has temporary stopped train logistic service.

## Annual Report Year 2011

---

- On the 14<sup>th</sup> December 2009, the Central Bankruptcy Court has ordered to convene the creditors as Industrial Estate Authority of Thailand and GTC Logistic Company Limited have objected its petition business rehabilitation plan consequently the Central Bankruptcy Court had to extend the convene period to February 8, 2010.
- The Company has stopped its branch office at #9, I VI Road, Madtaphut, Rayong on December 17, 2009 due to the unnecessary for the operation.
- The Company has agreed the debt restructure plan with one financial institution on January 25, 2010.
- On the 30<sup>th</sup> March 2010, the Central Bankruptcy Court has dismissed the rehabilitation submission of Wyncoast Logistic Company Limited and provided the 30 days for appeal.
- On the 28<sup>th</sup> July 201, Wyncoast Logistics Company Limited has submitted the appeal to the Central Bankruptcy Court and forwarded to the Supreme Court to consider.
- On the 14<sup>th</sup> December, 2010, the Company has disposed the Company's investments which are Wyncoast Logistics Company Limited and Wyncoast Service Company Limited. The transaction of Wyncoast Logistics Company Limited has been completely finished by December 31, 2010 but the Wyncoast Service Company Limited's transaction could not be completed by end of year due to the delay of payment from the buyer, however, such transaction would not affect to the Company's consolidated financial statement.
- On the 20<sup>th</sup> June, 2011, the Company has fully received the payment of Baht 300,000 from the disposal of Wyncoast Service Company Limited and the transaction has been completely transferred to the buyer by June 2011.

## 2. Company's name, location, telephone, fax of other references.

Security registrar	Thailand Securities Depository Co., Ltd.
Location	62 The Stock Exchange of Thailand Building, 4,7 <sup>th</sup> Floor, Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone	Tel. (02)229-2800, (02)654-5599
Fax	Fax. (02)359-1259
Auditor	S.K. Accountant Services Company Limited
Location	128/50-153 Phayathai Plaza Building, 14 <sup>th</sup> Phayathai Road, Thung Phayathai, Ratchatevee, Bangkok 10400
Telephone	(02)214-6464
Fax	(02)215-4772, (02)214-6065

## Annual Report Year 2011

### Capital Structure and Major Shareholders

#### 1. Capital Structure

As of December 31, 2011, the Company's registered capital is at Baht 632,963,479, consisted of 632,963,479 ordinary shares with the par value of Baht 1 and its paid-up capital equals to Baht 490,483,540 consisted of 490,483,540 shares with the par value of Baht 1 and the reserved common shares for the conversion of warrants are 19,897,920 shares.

The warrants have the term of 10 years when the last exercise date is on June 30, 2008 accordingly the obligation to issue the common shares in the future is equalled to 19,897,920 shares as a reserved for the conversion of issued warrants of 62,729,882 units with its conversion ratio of 1 warrant for 0.3172 shares at the exercise price of Baht 1 per share had been expired.

#### 2. Major Shareholders

As of March 8, 2012, the latest book-closing date with the list of the 10 largest shareholders is as follow:

Shareholders	No. of Shares	%
1. Petchtrakul Group	114,500,000	23.35%
1.1 Samprasit Ltd. Part.	84,500,000	17.23%
1.2 S.T. Power Engineering Co., Ltd.	20,000,000	4.08%
1.3 SEIG Engineering Co., Ltd.	10,000,000	2.04%
2. Mr. Jak Chamikorn	88,787,599	18.10%
3. Mr. Surin Srikuruwan	19,879,700	4.05%
4. Thai NDVRs Co., Ltd.	14,811,710	3.02%
5. Mr. Chitaworn Boonlorn	14,061,400	2.87%
6. Mr. Pichai Panyasavanamit	12,302,100	2.51%
7. Mrs. Kayathip Rattanasak	11,900,000	2.43%
8. Ms. Komtip Nangnuan	10,003,000	2.04%
9. Mr. Wasin Patikulsek	9,801,800	1.99%
10. Mr. Nuttaphob Rattanasuwanthawee	8,700,000	1.77%
Others	185,736,231	37.87%
<b>Total Number of Shares</b>	<b>490,483,540</b>	<b>100.00%</b>

#### 3. Dividend Policy

The company has a dividend payment policy to payout at 30 percent of net profit subject to the appropriate circumstances such as the company's financial status, the investment opportunity to benefit shareholders.

## Nature of Business

### 1. The Company's Nature of Business

#### 1.1 Free Zone

##### Nature of Business

The Company has been operated the assets for rent since March 2005, the Custom Department has officially approved the Company to operate the free zone for commercial and industrial on June 30, 2005 named "Wyncoast Free Zone" locates at 105 Moo 3, Bangna-trad Road KM.52, Thakham, Bangpakong, Chachoengsao 24130, with the total rental space of 37,616 square meters in free zone area consisting of 6 buildings which have differently size of space. The two big buildings consist of area 16,000 square meters each and another four small buildings which could be divided to rent upon the customer's desires. The Company's target customer is the foreign entrepreneur and minor local entrepreneur who demand not much space for starting business which much differ from other free zone as they offer rental or buy large space and require higher cost. As of December 31, 2011, the occupancy rate was 97.50 percent of total rental space.

The Company has emphasized on customers which can take fully advantage from the free zone area scheme i.e. joint venture, foreign investors who wish to transfer the production base to Thailand, businesses that need to import raw material to produce exported goods, warehouse management business etc. The customers can benefit from the free zone area since imported goods, raw materials, tools and equipments in this area are free from imported taxes until those imported goods moved out from the free zone area for domestic sale. However, the customers will pay Value Added Tax (VAT) at the rate of 0% if the customers import those goods for the purpose of exported good production.

The key strength of the Company's free zone area is to supply factories and modern offices with full facilities. The Company also provides One-Stop-Service to customers by providing services of dealing with the import and export procedure in compliance with Custom Department. Therefore, raw materials and products of the customers in free zone area can be transported conveniently.

##### Industrial overview and the competition

The key factors affecting customers' decision in choosing the rental business of free zone area are the quality of facilities provided to customers, location of the factory, and other services around the factory i.e. commercial banks, ATM, petrol stations, hospitals, and public telephone. In addition, the after sale services i.e. warehouse management, product distribution, dealing with the Custom Department will create value added to the free zone business.

Currently, there are approximately more than 62 free zone areas located around Industrial Estates in central and eastern parts of Thailand. However, the Company's main competitions are 4 free zone area located near the Company as follow;

- 1) Tycon Industrial Connection Public Company Limited (TICON) located in Amatanakorn Industrial Estate in Chonburi

## Annual Report Year 2011

- 2) JWD Laem Chabang Company Limited (JWD) located in Laemchabang Industrial Estate in Chonburi
- 3) Agility Company Limited located in Lad Kra Bang Zone in Bangkok
- 4) Kerry Logistics Company Limited located in Laemchabang Industrial Estate in Chonburi

### Trend of the Industry

Growth of the rental business of free zone area relies on the overall economic condition, and it has been forecasted that the Thai economy would enjoy a continuous growth. Moreover, the policy to promote foreign investments to attract export-related businesses is a positive factor supporting the rental business of free zone area.

## 2. Revenue Structure

In 2011, the Company has total revenue of Baht 46.49 million which its source of revenue came from the rental business of free zone area which generated revenue more than 50% of the Company's total revenues. The Company's revenue structure for the year 2011 can be illustrated as follow:

	2011		2010	
	Million Baht	%	Million Baht	%
Revenue from rental and service	42.39	91.18%	29.88	73.65%
Revenue from transportation and logistics	-	0%	0.14	0.35%
Other income	4.10	8.82%	10.55	26.00%
<b>Total Revenue</b>	<b>46.49</b>	<b>100.00%</b>	<b>40.57</b>	<b>100.00%</b>

## Risk Factors

### 1. Financial risk

According to the tight liquidity position since year 2007 till 2008 and the affect from the uncertainty of economic and political issue, the Company's plan to increase capital by allocating to private placement has been postponed and affected to the Company's project plan and performance.

However, the Company has stopped railway services since year 2010 which is required high investment and also the high operation loss comprising there are increased in free zone's customers compare to the same period of the previous year. Accordingly, the Company and subsidiary's liquidity problem has been improved since the Company could restructure its debt with financial institution during the first half of year 2010 and currently the Company maintains as the normal status due to the debt has been installed with interest in accordance with the installment plan. However, the land asset has been pledged with one financial institution, the Company still has feasibility study to diversify and expand to new free zone location. If it is on the plan, the Company would try to refinance with other financial institutions for better liquidity and conditions in order to expand as plan. For the increasing capital and private placement plan, the Company has been received the inquiry from interested investors and would be more specific if the capital market and other conditions have been promoted.



### 2. The risk from having discount on share capital which prevent the Company from paying dividend in the near future

During 2005, the Company reduced its registered capital in order to compensate the retained losses and the discount on share capital. The capital reduction compensated the retained losses before the discount on share capital. By doing so, the Company's legal consultant reviewed this transaction already. As a result, as of December 31, 2005, the Company no longer has retained losses, however, does still have the discount on share capital of Baht 264.64 million.

The Company received letter no. KorLorTor. ChoSor. (Wor) 4/2548 about the opinion of the accounting practice in capital reduction to compensate the retained losses dated on the 16<sup>th</sup> of November 2005 from the Securities Commission (SEC), since the Company reduced its registered capital to compensate the retained losses before the discount on the share capital. Therefore, the Company had sent the consultation letter about this matter to the SEC. The SEC sent back the circulation letter no. KorLorTor. Cho. 251/2549 about the reply of the consult on accounting practice in capital reduction to compensate the retained losses dated on the 8<sup>th</sup> of February 2006 attached with the letter from the Federation of Accounting Professions (FAP) dated on the 26<sup>th</sup> of January 2006 which informed the relaxation to the Company to apply existing reduction method so as to fully write-off the outstanding discount on share capital instead of amending the historical accounting record which was expired on February 16, 2009. The Company has been applied for the relaxation of reduction method and the Company's Board of Director has the resolution to extend the relaxation of reduction of the discount on share capital for another 3 years which has been expired by March 2012, however the Company could not solve this matter with the existing plan due to the World's economy and the instability on local political issue which are very significant issue to take risk. Accordingly, the Company's Board of Director has the resolution to extend the relaxation of reduction of the discount on share capital for another 3 years which will be expired in March 2015 as the Company has expected to solve all the solution upon all circumstances have been provided.

However, if the Company pays dividend, the outstanding retained earnings after the dividend payment have to remain at minimum of discount on share capital which is outstanding in the accounting period.

### 3. The risk from having relatively small business

Currently, the Company has the rental business of free zone area with a total area of approximately 65 rais which relatively small when compared with the other listed company in the same sector and generates quite less amount of revenues to the Company. In 2011, the rental business from free zone area generated revenues to the Company at the amount of Baht 42.39 and the other services revenues is approximately Baht 4.10 million, totally its revenues approximated Baht 46.49 million which is relatively small when compare with other company in the same sector.

## Annual Report Year 2011

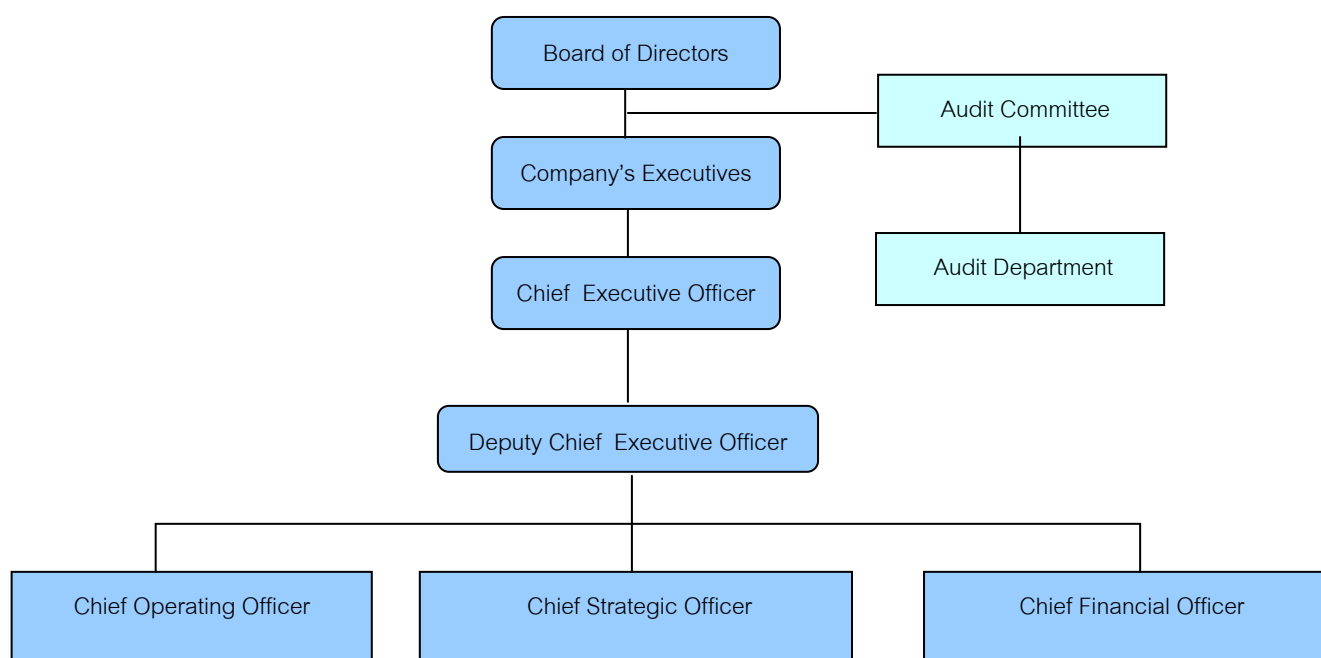
### 4. Risk from in lack of infrastructures and services

Providing a basic infrastructure such as utilities, water, electrical, and standard floor loaded are the key concerning points that manufacturers in heavy industry is looking for. But the floor loaded of the Company's warehouses in free zone area is suitable for light industry. This factor has limited our target customers, and consider as a one of the Company business risk. Therefore, the Company is focusing on logistics providers target group which can utilized the limitation of floor loaded.

## Structure of Management

### 1. Organization Chart

The company has segregated its internal structure into 3 departments which are operating department, strategic department, financial and accounting department. The company's organization is shown below:



### 1.1 The Company's Board of Director

The Company's Board of Director consists of 10 directors on December 31, 2011 are as follow;

Place	Name-Last Name	Position
1	Mr. Jak Chamikorn	Chairman of the Board
2	Mr. Phatphong Limchaikul	Director
3	General Paiboon Aimphun	Director
4	Ms. Koranun Sukonritikorn	Director
5	Mr. Tienchai Dawanwong.	Director / Directors and Management Selection and Compensation Committee

## Annual Report Year 2011

6	Mrs.Krissana Prakobkandee <sup>1</sup>	Director / Directors and Management Selection and Compensation Committee
7	Mr. Poonsak Tesniyom	Independent Director
8	Gen. Sompochana Sundaramani	Independent Director / Chairman of Audit Committee / Chairman of the Management Selection and Remuneration Committee
9	Mr. Chaithawat Saowapon	Independent Director and Audit Committee
10	Mrs. Marayat Pringthongfoo	Independent Director and Audit Committee

The details attached as appendix 1

### Remarks

1. The Board of Director's Meeting 7/2011, held on September 15, 2011, resolved to appoint and replace the director in accordance with the resignation

### Authorized Director

The directors who have authority to sign in the name of the Company are Mrs.Krissana Prakobkandee}, Mr. Tienchai Dawanwong, Ms. Koranun Sukonritikorn, two out of three authorized director sign together with the Company's logo.

### The Authority of the Board of Directors

The Board of Directors has the authority to manage the company according to the law, rules, objective and resolution of the shareholders. The Board also has the authority to appoint the executives for management in order to proceed with one or many of the activities, except for the authority to carry on the followings which will be permitted when receiving the approval from the shareholders' resolution.

- 1) The issue that needs the shareholders' resolution in accordance with the law
- 2) Any related transaction in accordance with the law or SEC/SET rules and regulations

The following circumstances are to gain the acceptance from the Board and shareholders with the vote not less than 3 out of 4 of the entire votes participated and entitled to the voting right.

- The sell or transfer of the company's business completely or partly
- The purchase of the other companies' business or private companies to become part of the company
- The commencement, amendment or cancellation of the rental agreement of the company completely or partly, or assigning other person(s) to manage the company's business or merge with other person(s) with the purpose to share the profit and loss among others
- The amendment or addition of the memorandum of association or the article of the association
- The capital increase, capital decrease, bond issuance, merger or liquidation

In fact, each director has one vote, and must not have the related transaction among the Board or the conflicting person(s) who is assumed to be related or conflicted (according to the SEC and SET) with the company or its affiliates, except the transaction that does not require the shareholders' resolution according to the

## Annual Report Year 2011

---

SET rules dealing with the criteria, method and disclosure of the related transaction of listed companies or the approval for the internal management of the company or its affiliates.

### Composition and Appointment of Board of Directors

- 1) The Board of Directors shall consist of at least 5 persons, provided that at least one-half of the directors shall be resident in the Kingdom and the directors shall hold the qualifications by law.  
The director shall have a right to receive remuneration from the Company in the form of rewards, meeting allowance, gratuity, bonus or other benefits.
- 2) The Board of Directors shall be appointed by the meeting of shareholders under the following criteria and procedures:
  - 2.1 Each shareholder shall have one vote for each share
  - 2.2 Each shareholder shall exercise all votes applicable under (2.1) in appointing one or more person to be a director, provided that any of the votes shall not be divisible
  - 2.3 The persons receiving the highest votes respectively will be selected to the Board. In case of a tie of votes, the chairman shall have a casting vote.
- 3) At every annual general meeting, one-third of the directors or if their number is not multiple of three, then the number nearest to one-third shall retire from office.  
The directors retiring on the first and second year following the incorporation of the company shall be drawn by lots. In each subsequent year, those directors who have been longest in the office shall retire. A retiring director is eligible to re-election.
- 4) Other than retirement by rotation, the directors shall retire upon:
  - 4.1) death;
  - 4.2) resignation;
  - 4.3) disqualification or subject to legal restrictions;
  - 4.4) being removed by the meeting of shareholders; or
  - 4.5) being dismissed by an order of the court.
- 5) Any director resigning from the office shall submit with the company a letter of resignation and the resignation shall be effective once the letter reaches the company.
- 6) In cases where there is any vacancy among the directors other than a retirement by rotation, The Board shall elect a person who is qualified under the law to be a new director at the next meeting of the Board unless the period to which the new director is entitled shall be less than two months.  
The person who is as elected as the new director shall retain the position during such period only as the vacating director was entitled to retain the same.  
The resolution of the Board must be as specified in the first paragraph above and shall consist of votes of not less than three-fourths of the remaining directors.
- 7) The meeting of shareholders may resolve to remove any director from the office before the expiration of his period of office with the vote of not less than 3 out of 4 of the number of shareholders attending the meeting with the voting right, and the total number of combined shares

not less than one-half of the number of shares held by participating and eligible shareholders in the meeting.

### The Board of Directors' Meeting

The Board of Directors' Meeting will be held quarterly according to the Company's regulation, and the special meeting can be held for necessary occasion and for the monitor of the regular performance. The Company's chairman is responsible to allocate time during the meeting process in order to make sure that there is enough time for the management to present information and documents, and for the directors to discuss on the specific issues. Each director is independent in giving an opinion and proposing the minute of the meeting.

The Board of Director's secretary is responsible for making an appointment, prepare the meeting report and documents for the meeting. The letter and document for the meeting will be arranged and sent for making understanding to directors at least 7 days before the meeting except for an emergency case.

## 1.2 The Board of Independent Directors and Audit Committee

List of the Board of Independent Directors and Audit Committee on December 31, 2011 are as follow;

- |                                |  |
|--------------------------------|--|
| 1. Gen. Sompochana Sundaramani | Independent Director and Chairman of Audit Committee |
| 2. Mr. Chaithawat Saowapon     | Independent Director and Audit Committee             |
| 3. Mrs. Marayat Pringthongfoo  | Independent Director and Audit Committee             |

Mrs. Marayat Pringthongfoo is the one of the Audit Committee who has a well knowledge in accounting and finance background and financial audit experienced including the risk management and internal audit.

### The Authority of the Audit Committee

Audit Committee of the company has roles, responsibilities and the obligation to report to the Board as follows;

- 1) Ensure the accuracy and information adequacy of the company's financial report by reviewing the connected transaction between the company and connected person(s)
- 2) Ensure the appropriateness and efficiency of the company's internal control system
- 3) Ensure that the company's internal control system follows all relevant laws and regulations
- 4) Propose the list of the certified public accountants together with the audit fees to the Board for the appointment from the shareholders' resolution and be the auditor and afterwards state the comments on the performance of the certified public accountants.
- 5) Ensure the correct accounting record to avoid the conflict of interests.
- 6) Prepare the Audit Committee's corporate governance report to be part of the company's annual report and signed by the Chairman of the Audit Committee
- 7) Other roles the Board assigns with the agreement from the Audit Committee

## The Qualifications of the Independent Directors

The independent directors of the company shall possess the qualifications as follows:

1. Holding shares not more than 5 per cent of paid-up capital of the company, affiliated company, associated company or related company, which shall be inclusive of the shares held by related persons;
2. Being a director who does not take part in the management of the company, affiliated company, associated company, related company or majority shareholder of the company, and is not an employee, staff member or advisor who receives a regular salary from the company, affiliated company, associated company, related company or majority shareholder of the company;
3. Being a director who has no direct or indirect benefit or interest in finance and management of the company, affiliated company, associated company or majority shareholder of the company, including the benefit or interest of the said nature during the period of 1 year before his appointment as a member of the audit committee except where the board of directors has carefully considered that such previous benefit or interest does not affect the performance of duties and the giving of independent opinions;
4. Being a director who is not a related person or close relative of any management member or majority shareholder of the company;
5. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, majority shareholders or shareholders who are related to the company's majority shareholders;
6. Being capable of performing duties, giving opinions or reporting the results of performance of work according to the duties delegated by the board of directors free of control of the management or the majority shareholders of the company including related persons or close relatives of the said persons.

## 1.3 The Company's Executives Committee

List of the Company's Executives Committee on December 31, 2011 are as follow:

No.	Name	Position
1	Mr. Tienchai Dawanwong	Chairman of Executives Committee
2	Ms. Koranun Sukonritikorn	Deputy Chief Executive Officer / Acting on Chief Financial Officer
3	Mrs. Krissana Prakobkandee <sup>1</sup>	Director/Chief Operation Officer
4	Ms. Vinita Chamikorn	Chief Strategic Officer

Remarks

- The Board of Director's Meeting 8/2007, held on November 15, 2007, resolved to appoint the Company's Executives Committee; Chairman of Executives Committee, Deputy Chief Executive Officer, Chief Operation Officer, Chief Financial Officer, Chief Strategic Officer and Company's Subsidiary; Managing Director to be replaced.

1. The Board of Director's meeting 7/2011, held on September 15, 2011, resolved to appoint as Chief Operation Officer

### The Authority of the Company's Executives Committee

1. The authority to approve loans from lenders, loans to other parties, ordinary expenses, investment, and becoming the guarantor which each transaction is not more than Baht 40 million or equal.
2. The authority to appoint and remove the Company's staffs but limited to the position of Managing Director.
3. The authority to propose and provide the Company with business policies and strategies to the Board of Director.
4. Establish the structure of organization, management, and executives including details of appointment, training, hiring, and termination of the Company's staff.
5. Establish the business plan and the authority of management, approve the annual budget for business, and execute business and strategic plan along with the Company's policy and business direction presented to the Company's Board of Director.
6. Other activities assigned from the Company's Board of Director

However, the authority of the Company's executive shall not include the approval of the connected transaction between the Company or the Company's subsidiaries, and the Board of Directors or the connected persons (as defined by the Securities Commission (SEC) and the Stock Exchange of Thailand (SET)). Unless the connected transactions are not required to seek the Company's shareholders approval, the Company's executive can approve these transactions.

### Scope of Power Duties of Chief Executive Officer

1. To administer and oversee the operation of general administrative works of the Company ;
2. To carry out any work assigned by the Board of Directors of the Company;
3. To have the power to hire, appoint, transfer, discharge, terminate, determine remuneration and commission for, and consider the increase in salary, remuneration and bonus of all employees of the Company at the level lower than executive;
4. To have the power to approve debt-related transactions such as loan etc., each having the amount of not exceeding Baht 2 million or equivalent;
5. To have the power to approve and sub-delegate in order to approve investment transactions such as investment sale-purchase activities, or procurement of properties and services for the benefit of the Company, including the power to approve any financial transactions of the Company each having the amount of not exceeding Baht 2 million
6. To have the power to issue order, regulations, announcement, memorandum to ensure compliance with the policy and interests of the Company and to maintain working disciplines within the organization;

## Annual Report Year 2011

7. To have the power to act and represent the Company in contact with third parties in the businesses that are related and beneficial to the Company;
8. To approve the appointment of advisors as may be necessary for the business operation of the Company; and
9. To carry out other duties as from time to time may be assigned by the Board of Directors of the Company.

The Chief Executive Officer, however, shall have no power to carry out any business in or related to;

- (a) Connected transaction;
- (b) Acquisition or disposal of important assets of the Company and/or;
- (c) Any transaction in which the Chief Executive Officer or persons having possible conflict, or persons having conflict of interest in any other manner may enter into with the Company and subsidiaries (if any).

In such case, the transactions shall be proposed to the Audit Committee and/or the board of Directors of the Company (as the case may be) for approval.

### 1.4 The Directors and Management Selection and Compensation Committee

Lists of the Directors and Management Selection and Compensation Committee on December 31, 2011 are as follow;

1.Gen.Sompochana Sundaramani	Chairman of Board of Directors and Management Selection and Remuneration Committee
2. Mr. Tienchai Dawanwong	Board of Directors and Management Selection and Remuneration Committee
3. Mrs. Krissana Pakobkandee <sup>1</sup>	Board of Directors and Management Selection and Remuneration Committee

1. The Board of Director's meeting 7/2011, held on September 15, 2011, resolved to appoint as Board of Directors and Management Selection and Remuneration Committee

### Responsibilities of the Directors and Management Selection and Remuneration Committee

1. Seek and select the Company's directors and CEO, then report to the Company's Board of Director in order to present in the Company's shareholders meeting
2. Suggest the Company's Board of Director or shareholders in the remuneration and other remunerations of the Company's Board of Director and sub committees
3. Establish the policy and regulations related to compensation to directors and CEO and take care the Company's Board of Director to receive the appropriate remuneration, in order to seek the approval from the Company's shareholders meeting



## Annual Report Year 2011

4. Disclose the report of the directors and executives' remuneration in annual report
5. Other activities assigned from the Company's Board of Director

### 1.5 The Company's top Management

List of the Company's top management on December 31, 2011 are as follow;

No.	Name	Position
1	Mr. Tienchai Dawanwong*	Chief Executives Officer Acting on Managing Director of Wyncoast Transport Co., Ltd.
2	Ms. Koranun Sukonritikorn*	Deputy Chief Executive Officer Acting on Chief Financial Officer
3	Mrs. Krissana Prakobkandee* <sup>1</sup>	Chief Operation Officer
4	Ms. Vinita Chamikorn	Chief Strategic Officer

- No. 1-3 : Board of Director positions

1. The Board of Director's Meeting 7/2011, held on September 15, 2011, resolved to appoint as Chief Operation Officer

The Company's top managements mostly have experiences being high-level management position in the medium to large private companies for a considerable period of time. Some of the top managements are specialized in transportation, warehouse management, and logistics provider business. Thus, the Company is very confident that the managements can contribute greatly to the Company.

## 2. Directors and Executive remuneration

### 2.1 Remuneration in cash

- In year 2011 The remuneration of the Company's directors and executives in the total amount of Baht 935,000 consisted of:

			Period
Mr. Jak	Chamikorn	170,000 Baht	November 13, 2007 – present
Mr. Phatphong	Limchaikul	105,000 Baht	July 31, 2008 – present
General Paiboon	Aimphun	100,000 Baht	November 15, 2010 – Present
Mr. Poonsak	Tesniyom	105,000 Baht	November 15, 2010 – present
Gen.Sompochana	Sundaramani	175,000 Baht	April 29, 2008 - present
Mrs. Marayat	Pringthongfoo	140,000 Baht	June 18, 2007 - present
Mr. Chaithawat	Saowapon	140,000 Baht	September 3, 2007 - present

- In 2011, the sum of the salary-based remuneration for the company and subsidiaries executives was Baht 4,386,866.67 and for the company executives only was Baht 4,386,866.67.

## Annual Report Year 2011

---

### 2.2 Other remunerations

- N/A -

### 3. The Corporate Governance

The Company's Board of Directors has the policy to ensure the confidence in the company's standard corporate governance legally and morally when performing business, by clearly assigning the authority to execute this mission to both the executives and audit committee. However, the Board still holds the full responsibility in the operation of the Company.

Board of Director had evaluated the company's CG practice as follows:

#### 1) Policy on Corporate Governance

The Company has not yet officially announced the policy on corporate governance.

#### 2) Shareholders: rights and equality and equitable treatment and the shareholders' meeting

The Company had established guidelines ensuring that all of the shareholders have the right to receive the Company's information and to vote in shareholders' meetings. The company's guidelines in 2011 were as follows:

The Company held annual general meeting (AGM) for the fiscal year 2011 on the 2<sup>6TH</sup> of April 2011

The Company has focused on the information efficiency and facility for the shareholders with the details stated below:

- For the Shareholder's Meeting venue, the Company attempted to find the hotel that is most convenient for the shareholders to travel and attend the meeting.
- The Company has opened the 1 hour-advance registration before the meeting for the convenience of the shareholder's participation to eventually join the meeting.
- The Company has had the voting procedure in the meeting as according to the agenda specified in the meeting invitation letter. Explanation on the vote counting procedure was also made prior to the vote casting.
- The Company has disclosed the career profile of the directors in detail in the annual report.
- The Company had the agenda certifying the auditor and the disclosure of the audit fee.

#### 3) The Right of Various Group of Stakeholders

The Company also takes into consideration the interest all the various group of stakeholders regardless of being an insider who may be the employees, and the executives, or outsiders such as the customers, the suppliers, and community. The company had performed in 2007 and the prior year as follows:

##### Employee

- The Company treats the employees equally and fairly and provides the appropriate remuneration.
- The Company had established the Employees Welfare Committee as a representative of the employees in looking after the welfare of the entire company's employees.

## Annual Report Year 2011

---

- The Company had established the Safety Committee to stress on the safety in the working environment matters.

### Customer

- The Company always takes responsibility in producing high quality and standard products and services, and also maintains the client confidentially

### Competitor

- The Company complies with competition rules and maintains benchmarking in the competition practice.

### Community

- The Company is responsible to the public environment and social community by complying to practices stipulated by the Environment Standard Systems regulated by the Ministry of Industry.

#### 4) Leadership and Vision

The Company's Board had a certainty in every decision-making for the best benefit of the Company and shareholders as a whole. The Board had the practice as follows:

- An annual budget is prepared regularly each year.
- The monthly executives' meetings are held to monitor the managements' performances compared to the objective or plan which had been established, also to plan the Company's strategy for any changes in business development.
- The Company has established a clear level of authorization in financial budget for its management level in executing their tasks by setting up a budget limit for each management level.

#### 5) Conflict of Interests

The Company has considered the means to eliminate the conflict of interests prudently with honesty under the good moral framework. In 2010, this practice is adopted as follows:

- The Company disclosed the related transactions between the company and its related parties in the company annual report and financial statements in accordance with the Stock Exchange of Thailand's regulations.
- The company disclosed the details of contractual agreements between the Company and its affiliates in annual company information (56-1).
- The terms of the contractual arrangement between the Company and its affiliates, the Company will treat as arm's length basis similar to contracts made between the Company and outsiders.

#### 6) Business Ethics

The Company has upheld business ethics and morality in every business operation. However, the Company does not have the written announcement, but the directors, executives and all employees acknowledged and practiced such business ethics.

### 7) Balance of Authority for Non-Executive Directors

The Company maintains the role of the non-executive directors in exercising their duties objectively and independently by implementing the following measures:

- All of the independent directors that the Company has appointed do not manage the operation of the Company or any of its subsidiaries, they are independent from the management and significant shareholders, and have no business or other relations with the Company, which could influence the independence of their expression of views.
- The Company determined the proportion of the independent non-executive directors and executive directors to be not less than 1/3 of the number of company directors and consists of at least 3 independent directors.
- The Company disclosed the authorities and responsibilities of all directors, audit committees in the company's annual report for shareholders' consideration.
- The Company disclosed the detail of committee and appointment of the Board in the Company's annual report for shareholders' consideration.

### 8) Aggregation of Segregation of Positions

The Company has established a clear separation of authority so that no one would be granted the unlimited power.

### 9) Remuneration for Directors and the Executives

The level of remuneration should be appealing enough to attract and retain essential directors for the success of the business but may not exceed the appropriateness level. Directors' remunerations are determined according to the responsibilities and risks associated with these duties:

- Remunerations for director and executives are determined by the Company's performance.
- All directors' remuneration both in term of meeting fee and others are disclosed in the Company's annual report for shareholders' consideration.

### 10) Board of Directors' Meeting

In the Board of Directors' Meeting, the Company tries to arrange effective meetings as follows:

- The Company's Chairman, who has the authority to control and arrange the meeting, always support and encourage issues to be discussed and deliberated.
- The Company's Chairman will integrate all the suggestions and summarize the best one from the attendance.
- The Company's Chairman has appointed the company's secretary to manage the Board of Directors' activities, take memorandum of the meetings, keep the meeting documents and if necessary requesting to seek for further advise from other advisors on legal matters
- The Committee can propose any additional issues during the meeting and is opened to suggestions and ideas.
- The Company will invite the top management to attend the meeting and the committee can inquire and give any suggestion to them directly.

## Annual Report Year 2011

In 2011, the company held the Board of Directors' meetings for 10 times. The details of attendance are as follows:

No.	Name	BOD (Times)	AGM 2007
1.	Mr. Jak Chamikorn	10/10	/
2.	Gen.Pai boon Aimphun	7/10	-
3.	Mr. Poonsak Tedniyom	9/10	-
4.	Mr. Phatphong Limchaikul	9/10	/
5.	Mr. Tienchai Dawanwong	10/10	/
6.	Ms. Koranun Sukonritikorn	10/10	/
7.	Mr. Pokkrong Tongrak <sup>1</sup>	6/10*	/
8.	Mrs.Krissana Prakobkandee <sup>2</sup>	3/10*	-
9.	Gen.Sompochana Sundaramani	9/10	/
10.	Mrs. Marayat Pringthongfoo	10/10	/
11.	Mr. Chaithawat Saowapon	10/10	/

Remark \* No. of Attended / Meeting (Times) during on duty

1. The Board of Director's meeting 7/2011, held on September 15, 2011 acknowledged the resignation of Director Mr.Pokkrong Tongrak.
2. The Board of Director's meeting 7/2011, held on September 15, 2011 resolved to appoint Mrs. Krissana Prakobkandee to replace Mr.Pokkrong Tongrak that resigned.

### 11) Director Assessment

Board of Directors has setup a meeting to consider and to evaluate the Board itself and each director, by let each director evaluate themselves. The objective is to consider and to review the results, problems and obstacles in the past and to reinforce Board of Directors working efficiency.

### 12) Sub-Committee

- Executive Committee

The scope of the committee is to oversee the compliance of the principles of the Company's corporate governance and to identify any issues for discussion and deliberation. The Committee holds regular meetings to evaluate various matters and to report to the Board.

- Remuneration Committee

The scope of the Remuneration Committee is to consider the structure of the Company's Board of Director, and sub-committees which need to be additional appointed. The Remuneration Committee also reviews and considers the remuneration of the Company's Board of Director, directors of sub-committee, and the Company's top management including the meeting fee, annual bonus, fringe benefit and other benefits both monetary and non-monetary. Besides, this Committee also considers the policy and guideline for the remuneration of the Company's executives for the following year.

### 13) Control System and Internal Audit

The Company places much emphasis on internal control system at both the management and operation levels. The Company appointed the Audit Committee to monitor the operation in accordance with rules and regulations set forth by related parties. There are clear written job descriptions for each position, written procedures on operating fixed assets and segregation of duties among the operational staffs and control staffs for the purpose of check and balance. Besides, the internal control on cash system is implemented by setting up the financial report system submitted to the related authorized person.

### 14) Directors' Reporting

The Board of Directors is responsible for the consolidated and subsidiary financial statement and non-financial information as reported in the annual report and the yearly information report form. The financial statements had been prepared in accordance with Thai General Accepted Accounting Standard by the company. Significant accounting policies include consistency, prudence and accrual. All material information is further elaborated in the notes to the accounts.

In addition, the Company annual report also comprises of other important information, such as the business of the Company and its affiliates, the risk concerns, shareholding structure and management, as well as financial analysis and explanation.

### 15) Relations with Investors

The Company has a policy to disclose significant accurately, timely and transparently information both financial and non-financial information to the Company's shareholders and other investors in accordance with the rules of the Securities Commission (SEC) and Stock Exchange of Thailand (SET). For more information, investors, the Company's shareholders, analysts and public please visit the Company's website at [www.wyncoast.com](http://www.wyncoast.com).

## 4. Internal Information Supervision

The Company has the following policies to supervise the internal information usage:

- 1) All securities exchange transactions performed by management must be reported on timely basis according to Stock Exchange of Thailand's requirement for securities exchange information disclosure.
- 2) The Company has a strict policy on supervision of usage of the Company's internal information by its directors, executives, and staffs for their own benefits or disclose to outsider either direct or indirect methods.
- 3) The Company has the right to discharge the employee to leave without prior notice/compensation once the employee breaches the policy.

## 5. Employee

### 5.1 The number of employee of the company and subsidiaries as follow:

	<u>2011</u>	<u>2010</u>
Wyncoast Industrial Park Public Company Limited	27 person	29 person
Wyncoast Transport Company Limited	0 person	1 person

## Annual Report Year 2011

### 5.2 Remuneration Employees

To receive equally and fairly compensation, the Company has set up compensation to employee into 3 categories;

- 1) Inform of salary, according to job description, duty and responsibility of each position based on market price, experience, and educational background, etc.
- 2) Pay inform of Welfares to employees and their family such as Health Insurance, Life Insurance, Accidental Insurance, Annually Check up Program, Supporting Funeral Expense, and social security, etc.
- 3) All kinds of rights such as annually holiday, expenses for travel on duty, promoting and bonus, etc.

The Company and its subsidiaries' Employees Remuneration as follows;

Company	Total Remuneration (million baht)	
	2011	2010
Wyncoast Industrial Park Public Company Limited	4.40	4.20
Wyncoast Transport Company Limited	-	-

### 5.3 Employee Policy

The Company gives a highly priority to its employee by classified as the highest value resource and playing an important role in Company's development. Therefore, the Company has supported all suitable activities in order to develop its employee skill. Each year the Company has allocated a sufficient budget in developing and training courses. To continue developing Company's human resources regularly, human resource department has conducted a developing and training program guideline.

## 6. Internal Control

The Company's Board of Director realizes the necessity and importance of having an effective internal control system. Board of Director has audited the Company's internal control and has a comment that Company has a sufficient internal compliance system which could be concluded as follows;

**1. Control Environment** The Company's Board of Director has an opinion that the Company has an appropriated structure, assigned business policy, determined financial plan upon circumstance, defined the competence and clarified strategy, consequently the operation could be efficiently applied, closely follow up by all management, compared the actual with the budget figure, analyzed caused and efficient problem solution upon the policy, human resources development and encouraging all level of management for ability to work and have a good subconscious to the Company.

**2. Risk Assessment** The Company's Board of Director has the opinion that the Company has risk assessment on both internal and external factors and also analyzes risk control upon standard basis in order to protect or decrease the consequence to the acceptable level or all.

## Annual Report Year 2011

3. **Control Activities** The Company's Board of Director has the opinion that the Company has a control activities and concern to all significant risks that could affect to the Company. Moreover, there is the operation's auditing by department's chief including to define the business and financial plan and evaluate the materials by a certain job descriptions and internal audit to issue the approval document as independent and directly report to higher level which does not have conflict of interest.

4. **Information and Communication** The Company's Board of Director has the opinion that the Company has a sufficient information and communication. There is the evaluate of risk and particular control the system i.e. accounting system, service system in order to get the sufficient information to consider and make decision by executive director, moreover, the comment and suggestion will be applied for adjusting the operation onward.

5. **Monitoring** The Company's Board of Director has the opinion that the Company has the evaluation afterward as the chief would follow up and assesses the performance whether it would be on plan or not and there would be immediately corrected and directly report to supervisor. The supervisor would assess the result whether it is sufficiency in accordance to business plan, projection, and Board's resolution or not. In addition, there is the quarterly and yearly auditing by the Company's auditor. The executive director truly concerns on the adjusting and assessment on primary evaluation, respectively.

### Related Company Transaction

#### 1. Related Transactions as of December 31,2011 are as follow:

Company	Transaction	Value In 2011	Balance as of December 31, 2011	Relationship
Wyncoast Transport Co., Ltd.	Rental and Service income	-	0.06 mb	Wyncoast Industrial Park Public Company Limited is the major shareholders in 99.99% of paid – up capital
	Freight Train	-	23.48 mb	
	Bogie Rental	-	0.51 mb	
	Financial Support			
	Accounts Receivable			

#### 2. The essence and appropriation of related transaction

The Company's Audit Committee has reviewed and approved the related transactions in 2011 as follow:

- Rental and Service is the office rental and service income, which charges from subsidiaries company in accordance with mutually agreed-upon rates which are complied with the contract.
- Other income, i.e. revenue of management fee is calculated in the mutually agreed rates, revenue of area lease fee and area maintenance – Port of Map Ta Phut Industrial and revenue from railway fee is carried in the mutually agreed-upon rate which is equivalent to the rate the Company repays to outside party service expense such as repair and maintenance expense and other expense in accordance with mutually agreed-upon rates which are complied with the contract.
- Services charges; maintenance and others which charge in accordance with mutually agreed-upon rates.



## Annual Report Year 2011

- Water expense charges from subsidiaries company in accordance with mutually agreed-upon rates.

### 3. Procedures for approval of related transactions

The Company has set the procedures in related transaction by the Company's management who has a conflict of interest in any related transaction can not participate in the approval process of the related transaction. The Company's benefits and the charged prices of the transaction which is a market price or appraised by the independent appraiser, are key factors to consider approving the related transactions. In addition, all related transactions have be review by the Company's audit committee.

### 4. Policy and Potential of related transaction

The Company has set the policy to consider approving the potential related transaction by setting up the conditions that the price of related transaction has to be the appropriated price or the market price according to the normal course of business based. Moreover, the Company's audit committee or the independent specialist review and give opinion on the appropriated price and the appropriated transaction.

For the potential related transaction occurrences, the Company's Board of Director has to follow the rules and regulations in compliance with the Stock Exchange of Thailand related to the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions.

However, if there is a related transaction between the Company or its subsidiaries with a potential person who might has a conflict of interests or might occur others conflict of interests in the future, the Company shall assign its Audit Committee to give opinion on the appropriated transactions. In case, the Company's Audit Committee does not have an expertise in consider the related transaction, the Company shall assign independence expertise or the Company's auditor to give opinion on that related transaction in order to use in making decision by the Board of Directors or by shareholders. In the meantime, the Company shall disclose the related transactions on the note to financial statement section in the audited financial statement.

## Financial Highlight

### Financial Status

Unit : Million Baht	Consolidated		Company Only		
	2011	2010	2011	2010	2009
Current asset	20.14	8.08	20.08	7.81	12.17
Non-Current asset	318.72	331.05	318.70	328.48	343.46
Total asset	338.86	339.13	338.78	336.29	355.63
Current liabilities	58.55	53.23	58.88	51.45	214.00
Non-Current liabilities	148.40	146.01	147.95	145.23	4.58
Total liabilities	206.95	199.24	206.84	196.68	218.58
Shareholders' Equity	131.92	139.90	131.94	139.61	137.05

## Annual Report Year 2011

### Performance

Unit : Million Baht	Consolidated		Company Only		
	2011	2010	2011	2010	2009
Total Revenue	42.39	30.02	42.39	30.30	48.33
Other income	4.10	10.55	4.10	2.68	3.20
Cost of sales	(7.33)	15.28	(7.33)	8.17	32.19
Selling and administrative expenses	(33.27)	61.95	(30.37)	30.07	27.85
Interest expense	(7.11)	14.68	(7.11)	9.77	18.87
Net profit (loss)	(7.98)	2.35	(7.66)	2.55	(69.49)

### Key Financial Ratio

		Consolidated		Company Only		
Liquidity Ratio		2011	2010	2011	2010	2009
Current ratio	(times)	0.34	0.15	0.34	0.15	0.06
Quick ratio	(times)	0.26	0.05	0.26	0.05	0.02
Cash Flow Turnover	(times)	0.41	0.03	0.43	0.08	0.00
Account Receivables turnover	(times)	25.69	66.20	25.31	19.16	30.04
Average Collection Period	(day)	14	6	14	19	12
Inventory Turnover	(times)	N.A.	N.A.	N.A.	N.A.	N.A.
Average Sales Period	(day)	N.A.	N.A.	N.A.	N.A.	N.A.
Payables Turnover	(times)	0.26	0.53	0.81	0.90	2.97
Average Payment Period	(day)	1,427.11	696.66	453.41	406.67	123
Cash Cycle	(day)	N.A.	N.A.	N.A.	N.A.	N.A.
Profitability Ratio						
Gross profit margin	(%)	82.71%	49.08%	82.71%	73.03%	33.40%
Net profit margin	(%)	16.88%	1.32%	16.20%	4.48%	(134.84%)
Return on Equity	(%)	0.38%	12.17%	0.42%	8.82%	(36.94%)
Efficiency Ratio						
Return on Asset	(%)	0.15%	5.02%	0.16%	3.66%	(14.23%)
Asset turnover	(times)	0.13	0.09	0.13	0.09	0.14
Financial Policy Ratio						
Debt to equity ratio	(times)	1.57	1.42	1.57	1.41	1.59
Dividend paid	(Baht)	-	-	-	-	-

## Annual Report Year 2011

---

### Management Discussion and Analysis

#### 1. Company's Performance

##### *Revenue*

In 2011, the Company and its subsidiaries earned total revenues of Baht 46.49 million which increased by baht 5.92 million from year 2010 and only the Company earned total revenue of Baht 46.49 million, which increased from year 2010 of Baht 13.51 million caused by the increased in its occupancy rate of free zone to 98.11 percent of total rental space.

The revenue can be divided into 2 portions as follows;

##### 1) Revenue from Rental and Service

Revenue from rental and service came from the rental business of the free zone area since March 2005.

In 2011, the Company and its subsidiaries had total revenue of Baht 42.39 million that came from rental and service revenue, equivalent to 91.24 percent of the total revenue or increased Baht 12.51 million, equivalent to 7365 percent since there was flood in several areas caused more short term customer interested in rental the free zone which make its occupancy rate raised up to 98.11 percent.

##### Revenue from Transportation and Logistics

The Company has no revenue from logistics business for year 2011 since Wyncoast Logistics Company Limited has been disposed on December 14, 2010.

##### Others Revenue

Others revenue consists of revenue from property tax receiving from rental in free zone area, gained from disposal of assets and others. In 2011, the Company and its subsidiaries earned total others revenue Baht 4.10 million, equivalent to 8.82 percent of total revenue, decreased from year 2010 of Baht 6.45 million, equivalent to 62.08 percent.

Operating Expenses consist of the following details:

##### 1) Rental and Services cost

Rental and Services cost came from selling and rental in Free Zone area, decreased by Baht 0.84 million or equivalent to 10.31 percent due to the major cost of rental is depreciation of the land and building which has been fully recorded for some parts.

##### 2) Transportation and Logistics Services Costs

In 2011, the Company and its subsidiaries have no cost for logistics business comparing to the same period of the previous year due to the disposal of Wyncoast Logistics Company Limited on December 14, 2010.

##### 3) Selling and Administrative Expenses

In 2011, the Company and its subsidiaries had total selling and administrative expenses of Baht 33.27 million or equivalent to 71.56 percent of the consolidated total revenue, which decreased from year 2010 by Baht 27.43 million or equivalent to 45.19 percent. In the meantime, selling and administrative expense of the Company only was Baht 30.37 million or equivalent to 65.33 percent of the Company's total revenue, increasing of Baht 4.06million, equivalent to 15.42percent from year 2010.

### 2. Financial Status

#### Assets

As of December 31, 2011, the Company and its subsidiaries had total assets amount of Baht 338.86 million, Baht 338.78 million belonged to the Company, decreasing of Baht 0.27 million compared with year 2010. Mainly due to the decreased of other current account and the decreased of asset's value; plant, building and equipment from its depreciation. While the Company's total assets increased of Baht 2.49 million due to the increasing of account receivable and the liquidity of its cash flow.

Significant changes of the Company and its subsidiaries' assets consist of the following details:

#### Current Assets

As of December 31, 2011, the Company and its subsidiaries had total current assets of Baht 20.14 million, equivalent to 5.94 percent of the consolidated total assets which decreased from the current assets as at December 31, 2010 by Baht 12.06 million or equivalent to 149.26 percent. Only current assets of Baht 20.08 million belonged to the Company or equivalent to 5.93 percent of the Company's total asset which increased by Baht 12.27 million or 157.02 percent.

#### Non-Current Assets

As of December 31, 2011, the Company and its subsidiaries had total non-current assets of Baht 318.72 million or equivalent to 94.06 percent of the consolidated total assets which decreased by Baht 12.33 million or 3.73 percent compare with December 31 2010, and non-current assets of the Company was only Baht 318.70 million or equivalent to 94.07 percent of the Company's total assets, which decreased by Baht 9.77 million or 2.97 percent when compared with year 2010. The significant changed in non-current assets of the Company and its subsidiaries came from the decreasing of plant, building and equipment.

#### *Liquidity*

##### ● Operating Cash Flow

In 2011, the Company and its subsidiaries had total net operating cash flow of Baht 13.47 million, only Baht 13.41 million came from the Company resulting from the better and improved collection of account receivable and adjusting and improvement of the free zone operation for more efficient and decreased a satisfied failure.

#### *Liquidity Ratio*

As of December 31, 2011 the Company and its subsidiaries had liquidity ratio of 0.34 times which increased from 0.15 times when compared with year 2010 due to the decreasing in current liabilities.

#### *Liabilities*

As of December 31, 2011 the Company and its subsidiaries had total liabilities of Baht 206.95 million that the Company only posted Baht 199.24 million which increased by the amount of Baht 7.71 million and Baht 10.16 million from the previous year, respectively due to the increased in the prosecuted debts and rental's security.

#### *Source of Capital*

## Annual Report Year 2011

---

- Changes in Shareholders' Equity

As of December 31, 2011, shareholder equity in the Company and its subsidiary posted at Baht 131.92 million decreased by Baht 7.98 million or 5.71 percent from the same period of 2010, because of net loss in 2011.

- Debt to Equity Ratio (D/E)

As of December 31, 2011 Debt to Equity Ratio (D/E Ratio) in the Company and its subsidiary was 1.57 times which increased from 1.42 times in 2010 as the Company has increased in liabilities and posted net loss.


### 3. Auditor fee

		<u>2011</u>	<u>2010</u>
• Audit fee	(Baht)	1,100,000	1,500,000
• Non-audit fee	(Baht)	34,408	43,176

**(TRANSLATION)**

**AUDITOR REPORT OF THE CERTIFIED PUBLIC ACCOUNTANT**

To the Board of Directors and Shareholders of Wyncoast Industrial Park Public Company Limited

- 1) I have audited the accompanying consolidated and separate statements of financial position as of December 31, 2011 and 2010, the related consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flow for the year then ended of Wyncoast Industrial Park Public Company Limited and its subsidiaries, and also the separate financial statement of Wyncoast Industrial Park Public Company Limited. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is express an opinion on these financial statements based on my audit.
- 2) I conducted my audit in accordance with the generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosure 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 audit provides a reasonable basis for my opinion.
- 3) In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position as of December 31, 2011 and 2010, the results consolidated and separate operations and the consolidated and separate cash flow for the year then ended of Wyncoast Industrial Park Public Company Limited and its subsidiaries, and also the separate financial statement of Wyncoast Industrial Park Public Company Limited., respectively in accordance with generally accepted accounting principle .

4) While the express an opinion for financial statement is unqualified according to that mentioned in paragraph 3, I ask to notice note to the financial statements as follows:

4.1) In accordance with the note to the financial statements no. 2.4, the consolidated financial statements for the year ended on December 31, 2011, the Company and its subsidiaries have net loss amount of Baht 7.98 million. As of December 31, 2011 and 2010, the Company and its subsidiaries have current liability higher than current asset in amount of Baht 38.40 million and Baht 45.14 million, respectively and have deficit in amount of Baht 331.16 million and Baht 323.17 million, respectively. The separate financial statements for the year ended on December 31, 2011, the Company has net loss amount of Baht 7.66 million. As of December 31, 2011 and 2010, the Company has current liability higher than current asset in amount of Baht 33.81 million and Baht 43.64 million, respectively and have deficit in amount of Baht 331.13 million and Baht 323.47 million, respectively. In addition, the consolidated and separate financial statement as of December 31, 2011 and 2010, the Company and its subsidiaries has legal proceedings with note to the financial statement no. 27.4, These factors indicate uncertainty in substantially materiality in continuous operation of the Company and its subsidiaries.

4.2) In accordance with the note to the financial statements no. 19.1, the Company reduces registered capital by fully offsetting against accumulated losses before offsetting against discount of shares value. As a result, as of December 31, 2011 and 2010, the Company still remains outstanding discount of shares value in amount of Baht 264.64 million. However, the Federation of Accounting Professions has relaxed to apply presently existing capital reduction method in order to completely write-off accrued discount of shares value instead of error rectification of such bookkeeping. In accordance with the resolution of the Company's board of management meeting no. 3/2006 held on February 10, 2006 and the Company's board of directors meeting no. 2/2006 held on February 17, 2006, they consider to approve reduction plan study of discount of shares value and proceed with such reduction of discount of shares value to be completed within period of 3 years (completed with February, 2009). In accordance with the resolution of the Company's board of directors meeting no. 1/2009 held on January 23, 2009, it considers to approve further period extension of discount of shares value rectification for another three years (completed within March, 2012). *Apk.*

- 4.3) In accordance with the note to the financial statements no. 6, the Company and its subsidiaries has firstly applied the Accounting Standard No. 19 regarding employee benefits from January 1, 2011, onwards. In respect of the changes of accounting policy, the Company and its subsidiaries recognized the additional liabilities under the employee benefits schemes in full amount through the statement of comprehensive income to be conform to the requirement of that accounting standards which I have audited adjusted transactions that related and found that such adjusted transactions are appropriated and taken to fairly adjust the consolidated and separate financial statements.
- 5) As mentioned in note to financial statement no 4.1, for the year ended on December 31, 2011, the Company and its subsidiaries applied the newly and revised financial reporting standards issued by the Federation of Accounting Professions, which are effective for accounting periods beginning on or after January 1, 2011, onward, for applied them in its preparation and presentation of the accompanying financial statement. Accordingly the comparative consolidated and separate financial statement for the year ended on December 31, 2010, have been new format presented in accordance with the financial statements for the year ended on December 31, 2011.

S.K. ACCOUNTANT SERVICES COMPANY LIMITED



(Ampol Chamnongwat)

Authorised Auditor No. 4663

Bangkok,  
February 28, 2012



**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS of December 31, 2011 and 2010**

		<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
		<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
		<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalent	(Note 9)	13,472,733	1,122,519	13,407,746	1,038,575
Trade Accounts Receivable - Net	(Note 10)	1,744,082	1,556,244	1,744,082	1,556,244
Trade Accounts Receivable-Subsidiary Companies - Net	(Note 7.2)	-	-	-	-
Inventories		20,078	21,990	20,078	21,990
Other Current Assets					
Other Accounts Receivable		1,182,858	1,456,684	1,182,858	1,456,684
Prepaid Expenses		3,643,390	3,673,480	3,643,389	3,673,480
Others		81,609	250,828	78,217	64,347
<b>TOTAL CURRENT ASSETS</b>		<b>20,144,750</b>	<b>8,081,745</b>	<b>20,076,370</b>	<b>7,811,320</b>
<b>NON-CURRENT ASSETS</b>					
Loans to Subsidiary Companies - Net	(Note 7.2)	-	-	-	-
Loans to and Interests Other Company - Net	(Note 11)	-	-	-	-
Investments in Subsidiaries - Net	(Note 12)	-	-	-	-
Property, Plant and Equipment - Net	(Note 13)	315,451,880	328,026,066	315,455,074	325,472,222
Intangible Assets - Net	(Note 14)	92,496	305,336	92,496	305,336
Other Non-Current Assets					
Withholding Income Tax		2,357,942	2,209,431	2,341,671	2,183,476
Others		815,784	511,488	815,564	515,565
<b>TOTAL NON-CURRENT ASSETS</b>		<b>318,718,102</b>	<b>331,052,321</b>	<b>318,704,805</b>	<b>328,476,599</b>
<b>TOTAL ASSETS</b>		<b>338,862,852</b>	<b>339,134,066</b>	<b>338,781,175</b>	<b>336,287,919</b>

**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS of December 31, 2011 and 2010**

		<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
		<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
		<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade Accounts Payable		28,648,574	28,648,574	9,102,080	9,102,080
Current Portion of Liabilities Under Hire-Purchase Agreement	(Note 16)	733,190	738,934	399,757	405,502
Current Portion of Long-Term Loans	(Note 17)	6,648,683	2,715,143	6,648,683	2,715,143
Short Term Loans and Accrued Interests from Related Person					
and Company	(Note 7.2)	-	210,586	-	210,586
Estimated Liabilities of Financial Support for Subsidiary Companies	(Note 7.2)	-	-	27,330,519	25,760,073
Other Current Liabilities					
Accrued Expenses		8,950,462	8,885,498	8,004,555	7,939,661
Accounts Payable for Assets and Construction Works		-	1,720,183	-	-
Other Accounts Payable		2,459,136	3,022,643	3,022,643	3,022,643
Estimated Expenses for Loss from Litigation Claims		8,431,607	4,990,261	1,727,647	-
Others		2,675,552	2,293,862	2,647,661	2,293,582
<b>TOTAL CURRENT LIABILITIES</b>		<b>58,547,204</b>	<b>53,225,684</b>	<b>58,883,545</b>	<b>51,449,270</b>
<b>NON-CURRENT LIABILITIES</b>					
Liabilities Under Hire-Purchase Agreement - Net	(Note 16)	1,566,560	1,432,863	1,121,983	654,853
Long - term Loans from Financial Institution - Net	(Note 17)	133,679,780	139,591,127	133,679,780	139,591,127
Provision of Employee Benefit	(Note 18)	1,071,132	-	1,071,132	-
Rental Deposit		12,081,988	4,986,970	12,081,987	4,986,970
<b>NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>		<b>148,399,460</b>	<b>146,010,960</b>	<b>147,954,882</b>	<b>145,232,950</b>
<b>TOTAL LIABILITIES</b>		<b>206,946,664</b>	<b>199,236,644</b>	<b>206,838,427</b>	<b>196,682,220</b>

**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS of December 31, 2011 and 2010**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital				
Authorized Share Capital				
632,963,479 Ordinary Shares @ Baht 1.00	632,963,479	632,963,479	632,963,479	632,963,479
Issued and Paid-up Share Capital				
490,483,540 Ordinary Shares @ Baht 1.00	490,483,540	490,483,540	490,483,540	490,483,540
Discount on Share Capital (Note 19.1)	(264,642,142)	(264,642,142)	(264,642,142)	(264,642,142)
Surplus from Assets Revaluation (Note 13)	236,284,151	236,284,151	236,284,151	236,284,151
Retain Earnings (Deficit)				
Appropriated				
Legal Reserve	946,000	946,000	946,000	946,000
Unappropriated	(331,155,361)	(323,174,127)	(331,128,801)	(323,465,850)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>131,916,188</b>	<b>139,897,422</b>	<b>131,942,748</b>	<b>139,605,699</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>338,862,852</b>	<b>339,134,066</b>	<b>338,781,175</b>	<b>336,287,919</b>

**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**For the year ended on December 31, 2011 and 2010**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>REVENUES FROM SALES AND SERVICE</b>				
Revenue from Rental and Service	42,386,577	29,876,602	42,386,577	30,296,602
Revenue from Service Rendered in Logistics	-	138,521	-	-
Cost of Rental and Services	(7,327,214)	(8,169,479)	(7,327,214)	(8,169,479)
Cost of Service Rendered in Logistics	-	(7,113,186)	-	-
<b>GROSS PROFIT</b>	<b>35,059,363</b>	<b>14,732,458</b>	<b>35,059,363</b>	<b>22,127,123</b>
Profit from Sales of Investment (Note 12)	291,049	76,745	300,000	100,000
Reversal of Interest from Recognition of Shares Value Surplus of Investment in the Subsidiary Company due to Investment Disposal (Note 12)	516,802	137,687,437	-	-
Reversal of Expense Estimation in Financial Support to Subsidiary Company from Investment Disposal	-	-	507,921	23,827,988
Other Incomes	4,101,323	10,550,700	4,099,697	2,680,602
Services Expenses	(3,914,608)	(719,017)	(3,914,608)	(719,017)
Administrative Expenses	(29,353,151)	(59,974,523)	(26,455,656)	(25,594,555)
Doubtful Debts	(1,978,033)	(1,251,755)	(2,848,033)	(3,759,476)
Loss from Impairment of Fixed Asstes	-	(79,958,381)	-	-
Loss from Impairment of Intangible Assets (Note 14)	(101,478)	(1,037,622)	(101,478)	-
Management Benefit Expenses (Note 7.3, 21)	(5,119,246)	(3,078,000)	(5,119,246)	(3,078,000)
Other Expenses				
Estimated Expenses of Financial Support for Subsidiary Company (Note 7.1)	-	-	(2,078,367)	(3,266,020)
<b>PROFIT (LOSS) BEFORE FINANCIAL COSTS AND CORPORATE INCOME TAX</b>	<b>(497,979)</b>	<b>17,028,042</b>	<b>(550,407)</b>	<b>12,318,645</b>
Financial Costs	(7,112,544)	(14,679,699)	(7,112,544)	(9,767,465)
<b>PROFIT (LOSS) BEFORE CORPORATE INCOME TAX</b>	<b>(7,610,523)</b>	<b>2,348,343</b>	<b>(7,662,951)</b>	<b>2,551,180</b>
Corporate Income Tax	(370,711)	-	-	-
<b>NET PROFIT(LOSS)</b>	<b>(7,981,234)</b>	<b>2,348,343</b>	<b>(7,662,951)</b>	<b>2,551,180</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(7,981,234)</b>	<b>2,348,343</b>	<b>(7,662,951)</b>	<b>2,551,180</b>
 BASIC EARNINGS(LOSS) PER SHARE	 (0.02)	 0.005	 (0.02)	 0.01
WEIGHTED AVERAGE OF ORDINARY SHARES (UNIT : SHARES)	490,483,540	490,483,540	490,483,540	490,483,540

**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the year ended on December 31, 2011 and 2010**

**CONSOLIDATED FINANCIAL STATEMENTS**

	Issued and Paid-up	Discount on	Surplus from	Retained Earnings (Deficit)		Total
	Share Capital	Share Capital	Assets Revaluation	Appropriated		
				Legal Reserve	Unappropriated	
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Balance as of December 31, 2009</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>236,284,151</b>	<b>946,000</b>	<b>(325,522,470)</b>	<b>137,549,079</b>
Total Comprehensive Income for the Period	-	-	-	-	2,348,343	2,348,343
<b>Balance as of December 31, 2010</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>236,284,151</b>	<b>946,000</b>	<b>(323,174,127)</b>	<b>139,897,422</b>
Total Comprehensive Income for the Period	-	-	-	-	(7,981,234)	(7,981,234)
<b>Balance as of December 31, 2011</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>236,284,151</b>	<b>946,000</b>	<b>(331,155,361)</b>	<b>131,916,188</b>

Notes to financial statements are an integral part of the above statements

**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the year ended on December 31, 2011 and 2010

**SEPARATE FINANCIAL STATEMENTS**

	Issued and Paid-up Share Capital	Discount on Share Capital	Surplus from Assets Revaluation	Retained Earnings (Deficit)		Total
				Appropriated	Unappropriated	
				Legal Reserve		
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Balance as of December 31, 2009</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>236,284,151</b>	<b>946,000</b>	<b>(326,017,030)</b>	<b>137,054,519</b>
Total Comprehensive Income for the Period	-	-	-	-	2,551,180	2,551,180
<b>Balance as of December 31, 2010</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>236,284,151</b>	<b>946,000</b>	<b>(323,465,850)</b>	<b>139,605,699</b>
Total Comprehensive Income for the Period	-	-	-	-	(7,662,951)	(7,662,951)
<b>Balance as of December 31, 2011</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>236,284,151</b>	<b>946,000</b>	<b>(331,128,801)</b>	<b>131,942,748</b>

Notes to financial statements are an integral part of the above statements

**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOW**

**For the year ended on December 31, 2011 and 2010**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit (loss) before Corporate Income Tax	(7,610,523)	2,348,343	(7,662,951)	2,551,180
Adjustments to Profit (Loss) before Corporate Income Tax Cash Received (Paid) from Operations				
Depreciation	11,842,384	22,555,927	11,558,813	14,731,459
Amortization of Expenses	111,362	420,762	111,362	194,387
Doubtful Debts- Trade Accounts Receivable	1,635,942	618,250	1,635,942	-
Doubtful Debts- Accrued Income	-	-	-	506,723
Doubtful Debts- Loan to Subsidiary Companies (Reversal)	-	-	870,000	675,000
Doubtful Debts- Other Accounts Receivable-Subsidiary Companies	-	-	-	2,235,522
Doubtful Debts- Other Accounts Receivable	300,092	633,505	300,092	342,231
Doubtful Debts - Accrued Interest Receivable	42,000	-	42,000	-
Loss from Non - Refundable Revenue Receivable	71,015	-	-	-
Loss from non Refund Withholding Tax	17,824	-	-	-
Estimated Expenses for Loss from Litigation Claims	3,441,346	3,969,377	1,727,647	-
Penalty for Demolition Delayed	-	14,544,393	-	-
Gain from to Reduce Debt	-	(1,484,957)	-	-
Loss from Impairment of Fixed Assets	-	79,958,381	-	-
Loss from Impairment of Intangible Assets	101,478	1,037,622	101,478	-
(Gain) loss from Sales of Fixed Assets	28,510	(354,800)	28,510	(6,115)
Loss from Write off Fixed Assets	147,285	95,589	147,285	601
Loss from Vehicles Confiscate	-	6,386	-	-
Gain from Sale of Vehicles transferred to pay Lease Obligations	-	(2,064,513)	-	-
Provision of Employee Benefit	1,043,740	-	1,043,740	-
Amortized Interest Expenses of Hire-Purchase Agreement	90,288	1,615,852	90,288	136,768
Interest Expenses Loans from Directors	767	682,082	767	160,259
Interest Expenses Loans from Financial Institution	6,972,193	12,352,385	6,972,193	9,444,837
Interest Expenses - Employee Benefit	27,392	-	27,392	-
Interest Revenue	(63,347)	(220,858)	(63,081)	(47,927)
Gain from Sales of Investment	(291,049)	(76,745)	(300,000)	(100,000)
Reversal of Interest from Recognition of Shares Value Surplus of Investment				
in the Subsidiary Company due to Investment Disposal	(516,802)	(137,687,437)	-	-
Reversal of Expense Estimation in Financial Support to Subsidiary Company from Investment Disposal		-	(507,851)	(23,827,988)
Expenses of Financial Support for Subsidiary Company		-	2,078,367	3,266,020
Profit (loss) from Operating Activities before Changes in				
Operating Assets and Liabilities	17,391,897	(1,050,456)	18,201,994	10,262,957
(Increase) Decrease in Trade Accounts and Note Receivable	(1,823,780)	269,006	(1,823,780)	(834,143)
(Increase) Decrease in Trade Accounts Receivable-Subsidiary Companies	-	-	-	1,821,228
(Increase) Decrease in Inventories	1,912	(6,503)	1,912	(6,503)
(Increase) Decrease in Prepaid Expenses	30,090	(3,133,981)	30,090	21,054
(Increase) Decrease in Other Accounts Receivable	(26,266)	1,123,461	(26,266)	(533,143)

**WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENTS OF CASH FLOW**

**For the year ended on December 31, 2011 and 2010**

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>FINANCIAL STATEMENTS</b>		<b>FINANCIAL STATEMENTS</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
(Increase) Decrease in Other Current Assets	(144,391)	257,110	(13,869)	155,699
(Increase) Decrease in Other Non-Current Assets	(304,297)	671,185	(300,070)	-
Increase (Decrease) in Trade Accounts Payable	-	(601,858)	-	-
Increase (Decrease) in Accrued Expenses	876,761	(3,718,295)	64,894	(1,388,335)
Increase (Decrease) in Other Accounts Payable	-	3,229,612	-	64,963
Increase (Decrease) in Other Current Liabilities	(181,679)	5,395,512	354,079	(1,180,633)
Increase (Decrease) in Rental Deposit	7,095,017	1,468,054	7,095,017	1,468,054
Cash received (Paid) form Operating Activities	22,915,263	3,902,847	23,584,001	9,851,198
Cash Received for Withholding tax	1,138,232	2,576,304	1,138,232	1,355,686
Cash Received for Interest Revenue	151,385	9,406	21,081	5,697
Cash Paid for Corporate Income Tax	(1,304,567)	(1,095,762)	(1,296,427)	(1,045,244)
<b>NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>22,900,313</b>	<b>5,392,795</b>	<b>23,446,887</b>	<b>10,167,337</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Cash Received from Sales of Investment	291,049	76,745	300,000	100,000
Cash Paid for Loan to Subsidiary Companies	-	-	(870,000)	(675,000)
Cash Paid for Purchases of Fixed Assets	(992,819)	(936,764)	(992,819)	(97,522)
Cash Paid for Purchases of Intangible Assets	-	(144,980)	-	(144,980)
Cash Received from Sales of Fixed Assets	57,336	3,300,782	57,336	6,150
<b>NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(644,434)</b>	<b>2,295,783</b>	<b>(1,505,483)</b>	<b>(811,352)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase (Decrease) in Defaulted Loan and Interest from Financial Institutions	-	(2,509,582)	-	-
Cash Received from Loans from Related Persons and Company	-	1,681,983	-	1,000,000
Cash Paid for Loans from Related Persons and Company	(200,000)	(3,448,375)	(200,000)	(3,790,479)
Cash Paid for Liabilities Under Hire-Purchase Agreement	(744,313)	(571,440)	(410,880)	(459,030)
Cash Paid for Long - Term Loans from Financial Institution	(1,945,275)	(1,482,998)	(1,945,275)	(1,482,998)
Cash Paid for Interest Expenses in Long - term Loans from Financial Institution	(7,004,725)	(5,139,824)	(7,004,725)	(5,139,824)
Cash Paid for Interest Expenses in Loans from Related Persons and Company	(11,353)	(357,777)	(11,353)	(168,474)
<b>NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>(9,905,665)</b>	<b>(11,828,013)</b>	<b>(9,572,233)</b>	<b>(10,040,805)</b>
<b>Net Cash and Cash Equivalent Increase(Decrease)</b>	<b>12,350,214</b>	<b>(4,139,435)</b>	<b>12,369,171</b>	<b>(684,820)</b>
<b>Cash and Cash Equivalent at Beginning of the Period</b>	<b>1,122,519</b>	<b>5,261,954</b>	<b>1,038,575</b>	<b>1,723,395</b>
<b>Cash and Cash Equivalent at Ending of the Period</b>	<b>13,472,733</b>	<b>1,122,519</b>	<b>13,407,746</b>	<b>1,038,575</b>



# WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

### 1. General Information

The Company was registered on October 1, 1985, [Registration number 3403/1985] and registered on May 28, 1993, as a public company, Registration number 0107536000391 in the Company name Capetronic International (Thailand) Public Company Limited and changed to Wyncoast Industrial Park Public Company Limited on January 21, 2005.

The registered office is situated at 105 Moo 3, Bangna-Trad Road, KM. 52, Thakham, Bangprakong, Chachoengsao.

The Company operates business of sales or rent in the custom free zone. On June 30, 2005, the Company received approval from Custom Department in the commencement of operation of business of sale and being let in the duty free zone so as for commercial and industrial purpose, namely, "Wyncoast Free Zone".

### 2. Basis of Preparation of the Financial Statements

- 2.1 The Company had prepared the financial statements in accordance with accounting standards, financial reporting standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulation of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.
- 2.2 The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies.
- 2.3 In order to prepare the financial statements to comply with generally accepted accounting standards, the Company's management had to make some estimates and suppositions which may have an effect on the amount shown for revenues, expenses, assets and liabilities and also on the disclosures concerning assets and contingent liabilities, therefore the actual result may differ from the estimated amount.

- 2.4 The consolidated financial statements for the year ended on December 31, 2011, the Company and its subsidiaries have net loss amount of Baht 7.98 million. As of December 31, 2011 and 2010, the Company and its subsidiaries have current liabilities exceeded their current assets in amount of Baht 38.40 million and Baht 45.14 million respectively and have deficit in amount of Baht 331.16 million and Baht 323.17 million, respectively. The separate financial statements for the year ended on December 31, 2011, the Company has net loss amount of Baht 7.66 million. As of December 31, 2011 and 2010 the Company and its subsidiaries has current liabilities exceed its current assets in amount of Baht 38.81 million and Baht 43.64 million respectively and has deficit in amount of Baht 331.13 million and Baht 323.47 million respectively. In addition, the consolidated and separate financial statement as of December 31, 2011 and 2010, the Company and its subsidiaries has legal proceedings with note financial statement No. 27.4 , These factors indicate uncertainty in substantially materiality in continuous operation of the Company and its subsidiaries.
- 2.5 The financial statement of the Company have been reclassified in order to facilitate comparative analysis for the year ended on December 31, 2010, with those financial statement as present period which has not effect to net profit(loss) or shareholder's equity as follows:

Reclassification of Accounts

Consolidated Financial Statements			
For the year ended on December 31, 2010			
	Before Reclassification	Reclassification	After Reclassification
	Baht	Baht	Baht
Statements of Comprehensive Income			
Services Expenses	8,029,179	(7,310,162)	719,017
Administrative Expenses	53,916,116	6,058,407	59,974,523
Doubtful Debts	-	1,251,755	1,251,755

Reclassification of Accounts

Separate Financial Statements			
For the year ended on December 31, 2010			
	Before Reclassification	Reclassification	After Reclassification
	Baht	Baht	Baht
Statements of Comprehensive Income			
Services Expenses	8,029,179	(7,310,162)	719,017
Administrative Expenses	22,043,869	3,550,686	25,594,555
Doubtful Debts	-	3,759,476	3,759,476

2.6 For the convenience of the user, an English translation of the financial statement has been prepared from the financial statements that are issued in the Thai language.

### 3. Basis of Preparation of the Consolidated Financial Statements

3.1 In preparation of the consolidated financial statement, the Company will only take its subsidiary companies which are under the main control of Wyncoast Industrial Park Public Company Limited into account, after having eliminated the remaining balances and transactions among themselves, The Company holds shares in subsidiary companies with the percentage of shareholdings in subsidiary companies as follows:

Company Name	Shareholding Percentage		Country	Type of Business
	As of	As of		
	December 31, 2011	December 31, 2010		
Wyncoast Services Company Limited	-	99.99	Thailand	Operation of business to render the service in the duty free zone.
Wyncoast Transport Company Limited	99.99	99.99	Thailand	Operation of business to provide the service of railway merchandise transportation via the rail system.

3.2 The Company disposed investment in the Wincoast Services Co., Ltd., on June 17, 2011 which has consolidated operating result of such company in the consolidated statement of comprehensive income and consolidated statement of cash flow to June 30, 2011, since the operating result in such period is not materially different.

3.3 The Company disposed investment in the Wincoast Logistics Co., Ltd., on December 24, 2010, which has consolidated operating result of such company in the consolidated statements of comprehensive income and consolidated statement of cash flow to December 31, 2011, since the operating result in such period is not materially different.

3.4 Investments in subsidiary companies with the shareholdings from 99.99% are treated as holdings of 100% in preparation of consolidated financial statements.

3.5 The accounting period ended of the above subsidiary companies are the same as the WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED.

3.6 In preparation of the consolidated financial statements, the Company has write - off the amount of asset, liability - net, and inter - transactions.

3.7 Accounting policy for the subsidiary companies will utilize the same policy as the Company.

#### **4. Adoption of New Accounting Standards, Financial Reporting Standards, Interpretation Accounting Standards and Financial Reporting Standards and Amendments to Accounting Standards**

4.1 The Company adopted the new accounting standards, financial reporting standards , interpretation accounting standards, interpretation financial reporting standards and amendments to accounting standard by the Federation of Accounting Professions has issued Notification No. 17/2010, No. 50 to No. 55/2010 and No. 8/2011. These are effective for accounting periods beginning on or after January 1, 2011, as follows :

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

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flow
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
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 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Venture
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 2	Share-based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
SIC 31	Revenue – Barter Transactions Involving Advertising Service

4.2 New accounting standard, interpretation accounting standard and amendments to accounting standards by the Federation of Accounting Professions has issued Notification No. 17/2010, No. 51/2010 and No. 5 to No. 7/2011. These are effective for accounting periods beginning on or after January 1, 2012 and 2013, the Company does not early adopted, as follows:

Accounting Standard effective as of January 1, 2012

TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
--------	--

Accounting Standard effective as of January 1, 2013

TAS 12	Income Taxes
TAS 20 (Revise 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revise 2009)	The Effects of Changes in Foreign Exchange Rates
SIC 10	Government Assistance – No Specific Relation to Operation Activities
SIC 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholder

The management of the Company has assessed the effects of new accounting standards, and interpretation accounting standards believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied.

## 5. Summary of Significant Accounting Policy

### 5.1 Recognition of Revenues

- Revenue from rental is recognized over the term of rental agreement.
- Revenue from services is recognized when service have been provided to customer.
- Revenue from the service of public water provision, electricity is recognized in accordance with the period of service rendered using meter as measurement of usage quantity.
- Revenues from transportation are recognized when services are provided to customer.
- Revenue from interest income is recognized over the term of borrowing and calculated from the outstanding principal.

## 5.2 Recognition of Expenses

- Expenses are recognized on an accrual basis.
- Payments made under operating leases are recognized in the statements of comprehensive income on a straight – line basis over the term of the lease.

## 5.3 Cash and Cash Equivalent

Cash and cash equivalent includes bank deposit in type of saving accounts, current accounts and 3-months fixed accounts without guarantee obligation.

## 5.4 Trade Account Receivable, Other Accounts Receivable and Allowance for Doubtful Accounts

Trade account receivable and other accounts receivable are stated at the net realizable value, allowance for doubtful accounts estimate from those account receivable and other accounts receivable which are likely to be uncollectible.

## 5.5 Inventories

Inventories are valued at cost price under first-in first-out method or net realizable value which ever is the lower.

## 5.6 Investments in Subsidiary Companies

Investments in subsidiaries in the separate financial statements are accounted for using the cost method, less impairment of investment (if any).

## 5.7 Property, Plant and Equipment

Fixed assets are recorded at cost on the transaction date and depreciation is calculated on a straight line basis over the approximate useful life of the asset. For the land which revalued is recorded by fair value which is determined from the appraisal by independent appraiser. The Company holds the policy that the independent appraiser appraises such asset value every 3-5 years. Moreover, during the period, if there is any other factor which is material affect upon asset value, the Company will arrange the newly value appraisal by independent appraiser in that year.

The Company recorded discrepancy incurred from asset revaluation as follows:

- The Company recorded book value of assets increased from revaluation in the account of “surplus from asset revaluation” in the shareholders equity in the statements of financial position. However, if those assets revaluation have ever been reduced and the Company has recognized the reduced price as expense in the statements of comprehensive income, these additionally new revaluation will be recognized as revenue not exceeding the amount ever been reduced which have been recognized as expense in the statements of comprehensive income.

- The Company recognized book value of assets reduced from revaluation as expense in the statements of comprehensive income; however, if those assets have ever been appraised by price increment and still remained outstanding of the account “surplus from assets revaluation” in the caption of shareholders equity which reduced from newly revaluation, these will be taken to deduct out of “surplus from asset revaluation” not exceeding the amount which prices of the same assets ever been increased and surplus will be recognized as expense in the statement of comprehensive income.

Fixed assets except land are stated at cost less accumulated depreciation and allowance for impairment of fixed assets. Depreciation is computed by the straight- line method to write-off their cost over their estimated useful life as follows:

	<u>Years</u>
Buildings and Land Improvements	5 - 25
Machinery and Equipment	5, 10
Furniture, Fixtures and Office Equipment	5 - 25
Tools	5
Vehicles	5
Utilities System	5 - 20

Construction in progress is stated at cost with no depreciation until that construction of assets has been finished and ready for intended use.

Repair and maintenance is recognized in the statements of comprehensive income during the period that it is incurred. Cost of significant improvement should be recognized as a part of carrying amount of assets when it is probable that the Group will obtain the future economic benefits from that transaction and able to measure the cost of that transaction reliably. Cost of improvement should be depreciated by the basis of estimated useful life. Repair and maintenance expenses are recognized as expenses during the period that they are incurred.

Gain or loss from disposal of property, plant and equipment is computed from discrepancy between net cash received and book value and recognized as other revenue or other expense in the statements of comprehensive income.

## 5.8 Intangible assets

Intangible Assets are stated at cost less accumulated amortization in accordance with the straight line method pursuant to the useful life for the period of 5 years and allowance for impairment (if any).

## 5.9 Impairment

The carrying amounts of the Company's assets are reviewed at each statements of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The Group will recognize loss of impairment, if as assets's carrying or cash-generating unit exceeds its recoverable amount; the Group will recognize an impairment loss in the statements of comprehensive income.

### Calculation of Recoverable Amount

The recoverable amount is the greater of the asset's net selling price and value of usage. 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 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 amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized as revenue in the statements of comprehensive income.

## 5.10 Financial Leased Contract

The contract of leased asset carried the risk and owner remuneration is mainly transfered to lessers will be classified as financial leased contract. The contract of financial lease is recorded as capital expenditure by fair value of leased asset or present value of minimum amount which has to repay in accordance with the eased contract whichever amount is lower. The amount which has to repay in each time is divided as liability portion and financial expenditure so that fixed interest rate over outstanding overdue liability of obligation burden in accordance with the financial leased contract will be recorded as long term liability. Interest payable will be recorded in the statements of comprehensive income throughout the leased contract life. Asset which acquired by financial leased contract will be depreciated in accordance with the estimated useful life of those assets.

## 5.11 Employees Benefit

- The Group is recognized salary, wage, bonus, social security fund, staff provident fund are expense on date the transaction occur.



- The Group provides for post employment benefits to or retirement indemnity employees under the labor laws applicable in Thailand. The Group has recorded the liabilities in respect of employee benefits which are the present value of the defined benefit obligations calculated by the Group's management in accordance with the actuarial technique, and discounted benefit by the projected unit credit method. The present value of the defined benefit obligations are determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. The Group recorded provision of employee benefit as non – current liabilities. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

#### 5.12 Provisions

Provision are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

#### 5.13 Earnings (Loss) per Share

Primary Earnings (Loss) per Share are calculated by dividing the net profit (loss) by the weighted average number of issued and paid up ordinary shares.

Diluted earning (loss) per share is computed by divided net profit (loss) for the year by aggregate amount of weighted average number of common stock issued during the year and the weighted average number of common stock which the Company may have to issue for conversion of the whole of warrants to common stocks.

#### 5.14 Financial Instruments

Financial instruments, financial assets were shown in statements of financial position composed of cash and cash at banks, accounts receivable, loans to. Financial liabilities were shown in statements of financial position composed of accounts payable and borrowings. The accounting policy of each item would be disclosed in separated items.

#### 5.15 Appropriation of Retained Earnings

The appropriation of retained earnings is attributable to the Public Company Act B.E. 2535 (1992). The Company will appropriate retained earnings when it is approved at the shareholders' meeting.

## 6. Changes in Accounting Policy

The Group has firstly applied the Accounting Standard No. 19 regarding employee benefits from January 1, 2011, onwards. In respect of the changes of accounting policy, the Group recognized the additional liabilities under the employee benefits incurred in the past the accumulate until December 31, 2010, schemes in full amount through the statement of comprehensive income to be conform to the requirement of that accounting standards, while there is affected result to the financial statements as follows:

	Consolidated Financial Statements Baht	Separate Financial Statements Baht
<u>Adjustment of Financial Statements</u>		
Statements of Financial Position as of January 1, 2011		
Non – Current Liabilities		
Increase in Provision of Employee Benefit	548,803	548,803
Statements of Comprehensive Income for the year ended on December 31, 2011		
Increase in Administrative Expenses	548,803	548,803
Decrease in Primary loss per share	0.001	0.001

## 7. Inter – Transactions with Related Companies

The Company had significant business transactions with their subsidiary companies and related persons. Such transactions, which have been concluded on commercial terms and bases agreed upon between the Company, subsidiary companies and related persons are in ordinary course of business are summarized below:

7.1 Inter - Revenues and Expenses for the year ended on December 31, 2011 and 2010 , are as follows:

(Unit : Baht)

Type of transactions/companies	Pricing policy	Consolidated		Separate	
		Financial Statements		Financial Statements	
		For the year	For the year	For the year	For the year
		ended on	ended on	ended on	ended on
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<b><u>Revenues</u></b>					
Revenue from Rental and Service	Agreed by contract				
Wyncoast Logistics Company Limited		-	-	-	252,000
Wyncoast Transport Company Limited		-	-	-	168,000
Total		-	-	-	420,000
<b><u>Expenses</u></b>					
Rental Assets Expense	Based on mutual agreement				
B.H.I. Holding Public Company Limited	by contract	331,875	330,000	331,875	330,000
Management Service	Agreed by contract				
	90,000 Baht per year				
Ms. Koranun Sukonritikorn		900,000	900,000	900,000	900,000
Estimated Expenses of Financial					
Support for Subsidiary Companies					
Wyncoast Transport Company Limited		-	-	1,570,446	3,266,020
Wyncoast Services Company Limited		-	-	507,921	-
Total		-	-	2,078,367	3,266,020
Interest Expenses					
Mr. Jak Chamikorn	Rate MOR		149,673		149,673
Ms. Koranun Sukonritikorn	per annum	-	10,586	-	10,586
Total		-	160,259	-	160,259

## 7.2 Inter - Assets and Liabilities :

(Unit : Baht)

	Consolidated		Separate	
	Financial Statements		Financial Statements	
	As of	As of	As of	As of
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<u>Assets</u>				
Trade Accounts Receivable				
Wyncoast Transport Company Limited	-	-	22,533,638	22,533,638
<u>Less</u> Allowance for Doubtful Debt	-	-	(22,533,638)	(22,533,638)
Net	-	-	-	-

	Consolidated Financial Statements		Separate Financial Statements	
	As of December 31, 2011	As of December 31, 2010	As of December 31, 2011	As of December 31, 2010
Trade Accounts Receivable were classified by aging as follows:				
Accounts Receivable within Credit term	-	-	-	-
Accounts Receivable				
Overdue 1 - 3 months	-	-	-	-
Overdue 3 - 6 months	-	-	-	56,784
Overdue Over 6-12 months	-	-	22,533,638	22,476,854
Total	-	-	22,533,638	22,533,638
Accrued Interest Revenue				
Wyncoast Services Company Limited	-	-	-	130,038
Less Allowance for Doubtful Debt	-	-	-	(130,038)
Net	-	-	-	-
Accrued Revenue				
Wyncoast Transport Company Limited	-	-	-	506,723
Less Allowance for Doubtful Debt	-	-	-	(506,723)
Net	-	-	-	-
Loan to the Subsidiary Company				
Wyncoast Services Company Limited	-	-	-	4,963,000
Wyncoast Transport Company Limited	-	-	825,000	-
Total	-	-	825,000	4,963,000
Less Allowance for Doubtful Debt	-	-	(825,000)	(4,963,000)
Net	-	-	-	-
Liabilities				
Loans and Accrued Interest Expenses from Related Persons				
Mr. Jak Chamikorn	-	10,586	-	10,586
Ms. Koranun Sukonritikorn	-	200,000	-	200,000
Total	-	210,586	-	210,586
Estimated Liabilities of Financial Support for Subsidiary Company				
Wyncoast Transport Company Limited	-	-	27,330,519	25,760,073
Accrued Expenses				
B.H.I. Holding Public Company Limited	180,964	149,533	180,964	149,533
Accrued Management Service				
Ms. Koranun Sukonritikorn	900,000	900,000	900,000	900,000

For the year ended on December 31, 2011, the movements of loans to subsidiary company are as follows:

(Unit : Baht)				
Separate Financial Statements				
	As of December 31, 2010	Increase	Decrease	As of December 31, 2011
Loans to Subsidiary Companies				
Wyncoast Services Company Limited	4,963,000	45,000	(5,008,000)	-
Wyncoast Transport Company Limited	-	825,000	-	825,000
Total	4,963,000	870,000	(5,008,000)	825,000
<u>Less</u> Allowance for Doubtful Debt	(4,963,000)	(870,000)	(5,008,000)	(825,000)
Net	-	-	-	-

For the year ended on December 31, 2010, the movements of loans to subsidiary company are as follows:

(Unit : Baht)				
Separate Financial Statements				
	As of December 31, 2010	Increase	Decrease	As of December 31, 2011
Loans to Subsidiary Company				
Wyncoast Services Company Limited	4,288,000	675,000	-	4,963,000
<u>Less</u> Allowance for Doubtful Debt	(4,288,000)	(675,000)	-	(4,963,000)
Net	-	-	-	-

The separate financial statements as of December 31, 2011 and 2010, the whole amount of loans to subsidiary companies have loan in form of promissory notes in the type of call carried interest rate at MLR + 0.25 % per annum equally for two periods.

Since the first quarterly of 2007, the Company ceased to charge inter-interest due to the subsidiary companies have not constituted ability in debt repayment. The interest will be retroactively charged when the subsidiary companies can repay overdue loan.

For the second quarterly of 2011, loans to and allowance for doubtful debts of loans to Wyncoast Services Company Limited decrease the whole amount. During the period since the Company has written off the account. In accordance with resolution of the Company's board of directors meeting 4/2011 on June 8, 2011, in order to meet the contract of sale of shares.

The Company recorded allowance for doubtful debt-loans to such subsidiary company comprises loss result from operation and accumulated loss exceeding capital.

For the year ended on December 31, 2011, the movements of short term loans from related person are as follows:

(Unit : Baht)				
Consolidated /Separate Financial Statements				
	As of			As of
	December 31, 2010	Increase	Decrease	December 31, 2011
Loans from Director				
Ms. Koranun Sukonritikorn	210,586	767	(211,353)	-

For the year ended on December 31, 2010, the movements of short term loans from related persons and companies are as follows:

(Unit : Baht)					
Consolidated Financial Statements					
	As of				As of
	December 31, 2009	Increase	Decrease	Sales subsidiaries	December 31, 2010
Loans from Directors					
Mr. Jak Chamikorn	11,378,911	1,471,397	(3,448,375)	(9,401,933)	-
Ms. Koranun Sukonritikorn	-	210,586	-	-	210,586
Total	11,378,911	1,681,983	(3,448,375)	(9,401,933)	210,586
(Unit : Baht)					
Separate Financial Statements					
	As of				As of
	December 31, 2009	Increase	Decrease		December 31, 2010
Loans from Related Company					
Wyncoast Services Company Limited	510,578	-	(510,578)		-
Loans from Related Persons					
Ms. Koranun Sukonritikorn	-	210,586	-		210,586
Mr. Jak Chamikorn	2,498,702	949,673	(3,448,375)		-
Total	3,009,280	1,160,259	(3,958,953)		210,586

The consolidated financial statements as of December 31, 2010, the whole amount of loans from related company have loan in form of promissory note in the type of call carried interest rate at MLR+0.25 % per annum.

The consolidated financial statement as of December 31, 2010, loans from related persons have loan in form of promissory note in the type of call carried interest rate at MOR% per annum.

The separate financial statements, the Company settled estimation of liability in the financial support to subsidiary companies due to such subsidiary has deficit and the Company has obtained the financial support, the movement of estimated liabilities of financial support for subsidiary companies for the year ended on December 31, 2011 was as follows:

(Unit : Baht)				
	Separate Financial Statements			As of December 31, 2011
	As of December 31, 2010	Increase	Decrease	
Estimated Liabilities of Financial Support for Subsidiary Companies				
Wyncoast Services Company Limited	-	507,921	(507,921)	-
Wyncoast Transport Company Limited	25,760,073	1,570,446	-	27,330,519
Total	25,760,073	2,078,367	(507,921)	27,330,519

(Unit : Baht)				
	Separate Financial Statements			As of December 31, 2010
	As of December 31, 2009	Increase	Decrease	
Estimated Liabilities of Financial Support for Subsidiary Companies				
Wyncoast Transport Company Limited	22,494,053	3,266,020	-	25,760,073
Wyncoast Logistics Company Limited	23,827,988	113,859,449	(137,687,437)	-
Total	46,322,041	117,125,469	(137,687,437)	25,760,073

### 7.3 Key Management Personnel Compensation

(Unit : Baht)		
	Consolidated/Separate Financial Statements	
	For the year ended on	
	December 31, 2011	December 31, 2010
Short-term Benefits	4,421,867	3,078,000
Post Benefits	697,379	-
Total	5,119,246	3,078,000

## 7.4 Relationship

<u>Company's Name</u>	<u>Relationship</u>
Wyncoast Services Company Limited	Subsidiary by direct shareholding(The ended at June 17 2010 by sales investment)
Wyncoast Transport Company Limited	Subsidiary by direct shareholding
Wyncoast Logistics Company Limited	Subsidiary by direct shareholding(The ended at December 24, 2010 by sales investment)
B.H.I. Holding Public Company Limited	Common Director
Ms. Koranun Sukonritikorn	Director of Company
Mr. Jak Chamikorn	Director of Company

## 8. Non Cash Transactions

Consist of:

			(Unit : Baht)	
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended on		For the year ended on	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Purchase of fixed assets with credit	1,712,000	1,934,183	1,712,000	-
Liabilities under hire purchase agreements, down from transfer of ownership to another person	930,023	-	930,023	-
Assets foreclose is transferred to repay creditors	-	12,167,272	-	-
Fixed asset is transferred into vehicles that are confiscated	-	552,329	-	-
Withholding corporate income tax is offset against other account payable account	-	7,365,572	-	-
Asset foreclose is transferred to hire purchase creditor	-	4,278,341	-	-
Defaulted liability is transferred to long - term loans from financial institution	-	139,484,254	-	139,484,254
Non-current assets is transferred to repayment defaulted liability	-	690,000	-	-



## 9. Cash and Cash Equivalent

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Cash	35,000	8,000	30,000	-
Current Deposit Accounts	(231,782)	14,544	(231,782)	14,544
Saving Deposit Accounts	13,669,515	1,099,975	13,609,528	1,024,031
Total	<u>13,472,733</u>	<u>1,122,519</u>	<u>13,407,746</u>	<u>1,038,575</u>

## 10. Trade Accounts Receivable - Net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Trade Accounts Receivable				
within Credit term	1,744,082	836,358	1,744,082	836,358
Accounts Receivable				
Overdue 1-3 months	22,149	210,971	22,149	210,971
Overdue 3-6 months	44,298	3,191,872	44,298	249,686
Overdue 6-12 months	1,101,535	19,001,644	1,101,535	259,229
Overdue Over 1 year	68,019,163	45,868,742	467,959	-
Total	<u>70,931,227</u>	<u>69,109,587</u>	<u>3,380,023</u>	<u>1,556,244</u>
<u>Less</u> Allowance for Doubtful Debt	<u>(69,187,145)</u>	<u>(67,553,343)</u>	<u>(1,635,941)</u>	<u>-</u>
Net	<u>1,744,082</u>	<u>1,556,244</u>	<u>1,744,082</u>	<u>1,556,244</u>

As of December 31, 2011 and 2010, allowance for doubtful debts has movement as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Allowance for Doubtful Debts –Beginning	(67,553,343)	(2,072,177)	-	-
<u>Add</u> Reserve within Period	<u>(1,635,942)</u>	<u>(618,250)</u>	<u>(1,635,942)</u>	<u>-</u>
Disposal Subsidiary Company	-	(67,551,204)	-	-
<u>Less</u> Disposal Subsidiary Company	<u>2,140</u>	<u>2,688,288</u>	<u>-</u>	<u>-</u>
Allowance for Doubtful Debts –Ending	<u>(69,187,145)</u>	<u>(67,553,343)</u>	<u>(1,635,942)</u>	<u>-</u>

As of December 31, 2011 and 2010, allowance for doubtful debt that adds up during period in amount of Baht 67.55 million belongs to the Wincoast Logistics Co., Ltd., which formerly belongs to the subsidiary company. Moreover, on December 24, 2010, the Company has disposed investment in subsidiary company and has terminated relationship, as a result; it has fully set allowance for doubtful debt – account receivable – such company due to long lasting overdue debt.

#### 11. Loans to and Accrued Interest Revenue Other Company - Net

Consist of:

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Wincoast Logistics Company Limited				
Principal	5,250,000	5,250,000	-	-
Accrued Interest Revenue	1,091,349	1,091,349	-	-
Total	6,341,349	6,341,349	-	-
<u>Less</u> Allowance for Doubtful Debts	(6,341,349)	(6,341,349)	-	-
Net	-	-	-	-

As of December 31, 2011 and 2010, loans to and accrued interest revenue to other company and allowance for doubtful debt that adds up during period in amount of Baht 6.34 million belongs to the Wincoast Logistics Company Limited, which formerly belongs to the subsidiary company. Moreover, on December 24, 2010, the Company has disposed investment in subsidiary company and has terminated relationship as a result, it has fully set allowance for doubtful debts – loans to – such company due to long lasting overdue debt.

#### 12. Investments in Subsidiary Companies - Net

As of December 31, 2011 and 2010, Wyncoast Industrial Park Public Company Limited currently holds shares in subsidiary companies as follows:

(Unit : Baht)

Name of Company	Separate Financial Statements			
	Issued	Percentage	Cost Method	
	and Paid -	of	As of	As of
	up Share	Holding	December 31, 2011	December 31, 2010
Wyncoast Services Company Limited	1,000,000	99.99	-	999,930
Wyncoast Transport Company Limited	60,000,000	99.99	59,999,930	59,999,930
Total			59,999,930	60,999,860
<u>Less</u> Allowance for Impairment :-				
Wyncoast Services Company Limited			-	(999,930)
Wyncoast Transport Company Limited			(59,999,930)	(59,999,930)
Total			(59,999,930)	(60,999,860)
Net			-	-

For the year ended on December 31, 2011 and 2010, allowance for impairment has movement as follows:

(Unit : Baht)

	Separate Financial Statements	
	For the year ended on	
	December 31, 2011	December 31, 2010
Allowance for Impairment of Investment –Beginning	(60,999,860)	(140,999,160)
<u>Less</u> Decrease within Period	999,930	79,999,300
Allowance for Impairment of Investment –Ending	(59,999,930)	(60,999,860)

The Company records allowance for impairment of investment in subsidiary companies by the consideration from net book value of subsidiaries since such subsidiaries incurred loss result from operation from the event that the subsidiary companies constitute revenue uncovering fixed cost incurred.

In accordance with resolution of the Company's board of directors meeting no. 4/2011 on June 8, 2011, it resolves to dispose ordinary shares of Wincoast Services Company Limited, which is subsidiary company that operates business to render the service in the duty free zone. The Company agrees to transfer ordinary shares in number of 100,000 shares at value of Baht 3 per share being amount of Baht 300,000. The buyer agrees that he will receive the transfer of obligation commitment burden that took place before the whole shares trading including liability, but it does not various cases also including debt that the Company is debtor to Wincoast Serivecs Company Limited, and transferred such shares since June 17, 2011.

Net assets book value in subsidiary company as of June 30, 2011 is as follows:

	Financial Statements of Subsidiary Baht
Assets	
Cash and Cash Equivalent	8,951
Trade Accounts Receivable - Net	-
Other Current Assets	
Suspense Input Tax	112,562
Property, Plant and Equipment-Net	2,273,467
Total Assets	2,394,980
Liabilities	
Other Current Liabilities	
Accrued Expenses	811,797
Accounts Payable for Assets and Construction Works	1,720,183
Accrued Corporate Income Tax	370,851
Total Liabilities	2,902,831
Book Value –Net	(507,851)
<u>Less</u> Non – controlling Interests	-
Interest of the Company in Consolidated Financial Statements	(507,851)
Selling price	300,000
<u>Less</u> Cash and cash equivalent of subsidiary company	8,951
Cash received from sales of investment in subsidiary company	291,049
Selling price	300,000
<u>Less</u> Interest of the company in consolidated financial statements	(507,851)
Gain on sales of investment in subsidiary company in consolidated financial statements	807,851
<u>Less</u> Cash received from sales of investment in subsidiary company	291,049
Reversal of interest from recognition of share value surplus of investment due to the investment disposal	516,802

In accordance with resolution of the Company's board of directors meeting no. 12/2010 on December 14, 2010, it resolves to dispose ordinary shares of the Wincoast Logistics Co., Ltd., which is subsidiary company that operates business of rendering full cycle type logistics service. The Company agrees to transfer ordinary shares in number of 8,000,000 shares at value of Baht 0.0125 per share being amount of Baht 100,000.00. On December 14, 2010, the Company has performed shares disposal and shares transfer contract. The Company has already received shares subscription fee repayment and transferred such shares since December 24, 2010. The buyer agrees that he will receive the transfer of obligation commitment burden that took place before the whole shares trading including liability, various cases also including debt that the Wincoast Logistics Co., Ltd., is debtor to the Wincoast Industrial Park Public Co., Ltd., which is the Parent Company whereas there is no term in such receipt of the obligation commitment burden transfer.

Net asset book value of the subsidiary company as of December 24, 2010 is as follows:

	Financial Statements of Subsidiary Baht
Assets	
Cash and Cash Equivalent	23,255
Trade Accounts Receivable - Net	191,744
Other Current Assets	
Other Accounts Receivable	1,031,932
Suspended Input Tax	2,247,984
Others	41,798
Property, Plant and Equipment-Net	559,432
Intangible Assets-Net	10,450
Other Non-Current Assets	
Withholding Income Tax	28,765
Others	160,000
Total Assets	<u><u>4,295,360</u></u>

	The financial statements of the subsidiary companies
Liabilities	
Defaulted Loan from Financial Institutions	56,691,624
Trade Accounts Payable	72,263,582
Short Term Loans and Accrued Interests from Related Person and Company	15,743,283
Other Current Liabilities	
Accrued Expenses	3,663,240
Accounts Payable for Assets and Construction Works	30,075,690
Deposit and Retention Payables	3,761,272
Other Accounts Payable	8,102,388
Estimated Expenses for Loss from Litigation Claim	8,723,201
Estimated for Penalty Demolition Delayed	14,544,393
Others	2,368,133
Total Liabilities	215,936,806
Book value	(211,641,446)
<u>Less</u> Non-controlling Interests	-
The Company's Interest in Subsidiary Company in Consolidated Financial Statements	(211,641,446)
 Selling price	 100,000
<u>Less</u> Cash and cash equivalent of subsidiary company	23,255
Gain from disposing investment in subsidiary company	76,745
 Selling price	 100,000
<u>Less</u> The Company's interest in subsidiary company in consolidated financial statements	(211,641,446)
(Gain) from disposing investment in subsidiary company in consolidated financial statements	(211,741,446)
<u>Less</u> Allowance for doubtful debt in inter-debt burden	
Trade accounts receivable (Note 10)	(67,551,204)
Short-term loans and accrued interests to other company (Note 11)	(6,341,349)
Other accounts receivable	(85,410)
Reversal of interest from recognition of shares value surplus of investment in the subsidiary company due to investment disposal	(137,687,437)

### 13. Property, Plant and Equipment - Net

Consist of :

(Unit : Baht)

	Consolidated Financial Statements					
	Balance As of January 1, 2011	Purchase/ Transfer in	Sale/ Transfer out	Total	Sale Subsidiaries Company	Balance As of December 31, 2011
Costs						
Land	27,605,849	-	-	27,605,849	-	27,605,849
Land – Surplus	236,284,151	-	-	236,284,151	-	236,284,151
Buildings and Land Improvements	285,131,330	460,000	(1,148,040)	284,443,290	(2,450,820)	281,992,470
Machinery and Equipment	1,317,411	71,905	(23,719)	1,365,597	(11,122)	1,354,475
Furniture,Fixtures and Office Equipment	58,347,450	44,568	(5,337,419)	53,054,599	(49,000)	53,005,599
				-		
Vehicles	2,247,813	1,878,356	(1,452,943)	2,673,226	-	2,673,226
Utilities System	34,208,469	249,990	(63,031)	34,395,428	-	34,395,428
Work in Progress	266,967	-	-	266,967	-	266,967
Total Costs	645,409,440	2,704,819	(8,025,152)	640,089,107	(2,510,942)	637,578,165
Accumulated Depreciation :						
Buildings and Land Improvements	(239,486,434)	(8,191,349)	1,012,967	(246,664,816)	177,353	(246,487,463)
Machinery and Equipment	(690,071)	(132,128)	22,931	(799,268)	10,579	(788,689)
Furniture,Fixtures and Office Equipment	(57,919,866)	(403,289)	5,325,992	(52,997,163)	46,600	(52,950,563)
Vehicles	(993,862)	(450,441)	437,079	( 1,007,224)	-	(1,007,224)
Utilities System	(18,290,198)	(2,665,177)	63,029	(20,892,346)	-	(20,892,346)
Total Accumulated Depreciation	(317,380,431)	(11,842,384)	6,861,998	(322,360,817)	234,532	(322,126,285)
Impairment						
Machinery and Equipment	-	-	-	-	543	543
Furniture,Fixtures and Office Equipment	(2,943)	-	-	-	2,400	(543)
Total Impairment	(2,943)	-	-	-	2,943	-
Net	328,026,066					315,451,880

Depreciation for the Portion in the Income statement For Year ended on December 31,

2011	11,842,384
2010	22,555,927

	(Unit : Baht)			
	Separate Financial Statements			
	Balance	Purchase/	Sale/	Balance
	As of	Transfer in	Transfer out	As of
	January 1, 2011			December 31, 2011
Costs				
Land	27,605,849	-	-	27,605,849
Land – Surplus	236,284,151	-	-	236,284,151
Buildings and Land Improvements	282,680,510	460,000	(1,148,040)	281,992,470
Machinery and Equipment	1,317,411	71,905	(23,719)	1,365,597
Furniture,Fixtures and Office Equipment	57,869,763	44,568	(5,337,419)	52,576,912
Vehicles	1,650,943	1,878,356	(1,452,943)	2,076,356
Utilities System	34,473,054	249,990	(63,031)	34,660,013
Total Costs	641,881,681	2,704,819	8,025,152	636,561,348
Accumulated Depreciation :				
Buildings and Land Improvements	(239,390,144)	(8,110,286)	1,012,967	(246,487,463)
Machinery and Equipment	(794,002)	(120,054)	22,931	(891,125)
Furniture,Fixtures and Office Equipment	(57,435,818)	(328,656)	5,325,992	(52,438,482)
Vehicles	(513,267)	(334,640)	437,079	(410,828)
Utilities System	(18,276,228)	(2,665,177)	63,029	(20,878,376)
Total Accumulated Depreciation	(316,409,459)	(11,558,813)	6,861,998	(321,106,274)
Net	325,472,222			315,455,074
Depreciation for the year ended on December 31,				
2011				11,558,813
2010				14,731,459

On October 22, 2007, the Company constitutes land appraisal by independent appraiser which the market price comparison method is applied in the appraisal. Moreover, given such appraisal, it is found that the land constitutes the appraised price higher than cost price by amount of Baht 236.28 million. The book value of the land is increased from such new appraisal reflected in the surplus from assets appraisal that reflected in the shareholders equity. In addition, such surplus cannot be taken for dividend payment.

The consolidated financial statements, as of December 31, 2011 and 2010, the Company have had assets with the depreciation fully calculated but still in use which show a cost value of Baht 250.01 million and Baht 246.16 million respectively. The net book value is Baht 1,153 and Baht 4,026 respectively. And the separate financial statements, which show a costs value of Baht 249.47 million and Baht 246.09 million respectively. The net book value is Baht 1,152 and Baht 1,084 respectively.



The consolidated and separate financial statements as of December 31, 2011 and 2010, the land plus property in the historical cost amount of Baht 546.57 million and 520.18 million respectively, and contingent asset are pledged to the commercial bank in accordance with note to financial statements No.15, long – term loans and obligation with financial institution in accordance with note to financial statements No.17. Moreover, it also contributes beneficiary from insurance taking in the amount according to insurance contract amount of Baht 140.00 millions to such merchant bank.

#### 14. Intangible Assets - Net

Consist of :

				(Unit : Baht)
Consolidated Financial Statements				
	Balance As of January 1, 2011	Increase / Transfer in	Sale / Transfer out	Balance As of December 31, 2011
Software Computer Systems	1,059,095	-	-	1,059,095
<u>Less</u> Amortization	(753,759)	(111,362)	-	(865,121)
Impairment	-	(101,478)	-	(101,478)
Net	305,336			92,496
Amortization for the year end on December 31,				
2011				111,362
2010				420,726

				(Unit : Baht)
Separate Financial Statements				
	Balance As of January 1, 2011	Increase / Transfer in	Sale / Transfer out	Balance As of December 31, 2011
Software Computer Systems	1,059,095	-	-	1,059,095
<u>Less</u> Amortization	(753,759)	(111,362)	-	(865,121)
Impairment	-	(101,478)	-	(101,478)
Net	305,336			92,496
Amortization for the year end on December 31,				
2011				111,362
2010				194,387

## 15. Credit Facility and Guarantee

The Company received credit facility of short term loans, long term loans, bank overdrafts account and letter of guarantee in the amount of Baht 140 million. Whereby land plus property and contingent asset to the company's ownership are pledged to the commercial bank in accordance with note to financial statements No.13.

## 16. Liabilities under Hire-Purchase Lease Agreements - Net

Consist of:

(Unit : Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	As of		As of	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Liabilities Under Hire - Purchase Lease				
Agreements	2,485,730	2,321,613	1,707,720	1,210,170
<u>Less</u> Deferred Lease Interest	(185,980)	(149,816)	(185,980)	(149,815)
Current Portion of Liabilities				
Under Hire - Purchase Lease				
Agreements	(733,190)	(738,934)	(399,757)	(405,502)
Net	<u>1,566,560</u>	<u>1,432,863</u>	<u>1,121,983</u>	<u>654,853</u>

The consolidated and separate financial statements as of December 31, 2011 and 2010, liabilities under hire - purchase lease agreement on behalf of subsidiaries; there is letter of guarantee of the subsidiary company. One of the director of the Company and the former director of the Company and its subsidiary fully guaranteed.

## 17. Long - Term Loans from Financial Institutions - Net

Consist of:

	(Unit : Baht)	
	Consolidated/Separate Financial Statements	
	As of	As of
	December 31, 2011	December 31, 2010
Bank Overdrafts	19,693,872	19,943,626
Short-Term Loans	64,067,797	64,682,764
Long-Term Loans	9,862,812	9,950,177
Letter of Guarantee	1,615,219	2,608,408
Accrued Interest Expense	45,088,763	45,121,295
Total	140,328,463	142,306,270
<u>Less</u> Current Portion of Long-term Loans	(6,648,683)	(2,715,143)
Net	133,679,780	139,591,127

For the year ended on December 31, 2011 and 2010, long - term loans from financial institutions has movement as follows:

	(Unit :Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	For the year ended on		For the year ended on	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Long - Term Loans from Financial Institutions				
–Beginning	97,184,975	-	97,184,975	-
<u>Add</u> Transfer of Default Debts Loan	-	98,667,973	-	98,667,973
<u>Less</u> Repayment within Period	(1,945,275)	(1,482,998)	(1,945,275)	(1,482,998)
Long - Term Loans from Financial Institutions				
–Ending	95,239,700	97,184,975	95,239,700	97,184,975

On January 25, 2010 and February 8, 2010, the Company has performed compromise contract in legal case with one merchant bank regarding defaulted cases according. The bank consents to extend period of total repayment installments within eight years six months (102 installments) commenced from the date the compromise contract repayment period of not less than Baht 500,000-2,200,000 under repayment period, is performed while there is interest rate MLR per annum of the principle amount of Baht 95.67 million. As of December 31, 2011, the Company had repayment debt at installment no.24 which in line with the compromise agreement.

If the Company repays debt according to contract by no default in term of repayment, it will receive accrued interest reduction in amount of Baht 13.59 million. Given such long term loan, the Company has mortgaged land plus property and that will take place in the future according to note No. 13 which is ownership of the Company to mortgage register at the merchant bank.

## 18. Provision of Employee Benefit

The Group applied the accounting for post employment benefits to employees or retirement indemnity following the accounting standard No. 19 “Employee Benefits”. The provision of employee benefit will be paid to employees upon retirement from the Company. The retirement indemnity is calculated annually by a qualified actuary using the projected unit credit method in order to determine the present value of the obligation and the current service cost. Based on the actuarial valuation report issued by the management dated March 31, 2011.

Provision of Employee Benefit as follows:

	Baht
Present value of the obligation as of January 1, 2011	548,803
Current service cost	494,937
Interest expenses	27,392
Present value of the obligation as of December 31, 2011	1,071,132

The principal assumptions used for the purposes of the actuarial valuation were as follows:

Discount rate	3.65 % per annum
Salary increase rate	1-2 % per annum
Employee turnover rate	40 % per annum
Retirement age	55 years old

## 19. Share Capital

### Parent Company

- 19.1 Given the event that the Company constitutes registered capital reduction in 2005, there is fully taking the result of capital reduction to compensate accumulated loss before taking to compensate the discount of par value. Due to this accounting record, as of December 31, 2011 and 2010, the Company constitutes discount on share capital remained in amount of Baht 264.64 million. However, the Federation of Accounting Professions relaxed to the Company to apply existing capital reduction method so as to fully write-off the outstanding discount on share capital instead of amending the

historical accounting record. The Company constituted the resolution of the Executive Committee Meeting No. 3/2006 which held on February 10, 2006 and the Board of Directors' Meeting No. 2/2006 which held on February 17, 2006 that approved the further study of the reduction plan of the discount on share capital. Moreover, the Company is proceeding with the reduction of such discount on share capital to be completed within 3 years (within February, 2009). However, if the Company will repay dividend, the outstanding retained earnings after the Company dividend payment have to remain at minimum of discount on share capital which is outstanding in the accounting record.

In accordance with the resolution of Board of Directors Meeting No. 1/2009 held on January 23, 2009, it is unanimously resolved to approve expanding discount on share capital to be completed within 3 years (within March 2012).

19.2 In accordance with the resolution of Board of Directors Meeting No. 3/2008 held on March 24, 2008, it is unanimously resolved to approve about share capital as follows:

1. Share capital registered will be increased from Baht 510,381,460 to Baht 632,963,479 with per value at Baht 1 per share.
2. From increased share capital article 1 unanimously resolved to allocate Baht 122,582,019 new shares through a private placement to investors and/or institutions. The offered price will no less than 90% of the Market Price by referring to the weight average closing price to the Company's shares traded on the Stock Exchange 10 consecutive trading days prior to the approval of the Company's Board of Directors (between 10-21 March 2008), or 90% of 1.14 Baht/share. The offering shall be accomplished within 12 months from the date of the approval from the shareholders meeting.

Above share capital registered increasing, approval by the Shareholders Meeting hold on April 29, 2008. The Company has registered share capital increasing with the Ministry of Commerce on July 15, 2008. Presently, the Company is not issue new shares.

## **20. Legal Reserve**

Under the provisions of the Limited Public Company Act B.E. 2535, the Company is required to appropriate at least 5% of its annual net income after deduction of any deficit brought forward as a legal reserve until the reserve reaches 10% of the authorized capital. This reserve is not available for dividend distribution.

## **21. Management Benefit Expenses**

Management benefit expenses represent benefit expenses that management obtained from the Company such as compensation paid in cash and other benefits as stocks, debentures or other privileges

including employee stocks option plan or any incentive, etc. For the listed company, the management represents the management as described in according to Securities and Exchange Law.

## 22. Corporate Income Tax

Corporate Income Tax are computed of the corporate income tax by the rate of 30% of accounting profit after adding back adjusted transactions in accordance with the revenue code which is mainly in respect of loss from impairment of fixed assets and doubtful debt etc.

## 23. Expenses by Nature

Significant expenses by nature for the year ended on December 31, 2011 and 2010 are as following:

	(Unit: Baht)			
	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Salary and wages and other employee benefits	4,790,972	7,335,202	4,790,972	7,314,683
Depreciation	11,842,384	22,555,927	11,558,813	14,731,459
Amortization	111,362	420,762	111,362	194,387
Property Tax	1,395,703	1,531,928	1,395,703	1,531,928
Rental Expense	742,879	1,360,794	742,879	711,394
Administration Expense	900,000	900,000	900,000	900,000
Loss from Impairment of Fixed Assets	-	79,958,381	-	-
Loss from Impairment of Intangible Assets	101,478	1,037,622	101,478	-
Estimate Expenses of Financial Support for Subsidiary Company	-	-	2,078,367	3,266,020
Loss from Liability Estimation for the Litigation Claims	3,441,346	3,969,377	1,727,647	-
Management Benefit Expenses	5,119,246	3,078,000	5,119,246	3,078,000
Other Expenses	19,348,359	39,153,970	19,318,135	12,858,676
Total	47,793,729	161,301,963	47,844,602	44,586,547

## 24. Disclosure of Sectoral Business Operation

For the year ended on December 31, 2011 and 2010, the Group had the information on sectoral business operation is as follows:

(Unit: Baht)

Consolidated Financial Statements				
For the year ended on December 31, 2011				
	Rental and Services	Service Rendered in Logistics	Eliminated Items	Total
Revenue	42,386,577	-	-	42,386,577
Profit(Loss) from Operation	35,059,363	-	-	35,059,363
Gain on Sales of Investment				291,049
Reversal of Interest from Recognition of Shares Value Surplus of Investment in the Subsidiary Company due to Investment Disposal				516,802
Other Incomes				4,101,323
Common Expense				(40,466,516)
Financial Costs				(7,112,544)
Corporate Income Tax				(370,711)
Net Profit (Loss)				(7,981,234)
Fixed Assets				315,451,880
Common Assets				23,410,972
Total Assets				338,862,852

(Unit: Baht)

Consolidated Financial Statements				
For the year ended on December 31, 2010				
	Rental and Services	Service Rendered in Logistics	Eliminated Items	Total
Revenue	30,296,602	138,521	(420,000)	30,015,123
Profit(Loss)from Operation	22,127,122	(6,974,664)	(420,000)	14,732,458
Gain on Sales of Investment				76,745
Reversal of Interest from Recognition of Shares Value Surplus of Investment in the Subsidiary Company due to Investment Disposal				137,687,437
Other Incomes				10,550,700
Common Expense				(146,019,297)
Financial Costs				(14,679,668)
Net Profit				2,348,373
Fixed Assets	328,049,176	-	(23,110)	328,026,066
Common Assets				11,108,000
Total Assets				339,134,066

For the year ended on December 31, 2011, the Company and its subsidiaries conducted 1 types of business rental and services and for the year ended on December 31, 2010, the Company and its subsidiaries conducted 2 types of business, i.e. rental and services, service rendered in logistics. Gain (loss) from

operation of each segment was derived from total revenues subtracted by cost of goods sold of respective segment, since the Company disposed investment in the Wincoast Logistics Co., Ltd., on December 24, 2010.

The fixed assets of each type of business are used for its operation whereas joint assets include other assets not classed as fixed assets.

Basis in the determination of transferred prices between sectors of the Company and its subsidiaries (see note to financial statements No.7.1). Basis for determination of transferred price between segments of subsidiaries incurred inter-related; there is policy of price determination in the mutually agreed rate while there is no inter contract performance.

## 25. Financial Instruments

### 25.1 Financial Risk Management and Policies

The Group does not hold or issue off-balance sheet derivative instruments either for speculative or trading purposes.

### 25.2 Interest Rates Risk

Interest rates risk is derived from the fluctuation of market interest rates in the future which will affect the result of the Group operations and its cash flows. The Group had assets and liabilities instruments to hedge against this risk as follows :

	Consolidated Financial Statements			
	Amount (Million Baht)		Interest Rate per annum (%)	
	2011	2010	2011	2010
Saving deposit accounts	13.67	1.10	0.75	0.75
Long – term loan from financial institution	95.24	142.31	MLR	MLR
Loans from related persons	-	0.21	-	MOR
	Separate Financial Statements			
	Amount (Million Baht)		Interest Rate per annum (%)	
	2011	2010	2011	2010
Saving deposit accounts	13.61	1.02	0.75	0.75
Long – term loan from financial institution	95.24	97.18	MLR	MLR
Loans from related persons	-	0.21	-	MOR



## 25.2 Foreign Exchange Rates Risk

The Group is not exposed to any risk from foreign exchange rate fluctuations because its main enterprise is conducted locally.

## 25.3 Credit risk

The Company has the credit term risk from unable to collect from trade accounts receivable. The Company has the process of credit analysis and checking of pay ability of each trade accounts receivable that expected to be unable to pay and the Company reserved enough provision. Financial assets shown in statements of financial position at the book value deducted by allowance for doubtful accounts are maximum value of credit risk.

## 25.4 Fair value

Since the majority of the financial assets and liabilities are short-term, the book value of the Company's financial assets and liabilities does not materially differ from their fair value.

## 26. The Important Contracts

The Company received approval from Custom Department by relying on the power according to the Section 97 Tri of The Custom Act of B.E. 2469, additional rectification by the Custom Act (version 18) B.E. 2543. It is approved to open the operation of duty free zone for the commercial and industrial activity under the name of "Wyncoast Duty Free Zone" from December 31, 2005 onwards. There is no determination of the terminated date. In case that the person who received the established approval of the duty free zone does not comply with the principle that the General announce to determine and it causes the serious damage, the general holds the power to withdraw the approval or arrange any other matter.

## 27. Obligations Commitment and Contingent Liability and Estimate of Liability

Apart from the various liabilities presented in the financial statements, the Company and its subsidiaries have obligations as of December 31, 2011 and 2010, as follows:

### 27.1 Obligation with Financial Institution

	Consolidated Financial Statements		Separate Financial Statements	
	As of	As of	As of	As of
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Letters of Guarantee	5.00	5.00	5.00	5.00

The consolidated and separate financial statements as of December 31, 2011 and 2010, letter of guarantee issued by the bank in respect of some obligation commitment in the normal course of business of the Company. The Company has pledged land plus property and contingent asset in accordance with financial statements No.13 which is the ownership of the Company with the commercial bank. Given the subsidiary company part, it uses the credit line of the Company.

## 27.2 Obligation with the Revenue Department

As of April 27, 2004, the Company was tax assessed by the Revenue Department in light of value added tax and withholding tax in accordance with the section 70 of the Revenue Code, in accordance with the notice in amount of Baht 127.39 million and as of June 7, 2004 the Company has partly filed the withholding tax in amount of Baht 26.96 million.

On May 16, 2005, the Revenue Department investigated the Company appeal which has been filed the appeal to object the assessment of value added tax and withholding tax, while the result of appeal result have the balance amount of tax payable Baht 113.64 million, the Company filed the appeal of the adjudication of the Board of Appeal Consideration in special case in accordance with No. Por Yor (Aor Tor.2)/2/B.E.2548 - No. Por Yor (Aor Tor.2)/4/B.E.2548 to the Central Tax Court on August 26, 2005. On July 14, 2006, the Central Tax Court adjudicated such appeal by following the adjudication of the Appeal Committee.

On September 29, 2006, the Company files to appeal the adjudication the Central Tax Court to the Supreme Court. Presently, the result of appeal has not been finalized. However, the former shareholders agree to take responsibility in contingent liability which incurs from the event occurs before the shares selling to the new shareholders. As a result, the former shareholders (Group of Grand Holding Limited Company Limited) assigned Hong Kong and Shanghais Banking Corporation Company Limited issued letter of guaranteed contract to repay the Company tax to the Revenue Department so as to file the delay petition of tax repayment in accordance with the appeal adjudication as follows:

			(Unit: Baht)
Letter of guarantee contract No.	Date on Letter of guarantee contract		Credit Line
053438	October 25, 2005	Obligation of tax	86,289,632
		New surcharge in full amount	20,418,759
		Total	106,708,391
053439	October 25, 2005	Obligation of tax including surcharge which has to fully repay	4,677,006
053440	October 25, 2005	Obligation of tax	3,414,451
		Total	8,091,457
		Grand Total	114,799,848

In accordance with letter no. Khor Kor 0724/8872 dated on October 26, 2005, the Revenue Department approves to delay tax repayment in accordance with appeal adjudication No. Por Yor (Aor Tor.2)/2/B.E.2548 - No. Por Yor (Aor Tor.2)/4/B.E.2548 dated on May 16, 2005, aggregating to Baht 114,799,847.18 until the finalized adjudication of the Court.

### 27.3 Obligation Commitment according to the Contract

27.3.1 The Company constitutes obligation commitment in accordance with an agreement to appoint financial advisor. Under the term of contract, the Company has to pay a 2.25% success fee upon signing a investment agreement with prospective investor (s).

27.3.2 The Company constitutes obligation commitment in accordance with an agreement to management service, security and rental building and car within 1 year amount of Baht 1.18 million.

### 27.4 Litigations

#### Wyncoast Industrial Park Public Company Limited

On May 27, 2011, The State Railway of Thailand sue a civil case to with the Company in allegation breach lease and sue for damages from car bugie contract including debt value, interest, and fine fee to date the Company was sued.

As of December 31, 2011, the Company has carrying amount of debt and provision for litigation of interest and amercement under “Other current liabilities” which there is detail as follows:

		As of December 31, 2011
Value of debt was sued by trade account payment		Baht 11.97 million
Value of principal debt by the verdict of the court		Baht 10.24 million
Value of trade account payable debt in book value		Baht 10.24 million
Estimated expensed for loss from litigation claims		Baht 1.73 million

Wyncoast Transport Company Limited

The 1<sup>st</sup> case On May 12, 2008, the subsidiary company was sued by a payable as defendant under the containers carrying contract, including debt vale, interest, and fine fee until the dated on subsidiary was sued. On April 7, 2009, the Civil Court passed a verdict ordering a subsidiary to compensate for the claim.

As of December 31, 2011 and 2010, the subsidiary company have constitutes debt value of trading account payable according to book value and estimation of liability from being prosecuted in part of such interest and fine fee under “Other current liability” which there is detail as follows:

	Debt of Credit 1 <sup>st</sup>	
	As of December 31, 2011	As of December 31, 2010
Debt value of trade account payable being prosecuted	Baht 9.95 million	Baht 9.95 million
Debt value to verdict of the primary court	Baht 7.97 million	Baht 7.97 million
Debt value of trade account payable in book value	Baht 6.98 million	Baht 6.98 million
Estimated expensed for loss from litigation claims	Baht 3.79 million	Baht 3.10 million

On April 28, 2010, the Department of Cases Enforcement has confiscated some asset of the subsidiary company according to verdict of the Primary Court.

On May 18, 2009 the subsidiary company has filed petition to request for case enforcement alleviation and filed appeal to the Court. On July 7, 2011, the Appeal Court has confirmed the judgment of the Primary Court that it requires the subsidiary company to repay such debt and interest from engagement default commenced next from prosecuted date.

However, on July 29, 2011, the subsidiary company has prepared letter to acknowledge lawyer who receives power assignment informing purpose regarding not to the case appeal.

The 2<sup>nd</sup> case On September 29, 2009, the subsidiary company was prosecuted by one trading account payable in civil case in charge of default in transportation by claiming for damage fee from engagement default in merchandise container transportation which consists of debt and interest balance until the date the subsidiary company was prosecuted. Moreover, the Court has adjudicated on the same date that it requires the subsidiary company to repay such debt and interest in the rate of 7.5% per annum from debt balance commenced next from prosecuted date.

As of December 31, 2011 and 2010, the subsidiary company constitutes debt value of trading account payable according to book value, estimation of liability from being prosecuted in part of such interest and fine fee under “Other current liability” which there is detail as follows:

	Debt of Credit 2 <sup>st</sup>	
	As of December 31, 2011	As of December 31, 2010
Debt value of trade account payable being prosecuted	Baht 11.53 million	Baht 11.53 million
Debt value to verdict of the primary court	Baht 10.65 million	Baht 10.65 million
Debt value of trade account payable in book value	Baht 10.65 million	Baht 10.65 million
Estimated expensed for loss from litigation claims	Baht 2.49 million	Baht 1.89 million

The subsidiary company has filed petition to request for new hearing to the Court on January 25, 2010. Presently, the Court has rejected petition to request for new hearing. However, on June 11, 2010, the subsidiary company has prepared letter to acknowledge lawyer who receives power assignment informing purpose regarding not to the case appeal.

## 28. Capital Management

The primary objectives of the Company’s capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2011 and 2010, debt to equity ratio in the consolidate financial statements is 1.57:1 and 1.42:1, respectively. And the separate financial statement is 1.57:1 and 1.41:1 respectively.

## **29. Other**

On August 5, 2010, the Company has performed memorandum jointly with the Global Water Supply, Inc., which the listed company established company in Delaware, U.S.A. in the project “fresh water refinement from sea water” by using ship that has high level technology in fresh water refinement from sea water. The Company will perform duty as intermediary in purchasing receipt and selling water to customers in Pattaya area and Samui Island. Presently, it is under negotiation of inter-agreement.

Moreover, on September 20, 2010, the Company has preformed memorandum with the Wilaikul International Import Export Company Limited. (LAO) in project of number 13 public highway road construction in order to construct road from Vienjun Capital to Pakchun City. The Company performs duty as coordinator in design outsource project and control project. Presently, it is under negotiation of inter-agreement.

## **30. Approval of the Financial Statements**

These financial statements have been approved by authorized directors of the Company on February 28, 2012.

---