

**ANNUAL REPORT**  
**YEAR 2012**

**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	32
Auditor's Report and Financial Report	36

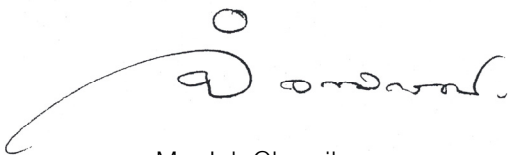
## Message from Chairman of the Board

As year 2012 has been passed by with the fluctuated economic situation and unpredictable natural disaster, Wyncoast Industrial Park Public Company Limited has struggled all the obstacles with extremely intention and effort of the Management and all the level of employee until the Company's performance getting full satisfactory.

If we looked backward to the past years, you could find out the consequence of the endeavor for all resolving including the effort to push the Company steady forward and growth for improved performance as caused by the full vision and exertion of all operators under the shareholder's full and well support.

Although the performance has been stated as satisfied, the progressed mission and steady growth are all the Management's challenges. All employees must step to the objectives particularly looking for new potential business to invest and expand which will strengthen the Company.

As the positive performance is our core mission but the Company does not abandon the social and environment concerned since we realize that we could not stand alone accordingly the environment's activities and social's return are another objectives to manage simultaneously in order to be proud as a part of the Company, respectively.

A handwritten signature in black ink, appearing to read 'Jak Chamikorn', with a long, sweeping underline that starts under the first letter and extends to the right.

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.

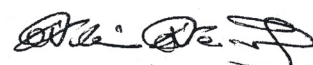
The Audit Committee has performed their duties under the responsibilities assigned by the Company's Board of Directors consistent with the requirement of the Stock Exchange of Thailand and held 5 meetings in 2012 and discussion with the management and internal auditor within the specified timeframe. 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	42	9.58%	- 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 life partner	2008-Present	Chairman	Wyncoast Industrial Park Pcl.
					Present	Secretary of Committee on Commerce and Intellectual Property	Committee on Ordinary House of Representatives
					2011	Secretary of Committee on Communications and Telecommunications	Committee on Ordinary House of Representatives
					2007 – 2008	Director	Wyncoast Industrial Park Pcl.
					2007-Present	Director	T.A.G.Airline Co.,Ltd.
						Managing Partner	Pradee Limited Partnership
					2006-Present	Director	Air Andaman Co., Ltd.
					2003 – 2004	Executive Director	TTB 5 Public Co., Ltd.
					2001 – 2004	Managing Director	B.H.I. Holding Pcl.
2. Mr. Phatpong Limchaikul Director	49	None	- Executive M.B.A., Chulalongkorn University - BA. Accounting, Thammasat University - DAP Class.76/2008 of IOD	None	2008–Present	Director	Wyncoast Industrial Park Pcl.
					1997-Present	Executive Director	Apple – A.D.C. Joint Venture
					1997-Present	Finance & Accounting Manager	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	78	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 Permanent Secretary	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	42	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 life partner	2008-Present Present  2007-Present  2006-Present 1999-Present 2001 - 2006	Director / Deputy Chief Secretary of Committee on Financial and Banking and Financial Institution Executive Officer Managing Partner Director Director Director	Wyncoast Industrial Park Pcl. Committee on Ordinary House of Representatives  T.A.G.Airline Co.,Ltd. Pradee Limited Partnership Thai Society Chanel 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	47	None	- MBA. from National Institution of Development and Administration - Bachelor of Humanities, Srinakarinvirog University - DAP Class 73/2008 of IOD	None	2008-Present	Director/ Board of Director and Management Selection & Remuneration Committee/CEO	Wyncoast Industrial Park Pcl.
					2008-2012	Director	Wyncoast Transport Co.,Ltd.
					2008-2011	Director	Wyncoast Service Co.,Ltd.
					2008-2010	Director	Wyncoast Logistics Co.,Ltd.
					2007	Senior Sale Manager	} OOCL Thailand Ltd.
					2002 - 2006	Laem Chabang Barch	
					1998 - 2001	Office 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	56	None	- Bachelor of Humanities, Prince of Songkla University	None	2011-Present	Director / Board of Director and Management Selection & Remuneration Committee / COO	Wyncoast Industrial Park Pcl.
					2011-2012	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	65	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	72	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	52	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 - DCP Class 159/2012 of IOD - RCC Class 15/2012 of IOD	None	2007–Present	Independent Director / Audit Committee	Wyncoast Industrial Park Pcl.
					2012–Present	Director	Government Saving Bank
					2011–Present	Senior advisor	Arbitration Office of Thailand
						Director	Electricity Provincial
					2006–2007	Senior advisor	Authority
						Director	Institute for Small and
					2006–2007	Director	Medium Enterprise
					2005–2006	Board Advisory	Development
					2004–2006	Chairman of the Board of Subcommittee	Wyncoast Transport Co.,Ltd.
					2002–2005	Director, Information Technology Services Center	Wyncoast Logistics Co.,Ltd. State Railway of Thailand Software Industry Promotion Agency (Public Organization), Chiang Mai Branch, Chiang Mai University
10. Mrs. Marayat Pringthongfoo Independent Director and Audit Committee	66	None	- Master of Development Public Administration, NIDA - Bachelor's Degree of Accounting, Thammasat University - DAP Class 73/2008 of IOD	None	2007–Present	Independent Director / Audit Committee	Wyncoast Industrial Park Pcl.
					1972 - 2006	Senior Auditor	Office of The Auditor General

## Annual Report Year 2012

---

### 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, 2012
Paid up share capital	490,483,540 Baht (par value 1 Baht) as of December 31, 2012

### 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 2012

---

- 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 2012

---

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 2012

---

- 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.
- On the 20<sup>th</sup> December, 2012, , the Company has disposed the Company's investments which are Wyncoast Transport Company Limited has been completely finished by December 27, 2012

### 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 2012

### Capital Structure and Major Shareholders

#### 1. Capital Structure

As of December 31, 2012, 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 14, 2013, the latest book-closing date with the list of the 10 largest shareholders is as follow:

Shareholders	No. of Shares	%
1. Chamikorn Group	122,428,700	24.96%
1.1 Mrs.Napa Chamikorn	75,428,601	15.38%
1.2 Mr.Jak Chamikorn	47,000,099	9.58%
2. Petchtrakul Group	114,500,000	23.35%
2.1 Samprasit Ltd. Part.	84,500,000	17.23%
2.2 S.T. Power Engineering Co., Ltd.	20,000,000	4.08%
2.3 SEIG Engineering Co.,Ltd.	10,000,000	2.04%
3. Mr. Chitaworn Boonlorm	21,856,200	4.46%
4. Mr. Pichai Panyasavanamit	16,360,000	3.34%
5. Thai NDVRs Co., Ltd.	8,343,452	1.70%
6. Ms. Keawjai Limpisuk	8,000,000	1.63%
7. Mr. Nuttaphob Rattanasuwanthawee	7,900,000	1.61%
8. Ms. Komtip Nangnuan	7,235,100	1.47%
9. Ms. Watcharee Pannchet	6,300,000	1.28%
10. Mr. Thanapol Thitipunya	6,000,000	1.22%
Others	171,560,088	34.98%
<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, 2012, the occupancy rate was 68.94 percent of total rental space. The Company has the outside building, concrete area and open space around 10,000 square meters for serving and storing the equipment or machine of other customers.

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.

Currently, the Company has increased its revenues by expanding rental and service area besides its 6 warehouses since it was a non-generated income area during the past however, there are plan to construct this area for permanent rental and service area. Moreover, the construction for more heavyweight warehouse in tax free zone in order to serve more customers in variety industry is on the plan.

The Company has studies the possibility for expand its free zone area to other area to serve more customer's desire.

##### 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

## Annual Report Year 2012

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
- 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 2012, the Company has total revenue of Baht 55.22 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 2012 can be illustrated as follow:

	2012		2011	
	Million Baht	%	Million Baht	%
Revenue from rental and service	50.96	92.29%	42.39	91.18%
Revenue from Sales	1.25	2.26%	-	0%
Other income	3.01	5.45%	4.10	8.82%
<b>Total Revenue</b>	<b>46.49</b>	<b>100.00%</b>	<b>46.49</b>	<b>100.00%</b>

## Risk Factors

1. 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.

### **2. 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 2012, the rental business from free zone area generated revenues to the Company at the amount of Baht 50.96 and the other services revenues is approximately Baht 4.26 million, totally its revenues approximated Baht 55.22 million which is relatively small when compare with other company in the same sector.

### **3. 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.

## Annual Report Year 2012

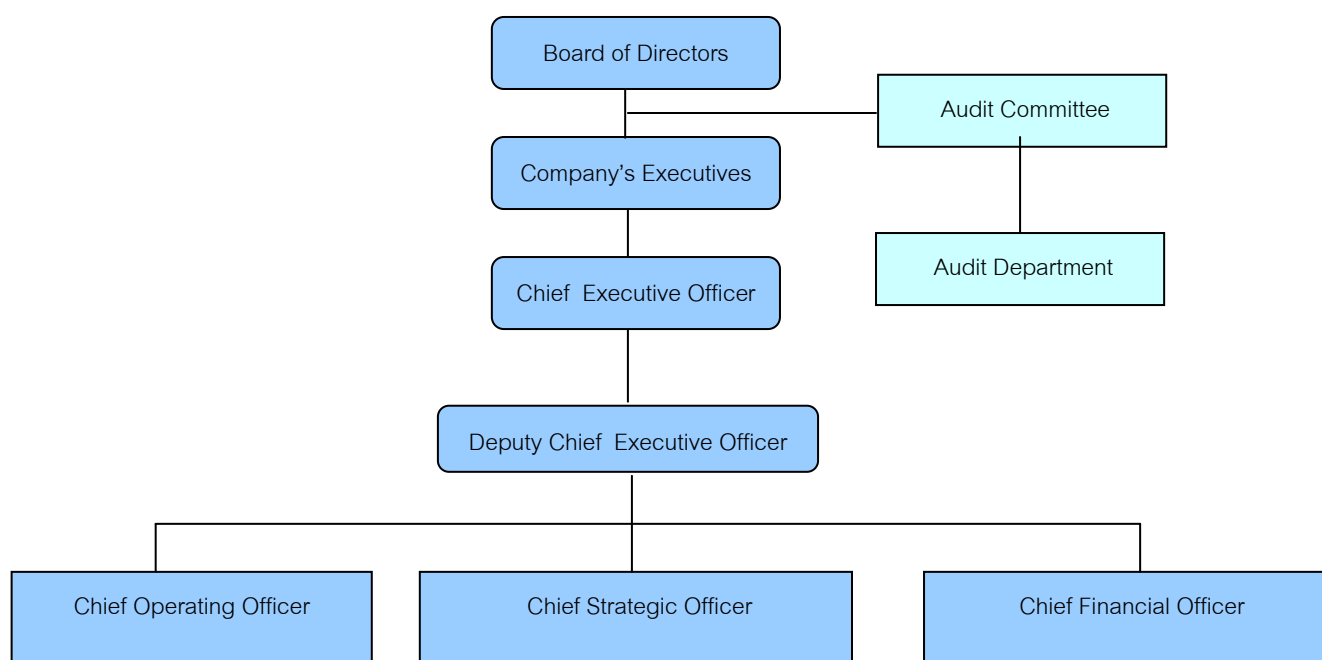
### 4. Risk from in short term rental contract

As most of the rental contract term is 3 years with renewal option which may cause the investor concerning the affect from non-renewal the rental contract. However, after the customer has started its production line, they will not move out the production area with reasonable cause. Generally, the renewal contract has more than 90% of total expired contracts. It could be said that there is non-renewal risk diversified from having variety of industries from several countries when the contracts are due. Moreover, its rental and service area has been designed for standard requirement and spec and located in the favorable area, thus the Company could easily get new tenant if there is non-renewal contract.

## 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:



## Annual Report Year 2012

### 1.1 The Company's Board of Director

The Company's Board of Director consists of 10 directors on December 31, 2012 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
6	Mrs.Krissana Prakobkandee	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

#### 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 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.

## Annual Report Year 2012

---

- 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, 2012 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.

## Annual Report Year 2012

### 1.3 The Company's Executives Committee

List of the Company's Executives Committee on December 31, 2012 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	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.

#### 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;
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, 2012 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	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
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, 2012 are as follow;

No.	Name	Position
1	Mr. Tienchai Dawanwong*	Chief Executives Officer
2	Ms. Koranun Sukonritikorn*	Deputy Chief Executive Officer Acting on Chief Financial Officer
3	Mrs. Krissana Prakobkandee*	Chief Operation Officer
4	Ms. Vinita Chamikorn	Chief Strategic Officer

- No. 1-3 : Board of Director positions

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 2012 The remuneration of the Company's directors and executives in the total amount of Baht 985,000 consisted of:

			<u>Period</u>
Mr. Jak Chamikorn	180,000 Baht	November 13, 2007 – present	
Mr. Phatphong Limchaikul	120,000 Baht	July 31, 2008 – present	
General Paiboon Aimphun	115,000 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	145,000 Baht	June 18, 2007 - present	
Mr. Chaithawat Saowapon	145,000 Baht	September 3, 2007 - present	

## Annual Report Year 2012

---

- In 2012, the sum of the salary-based remuneration for the company and subsidiaries executives was Baht 4,322,600 and for the company executives only was Baht 4,322,600.

### 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 2012 were as follows:

The Company held annual general meeting (AGM) for the fiscal year 2012 on the 25<sup>th</sup> of April 2012

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 2012 and the prior year as follows:

## Annual Report Year 2012

---

### 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.
- 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 2012, 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.

## Annual Report Year 2012

---

### 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.

## Annual Report Year 2012

- 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.

In 2012, the company held the Board of Directors' meetings for 11 times. The details of attendance are as follows:

No.	Name	BOD (Times)	AGM 2012
1.	Mr. Jak Chamikorn	11/11	/
2.	Gen.Paiboon Aimphun	10/11	/
3.	Mr. Poonsak Tedniyom	9/11	/
4.	Mr. Phatphong Limchaikul	11/11	/
5.	Mr. Tienchai Dawanwong	11/11	/
6.	Ms. Koranun Sukonritikorn	11/11	/
7.	Mrs.Krissana Prakobkandee	11/11	/
8.	Gen.Sompochana Sundaramani	11/11	/
9.	Mrs. Marayat Pringthongfoo	11/11	/
10.	Mr. Chaithawat Saowapon	11/11	/

### 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:

\* Remark On the 20<sup>th</sup> December, 2012, , the Company has disposed the Company's investments which are Wyncoast Transport Company Limited has been completely finished by December 27, 2012

## Annual Report Year 2012

	<u>2012</u>	<u>2011</u>
Wyncoast Industrial Park Public Company Limited	21 person	27 person
Wyncoast Transport Company Limited	0 person	0 person

### 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)	
	2012	2011
Wyncoast Industrial Park Public Company Limited	3.96	4.40
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.

## Annual Report Year 2012

---

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.

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

On December 20, 2012, the Company has disposed the Company's investments in Wyncoast Transport Company Limited and has been completed the transaction by December 27, 2012 thus has no related transaction in year 2012.



## Annual Report Year 2012

### Financial Highlight

\* Remark On December 20, 2012, the Company has disposed the Company's investments which are Wyncoast Transport Company Limited has been completed the transaction by December 27, 2012

### Financial Status

Unit : Million Baht	Consolidated		Company Only		
	2011	2010	2012	2011	2010
Current asset	22.50	10.29	32.66	22.42	9.99
Non-Current asset	316.36	328.84	367.68	316.36	326.29
Total asset	338.86	339.13	400.34	338.78	336.29
Current liabilities	66.20	59.46	41.68	66.53	57.68
Non-Current liabilities	140.75	139.78	133.57	140.30	138.99
Total liabilities	206.95	199.24	175.25	206.84	196.68
Shareholders' Equity	131.92	139.90	225.09	131.94	139.61

### Performance

Unit : Million Baht	Consolidated		Company Only		
	2012	2011	2012	2011	2010
Total Revenue	52.20	42.39	52.20	42.39	30.30
Other income	3.01	4.10	2.99	4.10	2.68
Cost of sales	(9.40)	(7.63)	(9.40)	(7.63)	(8.17)
Selling and administrative expenses	(33.20)	(38.24)	(31.24)	(35.34)	(30.07)
Interest expense	(7.20)	(7.06)	(7.20)	(7.06)	(9.77)
Net profit (loss)	33.79	(7.98)	33.77	(7.66)	2.55

## Annual Report Year 2012

### Key Financial Ratio

		Consolidated		Company Only		
Liquidity Ratio		2012	2011	2012	2011	2010
Current ratio	(times)	-	0.34	0.78	0.34	0.15
Quick ratio	(times)	-	0.26	0.44	0.28	0.05
Cash Flow Turnover	(times)	-	0.41	0.34	0.40	0.08
Account Receivables turnover	(times)	-	25.69	4.70	8.04	19.16
Average Collection Period	(day)	-	14	77	45	19
Inventory Turnover	(times)	-	N.A.	N.A.	N.A.	N.A.
Average Sales Period	(day)	-	N.A.	N.A.	N.A.	N.A.
Payables Turnover	(times)	-	0.26	1.03	0.84	0.90
Average Payment Period	(day)	-	1,427.11	353.30	435.58	406.67
Cash Cycle	(day)	-	N.A.	N.A.	N.A.	N.A.
<b>Profitability Ratio</b>						
Gross profit margin	(%)	81.99%	82.01%	81.99%	82.01%	73.03%
Net profit margin	(%)	111.49%	16.88%	40.42%	16.20%	4.48%
Return on Equity	(%)	31.08%	0.38%	18.20%	0.45%	8.82%
<b>Efficiency Ratio</b>						
Return on Asset	(%)	-	0.15%	10.23%	0.16%	3.66%
Asset turnover	(times)	-	0.13	0.14	0.13	0.09
<b>Financial Policy Ratio</b>						
Debt to equity ratio	(times)	-	1.57	0.78	1.57	1.41
Dividend paid	(Baht)	-	-	-	-	-

## Annual Report Year 2012

---

### Management Discussion and Analysis

#### 1. Company's Performance

##### Revenue

In 2012, the Company and its subsidiaries earned total revenues of Baht 55.22 million which increased by baht 8.73 million from year 2011 and only the Company earned total revenue of Baht 55.18 million, which increased from year 2011 of Baht 8.70 million caused by the increased in its occupancy rate of free zone to 68.94 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 2012, the Company and its subsidiaries had total revenue of Baht 50.96 million that came from rental and service revenue, equivalent to 92.29 percent of the total revenue or increased Baht 8.57 million, equivalent to 20.22 percent since there was more customers which make its occupancy rate in free zone and non free zone area raised up to 68.94 percent of total rental area.

##### Revenue from Sales

The Company had total revenue from sales of Bath 1.24 million, equivalent to 100 percent, has stated as sale of prototype vehicle which is under automotive project for selling old, new and prototype vehicles to local and international market. There was no revenue of this project in year 2011, accordingly its total revenue has been increased.

##### 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 2012, the Company and its subsidiaries earned total others revenue Baht 3.01 million, equivalent to 5.46 percent of total revenue, decreased from year 2011 of Baht 1.09 million, equivalent to 26.53 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 0.71 million or equivalent to 9.37 percent due to the increasing in its occupancy rate which causes increased in cost of rental.

##### 2) Cost of Sales

The Company had total cost of sales Bath 1.06 million, equivalent to 100 percent has stated as sale of prototype vehicle which is under automotive project as there was no cost of sales of this project in year 2011.

##### 3) Selling and Administrative Expenses

In 2012, the Company and its subsidiaries had total selling and administrative expenses of Baht 33.20 million or equivalent to 60.12 percent of the consolidated total revenue, which decreased from year 2011 by Baht 5.04 million or equivalent to 13.18 percent. In the meantime, selling and administrative expense of the Company only was Baht 31.24 million or equivalent to 56.61percent of the Company's total revenue, decreasing of Baht 4.10 million, equivalent to 11.59 percent from year 2011 due to the strictly cost control policy.

## Annual Report Year 2012

---

### 2. Financial Status

**\* Remark** On December 20, 2012, the Company has disposed the Company's investments which is Wyncoast Transport Company Limited, has been completed transaction by December 27, 2012

#### **Assets**

As of December 31, 2012, the Company had total assets amount of Baht 400.34 million, increasing of Baht 61.56 million compared with year 2011, mainly due to the increased of temporary investments, trade receivables, plant, building and equipment.

Significant changes of the Company assets consist of the following details:

#### Current Assets

As of December 31, 2012, the Company had total current assets of Baht 32.66 million, equivalent to 8.41 percent of the consolidated total assets which increased from the current assets as at December 31, 2011 by Baht 10.24 million or equivalent to 45.70 percent, mainly due to the increased of temporary investments and trade receivables.

#### Non-Current Assets

As of December 31, 2012, the Company had total non-current assets of Baht 367.68 million or equivalent to 91.84 percent of the consolidated total assets which increased by Baht 51.31 million or 16.22 percent compare with December 31 2011. The significant changed in non-current assets of the Company came from the increasing of plant, building and equipment.

#### **Liabilities**

As of December 31, 2012, the Company had total liabilities of Baht 175.25 million which decreased by the amount of Baht 31.59 million from the previous year, respectively. The significant decreased of its liabilities came from no financial support to its subsidiary company including the decreasing in non-current liabilities of long term loan from financial institution.

#### **Source of Capital**

- **Changes in Shareholders' Equity**

As of December 31, 2012, shareholder equity in the Company and its subsidiary posted at Baht 225.09 million increased by Baht 93.14 million or 70.59 percent from the same period of 2011, because of its net profit in 2012.

- **Debt to Equity Ratio (D/E)**

As of December 31, 2012, Debt to Equity Ratio (D/E Ratio) in the Company was 0.78 times which decreased from 1.57 times in 2011 as the Company has decreased in total liabilities and posted net profit.

#### **Net profit (loss)**

As of December 31, 2012, the Company and its subsidiary posted net profit at Baht 33.79 million and Baht 33.77 million, respectively as increased by Baht 41.78 million and Baht 41.43 million or equivalent to 323.43 and 340.67 percent, respectively when compared to the same period of 2011. The significant increased came from the reversal of interest from recognition of shares value surplus of investment in subsidiary company as the

## Annual Report Year 2012

---

Company has disposed the investment and completed the transaction on December 27, 2012 including its 23 percent increase in gross margin from the previous year.

As there was renew in asset appraisal thus there was net profit from the new appraisal of Baht 59.38 million shown on its income statement for year 2012.

Its earnings per share posted at Baht 0.07 per share as increased by Baht 0.09 per share from year 2011.

### *Liquidity*

- Operating Cash Flow

In 2012, the Company and its subsidiary company had total net operating cash flow of Baht 5.69 million which decreased by the amount of Baht 3.78 million from the previous year due to the increase in cash flow from temporary investment since there was payment in temporary investment from automotive project for selling used, new and prototype vehicles in local and international market.

### *Liquidity Ratio*

As of December 31, 2012 the Company and its subsidiaries had liquidity ratio of 0.78 times which increased from 0.34 times when compared to the same period of year 2011, mainly due to the increasing of current asset in temporary investment in automotive project and also the decreasing in current liabilities of account payable.

### 3. Auditor fee

		<u>2012</u>	<u>2011</u>
• Audit fee	(Baht)	850,000	1,100,000
• Non-audit fee	(Baht)	60,568	34,408

**(TRANSLATION)**

**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders and Board of Directors of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED and its subsidiary and of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED, which comprise the separate statements of financial position as of December 31, 2012, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

*Wamaga*

effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In my opinion, the consolidated and separate financial statements of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED and its subsidiary and of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED present fairly, in all material respects, the financial position of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED as of December 31, 2012, and their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards.

### **Emphasis of Matter**

I draw attention to note to the financial statements as follows:

1) In accordance with the note to the financial statements no. 2, the separate financial statements as of December 31, 2012, the Company has current liabilities higher than current assets in amount of Baht 9.02 million and has deficit in amount of Baht 297.36 million. In addition, the Company has legal proceedings with note to the financial statement no. 31, these factors indicate uncertainty in substantially materiality in continuous operation of the Company.

2) In accordance with the note to the financial statements no. 20, the Company reduces authorized capital by fully offsetting against accumulated losses before offsetting against discount on issue of share. As a result, as of December 31, 2012, the Company still remains outstanding discount on issue of share 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 on issue of share instead of error rectification of such bookkeeping. In accordance with the resolution of the Company's board of director meeting no. 3/2012 held on March 19, 2012, it unanimously resolved to extend period rectification of discount on issue of share for another three years (completed within March, 2015).

*Wannga*

**Other Matter**

The consolidated and separate financial statements of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED and its subsidiary and of WYNCOST INDUSTRIAL PARK PUBLIC COMPANY LIMITED for the year ended December 31, 2011, were audited by another auditor who expressed an unmodified opinion on those statements and emphasis of matter regarding going concern and the Company reduces authorized capital by fully offsetting against accumulated losses before offsetting against discount on issue of share on February 28, 2012.

S.K. Accountant Services Company Limited

A handwritten signature in black ink, appearing to read 'Wanraya Puttasatien', with a stylized flourish at the end.

(Wanraya Puttasatien)

Authorized auditor No. 4387

Bangkok,

February 20, 2013



## WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
		As of	As of	As of	As of	As of
		December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
		Baht	Baht	Baht	Baht	Baht
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	8	9,472,733	1,122,519	5,689,609	9,407,746	1,038,575
Temporary Investments	9	4,000,000	-	14,223,793	4,000,000	-
Trade and Other Receivables - Net	10	9,009,881	9,146,667	12,714,900	8,990,217	8,934,231
Short-term Loans - Net	27.2	-	-	-	-	-
Inventories	31	20,078	21,990	34,480	20,078	21,990
<b>TOTAL CURRENT ASSETS</b>		<b>22,502,692</b>	<b>10,291,176</b>	<b>32,662,782</b>	<b>22,418,041</b>	<b>9,994,796</b>
<b>NON-CURRENT ASSETS</b>						
Investments in Subsidiary - Net	11	-	-	-	-	-
Loans to and Interests Income Other Company - Net	12	-	-	-	-	-
Property, Plant and Equipment - Net	13	315,451,880	328,026,066	366,780,231	315,455,074	325,472,222
Intangible Assets - Net	14	92,496	305,336	63,500	92,496	305,336
Other Non-Current Assets		815,784	511,488	832,565	815,564	515,565
<b>TOTAL NON-CURRENT ASSETS</b>		<b>316,360,160</b>	<b>328,842,890</b>	<b>367,676,296</b>	<b>316,363,134</b>	<b>326,293,123</b>
<b>TOTAL ASSETS</b>		<b>338,862,852</b>	<b>339,134,066</b>	<b>400,339,078</b>	<b>338,781,175</b>	<b>336,287,919</b>

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

**STATEMENTS OF FINANCIAL POSITION**

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
		As of	As of	As of	As of	As of
		December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
		Baht	Baht	Baht	Baht	Baht
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Trade and Other Payables	16	42,733,724	44,570,760	24,273,918	22,776,939	22,357,966
Current Portion of Liabilities Under						
Financial Leases Agreements	17	733,190	738,934	1,281,920	399,757	405,502
Current Portion of Long-term Loans	15, 18	14,300,000	8,950,000	14,400,000	14,300,000	8,950,000
Short-term Borrowings and Accrued Interests from Related Person	27.2	-	210,586	-	-	210,586
Estimated Liabilities of Financial Support for Subsidiary Company		-	-	-	27,330,519	25,760,073
Estimated Liabilities from Litigation Claims	31	8,431,607	4,990,261	1,727,647	1,727,647	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>66,198,521</b>	<b>59,460,541</b>	<b>41,683,485</b>	<b>66,534,862</b>	<b>57,684,127</b>
<b>NON-CURRENT LIABILITIES</b>						
Liabilities Under Financial Leases Agreements - Net	17	1,566,560	1,432,863	2,320,265	1,121,983	654,853
Long - term Borrowings from Financial Institution - Net	15, 18	126,028,463	133,356,270	123,405,767	126,028,463	133,356,270
Employee Benefit Obligation	19	1,071,132	-	1,290,137	1,071,132	-
Other Non-Current Liabilities		12,081,988	4,986,970	6,553,376	12,081,987	4,986,970
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>140,748,143</b>	<b>139,776,103</b>	<b>133,569,545</b>	<b>140,303,565</b>	<b>138,998,093</b>
<b>TOTAL LIABILITIES</b>		<b>206,946,664</b>	<b>199,236,644</b>	<b>175,253,030</b>	<b>206,838,427</b>	<b>196,682,220</b>

## WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

## STATEMENTS OF FINANCIAL POSITION

			CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS			
			As of	As of	As of	As of	As of	
			Note	December 31, 2011	January 1, 2011	December 31, 2012	December 31, 2011	January 1, 2011
				Baht	Baht	Baht	Baht	Baht
SHAREHOLDERS ' EQUITY								
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	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	490,483,540
Discount on Issue of Share			20	(264,642,142)	(264,642,142)	(264,642,142)	(264,642,142)	(264,642,142)
Retain Earnings (Deficit)								
Appropriated								
Legal Reserve				946,000	946,000	946,000	946,000	946,000
Unappropriated				(331,155,361)	(323,174,127)	(297,360,751)	(331,128,801)	(323,465,850)
Other Component of Equity				236,284,151	236,284,151	295,659,401	236,284,151	236,284,151
TOTAL SHAREHOLDERS' EQUITY				131,916,188	139,897,422	225,086,048	131,942,748	139,605,699
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				338,862,852	339,134,066	400,339,078	338,781,175	336,287,919

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

**STATEMENTS OF COMPREHENSIVE INCOME**

**For the years ended December 31, 2012 and 2011**

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
Revenue from Rental and Service		50,957,856	42,386,577	50,957,856	42,386,577
Revenue from Sales		1,244,400	-	1,244,400	-
<b>Total Revenue</b>		<b>52,202,256</b>	<b>42,386,577</b>	<b>52,202,256</b>	<b>42,386,577</b>
Cost of Rental and Services		(8,341,551)	(7,627,214)	(8,341,551)	(7,627,214)
Cost of Sales		(1,061,900)	-	(1,061,900)	-
<b>Total Cost</b>		<b>(9,403,451)</b>	<b>(7,627,214)</b>	<b>(9,403,451)</b>	<b>(7,627,214)</b>
<b>GROSS PROFIT</b>		<b>42,798,805</b>	<b>34,759,363</b>	<b>42,798,805</b>	<b>34,759,363</b>
Gain on Sales of Investment		45,114	291,049	50,000	300,000
Reversal of Interest from Recognition of Shares Value Surplus of					
Investment in the Subsidiary Company due to Investment Disposal	11	28,306,707	516,942	-	-
Reversal of Estimated of Financial Support					
for Subsidiary Company from Investment Disposal	11	-	-	28,301,751	507,921
Other Incomes		3,013,128	4,101,183	2,985,757	4,099,697
Services Expenses		(3,889,406)	(3,914,608)	(3,889,406)	(3,914,608)
Administrative Expenses		(29,305,702)	(34,323,170)	(27,354,082)	(31,425,675)
Doubtful Debts		24,332	(1,978,034)	(450,668)	(2,848,034)
Other Expenses		-	-	(1,475,809)	(2,078,367)
Finance Costs		(7,198,298)	(7,063,248)	(7,198,298)	(7,063,248)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>33,794,680</b>	<b>(7,610,523)</b>	<b>33,768,050</b>	<b>(7,662,951)</b>
Income Tax Expense	23	-	(370,711)	-	-
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>33,794,680</b>	<b>(7,981,234)</b>	<b>33,768,050</b>	<b>(7,662,951)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Gains on Assets Revaluation		59,375,250	-	59,375,250	-
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR</b>		<b>93,169,930</b>	<b>(7,981,234)</b>	<b>93,143,300</b>	<b>(7,662,951)</b>
 BASIC EARNINGS(LOSS) PER SHARE		 0.07	 (0.02)	 0.07	 (0.02)

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

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the years ended December 31, 2012 and 2011**

**CONSOLIDATED FINANCIAL STATEMENTS**

	Issued and Paid-up Share Capital	Discount on Issue of Share	Retained Earnings (Deficit)		Other Component of Equity	Total
			Appropriated		Surplus from Assets Revaluation	
			Legal Reserve	Unappropriated		
	Baht	Baht	Baht	Baht	Baht	Baht
<b>Balance as of December 31, 2010</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>946,000</b>	<b>(323,174,127)</b>	<b>236,284,151</b>	<b>139,897,422</b>
Total Comprehensive Income (Expense) for the Year	-	-	-	(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>946,000</b>	<b>(331,155,361)</b>	<b>236,284,151</b>	<b>131,916,188</b>
Total Comprehensive Income (Expense) for the Year	-	-	-	33,794,680	59,375,250	93,169,930
<b>Balance as of December 31, 2012</b>	<b>490,483,540</b>	<b>(264,642,142)</b>	<b>946,000</b>	<b>(297,360,681)</b>	<b>295,659,401</b>	<b>225,086,118</b>

WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2012 and 2011

SEPARATE FINANCIAL STATEMENTS

	Issued and Paid-up Share Capital	Discount on Issue of Share	Retained Earnings (Deficit)		Other Component of Equity	Total
			Appropriated		Surplus from Assets Revaluation	
			Legal Reserve	Unappropriated		
	Baht	Baht	Baht	Baht	Baht	Baht
Balance as of December 31, 2010	490,483,540	(264,642,142)	946,000	(323,465,850)	236,284,151	139,605,699
Total Comprehensive Income (Expense) for the Year	-	-	-	(7,662,951)	-	(7,662,951)
Balance as of December 31, 2011	490,483,540	(264,642,142)	946,000	(331,128,801)	236,284,151	131,942,748
Total Comprehensive Income (Expense) for the Year	-	-	-	33,768,050	59,375,250	93,143,300
Balance as of December 31, 2012	490,483,540	(264,642,142)	946,000	(297,360,751)	295,659,401	225,086,048

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

**STATEMENTS OF CASH FLOW**

**For the years ended December 31, 2012 and 2011**

	CONSOLIDATED		SEPARATE		
	Note	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
	Baht	Baht	Baht	Baht	
CASH FLOW FROM OPERATING ACTIVITIES					
Profit (loss) before Income Tax	33,794,680	(7,610,523)	33,768,050	(7,662,951)	
Adjustment to Profit (loss) before Income Taxes for Cash Received (Paid) from Operations					
Depreciation	11,555,962	11,842,384	11,539,359	11,558,813	
Amortized of Expenses	28,996	111,362	28,996	111,362	
Doubtful Debts - Trade and Other Receivables (Reverse)	(24,332)	1,978,034	(24,332)	1,978,034	
Doubtful Debts - Loans to Subsidiary Company	-	-	475,000	870,000	
Estimated Expenses for Loss from Litigation Claims	-	3,441,346	-	1,727,647	
Loss from non - Refundable Revenue Receivable	-	71,015	-	-	
Loss from non Refund Withholding Tax	16,271	17,824	-	-	
Loss from Impairment of Intangible Assets	-	101,478	-	101,478	
(Gain) loss from Sales of Fixed Assets	(22,116)	28,510	(22,116)	28,510	
Loss from write-off of Fixed Assets	-	147,285	-	147,285	
Employee Benefit Obligation	219,005	1,071,132	219,005	1,071,132	
Interest Expenses of Financial Lease Agreements	120,994	90,288	120,994	90,288	
Interest Expenses Borrowings from Director	-	767	-	767	
Interest Expenses Borrowings from Financial Institution	7,077,304	6,972,193	7,077,304	6,972,193	
Interest Revenue	(474,617)	(63,347)	(474,436)	(63,081)	
Gain on Sales of Investment	(45,114)	(291,049)	(50,000)	(300,000)	
Reversal of Interest from Recognition of Shares Value surplus of Investment					
in the Subsidiary Company due to Investment Disposal	(28,306,707)	(516,942)	-	-	
Reversal of Estimated of Financial Support					
for Subsidiary Company from Investment Disposal	-	-	(28,301,751)	(507,921)	
Expenses of Financial Support for Subsidiary Company	-	-	1,475,809	2,078,367	
Profit from Operating Activities before Changes in Operating Assets and Liabilities	23,940,326	17,391,757	25,831,882	18,201,924	
(Increase) Decrease in Operating Assets					
Trade and Other Receivables	(3,072,985)	(1,964,349)	(3,073,117)	(1,833,825)	
Inventories	(14,402)	1,912	(14,402)	1,912	
Other Non-Current Assets	(21,078)	(304,296)	(17,001)	(300,070)	
Increase (Decrease) in Operating Liabilities					
Trade and Other Payables	3,153,743	695,222	1,436,979	419,043	
Other Non-Current Liabilities	(5,528,612)	7,095,018	(5,528,611)	7,095,017	
Cash Received (Paid) form Operating Activities	18,456,992	22,915,264	18,635,730	23,584,001	

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

**STATEMENTS OF CASH FLOW**

**For the years ended December 31, 2012 and 2011**

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
<b>CASH FLOW FROM OPERATING ACTIVITIES (CONTINUE)</b>					
Received from Refund of Withholding tax		1,045,244	1,138,232	1,045,244	1,138,232
Received from Interest Revenue		411,304	151,385	411,122	21,081
Paid for Income Tax		(1,609,164)	(1,304,567)	(1,609,164)	(1,296,427)
<b>NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES</b>		<b>18,304,376</b>	<b>22,900,314</b>	<b>18,482,932</b>	<b>23,446,886</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Cash Received from Sales Investment		45,114	291,049	50,000	300,000
Cash Paid for Temporary Investments		(10,223,793)	(4,000,000)	(10,223,793)	(4,000,000)
Cash Paid for Short-term Loans to Subsidiary Company		-	-	(475,000)	(870,000)
Cash Paid for Purchases of Fixed Assets		(598,672)	(992,819)	(575,561)	(992,819)
Cash Received from Sales of Fixed Assets		48,411	57,336	48,411	57,336
<b>NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES</b>		<b>(10,728,940)</b>	<b>(4,644,434)</b>	<b>(11,175,943)</b>	<b>(5,505,483)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Cash Paid for Borrowings and Interest Expenses from Related Persons		-	(211,353)	-	(211,353)
Cash Paid for Liabilities Under Financial Leases Agreements		(1,758,560)	(744,313)	(1,425,126)	(410,880)
Cash Paid for Long-term Borrowings from Financial Institution		(2,557,811)	(1,945,275)	(2,557,811)	(1,945,275)
Cash Paid for Interest Expenses in Long-term Borrowings from Financial Institution		(7,042,189)	(7,004,725)	(7,042,189)	(7,004,725)
<b>NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>		<b>(11,358,560)</b>	<b>(9,905,666)</b>	<b>(11,025,126)</b>	<b>(9,572,233)</b>
<b>NET CASH AND CASH EQUIVALENTS INCREASE(DECREASE)</b>		<b>(3,783,124)</b>	<b>8,350,214</b>	<b>(3,718,137)</b>	<b>8,369,171</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>8</b>	<b>9,472,733</b>	<b>1,122,519</b>	<b>9,407,746</b>	<b>1,038,575</b>
<b>CASH AND CASH EQUIVALENTS AT ENDING OF THE PERIOD</b>	<b>8</b>	<b>5,689,609</b>	<b>9,472,733</b>	<b>5,689,609</b>	<b>9,407,746</b>

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



# **WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY**

## **NOTES TO FINANCIAL STATEMENTS**

**As of December 31, 2012 and 2011**

### **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, Thailand.

The Company operates business of sales or rent in the custom duty free zone, 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 June 30, 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.

### **2. Going Concern**

The consolidated financial statements for the year ended December 31, 2011, the Company and its subsidiary have net loss amount of Baht 7.98 million. As of December 31, 2011, the Company and its subsidiary have current liabilities higher than current assets in amount of Baht 43.70 million, and have deficit in amount of Baht 331.16 million. The separate financial statements for the year ended December 31, 2011, the Company has net loss amount of Baht 7.66 million. As of December 31, 2012 and 2011, the Company has current liabilities higher than current assets in amount of Baht 9.02 million and Baht 44.12 million, respectively and has deficit in amount of Baht 297.36 million and Baht 331.13 million, respectively. In addition, the consolidated and separate financial statement as of December 31, 2012 and 2011, the Company and its subsidiary has legal proceedings with note to financial statements No.31. These factors indicate uncertainty in substantially materiality in continuous operation. However, the consolidated and separate financial statement have been prepared by suppositions of going concern.

### 3. Basis of Preparation

- 3.1 The financial statements have been prepared in accordance with Financial Reporting Standards of Thailand including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and The Stock Exchange of Thailand.
- 3.2 The financial statements were presented in compliance with the notification of Department of Business Development regarding “Brief particulars must be contained in financial statements B.E. 2554” dated on September 28, 2011, notified according to Accounting Act B.E. 2543.
- 3.3 In order to prepare the financial statements to comply with financial reporting 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.
- 3.4 For the convenience of the user, an English translation of the consolidated and separate financial statements has been prepared from the statutory financial statements that are issued in Thai language.

### 4. Basis of Consolidation

- 4.1 In preparation of the consolidated financial statement, the Company will only take its subsidiary company 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 company with the percentage of shareholdings in subsidiary company as follows:

Company Name	Shareholding Percentage		Country	Type of Business
	As of	As of		
	December 31, 2012	December 31, 2011		
Wyncoast Transport Company Limited	-	99.99	Thailand	Operation of business to provide the service of railway merchandise transportation via the rail system.

- 4.2 The Company disposed investment in the Wincoast Transport Co., Ltd., on December 27, 2012 which has consolidated operating result of such company in the consolidated statement of comprehensive income, consolidated statement of change in equity and consolidated statement of cash flow to December 31, 2012, since the operating result in such period is not materially different.
- 4.3 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, consolidated statement of change in equity and consolidated statement of cash flow to June 30, 2011, since the operating result in such period is not materially different.

- 4.4 Investments in subsidiary company with the shareholdings from 99.99% are treated as holdings of 100% in preparation of consolidated financial statements.
- 4.5 The accounting period ended of the above subsidiary company are the same as the WYNCOAST INDUSTRIAL PARK PUBLIC COMPANY LIMITED.
- 4.6 In preparation of the consolidated financial statements, the Company has write - off the amount of asset, liability, and inter - transactions.
- 4.7 Accounting policy for the subsidiary company will utilize the same policy as the Company.

## 5. New Financial Reporting Standard

New accounting standard which is effective for accounting period beginning on or after January 1, 2012, is as follow:

TAS 20 (revised 2007)	Accounting for Government Grants and Disclosure of Government Assistance
-----------------------	--

The above accounting standard has no impact on these financial statements.

## 6. New Financial Reporting Standards Not Yet Effective

New accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting guidance, which are effective for accounting periods beginning on or after January 1, 2013 and 2014, that the Company has not adopted, are as follow:

### Effective on or after January 1, 2013

Accounting Guidance	Transfer of Financial Asset
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operation Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in Tax Status of an Enterprise or its Shareholder

### Effective on or after January 1, 2014

TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 12	Service Concession Arrangement
TFRIC 13	Customer Loyalty Programs
TSIC 29	Disclousure - Service Concession Arrangement

The management of the Company believes that above financial reporting standards will not have any impact on the financial statements when they are applied. Except, TAS 12 “Income Taxes” requires the Company to specify the temporary difference occurring from the difference in the value of assets and liabilities between the accounting criteria and tax for the acknowledgement on the tax impact which is the deferred tax assets or liabilities following the specified criteria. Currently, the management of the Company is assessing the impacts on the financial statements for the period when the accounting standard is applied.

## **7. Significant Accounting Policy**

### **7.1 Measurements bases used in the Preparation of Financial Statements**

Measurement bases used in the preparation of financial statements are historical cost measurement basis and combination of variety measurement bases used. Some assets and liabilities that use other measurement bases have been disclosed the measurement bases used in the particular accounting policies.

### **7.2 Financial Instruments**

Financial assets were shown in the statement of financial position include cash and cash at banks, trade and other receivables. Financial liabilities were shown in the statement of financial position include trade and other payables and borrowings which the accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies.

### **7.3 Cash and Cash Equivalents**

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

### **7.4 Trade and Other Receivables**

Trade and other receivables are stated at the net realizable value.

### **7.5 Inventories**

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

### **7.6 Investments in Subsidiary Company**

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

### **7.7 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 assets 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 assets 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 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.

## 7.8 Intangible Assets

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

## 7.9 Impairment

The carrying amounts of assets are assessed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated of asset or its cash-generating unit to which the asset is included in the recognition of an impairment loss when the recoverable amount less than the carrying amount of the asset or its cash generating unit.

Impairment loss is recognized as expenses in profit or loss immediately. However, if the asset is impaired, it will be revalued where the revaluation has increased. Impairment loss is recognized in other comprehensive income up surplus ever recorded for the same asset. This will result in surplus from revaluation of assets is reduced.

### Calculation of Recoverable Amount

- The recoverable amount is the higher of the asset's fair value less cost to sell of asset or the cash- generating unit or its value in use.
- In assessing value in use of an asset by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset.
- The 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 Loss

- The loss on impairment of assets recognized in the prior period will be reversed if the estimation for indicated net realizable value changes since the last impairment loss was recognized. The

carrying amount of the asset not exceed just to be the carrying amount that would have been (net of depreciation or amortization), if no impairment loss had been recognized.

- Reversals of impairment loss will be recognized as income in profit or loss unless; if the asset represented by the revaluation will be reversed impairment loss of asset that revaluation is revalued.

#### 7.10 Trade and Other Payables

Trade and other payables were shown in cost value.

#### 7.11 Financial Leased Contract

The contract of leased asset carried the risk and owner remuneration is mainly transferred to lessors 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 leased 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 expense 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.

#### 7.12 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.

### 7.13 Provision of Liabilities

The Group recognized provision of liabilities when it is probable that there is a present legal or constructive obligation as a result of past events and 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.

### 7.14 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 sales is recognized when when goods are delivered.
- Revenue from interest income is recognized over the term of borrowing and calculated from the outstanding principal.

### 7.15 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.

### 7.16 Income Taxes

Income tax expenses are recognized as expenses in profit or loss as income tax to be paid, using tax rates enacted at the end of each reporting period.

### 7.17 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.

### 7.18 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 board of directors which will report to the next meeting of shareholders.



## 7.19 Significant Accounting Judgments and Estimates

In order to prepare the financial statements to comply with financial reporting standards, the Company's management had to make some judgment and estimates which may have an effect on the amount shown in financial statements and notes to financial statements, therefore the actual result may differ from the estimated amount. Significant estimates and provisions are as follows:

### **Lease**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for Doubtful Accounts –Trade and Other Receivables**

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### **Property, Plant and Equipment and Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Intangible Assets**

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

### **Post-Employment Benefits**

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. Actual post-retirement costs may ultimately differ from these estimates.

## Litigations

The Company have contingent liabilities as a result of litigations. The management have used judgment to assess of the results of the litigation and provision for the related liabilities has been recorded as at the end of reporting period. However, actual results could differ from the estimates.

## 8. Cash and Cash Equivalents

Consist of:

	Consolidated Financial Statements	Separate Financial Statements	
	As of December 31, 2011	As of December 31, 2012	As of December 31, 2011
	Baht	Baht	Baht
Cash	35,000	30,000	30,000
Current Deposit Accounts	(231,783)	5,044	(231,782)
Saving Deposit Accounts	9,669,516	5,654,565	9,609,528
Total	9,472,733	5,689,609	9,407,746

## 9. Temporary Investments

Consist of:

	Separate Financial Statements	Consolidated/Separate Financial Statements
	As of December 31, 2012	As of December 31, 2011
	Baht	Baht
Fixed Deposits 4 and 5 months	14,223,793	4,000,000
Total	14,223,793	4,000,000

As of December 31, 2012 and 2011, the whole amount of temporary investments is fixed deposits 4 and 5 months respectively, with interest rate at 2.75 % per annum and 3.25% per annum, respectively.

## 10. Trade and Other Receivables - Net

Consist of:

	Consolidated Financial Statements	Separate Financial Statements	
	As of	As of	
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Trade Receivables	70,931,227	6,357,997	25,913,661
<u>Less</u> Allowance for Doubtful Debts	(69,187,145)	(1,569,494)	(24,169,579)
Trade Receivables-Net	1,744,082	4,788,503	1,744,082
Other Receivables	9,126,881	8,652,834	8,437,180
<u>Less</u> Allowance for Doubtful Debts	(1,861,082)	(726,437)	(1,191,045)
Other Receivables-Net	7,265,799	7,926,397	7,246,135
Total	9,009,881	12,714,900	8,990,217

Agings of trade receivables are as follows:

	Consolidated Financial Statements	Separate Financial Statements	
	As of	As of	As of
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Trade Receivables			
within Credit term	1,744,082	2,387,852	1,744,082
Trade Receivables Over due			
Overdue 1-3 months	22,149	2,074,894	22,149
Overdue 3-6 months	44,298	325,757	44,298
Overdue 6-12 months	1,101,535	-	1,101,535
Overdue Over 1 year	68,019,163	1,569,494	23,001,597
Total	70,931,227	6,357,997	25,913,661
<u>Less</u> Allowance for Doubtful Debts	(69,187,145)	(1,569,494)	(24,169,579)
Net	1,744,082	4,788,503	1,744,082

Other receivables as of December 31, 2012 and 2011 consist of:

	Consolidated	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Prepaid Expense	3,646,782	3,753,341	3,643,389
Accrued Interest	1,175,579	147,543	84,230
Other Receivables	1,061,638	1,452,073	1,464,328
Withholding Tax	2,357,942	2,905,590	2,341,671
Other	884,940	394,287	903,562
Total	9,126,881	8,652,834	8,437,180
<u>Less</u> Allowance for Doubtful Debts	(1,861,082)	(726,437)	(1,191,045)
Net	7,265,799	7,926,397	7,246,135

For the years ended December 31, 2012 and 2011, allowance for doubtful debts has movement as follows:

	Consolidated	Separate	
	Financial Statements	Financial Statements	
	For the years ended	For the years ended	
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Beginning Balance	(69,200,231)	(25,360,624)	(23,512,628)
Increase within Period	(1,978,034)	(42,115)	(1,978,034)
Reverse within Period	-	66,447	-
Decrease from Sales Investment	130,038	23,040,361	130,038
Ending Balance	(71,048,227)	(2,295,931)	(25,360,624)

## 11. Investments in Subsidiary Company-Net

As of December 31, 2012 and 2011, Wyncoast Industrial Park Public Company Limited currently holds shares in subsidiary company as follows:

Name of Company	Paid Up Share Capital	Percentage of Holding (%)	(Unit : Baht)	
			Separate Financial Statements	
			Cost Method	
			As of December 31, 2012	As of December 31, 2011
Wyncoast Transport Company Limited	60,000,000	99.99	-	59,999,930
<u>Less</u> Allowance for Impairment of Investment			-	(59,999,930)
Net			-	-

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

### Disposal of investment in 2012

In accordance with resolution of the Company's board of directors meeting no. 11/2012 on December 20, 2012, it resolves to dispose ordinary shares of Wincoast Transport Company Limited, which is subsidiary company that operates business to provide the service of merchandise transportation. The Company agrees to transfer ordinary shares in number of 5,999,993 shares at value of Baht 0.0083 per share being amount of Baht 50,000. 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 creditor to Wincoast Transport Company Limited, and transferred such shares since December 27, 2012.

Net book value of assets of subsidiary company as of December 27, 2012 is as follows:

	Financial Statements of Subsidiary Baht
<b>Assets</b>	
Cash and Cash Equivalents	4,886
Trade and Other Receivables - Net	3,260
Equipment - Net	3,314
Other Non-Current Assets	4,297
Total Assets	15,757
<b>Liabilities</b>	
Trade and Other Payables	42,995,444
Current Portion of Liabilities Under Hire Purchase Creditors the Debts Restructuring Agreement	333,433
Short-term Borrowings from the Parent Company	1,300,000
Estimated Liabilities from Litigation Claims	8,422,355
Hire Purchase Creditors from the Debts Restructuring Agreement - Net	111,144
Total Liabilities	53,162,376
Net Book value	(53,146,619)
<u>Less</u> Other Current Liabilities	(70)
Net Book value of Interest of the Company	(53,146,689)

Net Book value of assets of subsidiary company as disposal		
date of investments in subsidiary		(53,146,689)
<u>Less</u> Inter-debt according to the share purchase agreement		
Trade and other receivables-subsiary	23,040,361	
Short-term-loans to subsidiary Company	1,300,000	24,340,361
Transfer debt from the subsidiary according to the share		
purchase agreement		
Other payables	60,000	
Liabilities under financial leases agreement	444,577	504,577
Reversal of estimated liabilities of financial support for		
subsidiary company		(28,301,751)
Value from sale of investment in subsidiary company		50,000
<u>Less</u> Cash and cash equivalents of subsidiary company as disposal date		
of investments		(4,886)
Net Cash flow from sale of investment in subsidiary company		45,114
Value from sale of investment in subsidiary company		50,000
<u>Add</u> Reversal of estimated liabilities of financial support for subsidiary company		28,301,751
Other current liabilities		70
Gain from sale of investment in subsidiary company in consolidated		
financial statements		28,351,821
<u>Less</u> Net cash flow from sale of investment in subsidiary company		(45,114)
Reversal of interest from recognition of shares value surplus of investment		
in the subsidiary company due to investment disposal		28,306,707

### Disposal of investment in 2011

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 Services Company Limited, and transferred such shares since June 17, 2011.

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

	Financial Statements of Subsidiary Baht
Assets	
Cash and Cash Equivalents	8,951
Trade and Other Receivables - Net	112,562
Property, Plant and Equipment - Net	2,273,467
Total Assets	2,394,980
Liabilities	
Trade and Other Payables	2,532,118
Current Income Tax Payable	370,713
Total Liabilities	2,902,831
Net Book Value	(507,851)
<u>Less</u> Other Current Liabilities	(70)
Net Book value of Interest of the Company	(507,921)
Value from sale of investment in subsidiary company	300,000
<u>Less</u> Cash and cash equivalents of subsidiary company as disposal date of investments	(8,951)
Net Cash flow from sale of investment in subsidiary company	291,049



Value from sale of investment in subsidiary company	300,000
<u>Add</u> Reversal of estimated liabilities of financial support for subsidiary company	507,921
Other current liabilities	70
	<hr/>
Gain on sales of investment in subsidiary company in consolidated financial statements	807,991
<u>Less</u> Cash received from sales of investment in subsidiary company	(291,049)
	<hr/>
Reversal of interest from recognition of share value surplus of investment due to the investment disposal	516,942
	<hr/> <hr/>

## 12. Loans to and Accrued Interest Revenue Other Company – Net

Consist of:

	Consolidated	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Wyncoast Logistics Company Limited			
Principal	5,250,000	-	-
Accrued Interest Revenue	1,091,349	-	-
	<hr/>	<hr/>	<hr/>
Total	6,341,349	-	-
<u>Less</u> Allowance for Doubtful Debts	(6,341,349)	-	-
	<hr/>	<hr/>	<hr/>
Net	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Consist of:

	Consolidated Financial Statements								
	Land	Land – Surplus	Buildings and Land Improvements	Machinery and Equipment	Furniture,Fixtures and Office Equipment	Vehicles	Utilities System	Work in Progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>As of December 31, 2010</b>									
Costs	27,605,849	236,284,151	285,131,330	1,317,411	58,347,450	2,247,813	34,208,469	266,967	645,409,440
<u>Less</u> Accumulated Depreciation	-	-	(239,486,434)	(690,071)	(57,919,866)	(993,862)	(18,290,198)	-	(317,380,431)
<u>Less</u> Allowance for Impairment	-	-	-	-	(2,943)	-	-	-	(2,943)
<b>Book value</b>	<b>27,605,849</b>	<b>236,284,151</b>	<b>45,644,896</b>	<b>627,340</b>	<b>424,641</b>	<b>1,253,951</b>	<b>15,918,271</b>	<b>266,967</b>	<b>328,026,066</b>
Transactions during the year ended December 31, 2011									
Purchase	-	-	460,000	71,905	44,568	1,878,356	249,990	-	2,704,819
Disposal	-	-	-	-	(9,599)	(1,452,943)	-	-	(1,462,542)
Written-off Assets	-	-	(1,148,040)	(23,719)	(5,327,820)	-	(63,031)	-	(6,562,610)
Depreciation for the year	-	-	(8,191,349)	(132,128)	(403,289)	(450,441)	(2,665,177)	-	(11,842,384)
Depreciation for Disposal/ Written-off Assets	-	-	1,012,967	22,931	5,325,992	437,079	63,029	-	6,861,998
Assets Decreased from Sale of Subsidiary Company									
Cost Decreased from Sale of Subsidiary Company	-	-	(2,450,820)	(11,122)	(49,000)	-	-	-	(2,510,942)
Accumulated Depreciation Decreased from Sale of Subsidiary Company	-	-	177,353	10,579	46,600	-	-	-	234,532
Allowance for Impairment Decreased from Sale of Subsidiary Company	-	-	-	-	2,943	-	-	-	2,943
<b>Ending Book value</b>	<b>27,605,849</b>	<b>236,284,151</b>	<b>35,505,007</b>	<b>565,786</b>	<b>55,036</b>	<b>1,666,002</b>	<b>13,503,082</b>	<b>266,967</b>	<b>315,451,880</b>

Consolidated Financial Statements									
	Land	Land – Surplus	Buildings and Land Improvements	Machinery and Equipment	Furniture,Fixtures and Office Equipment	Vehicles	Utilities System	Work in Progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>As of December 31, 2011</b>									
Costs	27,605,849	236,284,151	281,992,470	1,354,475	53,005,599	2,673,226	34,395,428	266,967	637,578,165
<u>Less</u> Accumulated Depreciation	-	-	(246,487,463)	(788,689)	(52,950,563)	(1,007,224)	(20,892,346)	-	(322,126,285)
<b>Book value</b>	<b>27,605,849</b>	<b>236,284,151</b>	<b>35,505,007</b>	<b>565,786</b>	<b>55,036</b>	<b>1,666,002</b>	<b>13,503,082</b>	<b>266,967</b>	<b>315,451,880</b>

	Separate Financial Statements								
	Land	Land – Surplus	Buildings and Land Improvements	Machinery and Equipment	Furniture,Fixtures and Office Equipment	Vehicles	Utilities System	Work in Progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>As of December 31, 2010</b>									
Costs	27,605,849	236,284,151	282,680,510	1,317,411	57,869,762	1,650,943	34,473,054	-	641,881,680
<u>Less Accumulated Depreciation</u>	<u>-</u>	<u>-</u>	<u>(239,390,144)</u>	<u>(794,001)</u>	<u>(57,435,819)</u>	<u>(513,266)</u>	<u>(18,276,228)</u>	<u>-</u>	<u>(316,409,458)</u>
<b>Book value</b>	<b><u>27,605,849</u></b>	<b><u>236,284,151</u></b>	<b><u>43,290,366</u></b>	<b><u>523,410</u></b>	<b><u>433,943</u></b>	<b><u>1,137,677</u></b>	<b><u>16,196,826</u></b>	<b><u>-</u></b>	<b><u>325,472,222</u></b>
Transactions during the year ended December 31, 2011									
Purchase	-	-	460,000	71,905	44,568	1,878,356	249,990	-	2,704,819
Disposal	-	-	-	-	(9,599)	(1,452,943)	-	-	(1,462,542)
Written-off Assets	-	-	(1,148,040)	(23,719)	(5,327,819)	-	(63,031)	-	(6,562,609)
Depreciation for the year	-	-	(8,110,286)	(120,054)	(328,656)	(334,640)	(2,665,177)	-	(11,558,813)
Depreciation for Disposal/ Written-off Assets	<u>-</u>	<u>-</u>	<u>1,012,967</u>	<u>22,930</u>	<u>5,325,994</u>	<u>437,077</u>	<u>63,029</u>	<u>-</u>	<u>6,861,997</u>
<b>Ending Book value</b>	<b><u>27,605,849</u></b>	<b><u>236,284,151</u></b>	<b><u>35,505,007</u></b>	<b><u>474,472</u></b>	<b><u>138,431</u></b>	<b><u>1,665,527</u></b>	<b><u>13,781,637</u></b>	<b><u>-</u></b>	<b><u>315,455,074</u></b>
<b>As of December 31, 2011</b>									
Costs	27,605,849	236,284,151	281,992,470	1,365,597	52,576,912	2,076,356	34,660,013	-	636,561,348
<u>Less Accumulated Depreciation</u>	<u>-</u>	<u>-</u>	<u>(246,487,463)</u>	<u>(891,125)</u>	<u>(52,438,481)</u>	<u>(410,829)</u>	<u>(20,878,376)</u>	<u>-</u>	<u>(321,106,274)</u>
<b>Book value</b>	<b><u>27,605,849</u></b>	<b><u>236,284,151</u></b>	<b><u>35,505,007</u></b>	<b><u>474,472</u></b>	<b><u>138,431</u></b>	<b><u>1,665,527</u></b>	<b><u>13,781,637</u></b>	<b><u>-</u></b>	<b><u>315,455,074</u></b>

	Separate Financial Statements								
	Land	Land – Surplus	Buildings and Land Improvements	Machinery and Equipment	Furniture,Fixtures and Office Equipment	Vehicles	Utilities System	Work in Progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As of December 31, 2011									
Costs	27,605,849	236,284,151	281,992,470	1,365,597	52,576,912	2,076,356	34,660,013	-	636,561,348
<u>Less</u> Accumulated Depreciation	-	-	(246,487,463)	(891,125)	(52,438,481)	(410,829)	(20,878,376)	-	(321,106,274)
<b>Book value</b>	<b>27,605,849</b>	<b>236,284,151</b>	<b>35,505,007</b>	<b>474,472</b>	<b>138,431</b>	<b>1,665,527</b>	<b>13,781,637</b>	<b>-</b>	<b>315,455,074</b>
Transactions during the year ended December 31, 2012									
Purchase	-	-	-	3,100	50,326	2,967,000	204,044	291,091	3,515,561
Disposal	-	-	-	-	-	(150,000)	(38,000)	-	(188,000)
Surplus from Land Revaluation	-	59,375,250	-	-	-	-	-	-	59,375,250
Depreciation for the year	-	-	(8,099,140)	(128,236)	(83,224)	(543,837)	(2,684,922)	-	(11,539,359)
Depreciation for Disposal	-	-	-	-	-	149,999	11,706	-	161,705
<b>Ending Book value</b>	<b>27,605,849</b>	<b>295,659,401</b>	<b>27,405,867</b>	<b>349,336</b>	<b>105,533</b>	<b>4,088,689</b>	<b>11,274,465</b>	<b>291,091</b>	<b>366,780,231</b>
As of December 31, 2012									
Costs	27,605,849	295,659,401	281,992,470	1,368,697	52,627,238	4,893,356	34,826,057	291,091	699,264,159
<u>Less</u> Accumulated Depreciation	-	-	(254,586,603)	(1,019,361)	(52,521,705)	(804,667)	(23,551,592)	-	(332,483,928)
<b>Book value</b>	<b>27,605,849</b>	<b>295,659,401</b>	<b>27,405,867</b>	<b>349,336</b>	<b>105,533</b>	<b>4,088,689</b>	<b>11,274,465</b>	<b>291,091</b>	<b>366,780,231</b>

On February 22, 2012, 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 by amount of Baht 323.27 million from the former appraised price with the market price comparison method on October 22, 2007, it is the appraised price of Baht 263.89 million, the Company has recorded increased value surplus from land appraisal Baht 59.38 million. The book value of the land is increased from such new appraisal reflected in the surplus from assets revaluation 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, the Company have had assets with the depreciation fully calculated but still in use which show a cost value of Baht 250.01 million. The net book value is Baht 1,153. And the separate financial statements, as of December 31, 2012 and 2011, which show a costs value of Baht 244.69 million and Baht 249.47 million respectively. The net book value is Baht 244.69 and Baht 1,152 respectively.

As of December 31, 2012 and 2011, the land plus building in the cost value amount of Baht 545.88 million equally for two years, and contingent asset are pledged to the commercial bank in accordance with note to financial statements No.15, it also contributes beneficiary from insurance taking in the amount according to insurance contract to such merchant bank.

#### 14. Intangible Assets - Net

Consist of:

	Consolidated Financial Statements Software Computer Systems Baht
<b>As of December 31, 2010</b>	
Costs	1,059,095
<u>Less</u> Accumulated Amortization	(753,759)
<b>Book value</b>	<b>305,336</b>
Transactions during the year ended December 31, 2011	
Amortization for the year	(111,362)
Allowance for Impairment	(101,478)
<b>Ending Book value</b>	<b>92,496</b>
<b>As of December 31, 2011</b>	
Costs	1,059,095
<u>Less</u> Accumulated Amortization	(865,121)
<u>Less</u> Allowance for Impairment	(101,478)
<b>Book value</b>	<b>92,496</b>

	Separate Financial Statements Software Computer Systems Baht
<b>As of December 31, 2010</b>	
Costs	1,059,095
<u>Less</u> Accumulated Amortization	(753,759)
<b>Book value</b>	<b>305,336</b>
Transactions during the year ended December 31, 2011	
Amortization for the year	(111,362)
Allowance for Impairment	(101,478)
<b>Ending Book value</b>	<b>92,496</b>

	Separate Financial Statements Software Computer Systems Baht
As of December 31, 2011	
Costs	1,059,095
<u>Less</u> Accumulated Amortization	(865,121)
<u>Less</u> Allowance for Impairment	(101,478)
<b>Book value</b>	<b>92,496</b>
Transactions during the year ended December 31, 2012	
Amortization for the year	(28,996)
<b>Ending Book value</b>	<b>63,500</b>
As of December 31, 2012	
Costs	1,059,095
<u>Less</u> Accumulated Amortization	(894,117)
<u>Less</u> Allowance for Impairment	(101,478)
<b>Book value</b>	<b>63,500</b>

## 15. Credit Facility and Guarantee

The Company received credit facility of bank overdrafts, short-term borrowings, long-term borrowings and letter of guarantee in the amount of Baht 140 million. Whereby land plus building and assets to be acquired in the future to the Company's ownership are pledged to the commercial bank in accordance with note to financial statements No.13.



## 16. Trade and Other Payables

Consist of:

	Consolidated	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Trade Payables	28,791,257	9,280,849	9,244,763
Other Payables	13,942,467	14,993,069	13,532,176
Total	42,733,724	24,273,918	22,776,939

Other Payables as of December 31, 2012 and 2011 consist of:

	Consolidated	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Accrued Expenses	8,126,106	9,952,775	8,064,405
Advance Receipt Revenue	65,906	40,680	65,906
Other Payables	4,974,193	4,400,789	4,625,603
Other	776,262	598,825	776,262
Total	13,942,467	14,993,069	13,532,176

## 17. Liabilities under Financial Lease Agreements - Net

Consist of:

	Consolidated	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Liabilities Under Financial Leases			
Agreements	2,485,730	3,880,393	1,707,720
<u>Less</u> Deferred Lease Interest	(185,980)	(278,208)	(185,980)
Current Portion of Liabilities Under			
Financial Leases Agreements	(733,190)	(1,281,920)	(399,757)
Net	<u>1,566,560</u>	<u>2,320,265</u>	<u>1,121,983</u>

The minimum pay under the long – term financial lease agreement as the follows:

	Consolidated	Separate	
	Financial Statements	Financial Statements	
	As of	As of	As of
	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht
Period not exceeding 1 year	821,353	1,536,855	487,920
Period over 1 year – 5 year	1,664,377	2,343,538	1,219,800
Total	<u>2,485,730</u>	<u>3,880,393</u>	<u>1,707,720</u>

## 18. Long-term Borrowings from Financial Institution - Net

Consist of:

	Separate Financial Statements As of December 31, 2012 Baht	Consolidated/Separate Financial Statements As of December 31, 2011 Baht
Bank Overdrafts	19,291,349	19,693,872
Short-term Borrowings	62,740,131	64,067,797
Long- term Borrowings	9,662,460	9,862,812
Letter of Guarantee	987,949	1,615,219
Total Debt	92,681,889	95,239,700
<u>Add</u> Accrued Interest Expense	45,123,878	45,088,763
Total	137,805,767	140,328,463
<u>Less</u> Current Portion of Long-term Borrowings	(14,400,000)	(14,300,000)
Net	123,405,767	126,028,463

For the years ended December 31, 2012 and 2011, long-term borrowings from financial institution has movement as follows:

	Separate Financial Statements For the year ended December 31, 2012 Baht	Consolidated/Separate Financial Statements For the year ended December 31, 2011 Baht
Long-term Borrowings from Financial Institution Beginning	95,239,700	97,184,975
<u>Less</u> Repayment within Period	(2,557,811)	(1,945,275)
Long-term Borrowings from Financial Institution Ending	92,681,889	95,239,700

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.

Later, on March 29, 2012 the Company had entered into debt restructuring agreement with the commercial bank so as to relax the terms and conditions of repayment. There are 78 installments of repayment which not less than Baht 800,000 - 2,500,000 per installment according to the term of payment the last installment has to settle all outstanding liabilities, the first installment shall be made by January 2012, carried the interest rate at MLR of a commercial bank.

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 16.51 million. Given such long-term borrowings, the Company has mortgaged land plus building and assets to be acquired in the future according to note No. 13 which is ownership of the Company to mortgage register at the merchant bank.

## 19. Employee Benefit Obligation

Employee Benefit Obligation are as follows:

	Separate Financial Statements For the year ended December 31, 2012 Baht	Consolidated /Separate Financial Statements For the year ended December 31, 2011 Baht
Present value of the obligation as of January 1,	1,071,132	-
Current service cost	184,566	1,043,740
Interest expenses	34,439	27,392
Present value of the obligation as of December 31,	<u>1,290,137</u>	<u>1,071,132</u>

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

## 20. Discount on Issue of Share

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 issue of share. Due to this accounting record, as of December 31, 2012 and 2011, the Company constitutes discount on issue of share 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 issue of share instead of amending the historical accounting record. The Company constituted the resolution of the Executive Committee Meeting No. 3/2006 held on February 10, 2006 and the Board of Directors' Meeting No. 2/2006 held on February 17, 2006, that approved the further study of the reduction plan of the discount on issue of share. Moreover, the Company is proceeding with the reduction of such discount on issue of share 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 issue of share 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 extend period rectification of discount on issue of share to be completed within 3 years (within March 2012).

In accordance with the resolution of Board of Directors Meeting No. 3/2012 held on March 19, 2012, it is unanimously resolved to extend period rectification of discount on issue of share to be completed within 3 years (within March 2015).

## **21. 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.

## **22. 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 of December 31, 2011, debt to equity ratio in the consolidate financial statements is 1.57:1 and as of December 31, 2012 and 2011, debt to equity ratio in the separate financial statement is 0.78:1 and 1.57:1 respectively.

## 23. Income Tax Expense

For the year ended December 31, 2012 and 2011, the Company and subsidiary company calculated corporate income tax of the net profit at 23% and 30% respectively, accounting profit after adding back adjusted transactions in accordance with doubtful debt and loss no exceed 5 years etc.

## 24. Expenses by Nature

	Consolidated Financial Statements		Separate Financial Statements	
	For the years ended		For the years ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Baht	Baht	Baht	Baht
Salary and wages and other employee benefits	4,606,941	4,790,972	4,606,941	4,790,972
Depreciation	11,555,962	11,842,384	11,539,359	11,558,813
Amortization	28,996	111,362	28,996	111,362
Property Tax	1,147,267	1,395,703	1,147,267	1,395,703
Rental Expense	635,317	742,879	635,317	742,879
Administration Expense	975,000	900,000	975,000	900,000
Doubtful Debts (Reverse)	(24,332)	1,978,034	450,668	2,848,034
Loss from Impairment of Intangible Assets	-	101,478	-	101,478
Estimate Expenses of Financial Support for				
Subsidiary Company	-	-	1,475,809	2,078,367
Loss from Liability Estimation for the Litigation Claims	-	3,441,346	-	1,727,647
Management's Remuneration	6,148,732	5,137,909	6,148,732	5,137,909
Other Expenses	17,500,344	17,400,959	15,565,327	16,500,734
Total	<u>42,574,227</u>	<u>47,843,026</u>	<u>42,573,416</u>	<u>47,893,898</u>

## 25. Segment Information

The company operates in only one main sector, namely business of rental and services and its operation is in one geographical area, which is Thailand. Thus all income and assets as shown on the financial statements were related to the business sector and geographical area as already said.

## 26. Financial Instruments

### 26.1 Financial Risk Management and Policies

The Group does not hold or issue derivative instruments for speculative or trading purposes.

## 26.2 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 which it may have risk on interest rate as follows:

	Consolidated Financial Statements Amount (Million Baht)	Separate Financial Statements Amount (Million Baht)	Interest Rate per annum (%)	
	2011	2012	2011	2012
Saving Deposit Accounts	9.67	5.65	9.61	0.75
Fixed Deposit Accounts	4.00	14.22	4.00	2.75
Long-term Borrowings from Financial Institution	95.24	92.68	95.24	MLR

## 26.3 Foreign Exchange Rates Risk

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

## 26.4 Credit risk

The Company has the credit term risk from unable to collect from trade receivables. The Company has the process of credit analysis and checking of pay ability of each trade receivables 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.

## 26.5 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.

## 27. Transactions with Related Parties

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

### 27.1 Inter - Expenses

	Pricing Policies	Consolidated Financial Statements		Separate Financial Statements	
		For the years ended		For the years ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
		Baht	Baht	Baht	Baht
Inter-Transaction with Related Company					
Rental Assets Expenses	Based on mutual Agreement by contract	309,625	331,875	309,625	331,875
Inter-Transaction with Related Person					
Management Service	Agreement by contract	975,000	900,000	975,000	900,000



## 27.2 Inter - Assets and Liabilities

	Consolidated Financial Statements	Separate Financial Statements	
	As of December 31, 2011	As of December 31, 2012	As of December 31, 2011
	Baht	Baht	Baht
<u>Assets</u>			
Trade Receivables			
Subsidiary Company			
Wyncoast Transport Company Limited	-	-	22,533,638
<u>Less</u> Allowance for Doubtful Debts	-	-	(22,533,638)
Net	-	-	-
Trade receivables were classified by aging as follows:			
Trade Receivables;			
Trade Receivables within Credit Term	-	-	-
Trade Receivables			
Overdue 1 - 3 months	-	-	-
Overdue 3 - 6 months	-	-	-
Overdue Over 6-12 months	-	-	22,533,638
Total	-	-	22,533,638
Short-term Loan to			
Subsidiaries			
Wyncoast Transport Company Limited			
Balance as of Beginning	-	825,000	-
Increase	-	475,000	825,000
Decrease from Sales of Investment	-	(1,300,000)	-
Balance as of Ending	-	-	825,000
<u>Less</u> Allowance for Doubtful Debts			
Balance as of Beginning	-	(825,000)	-
Increase	-	(475,000)	(825,000)
Decrease from Sales of Investment	-	1,300,000	-
Balance as of Ending	-	-	(825,000)

	Consolidated Financial Statements	Separate Financial Statements	
	As of December 31, 2011	As of December 31, 2012	As of December 31, 2011
	Baht	Baht	Baht
Wyncoast Services Company Limited			
Balance as of Beginning	-	-	4,963,000
Increase	-	-	45,000
Decrease from Sales of Investment	-	-	(5,008,000)
Balance as of Ending	-	-	-
<u>Less</u> Allowance for Doubtful Debts			
Balance as of Beginning	-	-	(4,963,000)
Increase	-	-	(45,000)
Decrease from Sales of Investment	-	-	5,008,000
Balance as of Ending	-	-	-
Net	-	-	-
<u>Liabilities</u>			
Borrowings and Accrued Interests from Retated Person			
Khun Koranun Sukonritikorn			
Balance as of Beginning	210,586	-	210,586
Increase	767	-	767
Decrease	(211,353)	-	(211,353)
Balance as of Ending	-	-	-
Accrued Expenses			
Related Company			
B.H.I. Holding Public Company Limited	180,964	139,100	180,964
Accrued Management Service			
Related Person			
Khun Koranun Sukonritikorn	900,000	1,200,000	900,000

As of December 31, 2011, the whole amount of short-term loans to subsidiary company have loan in form of promissory notes in the type of call carried interest rate at MLR + 0.25 % per annum. The Company recorded allowance for doubtful debt-loan to subsidiary company comprises loss result from operation and accumulated loss exceeding capital. Since the first quarterly of 2007, the Company ceased to charge interest due to the subsidiary company have not constituted ability in debt repayment. The interest will be retroactively charged when the subsidiary company can repay overdue loan. Later in the fourth quarter of 2012, the Company amortized the total account of short-term loans to subsidiaries according to the remittance following the condition specified in the share purchase agreement of Wyncoast transport company limited on December 27, 2012 and the share purchase agreement of Wyncoast services company limited on June 17, 2011.

### 27.3 Key Management Personnel Compensation

	Consolidated/Separate Financial Statements For the year ended December 31, 2012 Baht	Consolidated/Separate Financial Statements For the year ended December 31, 2011 Baht
Short-term Employee Benefits	5,967,600	4,421,867
Post-Employment Benefits	181,132	716,042
Total	<u>6,148,732</u>	<u>5,137,909</u>

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.

### 27.4 Relationship

<u>Company's Name</u>	<u>Relationship</u>
Wyncoast Transport Company Limited	Subsidiary by direct shareholding(The ended at December 27, 2012 by sales investment)
Wyncoast Services Company Limited	Subsidiary by direct shareholding(The ended at June 17, 2011 by sales investment)
B.H.I. Holding Public Company Limited	Common Director
Khun Koranun Sukonritikorn	Director of Company

## 28. Non-Cash Flow Transaction

Consist of:

	Consolidated/Separate Financial Statements For the year ended December 31, 2012 Baht	Consolidated/Separate Financial Statements For the year ended December 31, 2011 Baht
Fixed assets increased from liabilities under financial lease agreements	2,940,000	1,712,000
Trade and other payables increase from transfer debt according to the share purchase agreement	60,000	-
Fixed assets, down from transfer of ownership to another person	-	930,023
Liabilities under financial lease agreement increase from transfer debt according to the share purchase agreement	444,577	-

## 29. Obligation and Contingent Liabilities

Apart from the various liabilities presented in the financial statements, the Company and its subsidiary have obligation and contingent liabilities as of December 31, 2012 and 2011, as follows:

### 29.1 Obligation with Financial Institution

	(Unit : Million Baht)	
	Separate Financial Statements As of December 31, 2012	Consolidated /Separate Financial Statements As of December 31, 2011
Letter of Guarantee	5.00	5.00

## 29.2 Obligation

- 29.2.1 As of December 31, 2012, the Company hired a financial institute to be financial and business consultant for the acquisition of investment from Company's assets in the property fund. The sum amount of Baht 1.50 million was charged as the fee for being consultant. The Company already paid for amount of Baht 0.40 million. The liabilities to be paid were amount of Baht 1.10 million. The payment must be performed within 7 days after the approval of Securities and Exchange Commission on the mentioned fund.
- 29.2.2 As of December 31, 2012, the Company hired a company to install the elevators in the office. The installation cost was amount of Baht 0.47 million. The Company already paid for amount of Baht 0.19 million. The remaining liabilities to be paid was amount of Baht 0.28 million. The payment would be performed after the submission of task.
- 29.2.3 As of December 31, 2012, the Company had obligation following the hire contract of management and the contract of security cost. The obligation to be paid following the contract within 1 year was amount of Baht 0.88 million.

## 29.3 Contingent Liability 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. 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. On September 25, 2012, by decree No. 4496/2012 the Supreme Court of Central Tax Court adjudicated such appeal by following the adjudication of the Appeal Committee of the Central Tax Court. The Company has issued the letter of credit to secure the payment of taxes to the Revenue Department the full amount.

### 30. Reclassification of Accounts

The Company reclassified some items in comparative financial statements in order to comply with the present financial statements, which does not have any affects on net profit (loss) or shareholder's equity already presented. The details of reclassification are as follows:

	Consolidated Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
<b>Statement of Financial Position as of January 1, 2011</b>			
Trade and Other Receivables-Net	-	9,146,667	9,146,667
Trade Receivables-Net	1,556,244	(1,556,244)	-
Other Receivables-Net	1,456,684	(1,456,684)	-
Prepaid Expense	3,673,480	(3,673,480)	-
Other Current Assets	250,828	(250,828)	-
Other Non-Current Assets	2,209,431	(2,209,431)	-
Trade and Other Payables	-	44,570,760	44,570,760
Trade Payables	28,648,574	(28,648,574)	-

	Consolidated Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
<b>Statement of Financial Position as of January 1, 2011</b>			
Current Portion of Long-term Borrowings	2,715,143	6,234,857	8,950,000
Accrued Expenses	8,885,498	(8,885,498)	-
Accounts Payable for Assets and Construction			
Works	1,720,183	(1,720,183)	-
Other Payables	3,022,643	(3,022,643)	-
Other Current Liabilities	2,293,862	(2,293,862)	-
Long-term Borrowings from Financial Institution - Net	139,591,127	(6,234,857)	133,356,270
<b>Statement of Financial Position as of December 31, 2011</b>			
Cash and Cash Equivalents	13,472,733	(4,000,000)	9,472,733
Temporary Investments	-	4,000,000	4,000,000
Trade and Other Receivables-Net	-	9,009,881	9,009,881
Trade Receivables-Net	1,744,082	(1,744,082)	-
Other Receivables-Net	1,182,858	(1,182,858)	-
Prepaid Expense	3,643,390	(3,643,390)	-
Other Current Assets	81,609	(81,609)	-
Other Non-Current Assets	2,357,942	(2,357,942)	-
Trade and Other Payables	-	42,733,724	42,733,724
Trade Payables	28,648,574	(28,648,574)	-
Current Portion of Long-term Borrowings	6,648,683	7,651,317	14,300,000
Accrued Expenses	8,950,462	(8,950,462)	-
Other Payables	2,459,136	(2,459,136)	-
Other Current Liabilities	2,675,552	(2,675,552)	-
Long-term Borrowings from Financial Institution - Net	133,679,780	(7,651,317)	126,028,463

	Separate Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
<b>Statement of Financial Position as of January 1, 2011</b>			
Trade and Other Receivables-Net	-	8,934,231	8,934,231
Trade Receivables-Net	1,556,244	(1,556,244)	-
Other Receivables-Net	1,456,684	(1,456,684)	-
Prepaid Expense	3,673,480	(3,673,480)	-
Other Current Assets	64,347	(64,347)	-
Other Non-Current Assets	2,183,476	(2,183,476)	-
Trade and Other Payables	-	22,357,966	22,357,966
Trade Payables	9,102,080	(9,102,080)	-
Current Portion of Long-term Borrowings	2,715,143	6,234,857	8,950,000
Accrued Expenses	7,939,661	(7,939,661)	-
Other Payables	3,022,643	(3,022,643)	-
Other Current Liabilities	2,293,582	(2,293,582)	-
Long-term Borrowings from Financial Institution - Net	139,591,127	(6,234,857)	133,356,270
<b>Statement of Financial Position as of December 31, 2011</b>			
Cash and Cash Equivalents	13,407,746	(4,000,000)	9,407,746
Temporary Investments	-	4,000,000	4,000,000
Trade and Other Receivables-Net	-	8,990,217	8,990,217
Trade Receivables-Net	1,744,082	(1,744,082)	-
Other Receivables-Net	1,182,858	(1,182,858)	-
Prepaid Expense	3,643,389	(3,643,389)	-
Other Current Assets	78,217	(78,217)	-
Other Non-Current Assets	2,341,671	(2,341,671)	-
Trade and Other Payables	-	22,776,939	22,776,939
Trade Payables	9,102,080	(9,102,080)	-
Current Portion of Long-term Borrowings	6,648,683	7,651,317	14,300,000
Accrued Expenses	8,004,555	(8,004,555)	-
Other Payables	3,022,643	(3,022,643)	-
Other Current Liabilities	2,647,661	(2,647,661)	-
Long-term Borrowings from Financial Institution - Net	133,679,780	(7,651,317)	126,028,463



	Consolidated Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
<b>Statements of Comprehensive Income For the year ended December 31, 2011</b>			
Cost of Rental and Services	7,327,214	300,000	7,627,214
Services Expenses	29,353,151	4,970,019	34,323,170
Loss from Impairment of Intangible Assets	101,478	(101,478)	-
Doubtful Debts	1,978,033	1	1,978,034
Management's Remuneration	5,119,246	(5,119,246)	-
Finance Costs	7,112,544	(49,296)	7,063,248

	Separate Financial Statements		
	As Previously Reported	Reclassified	As Currently Reported
	Baht	Baht	Baht
<b>Statements of Comprehensive Income For the year ended December 31, 2011</b>			
Cost of Rental and Services	7,327,214	300,000	7,627,214
Services Expenses	26,455,656	4,970,019	31,425,675
Loss from Impairment of Intangible Assets	101,478	(101,478)	-
Doubtful Debts	2,848,033	1	2,848,034
Management's Remuneration	5,119,246	(5,119,246)	-
Finance Costs	7,112,544	(49,296)	7,063,248

### 31. Estimated Expenses for Loss from Litigations Claims

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, 2012 and 2011, the Company recognize estimate of liability which there is detail as follows:

	As of
	December 31, 2012 and 2011
Debt value of trade payables being prosecuted	Baht 11.97 million
Debt value of principal by the verdict of the court	Baht 10.24 million
Debt value of trade payables in book value	Baht 10.24 million
Estimated expenses 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 value, interest and fine fee until the date on which the subsidiary was sued. On April 7, 2009, the Civil Court passed a verdict ordering the subsidiary to compensate for the claim.

As of December 31, 2011, the subsidiary company recognizes estimate of liability which is detailed as follows:

	Debt of Credit 1 <sup>st</sup> As of December 31, 2011
Debt value of trade payables being prosecuted	Baht 9.95 million
Debt value to verdict of the primary court	Baht 7.97 million
Debt value of trade payables in book value	Baht 6.98 million
Estimated expenses for loss from litigation claims	Baht 4.02 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 value, interest and fine fee 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 file Supreme.

The 2<sup>nd</sup> case On September 29, 2009, the subsidiary company was prosecuted by one trading 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, the subsidiary company recognize estimate of liability which there is detail as follows:

	Debt of Credit 2 <sup>st</sup> As of December 31, 2011
Debt value of trade payables being prosecuted	Baht 11.53 million
Debt value to verdict of the primary court	Baht 10.65 million
Debt value of trade payables in book value	Baht 10.65 million
Estimated expenses for loss from litigation claims	Baht 2.68 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.

### **32. Events after the Reporting Period**

In accordance with the resolution of Board of Directors Meeting No. 1/2012 on January 24, 2013, the resolution was made for the approval to establish the subsidiary company; Wyncoast Automotive Co., Ltd., to operate the business as the dealer of old cars, new cars, and exclusive cars both domestically and internationally with the registration capital of Baht 1,000,000.00. The proportion of shareholding of the Company in the subsidiary company was 99.99%.

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

The financial statements have been approved by authorized directors of the Company on February 20, 2013.

---