



Loxley Public Company Limited



ICT, Project &  
Technology Business

Joint Venture  
Business

Trading  
Business

Service  
Business

Annual Report  
2013

# VISION

“INSPIRED CHOICE FOR CUSTOMERS,  
BUSINESS PARTNERS AND INVESTORS”

# MISSION

- We seek to provide greater value in products and services to ensure complete customer satisfaction.
- We strive to keep ahead of market changes and foster a climate of business innovation.
- We seek to maintain our leadership in the area of information technology for our business progress.
- We seek to continually strengthen our financial and human resources.
- We shall adhere to the fair conduct of business for our shareholders, employees and society.

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# Background, Major Changes and Milestones

Loxley Public Company Limited has operated its business for over 74 years. It was founded on 15 January 1939 under the name Loxley Rice Company (Bangkok) Limited as a joint venture between Ng Yuk Long Lamsam and Andrew Beattie of W.R. Loxley Company of Hong Kong. Initially, the Company's main activities were exports of agricultural products of Thailand, including rice and timbers.

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

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

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



## Three eras of Loxley's 74-year development

### The First Era : from 1939 to 1952

The Company commenced its operation by exporting agricultural products, including rice and timbers, prior to expansion of imports of products after the World War II.

### The Second Era : from 1953 to 1987

Most of the Company's imported products, which included machines, electrical appliances, and motors, were from England. Later, various categories of products were imported from Asian and other western countries, such as motors from Japan, cosmetics from Korea, Olivetti typewriter from Italy. The Company's experience in advanced technology products in this era has contributed to unrivalled expertise in the area of technology in later years.

### The Third Era : from 1988 to present

Loxley has expanded the business to cover public utility infrastructure, telecommunication, energy, information technology and communications, as well as consumer products and services. It has not only developed its own working systems and products, but also been distributors and joint ventures of internationally-recognized products and technology. The Company has presently met consumers' demands with a wide range of products.



# Message from the Chairman

Notwithstanding that, at 2013 year-end, various entities were somewhat affected by political factors, performances of group companies of Loxley Public Company Limited have continued to grow and expand.

Total revenue and net profit of the Company and its subsidiaries amounted to Baht 15,224 million and Baht 628 million, respectively. Both revenue and profit have increased continuously for the last three years.

In 2014, the Company is committed to improving its administration in all aspects for efficient and effective operation. Not only has the Company emphasized business perspectives, it has also focused on the importance of social and environment responsibilities by expanding into alternative energy businesses and sourcing products with less environmental impacts. In addition, the Company has supported activities jointly initiated and activated with Penang Market community and various foundations at Klong Toey for the benefit of the public as a whole. The Company has also encouraged residents in the community to participate in various processes and steps so that they can learn from activities themselves and help develop the society further.

On behalf of the Board of Directors, I would like to thank shareholders, customers, partners and business alliances in all sectors who have rendered good support to the Company throughout these years. I wish to thank the management and all colleagues for their contribution and dedication at work with efforts and diligence which has brought success and prosperity to the Company. The Company is determined to conduct its business with fairness, as well as to take into vital consideration interest of all stakeholders which will pave the way for the Company's sustainable growth.



( Mr. Pairote Lamsam )  
Chairman of the Board

## Activities in 2013



» At a meeting with Chinese customers, Loxley Public Company Limited's management team presented packaged jasmine rice under Jin Li Lian brand owned by Loxley and distributed in Easy Joy retail stores in Sinopec gas stations in Guangzhou, China.



» Loxley Public Company Limited held a press conference to announce the Company's 2013 strategies and business direction as well as 2012 performance. Leading the Company executive team at the press conference is the Company's President Dhongchai Lamsam.



» Loxley Public Company Limited's executives welcomed Castrol's management led by Mr. Mike Johnson and Mr. Paul Waterman during their visit to Thailand to participate in the "Castrol Lubricants SPU Leadership" program.



» Special Olympic football players and their coaches visited Loxley Public Company Limited to thank the Company for the support towards their success. The team will be participating in the Football World Unified in Brazil in 2014.



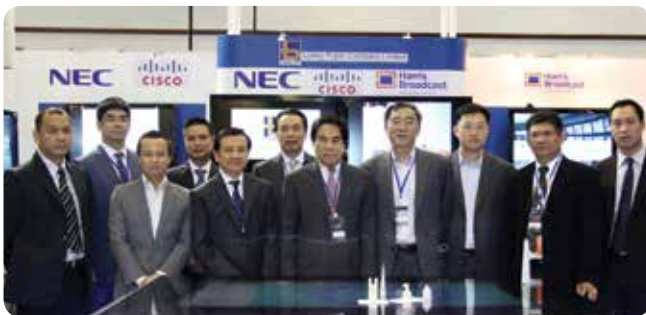
» Loxley Public Company Limited and AGT International Company Limited jointly held a demonstration and a presentation of the water management system known as Water Management Center and the Water Information Center at the Thailand Asia-Pacific Water Summit 2013.



» Loxley Public Company Limited signed an agreement with Thailand Institute of Scientific and Technological Research on the cooperation of developing and researching a product with an aim to launch it commercially. Dr. Peerapan Palusuk, Science and Technology Minister was invited as a witness.



» Loxley Public Company Limited signed a memorandum of understanding with Thai Tap Water Public Company Limited for the cooperation in studying the potential of a location for wind farm and a feasibility study for electricity generation from wind power project.



» **Loxley Public Company Limited** presented broadcast and digital television broadcasting technology at Thailand Broadcasting Exhibition 2013 held for the first time in Thailand at the Queen Sirikit National Convention Center.



» **L Food Solutions Company Limited** under Loxley Group opened JumboBee Super Grill, its first yakiniku (grilled and barbecue food) restaurant at Fashion Island Shopping Center's B level near Tops Supermarket.



» **LS Technology Solutions Company Limited** under the Loxley Group presented certificates to representatives from Maldives Airport who attended the "Aviation Security Course". The ceremony was chaired by Col. Mohamed Nazim, Minister of State for Defence and National Security.



» **The Loxley-AGT Consortium** under Loxley Group presented the data center and warning system as well as the world's first model system for the water management at The Victor Room, Park Venture Building.



» **Loxley Public Company Limited and Milan Group** signed an agreement under which Loxley was appointed as the distributor of Milan branded products, including computer to plate products, packaging printers, continuous printing ink and packaging film. The signing ceremony was witnessed by H.E. Philip Calvert, Canadian Ambassador to Thailand, and H.E. Ngo Duc Thang, Vietnamese Ambassador to Thailand.



» **Asia Security Management Company Limited (ASM)**, a subsidiary signed a MOU with Samut Prakarn Vocational College on the cooperation in vocational education management. Under the cooperation, ASM helped formulated occupational safety curriculum for diploma level courses. The event was chaired by Dr. Anusorn Saengnimnuan, a Chairman of the Vocational Education Commission.



» **Investor Relations of Loxley Public Company Limited** participated in SET's activities, Opportunity Day, which were the shareholders and investors meeting events. These events were held for the company to disclose a financial performance and report the progress of being-implemented projects. Loxley had joined the events for 3 times, including in March, August, and September 2013 for a continuous and transparent disclosure of quarter 4/2012 and quarter 2/2013's financial performances.

# Financial Summary

Loxley Public Company Limited and Its Subsidiaries

Unit : million Baht

Item	2013	2012	2011
Total Revenues	15,223.57	14,278.54	14,247.66
Net Profit	590.27	526.06	298.07
Earning per share (Baht)	0.28	0.25	0.15
Total Assets	13,330.06	13,329.97	12,194.26
Total Liabilities	7,941.27	8,528.15	7,788.68
Paid-up shares	2,099.95	2,000.00	2,000.00
Share Par Value (Baht)	1.00	1.00	1.00
Shareholders' Equity	5,388.79	4,801.82	4,405.59
Dividend per share (Baht)	N/A	0.15	0.075
Dividend to Net income Ratio (%)	N/A	57%	50%

Summary of 2013 operating results of Loxley Public Company Limited and its subsidiaries :

- Assets :** Total assets as at December 31, 2013 amounted to Baht 13,330.06 million had no significant change from Baht 13,329.97 million in 2012.
- Shareholders' Equity :** Shareholders' equity as at December 31, 2013 amounted to Baht 5,388.79 million was higher than 2012 Baht 586.97 million or 12.22%.
- Revenues :** Total revenues for 2013 amounted to Baht 15,223.57 million was higher than 2012 Baht 945.03 million or 6.62 % from the Baht 14,278.54 million.
- Net Profit :** In 2013 Loxley and its subsidiaries recorded a net profit of Baht 590.27 million was higher than 2012 Baht 64.21 million or 12.21 % from the Baht 526.06 million.

Financial Ratio

Financial ratio	2013	2012	2011
Net profit to total revenue	3.88%	3.68%	2.09%
Return on average equity *	12.20%	11.96%	7.31%
Return on average total assets	4.43%	4.12%	2.71%
Earning per share (Baht)	0.28	0.25	0.15
Net book value per share (Baht)	2.42	2.19	2.10

\* Equity holders of the company only (excluded non-controlling interests)



# Revenue Structure Presented By Business Segment

(ANNOUNCEMENT 56-2 FROM COMMITTEES OF STOCK EXCHANGE OF THAILAND)  
COMPARED INFORMATION FOR THE SAME PERIOD ENDED 2013, 2012 AND 2011

LOXLEY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Unit : million Baht

REVENUE STRUCTURE	2013		2012		2011	
	TOTAL REVENUE	% C.SIZE	TOTAL REVENUE	% C.SIZE	TOTAL REVENUE	% C.SIZE
1. TECHNOLOGY	10,493.00	68.93	9,808.00	68.69	9,163.00	64.31
1.1 ICT BUSINESS GROUP	8,168.00	53.66	7,604.00	53.25	6,107.00	42.86
1.2 TECHNOLOGY BUSINESS GROUP	1,145.00	7.52	1,103.00	7.72	669.00	4.70
1.3 PROJECT BUSINESS GROUP	1,180.00	7.75	1,098.00	7.69	2,383.00	16.73
1.4 OTHER BUSINESS GROUP	0.00	0.00	3.00	0.02	4.00	0.03
2. TRADING	3,993.00	26.23	3,993.00	27.96	4,681.00	32.85
2.1 TRADING BUSINESS GROUP	3,993.00	26.23	3,993.00	27.96	4,681.00	32.85
3. SERVICES AND OTHERS	930.00	6.11	799.00	5.60	755.00	5.30
3.1 SERVICE BUSINESS GROUP	909.00	5.97	779.00	5.46	679.00	4.77
3.2 FINANCE / OTHERS	21.00	0.14	20.00	0.14	76.00	0.53
TOTAL REVENUE	15,416.00	101.27	14,600.00	102.25	14,599.00	102.24
<u>LESS</u> RELATED TRANSACTION	(363.00)	(2.38)	(331.00)	(2.32)	(379.00)	(2.66)
<u>ADD</u> UNALLOCATED OTHER REVENUE	170.00	1.12	10.00	0.07	28.00	0.20
TOTAL REVENUE	15,223.00	100.00	14,279.00	100.00	14,248.00	100.00

# Corporate Structure



## Technology Business Segment

### ICT Business Group

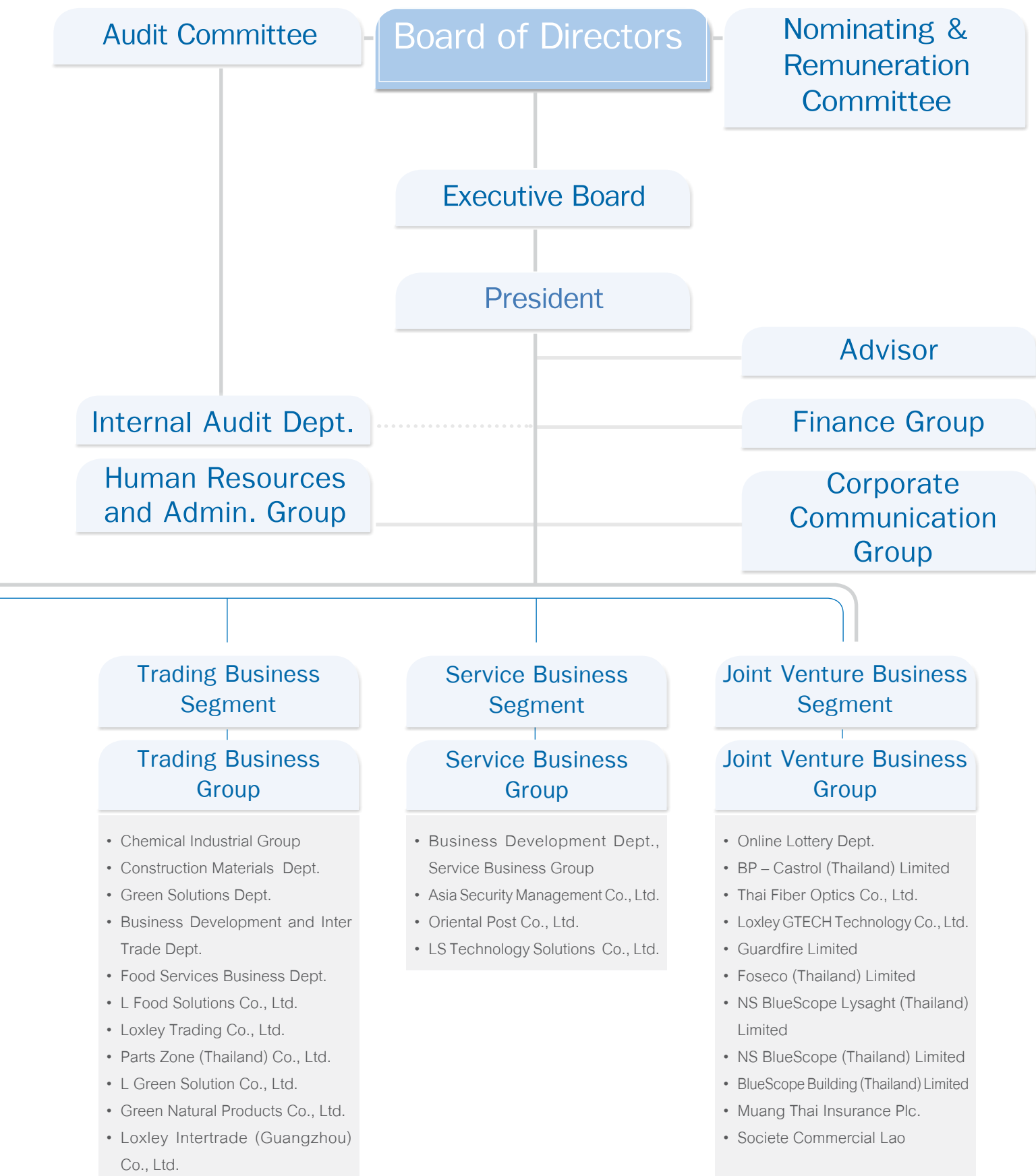
- Loxley Wireless Plc.
- Loxbit Plc.
- Professional Computer Co., Ltd.
- NetONE Network Solution Co., Ltd.
- Mobile Innovation Co., Ltd.
- Learning Media Div.

### Technology Business Group

- Consumer Electronics Dept.
- Printing & Advanced Technology Dept.
- Business Communication Dept.
- Transportation Systems Dept.
- IT Business Dept.
- Educational Technology Business Dept.
- Data Mining Co., Ltd.
- Loxley Mobile Co., Ltd.
- Loxley Property Development Co., Ltd.

### Project Business Group

- Broadcast Dept.
- Control Systems Dept.
- Power Systems Dept.
- Environmental Business Dept.
- Special Project Dept.
- Alternative Energy Dept.
- Power Infra Div.
- L Force 1 Co., Ltd.
- L Solar 1 Co., Ltd.
- Thanthiya Technology Co., Ltd.



## Board of Directors



**Mr. Pairote Lamsam**  
Chairman



**Mr. Sukit Wanglee**  
Vice Chairman



**Mr. Dhongchai Lamsam**  
President



**Dr. Supavud Saicheua**  
Independent Director



**Mr. Charoon Chinalai**  
Independent Director



**Mr. Joti Bhokavanij**  
Independent Director



**Mr. Vasant Chatikavanij**  
Director



**Mr. Suraphand Bhasitnirandr**  
Director



**Dr. Sompop Chareonkul**  
Director





**Dr. Harit Sutabutr**  
Independent Director



**Dr. Wissanu Krea-ngam**  
Independent Director



**Mr. Sirin Nimmanahaeminda**  
Independent Director



**Mr. Supachai Wanglee\***  
Director



**Mr. Suebtrakul Soonthornthum**  
Director



**Mr. Poomchai Lamsam**  
Director



**Mr. Suroj Lamsam**  
Director



**Mr. Chalermchoke Lamsam**  
Director

Remark : \*Mr. Supachai Wanglee resigned from the Director on 4 December 2013.

## Executive Board



**Mr. Dhongchai Lamsam**

President



**Mr. Suebrakul Soonthornthum**

Senior Executive Vice President  
Joint Venture Business Group



**Mr. Vasant Chatikavanij**

Senior Executive Vice President  
ICT Business Group



**Mr. Suraphand Bhasitnirandr**

Senior Executive Vice President  
Trading Business Group



**Mrs. Kosoom Sinphurmsukskul**

Executive Vice President  
Trading Business Group



**Mr. Thongyai Chanthanawan**

Executive Vice President  
ICT Business Group



**Mr. Natavoot Chitasombat**

Executive Vice President  
Project Business Group



**Dr. Sompop Chareonkul**  
Senior Executive Vice President  
Service Business Group



**Mr. Suroj Lamsam**  
Senior Executive Vice President  
Technology Business Group



**Mr. Chalermchoke Lamsam**  
Senior Executive Vice President  
Project Business Group



**Mr. Saknarong Saengsangapong**  
Executive Vice President  
ICT Business Group



**Mr. Supat Karachalkul**  
Executive Vice President  
Finance Group



**Mr. Karn Thongyai\***  
Executive Vice President  
Service Business Group

**Remark :** \*Mr. Karn Thongyai was appointed to be executive vice president on 1 January 2014.

# LIST OF DEPARTMENT MANAGEMENT (YEAR 2013)

## SENIOR VICE PRESIDENT

- |                                 |                                  |
|---------------------------------|----------------------------------|
| 1. MRS. SUGANYA VEERAKIATIKIT   | ADMINISTRATION & GENERAL AFFAIRS |
| 2. MR. ANUSONE RUTHAIYANONT     | TRANSPORTATION SYSTEMS           |
| 3. MR. WACHARA ASVANUWATRA      | CHEMICAL INDUSTRY                |
| 4. MR. THONGCHAI KONGSAKPHAISAL | CHEMICAL INDUSTRY                |
| 5. MR. NARISORN MANASPITI       | ONLINE LOTTERY                   |
| 6. MR. CHAMNAN CHOTCOMWONGSE    | INTERNAL AUDIT                   |
| 7. MR. PRASERT SUVITHYASIRI     | INTERNATIONAL BUSINESS           |
| 8. MR. PATTARA POJANAPANICH     | BROADCAST                        |
| 9. MR. NIMIT PRASERTSUK         | POWER SYSTEMS                    |
| 10. MR. KITTIKHAIRAKTAKANIT     | CONSTRUCTION MATERIALS           |
| 11. MISS SARIPORN PRUKSATHORN   | ACCOUNTING MANAGEMENT            |

## VICE PRESIDENT

1. MR. WIROTE LIMPANAWATTANAKUL  
TRANSPORTATION SYSTEMS
2. MR. KOMSON RUNGRUENGSORAKARN  
CORPORATE COMMUNICATION ADMINISTRATION
3. MISS PATRA LAOHAPOLWATANA  
INTERNATIONAL LEGAL AFFAIRS
4. MR. TIM TAK TIMOTHY WONG  
OFFICE OF THE PRESIDENT
5. MISS NALINEE BIJAISORADAT  
INFORMATION SYSTEMS
6. MR. SUTON RAKPRATHED  
BROADCAST
7. MR. SANIT RATANAVALDI  
OFFICE OF THE PRESIDENT
8. MR. DAWARIT TANSUPHASIRI (PH.D)  
HUMAN RESOURCES
9. MR. ANUCHA DUNGSIRISANGTHONG  
CHEMICAL INDUSTRY
10. MRS. SUPHATTRA BUSARAKUL  
PRINTING & ADVANCED TECHNOLOGY
11. MR. ARTHASITH KATANYUTANON  
SPECIAL PROJECT
12. MR. PICHAI MOOPUTTARAK  
LEGAL & SECURITIES
13. MR. NATTAPON DEJVITAK  
TRADING BUSINESS GROUP'S ADMINISTRATION
14. MR. PIBOON PIBOONTUM  
ALTERNATIVE ENERGY
15. MR. PISES DISSAWAT  
OFFICE OF THE PRESIDENT
16. MR. WITAWAT MESOMMONTA  
FOOD SERVICES BUSINESS
17. MR. MANIT LOHATEPANONT  
OFFICE OF THE PRESIDENT
18. MRS. KRUARMAS PUWATTANAVANICH  
FINANCE & CREDIT
19. MRS. SUDKANUENG MALITHONG  
OFFICE OF THE PRESIDENT
20. MRS. WANIDA SANGKAEW  
CONSUMER ELECTRONICS
21. MR. PAKORN APAPHANT(PH.D)  
TECHNOLOGY BUSINESS
22. MR. KREANGSAK CHANA  
CONSTRUCTION MATERIALS
23. MR. YUTHAPORN CHITAKASEM  
BUSINESS DEVELOPMENT
24. MR. TAWEEWAT TACHAKUMTORNKIT  
ENVIRONMENTAL BUSINESS
25. MR. THIKHA KHUNNAWAT  
TRANSPORTATION SYSTEMS
26. MRS. PREEYANUCH PAIBOONSITHIWONG  
INTERNAL AUDIT

## ASSISTANT VICE PRESIDENT

1. MR. WERASAK PATTARAPAKORN  
TRANSPORTATION SYSTEMS
2. MR. SIRICHAIRACHOENPHOLPHANT  
CONTROL SYSTEMS
3. MISS MALINEE SAHAVONGJAROEN  
ACCOUNTING MANAGEMENT
4. MR. WATCHARIN THANGJIDVIRIYAKUL  
CHEMICAL INDUSTRY
5. CDR. NIJKASEM PANYARACHUN  
OFFICE OF THE PRESIDENT
6. MRS. NETRA RUTHAIYANONT  
OFFICE OF THE PRESIDENT
7. MR. VORANUN UTANJID  
OFFICE OF THE PRESIDENT
8. MR. CHAIRAT LAOSURASOONTORN  
BUSINESS COMMUNICATION
9. MR. PATIYUT CHANTRAKANTANOND  
CONTROL SYSTEMS
10. MR. BOONLERT JAIMUN  
STRATEGIC INVESTMENT AND INVESTOR RELATIONS
11. MRS. PENSIRI SOWANWANICHAKUL  
IT BUSINESS
12. MRS. THANIDA GREECHURT  
FINANCE GROUP'S ADMINISTRATION
13. MR. PANU KHONGTHON  
POWER INFRA
14. MR. WATCHARAPONG PATHOMPANICH  
OFFICE OF THE PRESIDENT
15. MR. VEERAYUT KOSIRINOND  
OFFICE OF THE PRESIDENT
16. MR. DECHAPON BOONPOGKRONG  
EDUCATIONAL TECHNOLOGY BUSINESS
17. MRS. CHUTINTORN THANGSUPANICH  
SPECIAL PROJECT
18. MISS SUTEERA CHAMLONGSUPALAK  
LEARNING MEDIA
19. MISS JINDA VANICHVATANYOU  
SALES & MARKETING CHEMICAL
20. MISS PORNTHIP PIYARAT  
HUMAN RESOURCES



# Directors in the Subsidiaries Directly Owned by Loxley

## Loxley Wireless Plc



1. Mr. Dhongchai Lamsam
2. Mr. Vasant Chatikavanij
3. Mr. Chalermchoke Lamsam
4. Mr. Thongyai Chanthanawan (MD)
5. Mr. Tim Tak Timothy Wong
6. Mr. Werachai Kitsirisin
7. Mrs. Jitwatana Jaruwatanachai
8. Mr. Chakri Chanruangvanich
9. Mr. Somnuk Chaidajsuria
10. Prof.Dr. Supalak Phinitphuwadol

## Loxbit Plc



1. Mr. Vasant Chatikavanij
2. Mr. Saknarong Saengsangapong (MD)
3. Mrs. Vanida Viriyatharangkunr
4. Mr. Tim Tak Timothy Wong
5. Mrs. Puangkaew Pojanapanich
6. Mr. Thavisakdi Thangsuphanich
7. Mrs. Vongthip Chumpani

## Asia Security Management Co., Ltd.



1. Mr. Dhongchai Lamsam
2. Mr. Suebrakul Soonthornthum
3. Dr. Sompop Chareonkul
4. Adm. Taveechai Liengphiboon
5. Am. Adireg Sasatararuchi
6. Mr. Chusak Bhachaiyud
7. Mr. Kam Thongyai (MD)
8. Mr. Supat Karachalkul
9. Mr. Zamir Eldar
10. Mr. Shai Meirav
11. Mr. Ehud Herbst
12. Miss Osnat Levav

## Loxley Property Development Co., Ltd.



1. Mr. Pairote Lamsam
2. Mr. Dhongchai Lamsam
3. Mr. Suebrakul Soonthornthum
4. Mr. Vasant Chatikavanij
5. Mr. Suraphand Bhasitnirand
6. Mr. Suroj Lamsam (MD)
7. Mr. Chalermchoke Lamsam
8. Mrs. Suganya Veerakiatikit
9. Mr. Vichaya Chatikavanij
10. Mr. Supat Karachalkul

## L Force 1 Co., Ltd.



1. Mr. Chalermchoke Lamsam
2. Mr. Piboon Piboontum
3. Mr. Sakda Sriviriyahphaiboon
4. Mr. Pongpun Wadwieng
5. Mrs. Jureerat Sriviriyahphaiboon (MD)
6. Mr. Pattara Pojanapanich
7. Mr. Tachit Tivaruangrong

## L Food Solutions Co., Ltd.



1. Mr. Dhongchai Lamsam
2. Mr. Suraphand Bhasitnirand
3. Mr. Suroj Lamsam
4. Mrs. Kosoom Sinphurmsukskul
5. Dr. Dawarit Tansuphasiri
6. Mr. Manit Lohatepanont (MD)
7. Mr. Witawat Mesommonta
8. Mr. Charaspong Lamsam
9. Miss Suphanna Bhasitnirand

## Loxley Trading Co., Ltd.



1. Khunying Chatchani Chatikavanij
2. Mr. Pairote Lamsam
3. Mr. Suphot Wanglee
4. Mr. Dhongchai Lamsam
5. Mr. Suebrakul Soonthornthum
6. Dr. Sompop Chareonkul
7. Mr. Suraphand Bhasitnirand
8. Mr. Pheat Wanglee
9. Mrs. Kosoom Sinphurmsukskul (MD)

## L Green Solutions Co., Ltd.



1. Mr. Suraphand Bhasitnirand
2. Mr. Chalermchoke Lamsam
3. Mr. Natavoot Chitasombat
4. Mr. Supat Karachalkul
5. Mr. Tim Tak Timothy Wong
6. Mr. Kittichai Raktakanit (MD)
7. Mr. Nattapon Dejvitak
8. Mr. Arthur Graham Storah

## Loxley Mobile Co., Ltd.



1. Mr. Vasant Chatikavanij
2. Mr. Suroj Lamsam (MD)
3. Mr. Chalermchoke Lamsam
4. Mr. Tim Tak Timothy Wong
5. Mrs. Suganya Veerakiatikit
6. Mrs. Wanida Sangkaew

## Parts Zone (Thailand) Co., Ltd.



1. Mr. Suraphand Bhasitnirand
2. Mr. Chalermchoke Lamsam
3. Mr. Arthur Graham Storah
4. Mr. Nattapon Dejvitak
5. Mr. Wachira Yongyai (MD)
6. Mr. Keattisak Iamsri
7. Mr. Pongthep Surattanavongkul

## Data Mining Co., Ltd.



1. Mr. Dhongchai Lamsam
2. Mr. Suebrakul Soonthornthum
3. Mr. Vasant Chatikavanij
4. Mr. Suroj Lamsam
5. Mrs. Suganya Veerakiatikit
6. Mrs. Sudkanueng Malithong

## Societe Commercial Lao Co., Ltd.



1. Mr. Suebrakul Soonthornthum
2. Dr. Sompop Chareonkul
3. Dr. Jingjai Hanchanlash
4. Mrs. Vanida Eksaengsri
5. Mr. Viphet Sihachakr
6. Mrs. Sangmanee Viyagate

## Loxley Intertrade (Guangzhou) Co., Ltd.



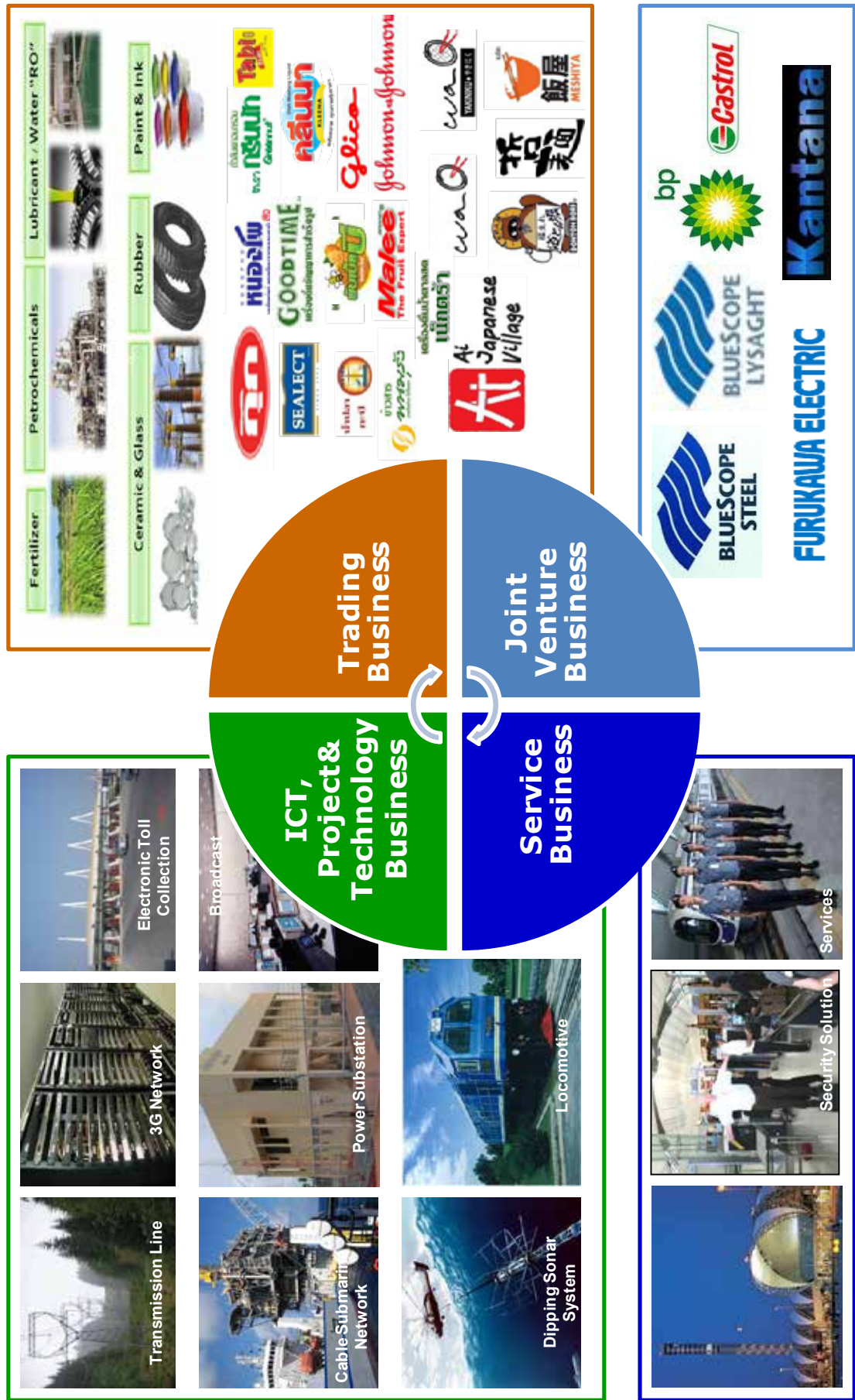
1. Mr. Suraphand Bhasitnirand
2. Mr. Chalermchoke Lamsam
3. Mr. Nattapon Dejvitak
4. Mr. Tim Tak Timothy Wong (MD)
5. Mrs. Suganya Veerakiatikit

## Green Natural Product Co., Ltd.



1. Mr. Chalermchoke Lamsam
2. Mr. Wachra Asvanuwatra (MD)
3. Mr. Thongchai Kongdakphaisal
4. Mr. Chudak Dirakwattanachai
5. Mr. Visan Kanokpongsuk
6. Mr. Tanu Sirisaowalak

# Business and Operation Structure





## Overview

The Group comprises 2 major units -- Telecommunications Unit and Computer Unit, where the former is responsible for comprehensive telecommunications infrastructure services, telecommunications equipment distribution, and wireless broadband Internet services, while the latter is responsible for financial and banking services, IT, and computer services.

In 2013, the Company reorganized its corporate structure by transforming Loxley Wireless Company Limited into a public company and increased its registered capital to support the initial public offering plan after being approved by the Securities and Exchange Commission. Work and personnel in the Telecommunication Network Department were transferred to the subsidiary in order to ensure clarity in business operations.

## Telecommunication Network Department

### Scope of Products or Services

The Department engages in a procurement and offering comprehensive services related to large telecommunications equipment as a System Integrator, including (1) Transmission: SDH & DWDM high-speed communications equipment and Fiber Optics (2) Satellite System: Mobile Satellite Communication trucks; (3) Access System; and (4) Mobile Base Station construction.

### Marketing and Competition

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

Most projects are resulted from high competition auctions, especially the government's e-auction method where international companies with high financial and technology capability participated in the auction. The Department focuses more on quality of the services and after-sales services, which are major competitive advantages. In addition, the Department sources and offers the products that best address customers' nature of business and needs.

### Ongoing Projects

Ongoing projects include the fiber optics network installation project in the southern and lower northeast areas to support the national education network project 2012-2013 introduced by the Higher Education Commission. The value of the undelivered part is Baht 478 million and the entire project is expected to be completed in the 1<sup>st</sup> quarter of 2014.



Remarks: In 2012, an organizational restructure was introduced to improve clarity for business operations and direction. The Company therefore transferred this Department to Loxley Wireless Plc and transferred all the works and concerned employees to the new company. From mid 2013 therefore, all business activities related to telecommunications business has been transferred to Loxley Wireless, leaving only undelivered projects.

## Loxley Wireless Public Company Limited

### Scope of Products or Services

Loxley Wireless Public Company Limited is a subsidiary of Loxley Public Company Limited that operates in telecommunications business. Its business comprises five major areas as follows:

1. Telecommunications Services: Distribution of Huawei's and Alcatel-Lucent's Carrier-grade communications equipment, including SDH, DWDM, and NGN, as well as Astra's enterprise products, e.g., PABX including installation and after-sale maintenance services
2. Wireless Communications Services: Distribution of Cambium Networks' "Canopy" Micro wave equipment, Wireless Transmission Solutions, e.g., Radio Frequency Repeaters, VSAT, etc.
3. Network Optimization: Mobile network optimization service via various techniques, e.g., dead signal area improvement, repeater installation, indoor and outdoor antenna installations, etc.
4. Type III Telecommunications Operator: Provider of high-speed data communications corporate customers, e.g., Internet broadband, Voice over IP, Video surveillance (CCTV), Virtual private network (VPN), etc.
5. Cloud-based information outsourcing service: Installing Cloud-based server and server applications. Customers are the Kurusapa Business Organization which has a plan to deploy POS system at its nationwide outlets and for the Enterprise Resource Planning (ERP) system, online trading system and e-Book services.

### Marketing and Competition

Telecommunications service providers both in the public and private sectors are expanding their network to support the positive economy expansion trend and to respond to the government's support for information and communications technology deployment in public and private organizations, such as in nationwide water management project, Smart Thailand Project, TOT's 3G Network Expansion Plan Phase II, 3G licensing by the National Broadcasting and Telecommunications Commission (NBTC), digital TV licensing by the NBTC under which license holders have the rights to provide TV service on mobile devices, including smart phone and mobile TV, and the government's 57 strategic transport and logistics infrastructure projects worth Baht 2-trillion. In addition, consumers' demand for high-speed data communications was on the rise. Given these factors, the total market enjoyed constant expansion. Although advanced technology brought to the market new and innovative services, it also brings greater competition. Bidders had to use all strategies to compete for victory in the bids, especially the government's telecommunications service projects which have low financial risks compared to those initiated by the private sector. As a result of high competition, gross profit margin for each project diminishes. Major factors in auctions include product quality, ability to offer the right solutions and ability to manage and deliver project as scheduled. Another important factor is the reliability and capability of business partners joining the bidding, including domestic and international producers. In this case, the state enterprises or telecommunication service providers who own the project would pay more attention to the background of such bidder. The Company believes it has advantage over others in terms of technical expertise, good relations with producers and strong record of past projects and services, especially in telecommunications system projects, submarine optical fiber cable in the Gulf of Thailand and 3G mobile phone network project. Its positive relations with customers make the Company one of the top telecommunications and communications network service provider.

The Company maintains high quality standard and efficiency of its administrative system with concentration on improving personnel knowledge the enables its sales, technical supports and project management teams cope well with the rapidly changing technologies and the business environment. These are key factors strengthening long-term competitiveness and enabling the Company to be successful in bidding.



## Ongoing Project

The Company is carrying on two such major projects as the construction of optical fiber cable for CAT Telecom Public Company Limited to connect mainland telecommunication system with the off-shore oil rig in the Gulf of Thailand covering the distance of 1,340 k.m. This network begins from Sri Racha to the offshore oil rig and Songkhla with the total value of undelivered project of over Baht 2 million, representing 0.1 per cent of the total project value. This is expected to be completed in the end of the first quarter of 2014. The value of undelivered 3G mobile telecommunication network project is approximately Baht 224 million, representing 5 per cent of the project and is expected to be completed in the 2<sup>nd</sup> quarter of 2014.

The Board of Directors' meeting No. 5/2556 on 15 May 2013 resolved to approve a proposal to transform Loxley Wireless Company Limited, in which the Company holds 80 per cent stake, into a public limited company by splitting par from Baht 100 per share to Baht 1 per share and increasing registered capital from Baht 275 million to Baht 368 million. The capital was raised through an offering of no more than 93 million new ordinary shares to the public. Approximately 20 per cent of the newly issued shares or 18.60 million shares were offered to the existing shareholders whose names appeared in the book at the closing date which would be announced after Loxley Wireless Public Company Limited's public offering plan was approved by the Securities and Exchange Commission or SEC (Ekpavee Company Limited and the Directors and Executives of the Company and its subsidiaries have no right to subscribe stocks in this allotment). Such portion would be offered at the same price as those offered to the public. The price would be set after the approval from SEC. After that Loxley Wireless will be registered as a listed company on the Stock Exchange of Thailand.

## Loxbit Public Company Limited

### Scope of Products or Services

The Company is an Information Technology system integrator focusing on transaction automation, interactive voice response systems, voice recording system, electronic payment systems with information theft prevention, Image Cheque Clearing & Achieving System (ICAS) and management, automated teller machine systems, large computer equipment, Information Technology for banking applications and regulatory complaints such as risk management and reporting system for banks and financial institutions in compliance with the new international financial report standards. The Company provides total solution.

Based on the market research and technology development monitoring, the Company has constantly developed and offered services that best address changing technology and meet with international standards. In addition to performing the role as a distributor, its teams are capable to offer technical services and alter programs in some products as authorized by the manufacturers. This has strengthened trust among its customers while increasing value to the service offered.

### Marketing and Competition

The Company's target customers include financial institutions, insurance businesses and telecommunications business which are network owner and service providers in the government sector, state enterprises, and the private sector. The rapid technological change and improvement in terms of transaction pattern and information security, providers have to ensure security of users' information for customers' confidence. As technology development progresses quickly, the Company's products and services have to be improved to better serve customers' needs in terms of qualities and patterns of services.

Loxbit has more advantages over its competitors due to its highly experienced teams who have good understanding and knowledge in the offered products and services. Its technicians can design and customize products to better meet customers' demand. At the same time, they can optimize technology benefits. The Company's ability to offer the products and services that best address customers' need has enabled the Company to win customer loyalty.

### Ongoing Projects and Future Plans

The Company plans to install IP automation system for banks and insurance businesses, provide services and EDC maintenance and install automatic teller machines for banks and financial institutions for their future projects. It has a goal of providing information security system to support electronic transaction, risk management and financial report standard for international financial transactions for banks and financial institutions and information theft prevention system and credit and debit card authentication systems. In addition, it plans to develop interactive voice response system that allows multi-channel access to the system that support different devices, enabling service providers to reduce operation and maintenance cost. The company also has the replacement project for EDC and the new system that comply BOT, VISA and Master Card.

## Professional Computer Company Limited

### Scope of Products or Services

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

The Company is a founding member of the Software Industry Club under the Federation of Thai Industries and receives quality standards as follows:

- ISO9001:2008 from MASCI
- ISO/IEC 20000-1:2011 standard for Service Management System
- Capability maturity Model Integration (CMMI) V1.3 Level 2

The Company also emphasizes on enhancing the capability of its software development team according to the CMM level 2 standard and its IT Outsourcing team to Information Technology Infrastructure Library (ITIL) Certifications. Presently, the Company's staffs have completed more than 100 certifications within the IT field.

### Marketing and Competition

While the government budget for IT project increases, disbursement and payment has been delayed and there were many factors causing economic slowdown. However, the Government's off-budget funding and loans and investment from the financial sectors have enabled the Company to generate constant sales. The Company emphasized on offering quality products and service at affordable price to ensure satisfaction. Operational efficiency and IT team capability are among the Company's top priority, especially IT team's solution skill development to better address project's goal. In terms of resources allocation and product portfolio, the Company has sourced quality products from leading manufacturers, such as IBM, HP, EMC, CISCO, Oracle, Google and Microsoft. Its major customers are government agencies, state enterprises, telecommunications business and banking business. The Company is increasing its access to the energy business, such as the Provincial Electricity Authority.

### Ongoing Projects and Future Plans

The Company has many projects to be delivered, such as Krung Thai Computer Services Company Limited, Provincial Electricity Authority's projects, Government Saving Bank's Project, the Office of the Permanent Secretary for the Ministry of Finance, projects for the Comptroller General's Department, and the Revenue Department.

In the future the Company expects to win large-scale projects from the government and private sectors. It is interested in bidding for Krung Thai Computer Services Company Limited's Mobile Application Project, Revenue Department's tax audit system, IDM Project by the Bank of Agricultural and Cooperatives, Application Transform to BPM (Extension) by Krung Thai Computer Services Company Limited, for example

## NetONE Network Solution Company Limited

### Scope of Products or Services

The Company operates as data communication system integrator, distributing and renting Data Communication Network equipment and computer system, designing and installing data communication system, and mission critical networks maintenance by using a combination of Audio and Video data collected through Internet Network.

The Company also represents world's leading brands, such as Cisco System, F5 Network, Blue Coat and Microsoft in Thailand. The Company has been certified as Gold Certified Partner by Cisco System, the highest certification level that not many distributors receive.

## Marketing and Competition

The continuous development of Internet technologies in Thailand continues to enhance sales and service channels. In addition, the varieties of effective and highly secure services which fulfill customers' business needs encourage them to request for the Company's products and services. The Company has earned loyalty from customers throughout these years.

## Future Plans

The Company has expanded its business by adopting Vertical Marketing strategy in 2013, expanding into mid to large-scale industrial plants, finance, banking, education and hospital service markets. It also has a policy to expand service outsourcing, networking, information network security, desktop network service and security services, which are in high demand.

In compliance with its objective, the Company is committed to adopting international standards, including being certified by the ISO/IEC20000-1:2011 in 2012. It is also making continual improvement to achieve ISO/IEC 27001 certification in 2013. Moreover, the Company encourages its engineers to attend trainings in order to receive international certifications and provides internal network laboratories for engineers to research and test work procedures.

## Mobile Innovation Company Limited

### Scope of Products or Services

Mobile Innovation Company Limited is a joint venture between Loxley Public Company Limited and NTT DoCoMo Inc., Japan's leading mobile and wireless communications company.

The Company provides Thailand's first real-time Fleet Management System services as an Application Service Provider (ASP) under Fleet Expert brand. This tracing and tracking technology combines GSM communication networks, GPS Satellites (Global Positioning System) and Digital Vector Map technologies to enable call center monitoring of accurate co-ordination of fleet, text based fleet positions and information on existing conditions. The system permits authorized staff to monitor fleets' movements, drivers' behaviors, vehicles' status, with detailed reports for vehicle management on trip, daily or monthly basis, such as Safety & Economical Driving Report, Trip Management Report, goods delivery service report, etc. as well as to interactively communicate with the drivers directly from the control center.

The Company distributes quality products from leading producer, namely Transtron Inc, a company within Fujitsu Corporation, the leading automotive parts and spare parts with Japanese Industrial Standard certification. Customers can be assured that the products are carefully tested and certified by reliable manufacturing plants and therefore can perform its function with stability and durability regardless of the type of vehicles it is used. GPS equipment sold by the Company can receive directly from the vehicles critical information, such as RPM or driving speed, resulting in accurate real-time information report, the first and only in Thailand.

Based on market and consumer needs studies, the Company constantly improves and offers additional goods and services that best address customers' current demand. The Company offers comprehensive services rather than sales-based service in order to constantly generate income. Given the rapid changes in technologies, products offered must pass acceptable standards and the Company's personnel has to be capable of providing technical service or customizing programs as authorized by the manufacturers rather than a mere distributor. This viewed as adding value to the services.

## Marketing and Competition

Target customers for the Company are organizations that have to manage their fleets effectively with safety and energy saving. The Company sells its products and service through direct channel and through its distributors. For enhanced competitive advantages, the Company plans to use pricing strategy and diverse service offering.

Despite intense competition within the industry with most players adopting pricing strategy, the Company has put great emphasis on highly skilled and experienced personnel who can provide good advice on product usage and after-sales services as well as high product quality that best address customers' need. As a result, the Company has been entrusted by its customers. In addition, the Company continues to improve its services in terms of product usage programs and additional services that have enabled the Company to grow its customer base.

## Future Plans

The Company focuses on providing vehicle location management and monitoring system as well as sourcing the right products and services with assistance and support from the Japan-based NTT Docomo and Loxley Public Company Limited in order to offer new technology, products and services to logistics businesses of all types. This will also enable the Company to expand business to the neighboring countries in the ASEAN region which provides GSM mobile network. In April 2013, the Company opened its first subsidiary company in Hanoi, Vietnam, to sell its service and products in the country. In October 2013, it opened the second overseas office in Jakarta, Indonesia and in 2014 will expand its business to the Lao PDR. In addition, the Company has continuously invested in advanced equipment and technology in order to offer highly efficient services that best address customers' needs.

## Learning Media Division

### Scope of Products or Services

The Division has developed and offered ICT training courses that are designed and customized for specific group of trainees with focus on practicality. In addition, the division arranges seminars for government and private organizations with customers across all levels, from children to youth, students, government officials, employees of private organizations and retirees, as well as computer training room rental for the Group's subsidiaries and other organizations.

The Division has also administered the Old People Playing Young (OPPY) Club that has offered computer and Internet training for its members. Since 2000 until today, the Club has over 4,500 members. In 2013, the Club opened 13 courses of iPad trainings. In addition, it offers other fun activities, e.g., sightseeing, creative works, arts, etc.

In addition to training courses, the Division emphasizes on having a team of highly experienced, knowledgeable and capable personnel with high coaching skills as well as keeping the software and hardware training rooms in good condition.

### Marketing and Competition

In general, ICT trainings market is highly competitive. The service provider has to compete in both quality and price while the market for ICT trainings for the elderly and senior executives is less competitive. The Division is focusing on this target market. However, other competitors that the Division cannot miss are social activities and health care activities for seniors.

The Division has communicated its services via various media, e.g. OPPY Club's website ([www.happyoppy.com](http://www.happyoppy.com)), facebook ([www.facebook.com/OPPYClub](http://www.facebook.com/OPPYClub)), OPPY Newsletter (quarterly journal), newspapers, magazines, radio and television. Communications with old customers is also a major channel as they can recommend new customers. Additionally, it also publicizes new training courses and activities through strategic partners, e.g., hospital, the Government Pension Fund, National Day of Older Persons (by the Ministry of Social Development and Human Security), etc.

## Future Plans

The Division has planned to expand its older customer base by developing Android table training course for the elderly and supporting ICT training for various projects under the ICT Business Group and subsidiaries of the Loxley Group. This includes research and development of Google Enterprise system training to meet with the rising demand in the government and private sectors.



# Technology Business Group



## Overview

The Group has been providing services and procurement of technology products involving 3G mobile service reseller or MVNO. We also provide services and sales of hi-speed printing products, PABX, installation of expressway management system, railway signaling system, security system in building, sophisticated information protection system, as well as rental service for computers and telecommunication equipment to support education activities and real estate management and services.

In 2013, the Group has mostly provided services to each core customers, significantly involving in specialized technologies. Meanwhile, the Group has gone an extra mile to expand business opportunities to the related fields for entry into AEC.

## Consumer Electronics Department

### Scope of Products or Services

The Department was authorized by Sony Ericsson, Motorola and HTC to operate repair and after-sale service centers for their mobile phones and tablets. Additionally, TOT Plc has extended its service agreement authorizing the Department to be its 3G mobile phone reseller or Mobile Virtual Network Operator (MVNO) under TOT's license to operate under the Type I telecommunications service granted by the National Broadcasting and Telecommunications Commission (NBTC). To further increase distribution channel and strengthen the service offering, the Company signed a Brand Licensing Agreement with Tune Talk Sdn Bhd for the right to use "Tune Talk" brand in marketing 3G mobile phones through airlines and Air Asia service outlets in addition to existing distribution channel.

### Marketing and Competition

Today the telecommunications and IT business has been rapidly expanding, providing greater opportunity for the Department in constantly generating and growing income. Competition in the same market segment has become more intense, with more competition in terms of price and service quality. The Department therefore differentiates itself through quality services based on partners' assistance and strengths, and expanding customer base to niche market.

Given that the Department's business, especially 3G mobile phone reselling service, relies heavily on TOT Plc who is the network provider, network and service quality is therefore based on TOT's standard. Committed to offering high quality and competitive services, the Department has been trying to initiate new services that are on par to other key players. Some of the services are, for example, international roaming, international SMS roaming, etc. The Department also increased distribution channels and top up service points to expand and maintain its customers in the long run. The Company also strictly complies with the NBTC's terms and regulations.

## Future Plans

The Department plans to seek new partnership to support its business expansion and reaching out to niche market in order to increase market share from major players in the market.

## Printing & Advanced Technology Department

### Scope of Products or Services

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

### Marketing and Competition

The Department's products are able to satisfy customers well in terms of quality and needs related to cost control. Its printer can handle large-paper-size printing of up to 14x26 inches, which is considered the largest size of paper for digital printing system, and can handle ultimate color printing or a fine quality printing that provides precise colors from the first page to the last with maximum speed of 131 pages per second. The printer can handle heavy printing jobs such as non-stop 7X24 printing, ultimate colors, including gold, pearl-silver, and red UV fluorescent, dimensional printing, and glossy and matt coating, all in one printing process. All these printing techniques are crucial to enhance printing business operators' competitive advantages. In addition the Department distributes high-speed Hybrid Inkjet print head that can handle Variable Date, QR Barcode and 2D Barcode. These will effectively support the growth in Courier and Packaging (pharmaceutical and cosmetic) business and customers who wish to add value and increase credibility to their products by adding traceable barcode (to verify product authenticity) and manufacturing date (for shelf life checking). Customers can easily attach the print head to their existing offset printers and reap the benefits from added value works and increase investment worthiness.

### Future Plans

The Department is expanding high quality color digital printers with ultimate color printing, hybrid inkjet print head in both private and educational sectors.

## Business Communication Department

### Scope of Products or Services

The Department provides communication system products and services, including designing, sourcing and equipment installation, to both state and private organizations. The products and services can be categorized into Voice Network, and Data Network. The Voice Network products include legacy PABX, IP PABX, Voice Over IP, Contact Center, Unified Communications and related applications. The Data Network products include router, switch, data security, wireless access point, and video conference. At present the Department distributes products and services from world-class manufacturers including Avaya, Aruba, Alcatel, NEC, LG-Ericsson, Fortinet, Extreme, Allied Telesis, Juniper, Audio Code, Hua Wei, Dell, HP and many more.

The Department mainly imports products for local supply under distribution service agreement. Only some products are imported or purchased from distributors to support the Department's bidding activities or turn-key projects.

### Marketing and Competition

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

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

## Ongoing Projects and Future Plans

Currently, the Department's ongoing projects include call center system for the Office of Insurance Commission, Call Center system expansion project for the Department of Provincial Administration under the Ministry of Interior, Call Center system expansion project for the Department of Disaster Prevention and Mitigation under the Ministry of Interior, wire intercom system for Post Publishing Plc, Call Center system improvement for Muang Thai Life Insurance, and the telephone system expansion and improvement for Thai Airways International Plc.

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

## IT Business Department

### Scope of Products or Services

The Department has been providing design and installation of complete Information and Communication Technology network. Its teams of technical experts who have high experience provide planning and management according to customer's requirement, enabling customers to most efficiently access and utilize the information system as well as prevent and manage corporate risks related to their investments in hardware and software assets. In the past, the Department has developed a Data Communication Network system, software application system, IT security system, including information center upgrade for the government entities, state enterprises, banks, and major private companies.

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

### Marketing and Competition

Technology development and implementation in any organization has directly and indirectly influenced the business. Therefore highest utilization of technology is vital in whether or not the organization will proceed with effectiveness and efficiency in the highly competitive market. As today's Information and Communications Technology market is highly competitive with rapid changes, the Company must put emphasis on providing suitable solutions for its customers by providing Perceived Price in order to gain Perceived Value. Additionally, after-sale service is also essential in utilizing service mind into providing best services.

### Future Plan

The Department plans to participate in bids called by government agencies, state enterprises and the private sectors for household database system, GPS Tacking System, data network and wireless networks, and voice and data network installation and services, etc.

## Educational Technology Business Department

### Scope of Products or Services

The Department operates rental and sales of high quality computers and communications equipment for education services in central and other regions nationwide. It sells and leases local and import products to public and private educational institutions

nationwide. Other services provided by the Education Technology Business Department include network installation and office equipment maintenance and repair services. The Department also acts as sales representatives of e-Learning/ Authoring Tools/ e-Classroom and PC management software to enhance learning efficiency while making learning a fun and interesting process.

Given that most of the products are imported from other countries, the Department has to secured partnership with leading IT product distributors in Thailand. The partners supply products and handle product inventory while ensuring efficient delivery to the customers' location, enabling the Department to efficiently manage its business without bearing the burden on product import and inventory management.

## Marketing and Competition

Competition is very high considering that the products are in high demand because they are used in teaching in schools. Most of the competitors are small scale companies that focus on offering low-price products. The Department builds further on its strength and enhances credibility and trust the customers have on it to offer quality products, good after-sales service and affordable price to ensure customer satisfaction.

## Future Plan

The Department has a policy to source and offer new products with high quality and affordable price and to focus more on government projects in order to increase sales. Among potential projects is the sourcing, supplying and installation of microcontroller system and equipment to be used as teaching equipment in automotive engineering lab for the Department of Vocational Education. The Department is also looking for opportunity to supply pollution-free furnace for burning garbage to government offices, such as the Tambon Administration offices and the Department of Livestock.

## Transportation Systems Department

### Scope of Products or Services

The Transportation Systems Department provides a turnkey service to the customers, covering design, assembly, installation, test, training and manual preparation for system operation and maintenance to make sure that our customer will receive a comprehensive system with great efficiency. The Department's services cover Railway Signaling System, Community Train Control System, Train Telecommunication, Intelligent Traffic Control System, Toll Collection System (Cash and Electronic), Traffic Control System, and Building Security.

## Marketing and Competition

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

## Ongoing Projects and Future Plans

The current projects in progress include the toll collection system and expressway traffic management project which are scheduled for completion in 2016 and the construction of Phang Nga Prison which will be completed in 2015.

The Department consistently follows up on Government related plan and policies on transportation systems development and ensure that its business plan best corresponds to the Government's plan and policies that may also include investment in projects that the Government invites private sector to participate in joint investment.

## Data Mining Company Limited

### Scope of Products and Services

The Company has been operated in information technology business, computer system, network and peripherals, and related processing systems, e.g., specific application and data processing software, and system integration from core systems to complicated process design solutions to meet customer needs. The Company has also developed and managed in GIS projects to meet customer needs and integration in GIS projects for all companies in Loxley Group

### Marketing and Competition

The Company's major customers are law enforcement entities, anticorruption agencies in both government and private sectors where vital financial information is required for investigation to prevent money laundering and abusive terrorist activities. The Company's major customers are the government and private sector as have the strategic in GIS data and system development and integration the application development on GIS core to complicated process design solutions to meet customer needs.

### Future Plans

The Company has planned to expand the business to cover state organizations by offering computer system installation and applying to be the consultant company about system conceptual design and development. To be provided the products to value added in the existing GIS core of customers including the expansion of business for production, management and integration in GIS business to AEC in addition to financial protection and crime control and GIS data and system development and integration the application development on GIS core to complicated process design solutions to meet customer needs.

## Loxley Property Development Co., Ltd.

### Scope of Products and Services

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

### Marketing and Competition

Developing land and properties in the inner city areas in accordance with the Government's electric train investment and expansion plan opens wide the opportunities for the Company. In response to this, the Company considers land and property investment in small to medium sized projects. By basing its consideration on target customers' needs, the Company will focus on community level rather than city or regional levels. The Company however does not anticipate fierce competition but see this as mild competition among operators in the same geographical area.

The important factor is land to be developed. The Company has a good land bank of many plots it has held for a long time and has good relations with many landlords. This has increase possibility for the Company to develop land in the inner city. In development land, the Company takes into account specific conditions related to the surrounding environment, community and the general public as well as the government's city planning regulations. The Company also ensures that its land and property development projects are safe, hygienic and environmentally friendly. The Company is strongly committed to become a member of quality society in the future.

### 2013 Performance and Future Plans

In 2013, its business operations have successfully generated good returns. The reputation and image has been enhanced. The Company started to make investment in high potential locations in Bangkok and in the provinces. As for the property management service, the Company focuses on seeking and building relationship with business partners, growing customer base, upgrading service system to meet with international standards and enhancing its personnel's capability through continuous training.



# Project Business Group



## Overview

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

In 2013, the Group's businesses have successfully won opportunities to provide services to projects run by government and private organizations. The Group, however, has continued to study and seek opportunities to expand to renewable energy businesses, such as wind farm and biomass energy, in addition to its existing solar farm operated by one of its businesses. High potential source for producing renewable energy will enhance its opportunity to expand environmentally friendly business.

## Broadcast Department

### Scope of Products or Services

Broadcast Department operates as representative or authorized dealer of television and radio transmitter and other related broadcasting product such as studio equipment. The department also operates as a System Integrator (SI) to provide a total solution (products and services) for television and radio broadcasting organization in both private and public sector.

Another important role of our department is to cooperate with other agencies in order to provide information to the Thai public in relation to broadcasting technology.

### Marketing and Competition

As a result of the imposed change from analog broadcasting to digital broadcasting by The National Broadcasting and Telecommunication Commission (NBTC) in 2012, this will create a lot of changes in broadcasting industry. Digital technology will certainly enhance broadcasting capability in many ways, which will in turn, create a higher market value and competition level as well.

The Department existing customers are varied from both government and private sector, such as the Public Relations Department (PRD), The Royal Thai Army television and radio (CH5), MCOT Public Company Limited (CH9) and Parliament radio station.

### Ongoing Projects and Future Plans

In 2014, the department has a number of major on-going projects under implementation (mostly digital transition related) such as, CH 5 studio project (for CH5 new facility, 584 MB), CH 5 Network Provider project (508 MB) and also digital trial project for both CH 5 and The Government Public Relation Department (PRD). In relation to Thailand's digital transition, our department plans to extend its functions for both products and services in order to serve such a vibrant Thai's broadcasting industry.

## Control Systems Department

### Scope of Products or Services

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

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

### Marketing and Competition

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

### Ongoing Projects and Future Plans

On-going projects comprise control system improvement at Bang Pakong Power Plant and Pak Moon Power Plant for the Electricity Generating Authority of Thailand (EGAT) and the installation of SCADA for raw water production for the Provincial Waterworks Authority which is scheduled for completion in 2014.

Module A6 and B4 which is a data system to support forecast and emergency warning and water management system under the Government's sustainable water management system design and construction and the flood handling system. The Department is responsible for the improvement and installation of the telemeter system for the project once the Government policy is finalized. In 2014, the Department plans to expand its SCADA business to control raw water treatment by Provincial Waterworks Authority and to participate in bidding in order to expand its customer base.

## Power Systems Department

### Scope of Products or Services

The Department is engaged in business related to the power systems for both public and private sectors. Work under its mandate consists of system integration spanning a range of activities including engineering, design, product procurement, construction, and project management so as to meet customer requirements. Examples of activities include: construction and renovation of power substations, construction of transmission line, distribution line sales, including aerial, underground and submarine cables, sourcing and installation of power substation control system, electricity system for manufacturing plants and high-rise buildings, infrastructure system and general electricity systems services, including maintenance, system testing service, and power system consulting, etc.

The Department is aware that power substation construction may affect the environment and surrounding community, and therefore set a policy to have clear and strict preventive measures. As a result, none of the projects handled by the Department ever had problems related to adverse impact on the environment and community.

### Marketing and Competition

The government has continued to invest in expanding the electrical and power distribution systems, apart from encouraging private sectors to co-invest in all forms of power system, since they represent major factors for the country's development and people's quality of living while our neighboring countries such as Lao People's Democratic Republic and Republic of the Union of Myanmar have continued to carry out such systems. Additionally, the private sector has shown greater interest for investments in electrical and power systems-hence, reason for numerous business opportunities. Department's experience in this specialized business, recent undertaking to introduce a quality service policy, and highly experienced staffs have all contributed to the Department's valuable reputation, status, and business potential. Our current key customers include the Provincial Electricity

Authority of Thailand, the Metropolitan Electricity Authority, and the Electricity Generating Authority of Thailand.

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

The Department became a partner of EGAT for the 500-kV Tha Tako Power Substation construction project. The 500-kV power is the highest voltage available in Thailand and Indochina region, thus this provides the Department with a good opportunity to enhance its capability. Once the project is completed, the Department will have greater capability to provide services to customers in the entire region.

## Ongoing Projects and Future Plans

Projects to be handed over to clients are as follows:

- Construction of transmission stations for the Provincial Electricity Authority: three 115-22 kV Gas Insulated Switchgear systems; two 115-22 kV conventional systems; one 115-22 kV Modular system; one 115-53 kV Gas Insulated Switchgear system; one 115-33 kV Conventional system and two 115-33 kV Modular systems.
- Construction of transmission stations for the Provincial Electricity Authority: two 115-24 kV Gas Insulated Switchgear systems
- Construction of transmission substation for the Electricity Generating Authority of Thailand: 500 kV Conventional system

In the past year, the Department granted the right to build power substations for various state-owned agencies. The Department has the goal of strengthening its reputation as a comprehensive electricity system service provider and gives more weight to expanding its energy system management services to cover Smart Grid which is a network of national energy control and management system by acting as the contractor and sales representative for Smart Grid equipment.

In addition, the Department plans to expand its business more into the neighboring countries which have tendency to increase investment in electricity and power system improvement in respond to the AEC trends in the near future.

## Environmental Business Department

### Scope of Products or Services

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

### Marketing and Competition

Considering high competition in environmental business, the Department emphasizes on creating good services to customer groups to ensure strong customer base. Its major customers are the Provincial Waterworks Authority and the Metropolitan Waterworks Authority. The Department also participated in small and medium-sized projects in order to expand its market in the private sector and increase its marketing capability through a team of experts and state-of-the-art technology.

The Department generally adopts the direct sales channel to bring its products and project ideas to reach its target customers both in the government and private sectors.

### Future Plans

The Department plans to focus on all environmentally related projects, in particularly in tap water/water quality improvement businesses, wastewater treatment/reclamation, and waste to energy, including: concession projects of water supply systems, construction of water treatment plants and distribution pipeline, operation and maintenance of water & waste water treatment system, leakage survey on main and branch water pipes, wastewater treatment system projects. Expanding its business to service customer in the neighboring countries is also a focus of the Department.

## Special Project Department

### Scope of Products or Services

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

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

### Marketing and Competition

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

Competition within this market is moderate since the Department's products and service are within highly specialized fields. Any competition in these fields would be based on technological expertise, readiness of information, sales strategies, customer care, in addition to good relationship with customers. The market trend mainly depends on the allocation of government budget and whether the suitable products are represented. Meanwhile, the overall economical situation has slight effect on the business operations because the products and services offered are in highly specialized fields which are somewhat niche.

### Ongoing Projects

The Department has to deliver substance detectors to the Defence Technology Institute (Public Organization) under the Ministry of Defence, and high-pressure compressors to Krabi Hospital with deliver scheduled in the 1<sup>st</sup> quarter of 2014. Other projects include aerial system installation for the Royal Thai Army Headquarters which is scheduled in March-April 2014.

## Alternative Energy Department

### Scope of Products or Services

The Department operates alternative energy sourcing business, covering solar energy, wind energy, hydro energy and biomass energy. It studies the feasibility of such energy and invests or enters into a joint venture with partners interested in alternative energy power production. The Department has been operating a model solar farm for two years and thus has expertise in solar energy business. At present, the Department is seeking new and highly potential locations to conduct feasibility study and further development. The Department also acts as a consultant to other organizations which are interested in jointly investing with the Company, which is believed to enhance its business operating performance and corporate reputation while increasing the country's energy security.

### Marketing and Competition

The National Energy Policy Office resolved to allow the Electricity Generating Authority of Thailand to purchase electricity generated from different fuel sources from small producers and increase purchase volume from 3,200 MW to 4,000 MW and implemented many policies that support alternative energy. As a result, the Department has great opportunities to invest and enter into joint venture with organizations interested in becoming very small power producers that generate electricity from different energy sources. Together with its expertise in solar energy, the Department can expand its scope of service to cover consultancy service for organizations interested in operating as very small power producers.

## Future Plans

The Department is seeking joint investors and good locations for new projects and conducting feasibility study on those projects. In addition to producing and distributing electricity, the Department also provides advice and consultation on solar farm or roof top solar cell installation to interested government and private organizations. The Department also studies the possibility of producing electricity from wind energy in the Wayubut 1-8 Projects in Chantaburi, Nakhon Ratchasima and Nakorn Si Thammarat, and biomass power plant in Nakhon Si Thammarat.

## Power Infra Division

### Scope of Products or Services

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

### Marketing and Competition

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

### Future Plans

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

## L Solar 1 Company Limited

### Scope of Products or Services

The Company has been constructing its solar energy power plant project with capacity of 8.7 MW in 215 Rais of land in Bothong District, Kabinburi, Prachinburi where generation capability is 11-12 million kW/hour/year. Such capacity can substitute 4.35 million liters of fuel usage and reduces 6,000 tons per year of Carbon Dioxide. The Company's operations have been supported and granted permission from the government, e.g., investment promotion in solar energy power plant by the Board of Investment of Thailand (BOI) with adder benefit from Provincial Electricity Authority (PEA) for renewable energy producers. The Company received an International standard ISO 9001 : 2008 ( Quality Management System : QMS) by ANAB and ISO 14001 : 2004 Environmental Management System by UKAS. Additionally, the Company has assigned part of its area for Alternative Energy Center and Sufficiency Agricultural Learning Center by growing plants and herbs as a model for Bothong community.

### Marketing and Competition

At present, there are number of interested investors in natural alternative energy production. Therefore, the Company foresees the feasibility of alternative electricity generation by high energy Amorphous Silicon Thin-Film Module solar cell technology suitable for humid environment in Thailand. The solar cells can obtain sunlight from 6 AM until 6 PM in addition to future flood withstanding risk due to hilly terrain around the project location.

### Future Project

The Company is still in search for co-investor in solar energy power plant project under the current operation and suitable location for sustainable development. In addition to being the producer and distributor, the Company has utilized its experience by turning itself to being Solar Farm implementer and provides consultations for private companies including government registration processes, analyses of cost, return on investment, risk, and opportunity for interested investors.



# Trading Business Group



## Overview

The Group engages in manufacturing and distribution of consumer, industrial chemical, and distribution of construction equipments, tools, and services plus automobile services and other specialized procurement that meet customers' requirements.

In 2012, the Group opened two more branches of Ai Japanese Village in two leading shopping centers in Bangkok with high recognition. Additionally, the Group had increased its distribution channels by expansion into neighboring countries, e.g. Vietnam and China as well as AEC which includes Myanmar, Laos, and Cambodia via business reinforcement strategies, merchandized and service bundling within the Group to meet with customer demand. The Group also expanded its business partnership network and distribution channel to cover domestic and international markets.

## Chemical Industrial Group

The Group includes the Sales and Marketing Department, Planning/Market Development, Marketing Service and Logistics Department, and Green Natural Products Co., Ltd which is a manufacturer of essential oils mainly from Kaffir Lime and Turmeric etc.

## Scope of Products or Services

The Chemical Industrial Group is an official distributor of both domestic and imported chemical products by including high quality product line with competitive price as well as environmentally friendly materials with latest technology in order to offer for consumer product manufacturers, e.g., detergents, cosmetics, food medical products, animal feed, ceramic glass products, paint toner, rubber plastic, lubricant, petrochemical, textile, paper, agriculture, and cleaning products. The Group realizes the upcoming expansion and competition as a result of the ASEAN Economic Community in 2015 therefore we have expanded our market into Vietnam and Myanmar as a potentially high growth in the near future.

## Marketing and Competition

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

The Group has utilized its high potential by emphasizing the management strategies and complete inventory management services including as a service provider.

## Future Plans

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

### Construction Materials & Green Solution Group

#### Scope of Products or Services

The Group comprises of Construction Materials Department and Green Solutions Department. It functions from acquiring, marketing through servicing and installing the product regarding the construction sector in 4 groups; (1) Building Envelope products including, Bluescope Lysaght metal sheet roofing and DECRA natural stone coated roof tile, and also with others products including; steel decking, Ranbuild pre-fabrication steel building and aluminum composite panel; (2) Hyundai Elevator for elevator and escalator; (3) Mechanical and Electrical products including, Bticino, Jung and AllLight system of lighting control and home automation system, and COXGomyl building maintenance unit; and (4) Green Solution which including Atlantis system of roof garden, vertical garden and water management solution, Synthesis high quality shade fabric for architecture, and GreenRoad soil stabilizer .

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

#### Marketing and Competition

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

As the Group now servicing both private and public sectors, the direct marketing and sales are applied by cooperation of the marketing team that functions as a customer approaching and product presenting forefront, and the sales team that service customers in commercial and other detail issues.

#### Ongoing Projects and Future Plans

The Group, currently, is carrying several ongoing projects such as, the new MRT purple line from Tao Poon to Bang Yai, the constructions of power plants, the home automation contract for The Circle II Condominium, and the water management along with fabric roof for Chainat Football Club's stadium. The Department also started the collaboration with SHERA in order to market the Infill Wall to the premium high rise sector.

Although there is not any predictable sign for an economic situation, the group is working intimately to clients with large construction projects both government and private sector, from project development stage, in order to secure the project achievement. In addition, the Group aims to be one of the leading construction materials' providers with the plan in acquiring new high technology and environmental friendly product that able to create a sustainable market opportunity for the Group.

### International Trade and Business Development Department

#### Scope of Products or Service

The International Trade and Business Development Department strives to promote international businesses of Loxley both in trade and investment primarily focusing in AEC (ASEAN Economic Community) countries and China. In 2013 the department, through its subsidiary in China – Loxley Intertrade (Guangzhou) Co., Ltd., has started distributing the Thai products in southern China, i.e. processed tamarind products 'Tamarind House', roasted green pea products 'Green Nut', and Loxley's owned brand Jasmine Rice 'Golden Lotus'. The products are distributed through both Modern Trade and Traditional Trade channels. One of

our major distribution channels is the convenient stores in SINOPEC gas stations. SINOPEC is the largest petroleum company in China operating more than 20,000 gas stations throughout the country.

Besides China, the department also operates its businesses through another 4 overseas offices in Cambodia, Laos, Myanmar, and Vietnam. The products supplied to overseas markets are divided into 4 categories, i.e. Consumer Products, Construction Materials, Automotive Products, and Technology Products.

The department secures its supply sources by focusing in SME (Small and Medium Enterprise) Network Development program. The department works closely with both public and private sectors not only to source quality SME products into its portfolio, but also to help SME improve their products to match with the demand of overseas consumers.

## Future Plans

In the coming years, the department will emphasize its main area of interest in establishing strong SME network in order to secure the product supplies, along with expanding the overseas distribution channel networks in target countries. The department will also put effort towards developing Loxley's owned brand products to serve consumers in international markets, and developing owned channel for distributing some specific products in near future.

## Food Services Business Department

### Overall Business and Services

2013 was a year of foundation development for Loxley Food Services Department, with aim to provide strong foundation for future expansion through equity and franchise investment. 2 new brands were introduced to the market, "Tokyo Cowboy", a value Japanese steak brand was introduced in all Ai Japanese Village restaurants as a new sub brand under Ai's portfolio and "JumboBee", Yakiniku for mass, was opened as a standalone store in Fashion Island shopping complex. These 2 new brands totaled Loxley Food Services of 6 brands and 6 restaurants under its portfolio, totaling over 2,400 square meters of operation foothold. Food service business has been well accepted with average 30,000 visits per month, and has more than 600,000 fan pages in facebook.

### Competitive Landscape

Japanese food gains popularity with steady growth for 2013, especially in the specialty segment with many major corporations entering the Japanese specialty restaurant market.

## Future Plans

We have introduced our franchise business opportunity to potential investors in the 2013 Thailand Franchise Fair and have received numerous requests and applications, with several applicants being under negotiation for a franchise business in the near future. Furthermore, we have setup a catering service team to provide catering services for Loxley and affiliates, and we aim to introduce our catering services to public in 2014 as part of our business expansion.

## Loxley Trading Company Limited

### Scope of Products or Service

Loxley Trading Co., Ltd. is a member of Loxley PLC where its operation includes distribution of leading consumer products over 30 years. The company provides marketing channel expansion to introduce business in the new market and grow in present market. The company distributes its merchandize around country with more than 40,000 places through wholesales stores, retail stores, modern retail stores, hotel, leading restaurants and consumer groups. In addition to being a sales and distributor, the company also provides marketing events and activities for the merchandize owners. Nowadays the company serves many leading brands including "Cook" cooking oil, "Nongpho" UHT milk, "Tra Chang" fish sauce, "Green Nut" roasted peas, "Sealect" canned tuna and sardine, etc.

## Marketing and Competition

In light of intense competition and fluctuation of domestic economy, the company still succeeds in delivering product to reach on the top of shelf among consumers due to the good understanding of market place and excellent execution in operation.

## Future Plan

In addition to being a leading sales and distributor that covers every type of customers, the company has strong intention to develop its own brand products. Company actively seeks business partner in the supply chain in order to lower product cost and improve profitability. Company also aims to expand into new growth markets i.e. HoReCa segment as well as AEC and China markets in the near future.

## Parts Zone (Thailand) Limited

### Scope of Products or Service

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

Product offered are from its sole distributorship agreements and authorized distributors. Nevertheless, the Company stresses gaining sole distributorship rights for any product it considers suitable for its own marketing and pricing activities. However, for popular and highly needed products with many distributors, the Company will still pursue such orders in order to meet the exceeding demands of such market segment. The company also has policy to develop new key products using private brand in order to increase competitive advantage in the domestic and AEC market.

## Marketing and Competition

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

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

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

Beside the head office and main distribution centre, which located in Bangkok, the company also has branches in Chiang Mai for north region and in Surat Thani for south region. The branch will be served for parts distribution, remote office and service center for the region.

## Future Plans

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

# Service Business Group



## Overview

The Group offers security services at Suvarnabhumi and Phuket airports, including security solutions, equipments and officers for security services in office buildings, hotels, hospitals, industrial estates and households. The Group focuses on bringing leading security technologies for community and public area, as well as, in media and digital entertainment business.

In 2013, demands for security services in airport, community and public area and office buildings were raised. Meanwhile, the competition in post-production services in advertising and film industries was quite high.

## Business Development Department (Service Business Group)

### Scope of Products or Services

The Department has set business development strategies in 3 major industries as followed

1. Security Business Industry : The Department focuses on bringing leading security technologies for community and public area, especially for airports, cities, and major tourist locations both domestically and internationally.
2. Entertainment Industry : Entertainment in digital format that can be viewed and seen under the concept “Anywhere, Anytime, Anyone”
3. Education Industry : Focus on delivering software and hardware for students to study and review for themselves, or what is known as “e-learning”

### Marketing and Competition

As the mentioned 3 industries are continuously being enhanced all around the global, which the process also requires a lot of resources, therefore, the key players of the businesses are only the leading technologies companies. Additionally, as projects related to the 3 industries are mostly under government agencies or state enterprises, the success of just projects will depend on many factors, which the department will analyze and bring the company to win the selective projects.

### Future Projects

The Department hopes to bring high security system under the product name “Urban Shield” to be used in Pattaya or Bangkok. This will lead to highest security in the cities or what is called “Safe City”. Additionally, a similar system called “Airport Shield” will be introduced to enhance airport security, both domestically and internationally as well.



## Asia Security Management Company Limited

### Scope of Products or Services

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

ASM has been providing security services at Suvarnabhumi International Airport for Airports of Thailand Public Company Limited since 2006. In 2008, the Company expanded business to offer non-aviation security services, including security guard services for buildings, hotels, hospitals, banks, industrial estates, residential projects, etc. It has also established regional offices in the north, south and eastern region. Today, ASM has more than 4,000 employees nationwide.

### Marketing and Competition

In late 2012, the Company has expanded business to providing security services to airlines at Chiang Mai International Airport and Phuket International Airport. The Company also expanded its scope of service to general guard service to regional clients, especially in Phuket where many 5-star and 6-star hotels are located. In 2013, the Company established its regional office in Laem Chabang Industrial Estate, targeting office buildings, industrial estates and hotels in Chonburi. It also offers security service to Phuket International Airport and Samui Airport in Surat Thani and has a plan to establish office in Krabi province.

In 2013, the security guard service encountered serious price competition. The Company therefore focused more on quality of its people and its ability to offer comprehensive services rather than joining the price war. Most of the customers also viewed quality of service as the top priority, especially among 5-star hotels and hospitals.

### Future Plans

The Company plans to expand its airport security business throughout the country, such as Samui Airport, Krabi International Airport, Udon Thani Airport and U-Tapao International Airport to support the rapid expansion of low-cost airlines which are playing a more important role in the region's aviation industry. The upcoming ASEAN Economic Community integration will also boost traffic in the region, resulting in higher demand for security guard outsourcing service.

## Oriental Post Co., Ltd.

### Scope of Products or Services

Oriental Post Co., Ltd. offering the world-class standard services in Post-Production. A wide range of successful television commercials, music videos and Documentary has been crafted with refined artistry. Many works have gained international recognitions. With constantly development in all areas such as state of the art equipment and machines, technical expertise and service excellence, the Company has built its reputation as a leading post production specialist in Thailand today. In response to the rapid change in the digital technology, the Company tried hard to keep up with that change by introducing new services such as Digital color correction, Editing, Visual Effects, Compositing, Computer Graphic Animation, Kinettransfer, Advanced digital media transfer service and contents produced to be distributed on all kinds of Social media.

Furthermore, the Company set up Postique Co., Ltd. to extend the service into complete DI post production solution which include scanning, color grading, editing, VFX, CG, Film recording, Direct to Print and 3D Stereoscopic.

### Marketing and Competition

Recent fierce market competition has led to opening of many small to medium size post production facilities. With all these threats, the Company, then adjust itself in order to compete in pricing position by networking with its partners. The Company will also differentiate its services through strategic adjustment. While customers may have various demands and limitation of time and funding, the Company has arranged professional consulting team to creatively assist customer from early stage of product creation through the product finalization process. The service is targeted to serve mainly Advertisement Production Firms and Advertisement Agencies.

### Future Plans

The Company plans to find new markets in India, Pakistan, Bangladesh, Taiwan and Japan and for that, we will recruit professionals from Europe and Asia to response clients' unique needs. Whilst, the Company will constantly improve its facilities and people, we aim to be a Post Production Hub of Asia.

# Joint Venture Business Group



## Overview

With its policy to invest in high growth potential business that can generate constant revenue in the long run, the Company has jointly invested with internationally recognized businesses that own state-of-the-art products and technology in high demand, such as engine lubricant oil, optic fiber cable and coated steel. These businesses have low vulnerability and strong performance and play an important role in creating profit for the Company.

In 2013, the Group entered into a joint venture with its long-term partner, the BlueScope Group, and established BlueScope Buildings (Thailand) Company Limited. The newly established joint venture company produces and sells building steel structures using advanced technology and is expected to generate handsome revenue. In addition, the Company has to keep its system ready for the online lottery project in order to be able to operate the project once the Government Lottery Office approves the project operations.

## Online Lottery Department

### Scope of Products or Services

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

By the end of 2006, the Department had installed up to 7,000 terminals at retailers nation wide authorized by GLO. However, up until now, GLO has not been able to launch the online lottery commercially due to legal issues and government policy. By year end 2013, there were 5,161 terminals installed at retailers and the Department has to maintain them for commercially launch should GLO issue notice to service.

## Loxley GTECH Technology Company Limited

### Scope of Products or Services

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

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

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

## BP – Castrol (Thailand) Limited

### Scope of Products or Services

The Company has partnered with BP Oil from the UK to jointly form a business, which operates as a manufacturer and distributor of engine lubricants under the trade name of “CASTROL” and “BP”. While both products have different market potentials, they are both well-perceived and renowned. The Company used raw materials from various sources within the country; it continues to produce high quality products that meet customers’ demands and expectations. Moreover, the Company engages itself in continuous activities to develop new products as well as ensures its existing ones highly meet customers’ requirements.

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

### Marketing and Competition

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

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

### Future Plans

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

## Thai Fiber Optics Company Limited

### Scope of Products or Services

Thai Fiber Optics Co., Ltd. (TFOC) is a joint venture between Loxley Public Co., Ltd. and Bangkok Telecom Co., Ltd., a leading copper telephone cable manufacturer in Thailand under the fiber optic design and manufacturing technology supervision from the world leader Furukawa Electric Co., Ltd. of Japan follow International Telecommunication Union (ITU). The Company is a large optic fiber cable supplier of the 3G network providers with license.

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

### Marketing and Competition

As the country is expanding 3G network after license bidding is over, the demand for broadband and WiFi services is on the rise. Multimedia service on smart devices has significantly increased well over voice communication. In supporting this trend, optical fiber cable network remains the major network for such services. The Ministry of Industry demands optical fiber cable to be a controlled product under Industrial Standard. The producers and importers of optical fiber cable have to receive permission to produce and sell industrial products with standard controlled under the Royal Decree on the standard of optical fiber cable sold in Thailand. The standard is being improved to meet with the new ITU standard.

The Company has expanded production capacity over last year to cope with the growing demand in ASEAN and domestic markets. Major competitive factors are the fact that new players have entered into the market and that the import products from China have competitive price. However, customers continue to look for products with high standard and reliability as well as good after sales service.

### Ongoing Projects and Future Plans

The Company is expanding the 3G network for AIS and TRUE and CDMA network for CAT Telecom Plc. The 3G network maintenance service has to be continually delivered.

## NS BlueScope (Thailand) Limited and NS BlueScope Lysaght (Thailand) Limited

### Scope of Products or Services

NS BlueScope (Thailand) Company Limited and NS BlueScope Lysaght (Thailand) Limited are formerly known as BlueScope Steel (Thailand) Limited and BlueScope Lysaght (Thailand) Limited. The Companies are joint venture companies between Loxley Public Co., Ltd. and BlueScope Steel Limited, an Australian leading world leader in the coated steel business, which has largest investment portfolio in Thailand. The Companies manufacture and distribute zinc coated steel, prepainted steel, and aluminium/zinc alloy coated steel. The Companies' steel production plant located at Map Ta Phut includes metallic coating lines and painting operation. Presently, the Companies is the sole manufacturer and distributor of ZINCALUME, the aluminium/zinc alloy coated steel, which has the excellent barrier protection of aluminium, the cathodic protection of zinc providing cut edge protection providing up to four times the life of galvanized steel. CRP ANTIBACTERIAL WITH FOODGRADE, another innovation, is a prepainted galvanized steel product specially designed for cool room panel application to serve the food industry. The product is designed to meet USDA food grade requirements and provide a long life in damp cool room environments. Moreover, the Companies are leading modern coated steel manufacturers for building and construction industries, including roll-forming manufacturers for building construction and structure work of pre-engineered buildings.

### Marketing and Competition

Steel price continued to fluctuate depending on global economy. Competition in the domestic market remained high while local market demand slowed down. Considering these factors, the Company focused its efforts in expanding residential market and small buildings to increase business opportunities in the provinces through P-ZAC® and Jing Joe Lek® brands which have grown satisfactorily. Overseas markets remained slow due to negative economic growth trend in economic giant countries.

### Future Plans

The Company focuses on increasing its share in the domestic construction material market, especially from new products with specific quality that best address niche customers' demand, such as EnduroFrame® pre-engineered roof structure, to optimize market opportunity. The new product will be launched in the first quarter of 2014. In addition the BlueScope Steel Group has entered into a joint venture with Nippon Steel and Sumitomo Metal Corporation from Japan. Both groups have plans to increase new products and entered into the home electrical appliances market for enhanced competitiveness.

## BlueScope Buildings (Thailand) Limited

### Scope of Products or Services

The Company's main business is to produce and distribute pre-engineered buildings (PEB) made from mild steel and high tensile steel. Such products included steel structure, purlins, frames, roof sheets, wall panels, steel floor plates, louvers and fabrication and installation as well as related products, including purlins and Z-frames and C-frames. Some parts are made by subsidiary, NS BlueScope Lysaght (Thailand) Limited. Products produced and offered by BlueScope Buildings (Thailand) are under "MR-24®", "BUTLER®" and "PROBUILD®".

### Marketing and Competition

The PEB market is expanding well in Thailand and Southeast Asia due to high growth in industrial sector. PEB construction takes shorter time, has less cost, is worth investment and can be delivered anywhere worldwide. Coupled with scarce labour these days, PEB becomes a new and attractive choice that attracts more customers. Although the Company currently has the largest share in this market in Thailand, there remain many direct and indirect competitors in Thailand and Southeast Asia. The Company therefore relentlessly develops its business for enhanced competitiveness.

### Future Plans

In addition to the industrial market, the Company has a plan to expand its market to agricultural sector that is big in size and growing constantly. PEB is believed to best address business operators' needs, being their manufacturing plants, warehouse, parking buildings, department stores, etc. The Company will also focus on increasing sales from export and new product development that better address unique demand in each customer group.

# Support Units



## Finance Group

### Functions and Responsibilities

The Group is responsible for finance, accounting, and legal, including credit for new projects, credit for working capital and other related investment. The group comprises five departments – Corporate Finance & Consolidated Account Department, Accounting Management Department, Strategic Investment and Investor Relations Department, Finance & Credit Department, and Legal & Securities Department.

### Operations in Preceding Year and 2014 Plan

In 2013, the Company continued its policy to maintain liquidity, prepare credit facility for projects separately from revolving credit, select the right financial facilities for efficient management at competitive costs, accelerate debt collection within the pre-set timeframe, and carefully approve credit limit to prevent doubtful debts. The Group also improved its operation system in compliance with the updated accounting system that supports new accounting standards and regulations. The Group also organized trainings for related persons in order to prepare for the ASEAN Economic Community integration. More weight has been placed on information provision for investors and analysts in order to allow investors, analysts and stakeholders to have better understanding of Loxley Group's business and future plan. In 2013, the Group held activities for analysts, investors and members of the press, offering them opportunities to meet with high-level executives and asking questions related to business plan of each business unit. The Group also participated in the Stock Exchange of Thailand's meet the investors' activity to present to investors, analysts and interested persons its operating performance and business plan. The Group presented information to analysts who visited the Company, enabling them to make sound analysis and present quality information to shareholders and investors. In 2013, the Company has grown its database of analysts who are interested in the Company's information.

For the year 2014, the Group would focus on improving key competence among its employees across all levels to support long-term corporate success. Operation process and information technology have been further improved to better address current knowledge-based business environment and borderless communications. To achieve such goal, the Group emphasized on innovation and human resource development to ensure highly capable professionals who are ready to cope with change, work in harmony with other units in driving the Company towards the ultimate goal and are loyal to the Company. Effective financial cost management as well as trade credit extension to support new investment and future business are also in focus. Considering that the highly fluctuating global economy that increased business risk, the Company has ensured more thorough plans, especially those related to investment where risks are considered in parallel to keeping balance between return on investment value and period. For investor relations, the Group will focus its effort in establishing investors' good understanding of the Group's business and future plan. Opinion and viewpoints of investors and analysts will be presented to the Management to support the Company's business improvement to better address international standard.

## Internal Audit Department

### Functions and Responsibilities

The Internal Audit Department is an independent unit whose responsibility is to audit and verify the adequacy of the Company's and its subsidiary's internal control processes, risk assessment, audit and verification report with respective suggestions, verification of related transactions, analysis and evaluation of operations, and other functions in internal control and audit. It also



provides suggestions to ensure accuracy and reliability in the information system and financial reports within the Company and its subsidiaries to comply with related laws and regulations. Company asset protection is accurately controlled and stored to guarantee transparency with caution, efficiency, and effectiveness according to corporate goal.

#### Operations in Preceding Year and 2014 Plan

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

The Department also conducts verification of related transactions to ensure compliance with the rules and regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Department viewed that recommendations and opinions of the external auditor are very important and crucial to improving the Company's internal audit process to enhance efficiency. Constant improvement of internal audit activities is part of the Company's corporate governance practice.

## Corporate Communication Administration Department

#### Functions and Responsibilities

The Department's responsibilities include conducting and supporting public relation activities, manage marketing, and publishing significant company-related media, online contents and creative materials.

#### Operations in Preceding Year and 2014 Plan

In 2013, the Department had public relation work and marketing-related activities that supported other business units continuously including: introducing new products, projects and business channels for Trading Business Group, ICT Business Group, Technology Business Group, Service Business Group, Project Business Group, and its subsidiaries. The Department was also responsible for supporting business information and news in form of printing and online media such as Loxley website, Loxfeed, Loxley Facebook, posters and calendars as well as organized other internal and external activities such as, the Company's staff club, the Company's golf club, welcome parties, photographic service, graphic design service, conferences, and organized social activities.

In 2014, the Department will continue to support and provide services to business units in the Company and its subsidiaries. It will focus on public relation activities, promotion of marketing-related activities as well as mass media connections.

## Human Resources and Administration Group

HR & Administration Group is comprised of Human Resources Department, Administration & General Affairs Department, and Corporate Social Responsibility Department.

### Human Resources Department

#### Functions and Responsibilities

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

#### Operations in Preceding Year and 2014 Plan

During 2013, the Company focused on strengthen skills, knowledge, and competency among staff in current functions and along the growth path of staff especially among preliminary and middle management. It has continued a training module called Team Quality Management (TQM) and Advanced – TQM with top human resource development institutes as well as an introduction of Young Executive Synergy (YES) Module as part of our talent management program. We played an important role in analyze of staff efficiency and productivity of the Company as a whole and each business group. We also arranged activities in internal communications and staff relations to promote participation and relationships among staff namely HR Pa Sanchorn, HR Pa Chim, and Good Health Wealthy. Additionally, the Department has prepared itself by recruiting management executives and staff with competent qualification, especially for the food and service business as well as international business expansion.

In 2014, the Department has set objectives to increase organization capabilities using people as competitive advantages. We will also focus a creation of work environment that will make our employees proud, happy, and having career advancement with the Company. In addition, the Department will continue a policy of Loxley Group Move (One Team – One Direction).

# The Corporate Governance and Sustainability Practice

## 1. Sustainability Practice

Loxley Public Company Limited's Corporate Social Responsibility Department (CSR) was founded in 2010 under the Executive Committee's vision of operating business with responsibility and making sound contribution to the society.

The Company believes that long term profit and success are achieved through sustainable business operations. This starts from good employees' care to strong supporting corporate culture and reaching out to the surrounding communities and the society as well as responsibility towards the environment that is the valuable resources.

The Company has firmly moved towards sustainability and been contributing to the national economic prosperity and stability.

## 2. GRI adaptation

Corporate Annual Report is carefully prepared as part of the Company's commitment to transparency, good governance and sustainability. The annual report also serves as a means to allow all stakeholders sufficient and easy access to significant information including financial and non-financial, social contribution and environment responsibility and other Company's activities in the year of the report cycle that has impact on the business.

For the 2013 report, the Company has expanded the sustainability development section in the Annual Report. The Company plans to prepare a separate Annual Sustainability Report in the following year based on the Global Reporting Initiative (GRI) version 3.1 guideline. GRI is globally recognized and supported by Thai Securities and Exchange Commission (SEC).

GRI is a non-profit organization established by Ceres and United Nations Environment Program (UNEP). The GRI framework helps users plan and develop a report systematically as a process rather than a year-end project focusing only the end product that is the report documentation.

## 3. The Company's Sustainability Activities

### 3.1 Human Resource

#### 3.1.1 Provision of equal employees' benefits

The Company has been equally providing basic benefits to its employees across all the organization, including

- Annual Health Check-up
- Annual flu vaccination
- Medical facilities with residence nurse and doctor on working days

#### 3.1.2 Staff club

To promote good understanding among its employees across all levels and enhancing employee's satisfaction over workplace environment that will lead to improved employees' performance, the Company sponsors a number of programs, campaigns and activities proposed or initiated by employees. Those benefits include;

- Loxley Group Sport Day
- Songkran ceremony
- Mother's Day / Father's Day
- Buddhist ceremonies
- Loxley's family trips



Buddhist ceremonies



Loxley Group Sport Day

### 3.1.3 Employees Training

Loxley recognizes the importance of human resource development as a major driver of the Company's sustainable growth. The Company therefore has constantly invested in employees' training and education to improve and enhance their skills and knowledge required by their business and position. The training has been provided for employees of all levels and across all functions, especially in preparing them for career path. Statistics of employees' training by gender is as follows:

Training hours in 2013 per person per year by gender	
Gender	Hours trained
Male	15
Female	15

### 3.1.4 Employee Development Program

Among all its subsidiaries, Asia Security Management Co., Ltd. (ASM) which provides international-class property security management services, has outstanding human resource development outcome. It has successfully introduced the sustainable human resource development policy through cooperation from Samutprakarn Vocational School. A specific security management certification course was designed for ASM's security officers, enabling the Company to have good human resources with required skills and knowledge.

In addition to the cooperation on vocational training course, ASM plans to offer training course to employees in other disciplines to equip them with the knowledge that will support their career development, such as continuing education courses in cooperation with Office of Non-Formal and Informal Education in Lad Krabang District, English courses for language skill enhancement for security guards posting at locations with high foreigner traffic, such as Suvarnabhumi Airport. These initiatives have equipped ASM with high quality personnel and services while giving its employees a promising career opportunity and opportunity to advance their career to supervision level upon their future performance.



October 21, 2013, Mr. Karn Thongyai, Chief Executive Officer and Managing Director of Asia Security Management Co., Ltd. (ASM), and Mr. Janvit Krongton, Director of Samutprakarn Polytechnic College, signed an MOU signing ceremony for the cooperation in bilateral vocational training provision for Asia Security Management Co., Ltd., a security management service provider under Loxley Group. Under the agreement, the College

will design and provide vocational security management training to ASM with focus on the theory that can be actually applied to work.

## 3.2 Environment

### 3.2.1 Participatory Energy Saving program

The Company has been campaigning for energy saving in its organization by organizing Participatory Energy Saving Competition, aiming at reducing the Company's energy consumption, electricity expense which is one of the Company's major expenses, and impact from its business on the environment. The contest centered on encouraging all employees to participate in reducing electricity consumption and promoting awareness on energy saving. The activity has successfully raised awareness and increased employees' participation, such as turning off the monitor and turn off the light during lunch break.

### 3.2.2 Renewable Energy Business

The Company realizes the future demand of energy and electricity as the growing economy and the urbanization continue. Coupled with its management's commitment to environment protection and awareness of resource depletion, the Company therefore invests in renewable energy business which will not only generate new income source but also enhance its corporate positioning as a responsible business that creates the least possible impact on the society.

"L-Solar 1", the solar power plant in Prachinburi province is the evidence of the Management's vision.

Sustainability is in the heart of the power plant, from its production process to operations. The Company also cares for community and the environment as seen in job creation for locals both at the construction phase and operations, especially in non-engineering position; regular plant visits and the establishment of energy learning centre offering locals and visitors opportunity to learn more about electricity generating business and the power plant; and the retention pond construction for flood prevention.



"L-Solar 1", the solar power plant in Prachinburi province

Moreover, the Alternative Energy Department was established in order to study feasibility of energy production using different clean and sustainable technologies for future expansion. Currently, the Biomass power plant in Nakorn Si Thammarat province in the southern of Thailand is being constructed while new projects are under feasibility study.

### 3.3 Society

In 2013, the Company's CSR activities were focused in two target activities. The first is the alliance with partners in conducting CSR activities. The major partners are Klong Toey Community's alliance, consisting of Penang community, Klong toey community, Sikkha Asia Foundation and Duang Prateep Foundation. Activities introduced in the past year were designed to address specific needs in each community, especially in environment, education and social well-being under the "Clear and Connect" concept. These activities bring people in these communities together to share and exchange learning, knowledge and experience as well as to do joint activity. These activities included but not limited to the following:

- Learning Center for Penang Market Community
- Skill development for youth by Penang Market Community
- Community "Loves to Read" program, in cooperation with Sikkha Asia Foundation







Children Tales for Society program

- Thai Community Lacrosse (TCL): The Company supports Lacrosse, a team sport, training program by recruiting volunteer coaches to train grade 2-6 students at Wat Klong Toey School. "Lacrosse Club Society" trainings are held twice a week.

- Supports for Thai National Disability Badminton Team: The Company provides financial aid to the team via Paralympic Committee of Thailand for equipments and traveling expenses during domestic and international competition. In addition, the Company promoted the team and their activities through various public relations activities and media channels, such as newspaper, television, and websites.

- Loxley Sport Hero: The Company employs some members of Disability Badminton Team. This assists the athletes to be able to generate own income and support them in sport equipment supplies and training.

- Supporting Special Olympic Thailand: The Company sponsored the expenses and promotion for Special Olympic competition events both domestic and international, through the Foundation for the Welfare of the Mentally Retarded of Thailand under the Royal Patronage of Her Majesty the Queen. Moreover, the Company gathered the volunteers from internal and outside the Company to care for the athletes during events.

Loxley also held blood donation for the Thai Red Cross Society activity every quarter in cooperation with Post Publishing PCL,



Blood donation activity

- Children Tales for Society program, in cooperation with Duang Prateep Foundation

The second main project is Lacrosse training for children, youth and disabled persons development. "Participatory process" is a key principle in sustainability achievement. Activities under this program are:



Training program by recruiting volunteer coaches



Thai National Disability Badminton Team



Special Olympic Thailand

Shell Thailand and Colgate-Palmolive (Thailand) Co., Ltd, which are its neighbors. The activity has helped boost the volume of donated blood and increased opportunities for its employees and partners to make contribution to the society.



# Risk Factors

## Risk Factors in Business

- **Risks from Over Dependence on Key Accounts**

The majority of revenue from some of the Company's technology-related business units was attributed to the project implementations for only 2-3 key accounts, especially from government agencies and state enterprises. If these clients delay the spending of budget, it is likely to affect the Company's business performances and financial status. Therefore, the Company has tried to minimize the risks by expanding to corporate clients that have the potential to use the Company's related products or services. The Company will keep on improving and developing the systems that benefit and meet the needs of corporate customers which have the potential to apply its technologies to enhance their businesses. Apart from that, the Company could possibly lose business opportunities due to higher competition towards prices, technologies, and services in both domestic and international market. To lower such threats, the Company highly focuses on improving service quality to meet the needs of customers and market trends while continuously strengthening relationship with all business partners.

- **Management and Risks from Project Delays**

Most of the Company's projects in the Technology Business Segment usually have specific timeline guarantying that the project will be completed according to the contract. Failure to complete the project or in the event of defects that might cause damages to other persons or to collateral assets, the Company might have to pay fines as specified in the contract. Realizing the importance of risk management, the Company tries to minimize the risks by providing guidelines of implementation to prevent any occurrences of mistakes such as having insurance for each of the project, distributing risks to product owners or subcontractors as well as organizing human resources training to enhance skills and knowledge, enabling them to take responsibilities on the Company's relevant business matters as to reduce and prevent all possible risks.

The major factors that cause project delays usually derive from uncontrollable external factors such as the delay in delivering working areas from the project owners, the delay of product delivery from business partners, or the changes of damaged equipment. To prevent the risks in project delivery, it needs the concrete plans on project management. For example, specifying the timeline by starting from the date of receiving working areas not from the date of signing contract; the working procedures must require close follow-ups of the project; the strong and good cooperation between the Company, customers and manufacturers so that the problems can be identified in advance to prevent and reduce possible impacts.

- **Risks from Laws and Government Policies on Telecommunications**

The Company's business operations are relevant to the engineering and telecommunication businesses. Presently, the telecommunication businesses are under the supervision of an independent regulatory body: the National Broadcasting and Telecommunications Commission (NBTC). The issuances of policies, rules and regulations by NBTC may create significant impacts on telecom sector such as policies on free competition, policies on fees and service fees and policies on consumer protection. Any changes in the rules and regulations might put the Company at risks in case the changes create negative impact on the business operations.

However, the Company is only the subcontractor of the NBTC's related business sectors, therefore, if there are any changes in the policies or laws that might affect the Company's key accounts, it might create indirect impacts to the Company.

## Risk Factors in Management

- **Risks from Dependence on Executive Management and Personnel**

The Company has to rely very much on the executive management especially in the key management positions who must have technical skills and special knowledge in technology-related businesses as well as understanding of complicated rules and regulations of the businesses. The loss of these valuable top managers and personnel might affect the Company's business performance and financial position in the future.

However, most of the executive members have worked with the Company for more than 20 years and some of them are the Company's shareholders. Being the shareholders would encourage the executives to contribute their efforts to the growth of the Company. In addition, the systematic management would lessen the dependence on some of the executive members. Furthermore, the Company has continuously tried to improve the management system to make it more professional and has implemented systematic succession plan to promote young executives and open opportunities for them to participate in the policy-making and the Company's business development plans and appropriately delegate the decision making to them as to enhance business understandings and skills in managing the Company's businesses.

## Financial Risks

### ● Risks from Foreign Exchange Volatility

As the Company has to order products from business partners, both local vendors and foreign suppliers for use in operating the Company's projects and the Company has to make the payment in foreign currencies such as in US dollar. The payment for products and having assets and debts in foreign currencies contribute to the risks in foreign exchange rate for the Company. In case the Thai Baht depreciates against the foreign currencies, it will increase of the cost of the Company's products in Thai Baht. In order to prevent such the risks in currency exchange rates, the Company has always considered it as an important policy to reduce such external risk factors by 1) Increasing the risk of currency exchange rates and take it for calculating the operation costs of the projects 2) Implementing future trading of foreign currencies to reduce the risks of fluctuating currency exchange rates and minimize the impacts on the projects.

## Legal Disputes

Most of the legal disputes of the Company and its subsidiaries are from normal business operations, such as legal action to demand debt payment from customers. As at 31 December 2013, the Company and its subsidiaries did not have legal dispute with value higher than 5 per cent of shareholders' equity that may adversely affect the Company's business.

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

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

Currently, the GLO has not determined the date of debut sales of lottery clearly; then, the associate has taken legal process to enforce GLO to compliance with the agreement.

# Details of the Company

Company Name	:	Loxley Public Company Limited
Location of Head Office	:	No. 102 Na Ranong Road, Klong Toey Subdistrict, Klong Toey District, Bangkok 10110
Registration Number	:	0107536000218
Telephone No.	:	0-2348-8000
Facsimile No.	:	0-2348-8001
Type of Business	:	Commerce
Number and Type of Total Issued Shares:		
Registered Capital	:	Baht 2,331,250,000.00, divided into 2,099,954,770 ordinary shares
Paid-up Capital	:	Baht 2,099,954,770.00, divided into 2,099,954,770 ordinary shares
Par Value per Share	:	Baht 1.00

## Information on Registered Capital

Date/Month/Year of Registration in Articles of Association	Increased / Decreased Capital (Million Baht)	Capital after Increase/ Decrease of Capital (Million Baht)	Reason of Capital Increase/Decrease	Number of Shares and Price of Capital Increase/Decrease
1 April 1993	240.00	400.00	Business expansion and increase of investment fund	24,000,000 shares, at Baht 10.00 per share
27 January 1995	60.00	460.00	Reservation for the exercise of conversion right on debentures	6,000,000 shares, at Baht 10.00 per share
20 March 1996	60.00	520.00	Reservation for the exercise of conversion right on debentures	6,000,000 shares, at Baht 10.00 per share
30 November 2000	(120.00)	400.00	Reduction of shares for non-converted debentures	12,000,000 shares, at Baht 10.00 per share
4 December 2000	1,600.00	2,000.00	<ul style="list-style-type: none"> <li>- Offering 65 million shares to existing shareholders</li> <li>- Reservation of 85 million shares for the exercise of conversion rights on debentures</li> <li>- Offering 10 million shares to Company directors and staffs</li> </ul>	<ul style="list-style-type: none"> <li>- 65,000,000 shares, at Baht 10.00 per share</li> <li>- 85,000,000 shares, at Baht 10.00 per share</li> <li>- 10,000,000 shares, at Baht 10.00 per share</li> </ul>
25 December 2003	-	-	Reduction of par value from Baht 10.00 to Baht 1.00	2,000,000,000 shares, at Baht 1.00 per share
3 May 2007	(1.92)	1,998.07	Cancellation of non-issued ordinary shares	1,998,078,970 shares, at Baht 1.00 per share
11 May 2007	1.92 650.00	2,000.00 2,650.00	<ul style="list-style-type: none"> <li>- Offering shares to Ekpavee Company Limited</li> <li>- Reservation for the exercise of conversion right on debentures</li> </ul>	<ul style="list-style-type: none"> <li>- 2,000,000,000 shares, at Baht 1.00 per share</li> <li>- 2,650,000,000 shares, at Baht 1.00 per share</li> </ul>
8 May 2008	(650.00)	2,000.00	Reduction of reserve shares for the exercise of conversion right on debentures	2,000,000,000 shares, at Baht 1.00 per share
20 May 2013	331.25	2,331.25	<ul style="list-style-type: none"> <li>- Supporting the stock dividend</li> <li>- Offering shares to general investors</li> <li>- Reservation for the exercise of LOXLEY-W to existing shareholders</li> <li>- Reservation for the exercise of LOXLEY-W to general investors who subscribe for newly issued shares</li> </ul>	<ul style="list-style-type: none"> <li>- 100,000,000 shares, at Baht 1.00 per share</li> <li>- 165,000,000 shares, at Baht 1.00 per share</li> <li>- 25,000,000 shares, at Baht 1.00 per share</li> <li>- 41,250,000 shares, at Baht 1.00 per share</li> </ul>

## 1. Securities

### 1.1 Ordinary shares

As of 31 December 2013, the Company's registered capital was Baht 2,331,250,000. Paid-up capital totaled Baht 2,099,954,770, at Baht 1 par value.

The 2013 ordinary shareholders meeting on 29 April 2013 approved interim dividend payment in ordinary share form (dividend stocks). Issuance and offering of new ordinary shares and the Company's first warrants (LOXLEY-W) are detailed as follows:

(1) Allocation of no more than 265,500,000 new ordinary shares at Baht 1 par value is as follows:

(1.1) To allocate no more than 100,000,000 shares at Baht 1 par value as the dividend stocks which are to be issued to the Company's existing shareholders at 20 existing shares per 1 dividend stock. The total value shall not exceed Baht 100 million. This represents Baht 0.05 dividends paid per share. In case that any shareholder holds the indivisible share remaining after such allocation, the dividend shall be paid by cash at Baht 0.05 per share. The Company set a Record Date on 22 March 2013 to gather the names of shareholders who would be entitled to receive dividend according to the Section 225 of the Securities and Exchange Act B.E. 2535 (and Amendments). Book closing took place on 25 March 2013 and dividend was paid on 20 May 2013.

(1.2) To allocate a total of 165,250,000 new shares at Baht 1 par value to be offered to the general public and investors.

(2) Issuance of warrants, LOXLEY-W, of no more than 66,250,000 units. Allocation is as follows:

(2.1) To allocate no more than 25,000,000 LOXLEY-W warrant units to the Company's existing shareholders who have the right to receive dividend stock at 4:1 ratio (4 dividend stock to 1 unit of LOXLEY-W) (any fraction will be discarded). The Company gathered the names of shareholders according to the Section 225 of the Securities and Exchange Act B.E. 2535 (and Amendments) by closing the book on 25 March 2013.

(2.2) To allocate LOXLEY-W in the amount not exceeding 41,250,000 units to the general public and investors who had subscribed for the 165,000,000 newly issued ordinary shares (at Baht 1 par value) at 4 newly issued shares per 1 unit of warrant.

Allocation of warrants according to the (2.1) and (2.2) above will be executed after the Company completes the issuance and offering of the newly issued shares as in (1.2) to the general public and investors. The Company has applied for permission from the Securities and Exchange Commission (SEC) and the scheme is being considered by the SEC.

(3) Approving allocation of 66,250,000 newly issued shares at Baht 1 par value to support the exercise of LOXLEY-W warrants (according to (2))

After the allocation of dividend stocks to the existing shareholders (according to (1.1)), issuance and offering of the newly issued ordinary shares to the general public and investors (according to 1.2)) and the allocation of LOXLEY-W warrants (according to (2)), the Company's total paid up ordinary shares will be no more than 2,331,250,000 at Baht 1 par value, comprising of:

- 1) Paid-up ordinary shares in the amount of 2,099,954,770 at Baht 1 par value (including 2,000,000,000 paid up shares before the newly share issuance at Baht 1 par value, 99,954,770 dividend stocks at Baht 1 par value and 165,000,000 ordinary shares being offered to the general public and investors at Baht 1 par value)
- 2) A total of 45,230 ordinary shares, at Baht 1 par value, remaining after the allocation to existing shareholders due to discarded fractions

- 3) No more than 66,250,000 ordinary shares at Baht 1 par value which are allocated for LOXLEY-W warrant exercise (according to (2))

## 1.2 Limitation of share and warrant transfer

The Company's shares can be transferred without limitation. Shares held by foreigners at any time shall account for no more than 30 per cent of the total shares. The Company can reject any share transfer that would increase the total shares held by foreign shareholders to exceed the 30 per cent limit.

LOXLEY-W warrants can be transferred without limitation. According to the Company's regulations, the Company will not issue ordinary shares to warrants holders who are not Thai citizen in case that the shares issuance would increase the shareholding ratio of non-Thai citizens to exceed 49 per cent of the issued shares.

## 1.3 Warrants

After the Company allocates LOXLEY-W warrants to the existing shareholders who are entitled to receive dividend stocks, the general public and investors who subscribe to the newly issued ordinary shares as approved by the 2013 general shareholders meeting dated 29 April 2013, the Company shall have no more than 66,250,000 warrant units as follows:

Persons entitled to receive warrants	Total (units)	Allocation ratio
1. Existing shareholders entitled to dividend stocks <sup>1</sup>	No more than 25,000,000 units	4 dividend stocks per 1 LOXLEY-W unit
2. General public and investors who subscribe for the newly issued shares	No more than 41,250,000 units	4 dividend stocks per 1 LOXLEY-W unit
<b>Total</b>	<b>No more than 66,250,000 units</b>	

**Remark:** <sup>1</sup> The Company sets a Record Date to identify shareholders who are entitled to receive dividend stock and LOXLEY-W warrants on 22 March 2013 and gathered the names of shareholders according to the Section 225 of the Securities and Exchange Act B.E. 2535 (and Amendments) by closing the book on 25 March 2013.

## 2. Shareholder structure

### The Company's shareholders' structure as of 25 March 2013

As of 25 March 2013, the Company has a total of 2,000,000,000 paid up ordinary shares, at Baht 1 par value. Details are as follows:

	Name	As of 25 March 2013		After dividend stock and public offering of newly issued shares (Projection)	
		No. of shares <sup>1</sup>	Percentage share	No. of shares <sup>2</sup>	Percentage share
1	The Lamsam Group consisting of	673,306,790	33.66%	706,972,130	31.21%
	1.1 Ekpavee Co., Ltd.	556,341,060	27.82%	584,158,113	25.79%
	1.2 Mr. Pairote Lamsam	35,589,030	1.78%	37,368,481	1.65%
	1.3 Mr. Dhongchai Lamsam	25,459,090	1.27%	26,732,044	1.18%
	1.4 Mr. Photipong Lamsam	25,433,680	1.27%	26,705,364	1.18%
	1.5 Mr. Banyong Lamsam	19,229,710	0.96%	20,191,195	0.89%
	1.6 M.R. Sam-aungvarn Lamsam	11,254,220	0.56%	11,816,931	0.52%
2	Thai NDVR Co., Ltd	100,812,597	5.04%	105,853,227	4.67%
3	Mr. Kiatchai Limpichotpong	83,975,100	4.20%	88,173,855	3.89%
4	Mr. Preecha Angkhumsab	36,000,000	1.80%	37,800,000	1.67%
5	Miss Pornpin Chaiwikrai	26,400,000	1.32%	27,720,000	1.22%
6	Mr. Apichit Rattanawakinrak	20,900,000	1.05%	21,945,000	0.97%
7	ML Prasopchai Kasemsant	20,400,000	1.02%	21,420,000	0.95%



	Name	As of 25 March 2013		After dividend stock and public offering of newly issued shares (Projection)	
		No. of shares <sup>1</sup>	Percentage share	No. of shares <sup>2</sup>	Percentage share
8	GOLDMAN SACHS & CO	20,131,000	1.01%	21,137,550	0.93%
9	Mrs. Ampai Hankraiwilai	20,000,000	1.00%	21,000,000	0.93%
10	Miss Thitirat Siripanchanon	19,000,000	0.95%	19,950,000	0.88%
11	Other shareholders	979,074,513	48.95%	1,028,028,239	45.39%
12	Offered shares			165,000,000	7.28%
Total		2,000,000,000	100.00%	2,265,000,000	100.00%

Remarks: <sup>1</sup> The number of shares as of 25 March 2013 did not include dividend stocks that the 2013 annual general shareholders' meeting approved to pay to the shareholders at 20 existing shares to 1 dividend stock. (The number of subscribed shares as of 20 May 2013 after dividend payment was 2,099,954,770 shares.)

<sup>2</sup> Estimated number of shares after paying dividend stock and doing a public offering according to the allocation ratio

#### Shareholder structure of Ekpavee Co., Ltd. as of 30 April 2013

As of 30 April 2013, Ekpavee Co., Ltd. had a total of 6,350,000 paid up shares, at Baht 100 par value. Details are as follows:

	Name	No. of shares	%
1	The Lamsam family (13 persons) and Lamsam Estate Co., Ltd. <sup>1</sup>	4,413,724	69.51
2	The Wanglee family (22 persons)	599,682	9.44
3	The Chatikavanij family (3 persons)	430,209	6.77
4	Mrs. Sumanta Mokkaves	147,557	2.32
5	Aran Ordinary Partnership	129,896	2.05
6	Sujit Ordinary Partnership	129,896	2.05
7	The Jutrakul family (3 persons)	107,784	1.70
8	The Sibunruang Family (3 persons)	107,784	1.70
9	The Changtrakul family (3 persons)	92,402	1.46
10	Others	191,066	3.00
Total		6,350,000	100.00

<sup>1</sup> The shareholder structure of Lamsam Estate Co., Ltd. comprises the Lamsam Family which holds 100 per cent in the registered capital.

### 3. Dividend Payment Policy

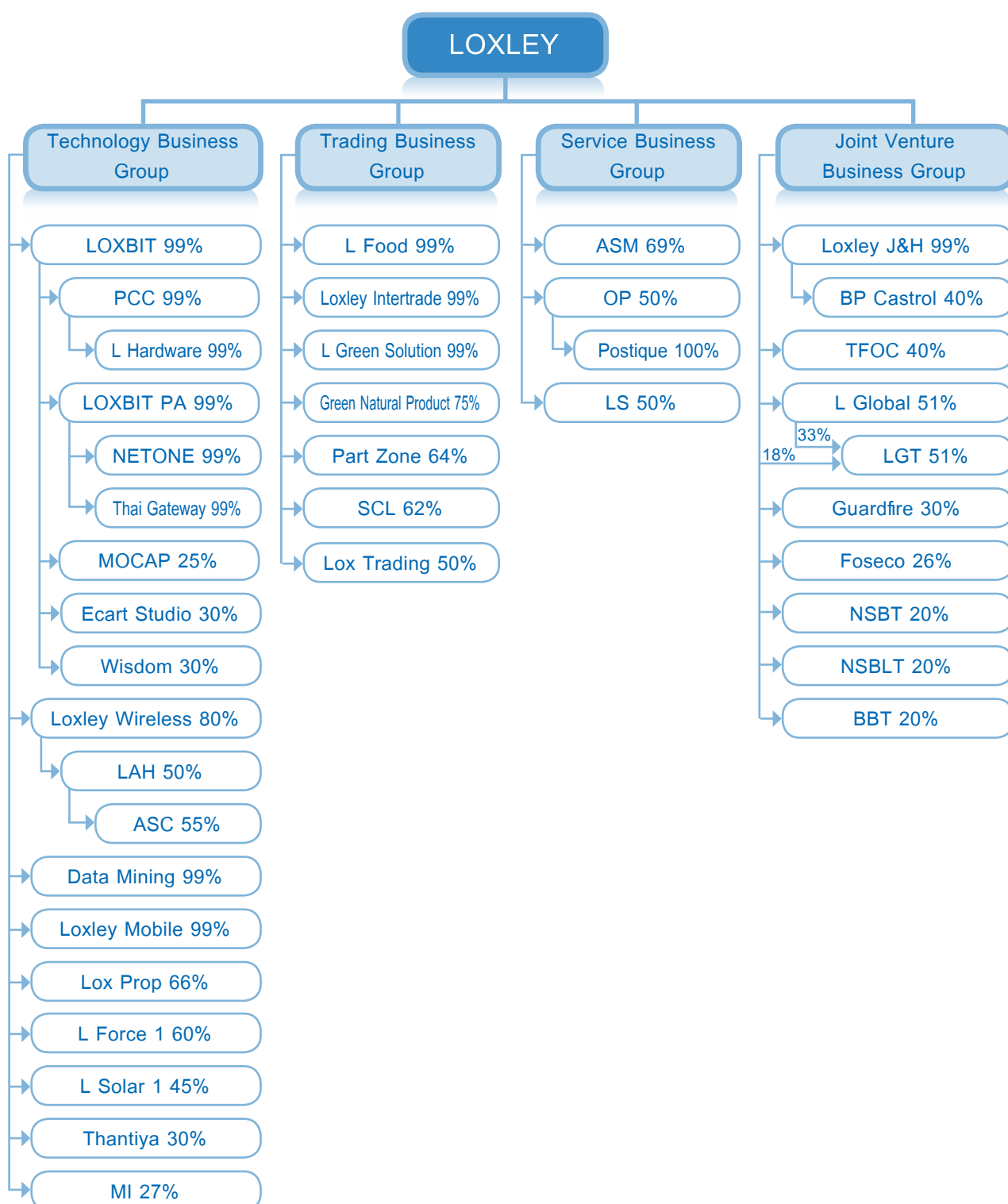
It is the Company's policy to make dividend payments of at least 40% of its net profits after corporate tax of individual financial statement and all reserves as stated in the Company's regulations and related laws. The Company considers financial status, cash flow, investment plans, business plan and other conditions and limitations (if any) as well as other administrative factors in making decision on dividend payment. The Board of Directors' resolution on dividend payment shall be approved by the shareholders' meeting, excluding interim dividend payment that the Board of Directors may resolve to occasionally pay shareholders when it is considered appropriate and should be reported in the next shareholders' meeting.

In terms of subsidiaries, the Board of Directors of subsidiaries have the policy to pay dividend based on operating performance and with consideration of each company's financial position, cash flow and investment plan.

In 2008 and 2009, the Company did not pay dividend due to accumulated loss. In 2010, the Company paid dividend at Baht 0.05 per share, totaling Baht 100 million. In 2011, the Company paid dividend at Baht 0.075 per share, totaling Baht 150 million. In 2012, dividend was paid in cash at Baht 0.10 per share and in ordinary share at Baht 0.05 per share, totaling Baht 0.15 per share or Baht 300 million.

# Details of Ownership in Loxley Subsidiaries and Associated Companies

As of 31 December 2013, the Company holds shares, directly and indirectly, in 21 subsidiaries, 3 jointly-controlled entities, and 16 associated companies, as follows:



### Subsidiaries directly owned by Loxley

No.	Name of companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
1	Loxbit Plc.	No. 102/99 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading of telecommunication equipment, computers and computer programs	375	99
2	Loxley Joint & Hold Co.,Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Holding company	1,000	99
3	Loxley Mobile Co., Ltd.	No. 193/62, 16th Floor, Lake Ratchada Building, Ratchadapisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale and service of various prepaid electronics cash card	20	99
4	L Food Solutions Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide food service	20	99
5	Loxley Intertrade (Guangzhou) Co., Ltd.	Room 2011, 20th Floor, 33 Yian Plaza, Jianshe Liu Rd., Yaexiu, Guangzhou 510060	Trading in the People's Republic of China	0.16 USD	99
6	L Green Solution Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide alternative energy source of all types, selling electricity and gas, and waste management	10	99
7	Data Mining Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Service of information technology equipment and computer systems	8	99
8	Loxley Wireless Plc. (transformed into a public company on 8 July 2013)	No. 555 Rasa Tower, Phaholyothin Road, Chatuchak Subdistrict, Chatuchak District, Bangkok	Sale and service of telecommunication and information technology systems	275	80
9	Green Natural Product Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Manufacture and sale kaffir oil, essential oil, and other healthcare	4	75
10	Asia Security Management Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Provide security services and others	100	69
11	Loxley Property Development Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Renting of building, advertising board and providing services	133	66

### Subsidiaries directly owned by Loxley (Continued)

No.	Name of companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
12	Parts Zone (Thailand) Co., Ltd.	No. 128 Seri Thai Road, Khan Na Yao Subdistrict, Khan Na Yao District, Bangkok	Trading in automotive parts and equipment	25	64
13	Societe Commerciale Lao	Unit 36, Bon Dongpalad, Alley 10 Chanthabouly District, Vientiane, LAO. P.D.R.	Trading in Lao People's Democratic Republic	4,135 Million Kip	62
14	L Force 1 Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting	20	60
15	Loxley Global Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Holding company	99	51
16	Loxley Trading Co., Ltd.	No. 102 Loxley Building, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Sale of consumer products	50	50

### Subsidiaries indirectly owned by Loxley

No.	Name of Companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
17	Loxbit PA Plc	No. 102 Loxley Building, 14 <sup>th</sup> Floor, Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Telecommunication and computerized database service	45	99
18	NetONE Network Solution Co., Ltd.	No. 408/81, 19 <sup>th</sup> Floor, Phaholyothin Place Building, Phaholyothin Road, Samsean Nai Subdistrict, Chatuchak District, Bangkok	Trading of computer, computer spare parts and equipment, of all types	70	99
19	Thai Gateway Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Trading of telecommunication equipment	20	99
20	Professional Computer Co., Ltd.	No. 102/99 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Supply, maintenance and set up of work system, installation of computers and management of computerized center	230	99
21	L Hardware and Services Co., Ltd.	No. 44/385-389 Moo 10, Navamin Road, Klong-kum Subdistrict, Bueng-kum District, Bangkok	Installation and repair of IT equipment, sale of computers and peripherals	5	99

#### Jointly-controlled entities directly owned by Loxley

No.	Name of Companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
1	LS Technology Solutions Company Limited	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Operate the security technology solutions in Asian region	10	50

#### Jointly-controlled entities indirectly owned by Loxley

No.	Name of Companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
2	Loxley & AIT Holding Co., Ltd.	No. 2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Subdistrict, Chatuchak District, Bangkok	Provide installation service of power plant telecommunication	200	40
3	Andaman Submarine Cable Co., td.	No. 2 Soi Phaholyothin 19, Phaholyothin Road, Chatuchak Subdistrict, Chatuchak District, Bangkok	Provide installation service of information technology communication and cable	200	22

#### Associated companies directly owned by Loxley

No.	Name of Companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
1	Oriental Post Co., Ltd.	No. 333/3 Rachadanivej Village, Soi 19, Pracha-uthit Road, Samsennok Subdistrict, Huay-kwang District, Bangkok	Advertising series post production services	150	50
2	L Solar 1 Co., Ltd.	No. 102 Na Ranong Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Operate solar power plant	220	45
3	Thai Fiber Optics Co., Ltd.	989 Siam Tower Building, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok	Manufacture of fiber optic	100	40
4	Loxley GTECH Technology Co., Ltd.	No. 102 Na Ranong Road, Klongtoey, Subdistrict Klongtoey District, Bangkok	Sale and service of information technology and online lottery sale system	300	35
5	Guardfire Limited	No. 1780 Tiauhong-Bangna Building, Bangna-trad Road, Bangna Subdistrict, Bangna District, Bangkok	Import and sale of accident preventive systems	20	30
6	Thanthiya Technology Co., Ltd.	99/286 Soi Senawattana, Phaholyothin Road, Anusawari Subdistrict Bangkok District, Bangkok	Manufacture and sale of water and waste water treatment equipment and systems	4	30
7	Mobile Innovation Co., Ltd.	No. 128/224, 227, 228 21 <sup>st</sup> Floor, Phayathai Plaza Building, Phayathai Road, Thung Phayathai Subdistrict, Rajthevi District, Bangkok	Services of real time vehicles tracking management system	184	27



Associated companies directly owned by Loxley (Continued)

No.	Name of Companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
8	Foseco (Thailand) Limited	No. 170/69, 22 <sup>nd</sup> Floor, Ocean Tower I Building, Rajchadaphisek Road, Klongtoey Subdistrict, Klongtoey District, Bangkok	Manufacture and sale of chemicals for metal casting	10	26
9	NS BlueScope (Thailand) Limited (former name, BlueScope Steel (Thailand) Limited)	No. 2 Soi G9, Pakornsongkrohrad Road, Maptaphut Subdistrict, Muang District, Rayong	Manufacture and sale of cold rolled steel	5,000	20
10	NS BlueScope Lysaght (Thailand) Limited (former name, BlueScope Lysaght (Thailand) Limited)	No. 16, Soi Phahonyothin 96, Prachathipat Subdistrict, Thanyaburi District, Patumthani	Manufacture and sale of steel roofing	600	20
11	BlueScope Building (Thailand) Limited	No. 1010 Shinawatra Tower 3, 8 <sup>th</sup> Floor, Room No.803-T, Viphavadee-Rangsit Road, Chatuchak Subdistrict, Chatuchak District, Bangkok	Provide pre-engineered building solution	3	20

Associated companies indirectly owned by Loxley

No.	Name of Companies	Address	Type of business	Registered capital (Million Baht)	% of shareholding
12	Postique Co., Ltd.	No. 333/3 Soi 19, Pracha Uthit Road, Sam Sen Nok Subdistrict, Huai Kwang District, Bangkok	Provide advanced techniques for advertising and film making services	20	50
13	BP-Castrol (Thailand) Limited	No.183, 23 <sup>th</sup> floor, Rajanakarn Building, South-Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok	Sale of Castrol and BP lubricant	49	40
14	Ecartstudio Co., Ltd.	No. 129, Praram 9 Road, Huai khwang Subdistrict, Huai khwang distict, Bangkok	Website design service	3	30
15	Wisdom Vast Co., Ltd	No. 103 Moo 2, Bangkhungong Subdistrict, Bang Kruai District, Nonthaburi	Mobile and innovative solution provider	7	30
16	MOCAP Limited	989 Siam Tower Building, Rama I Road, Patumwan Subdistrict, Patumwan District, Bangkok	Outsourcing contact center	61	25

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

## The Company's Board of Directors

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

In 2013, members of the Company's Board of Directors are:

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

Remarks: \* Mr. Supachai Wanglee resigned from the position of director on 4 December 2013.

Company Secretary is Mr. Pichai Mooputtarak.

## Authority of Directors and Restrictions on Authority of Directors

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

## Independent Directors

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

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

1. Holds not more than 0.5% of the common shares from the Company, its parent company, subsidiaries, joint-ventures, juristic persons with possible conflicts of interests including his/her relatives' shareholding activities.
2. Does not or has not been a director related to operation management, staff member, employee, permanent consultant, or administrative person of the Company, its parent company, subsidiaries, joint-ventures, partners, or juristic person with conflicts of interest for the past 2 years on the date of appointment.
3. Does not relate either by birth or marriage, e.g., father, mother, spouse, brother or sister, child, and child's spouse, of the Management, major shareholder, influential person, Management candidate, or influential person of the Company's subsidiaries.
4. Does not or has not related in business operations, e.g., regular business transactions, real-estate rental, asset service transaction, financial assistance, including related activities where debt payment transaction is required from 3% of the Company's net assets or Baht 20 million, whichever is less, with the Company, its parent company, subsidiaries, joint-ventures, or juristic person with possible conflict of interest affecting independent judgment, as well as not being a major shareholder, non-independent director, or management executive of the business related with the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, for the past 2 years prior to the appointment.
5. Does not or has not been the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, as well as not being a major shareholder, non-independent committee, management executive, or shareholder of Auditing office where the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, belongs to, for the past 2 years prior to the appointment.
6. Does not or has not provided professional services including legal advice or financial advice with annual fee of over Baht 2 million from the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest. However, in the case when such professional is a juristic person, it would include being a major shareholder, non-independent committee, management executive or management share of such professional, for the past 2 years prior to the appointment.
7. Is not a Director appointed on behalf of the major shareholder or a shareholder related to the major shareholder of the Company.
8. Does not possess any other features that would affect independent opinion regarding Company's operations.

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

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

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

The Company encourages all directors to openly express opinions related to the Company's operations in order to ensure operational efficiency, accuracy and transparency. Non-executive directors are encouraged to independently consider the Company's strategies, management, resource utilization and appointment of directors and operational standard, and to directly voice objection of actions of other directors or the management in case of disagreement on issues that may affect shareholders' equality. This will ensure appropriate check and balance. Meanwhile, the Board of Directors continues to independently perform their duties on behalf of shareholders and no specific person or group is prevented from having unlimited power.

Newly appointed directors will be informed of their roles, duty and responsibilities, nature of business and business direction by the company secretary. Directors and Executive Directors will be furnished with the Director's Manual for use as a guideline for them to perform their duties in compliance with legal requirement. The manual also includes information about the Company's operation which is regularly updated.

## Meetings of the Board of Directors

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

Meetings of the Board of Directors and Sub-Committees in 2013:

No.	Name	Frequency of Attendance/Number of Meetings			
		Board of Directors	Executive Board	Audit Committee	Nominating and Remuneration Committee
1	Mr. Pairote Lamsam	10/10	-	-	-
2	Mr. Sukit Wanglee	8/10	-	-	-
3	Mr. Dhongchai Lamsam	10/10	11/11	-	1/1
4	Dr. Harit Sutabutr	10/10	-	5/5	-
5	Dr. Wissanu Krea-ngarm	10/10	-	-	-
6	Mr. Sirin Nimmanahaeminda	7/10	-	-	-
7	Dr. Supavud Saicheua	8/10	-	-	-
8	Mr. Charoon Chinalai	9/10	-	5/5	1/1
9	Mr. Joti Bhokavanij	8/10	-	5/5	-
10	Mr. Supachai Wanglee*	0/9	-	-	-
11	Mr. Suebtrakul Soonthornthum	10/10	10/11	-	1/1
12	Mr. Poomchai Lamsam	8/10	-	-	-
13	Mr. Vasant Chatikavanij	10/10	10/11	-	-
14	Mr. Suraphand Bhasitnirandr	10/10	11/11	-	1/1
15	Dr. Sompop Chareonkul	8/10	10/11	-	-
16	Mr. Suroj Lamsam	7/10	8/11	-	-
17	Mr. Chalermchoke Lamsam	10/10	7/11	-	-
18	Mrs. Kosoom Siphurmsukskul	-	9/11	-	-

No.	Name	Frequency of Attendance/Number of Meetings			
		Board of Directors	Executive Board	Audit Committee	Nominating and Remuneration Committee
19	Mr. Thongyai Chanthanawan	-	8/11	-	-
20	Mr. Natavoot Chitasombat	-	11/11	-	-
21	Mr. Saknarong Saengsangapong	-	8/11	-	-
22	Mr. Supat Karachalkul	-	11/11	-	-

Remarks: \* Mr. Supachai Wanglee resigned from the position of director on 4 December 2013.

## The Executive Board

In 2013, members of the Executive Board are:

No.	Name	Position
1	Mr. Dhongchai Lamsam	President
2	Mr. Suebtrakul Soonthornthum	Senior Executive Vice President
3	Mr. Vasant Chatikavanij	Senior Executive Vice President
4	Mr. Suraphand Bhasitnirandr	Senior Executive Vice President
5	Dr. Sompop Chareonkul	Senior Executive Vice President
6	Mr. Suroj Lamsam	Senior Executive Vice President
7	Mr. Chalermchoke Lamsam	Senior Executive Vice President
8	Mrs. Kosoom Sinphurmsukskul	Executive Vice President
9	Mr. Thongyai Chanthanawan	Executive Vice President
10	Mr. Natavoot Chitasombat	Executive Vice President
11	Mr. Saknarong Saengsangapong	Executive Vice President
12	Mr. Supat Karachalkul	Executive Vice President
13	Mr. Karn Thongyai*	Executive Vice President

Remarks: \* Mr. Karn Thongyai was appointed to the position on 1 January 2014.

Secretary to the Executive Board is Mr. Pichai Mooputtarak.

The Executive Board is the Company's Management in accordance with the notification of the SEC.

## Scope of Authority and Responsibilities of the Executive Board

1. Determines business plans, budgets, strategies, core management structure for business operations and defines various management authorities of the Company compatible to economic conditions and competition. With the Board of Directors' approval, leads the Company through any crisis.
2. Inspects, follows-up and implements Company policies and operating results as well as controlling operating costs to ensure effective and efficient implementation of business plans.
3. With the President's authorization, considers matters concerning recruitment, appointment, employment, re-location, discharge, re-positioning, transfer, work suspension, termination of employment and defines remuneration including expenses and facilities for employees from Senior Vice Presidents downwards.
4. Have authority to approve activities and sign significant document as allowed by the Company's regulations. In case that such activities are investment plan, new business opportunity, fixed assets purchase and sales, procurement, participation in a bid, goods purchase, agreement or legal action as well as other activities that are considered normal business operations



or related to normal business operations that are in accordance with the Company's objectives, the Company has specified type of business and financial limits as follows:

- 4.1 Participating in a bid, agreement or transactions that are part of normal business operations or related to the Company's normal business operations and support the Company's objectives by considering the government's budget and the Company's readiness in participating in such bid with no more than Baht 6,000 million budget limit.
- 4.2 Making new investment that does not exceed Baht 50 million has to comply to the regulations and laws related to the acquisition and sales of assets as issued by the Securities Exchange of Thailand and related laws. The decision shall be reported to the Board of Directors in the following meeting.
- 4.3 In case that specific details are clearly stated in business plan or budget already approved by the Board of Directors, the Executive Board can take action as allowed by the Board of Directors' resolution.
- 4.4 For transactions with related persons which may be considered as related parties' transaction, the Executive Board has to propose to the Board of Directors for approval with presence of independent directors or the Audit Committee. Persons with conflict of interest shall not attend the meeting and do not vote, except for normal items with regular trade terms and conditions allowed by the Company's policy and criteria that are earlier approved. In addition, the Executive Board will have to strictly follow the SET's regulations on related parties' transactions.

5. Takes action on various matters as assigned by the Company's Board or shareholders or as required by the laws or the Company's Articles of Association which includes screening various matters for submission to the Company's Board.

## Management Authorization to the President

In reference to the Company's Board of Directors Meeting no.7/2556 held on 24 June 2013. The Board approved the President's scope of authority and responsibilities as follows:

1. Monitor and supervise work undertaken by the management to ensure that they are implemented in accordance with policies laid down by the Company's Board of Directors.
2. Administer the operations and approve various matters concerning the Company's operation in its normal course of business so as to ensure continuity.
3. Look after, operate and perform regular work in the normal course of operations in the Company's interest to ensure that they are implemented in line with the Company's Objectives and Articles of Association as well as pursuant with orders, resolutions, policies, plans and budgets approved or assigned by the Company's Board under the framework of relevant laws.
4. Have authority to approve and sign significant document as allowed by the Company's regulations. In case that such activities are investment plan, new business opportunity, fixed assets purchase and sales, procurement, participation in a bid, goods purchase, agreement or legal action as well as other activities that are considered normal business operations or related to normal business operations that are in accordance with the Company's objectives, the Company has specified type of business and financial limits as follows:
  - 4.1 Participating in a bid, agreement or transactions that are part of normal business operations or related to the Company's normal business operations and support the Company's objectives by considering the government's budget and the Company's readiness in participating in such bid with no more than Baht 500 million budget limit
  - 4.2 Making new investment that does not exceed Baht 10 million has to comply with the regulations and laws related to the acquisition and sales of assets as issued by the Securities Exchange of Thailand and related laws. The decision shall be reported to the Board of Directors in the following meeting.
  - 4.3 In case that specific project details are clearly stated in business plan or budget already approved by the Board of Directors, the President can take action as allowed by the Board of Directors' resolution.
  - 4.4 For transactions with related persons which may be considered as related parties' transaction, the President has to propose to the Board of Directors for approval with presence of independent directors or the Audit Committee and the persons with conflict of interest shall not attend the meeting and do not vote, except for normal items with regular trade terms and conditions allowed by the Company's policy and criteria that are earlier approved. In addition, the President will have to strictly follow the SET's regulations on related parties' transactions.

On this matter governing the normal signing of approval for various matters for the Company and its subsidiaries, the Company normally has a policy in place which sets out the scope of authority concerning the signing for approval of such matters which are in a form that will be decentralizing power by setting out the line and matters for which an executive at any specific level will be authorized to approve. Review, improvement and changes will also be made appropriately in accordance with the circumstances. As for other matters which are of material importance to the Company, the Company has prescribed that two directors signing jointly under affixment of the Company's seal will have the authority to act on its behalf.

## The Audit Committee

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

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

1. Holds not more than 1% of the common shares from the Company, its parent company, subsidiaries, joint-ventures, juristic persons with possible conflicts of interests including his/her relatives' shareholding activities.
2. Does not or has not been a committee related to operation management, staff member, employee, permanent consultant, or administrative person of the Company, its parent company, subsidiaries, joint-ventures, partners, or juristic person with conflicts of interest for the past 2 years on the date of appointment.
3. Does not relate either by birth or marriage, e.g., father, mother, spouse, brother or sister, child, and child's spouse, of the Management, major shareholder, influential person, Management candidate, or influential person of the Company's subsidiaries.
4. Does not or has not related in business operations, e.g., regular business transactions, real-estate rental, asset service transaction, financial assistance, including related activities where debt payment transaction is required from 3% of the Company's net assets or Baht 20 million, whichever is less, with the Company, its parent company, subsidiaries, joint-ventures, or juristic person with possible conflict of interest affecting independent judgment, as well as not being a major shareholder, non-independent director, or management executive of the business related with the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, for the past 2 years prior to the appointment.
5. Does not or has not been the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, as well as not being a major shareholder, non-independent director, management executive, or shareholder of Auditing office where the Auditor of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest, belongs to, for the past 2 years prior to the appointment.
6. Does not or has not provided professional services including legal advice or financial advice with annual fee of over Baht 2 million from the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest. However, in the case when such professional is a juristic person, it would include being a major shareholder, non-independent director, management executive or management share of such professional, for the past 2 years prior to the appointment.
7. Is not a Director appointed on behalf of the major shareholder or a shareholder related to the major shareholder of the Company.
8. Is not a Director delegated by the Board of Directors to make a decision on behalf of the Company, its parent company, subsidiaries, joint-venture, or juristic person with possible conflicts of interest.
9. In the case when an Independent Director is appointed as an Independent Director in the Company, its parent company, subsidiaries, he/she is required to disclose information related to such position including remuneration received in Form 56-1 and 56-2, accordingly.
10. Does not possess any other features that would affect independent opinion regarding Company's operations.

In 2013, The Audit Committee of Loxley Public Company Limited consists of:

No.	Name	Position
1	Dr. Harit Sutabutr	Chairman of Audit Committee
2	Mr. Charoon Chinalai	Audit Committee Member
3	Mr. Joti Bhokavanij*	Audit Committee Member

Remarks: \* Mr. Joti Bhokavanij possesses accounting and finance experience.

Secretary to the Audit Committee was Mr. Chamnan Chotcomwongse.

## Scope of Authority and Responsibilities of the Audit Committee

1. The Audit Committee is responsible for the following functions specified by the Board of Directors:

- 1.1 Verify the Company's financial reports
- 1.2 Optimize the Company's Internal Control and Internal Audit processes properly and efficiently as well as verify the independence of the Internal Auditor including consideration of appointment, transfer, and dismiss the Internal Auditor or related agency responsible for Internal Audit
- 1.3 Follow Securities and Exchange Regulations and Rules of the Stock Exchange of Thailand, Public Company Act, Accounting Act, or related laws
- 1.4 Optimize the Company's financial risk management properly and effectively
- 1.5 Nominate an independent candidate as an Internal Auditor as well as his/her salary including participation in auditor's meeting with the absence of the Management at least once a year
- 1.6 Verify all related transactions or transactions with possible conflicts of interests according to the law and Securities and Exchange regulations to ensure integrity for the Company's maximum benefit
- 1.7 Prepare the Audit Committee Report to be included in the Company's Annual Report and signed by the Audit Committee Chairperson with the following details:
  - 1.7.1 Opinion on integrity and confidence of the Company's Financial Report
  - 1.7.2 Opinion on the adequacy of the Company's Internal Control
  - 1.7.3 Opinion on the compliance to the Securities and Exchange regulations, Stock Exchange rules, or related business laws
  - 1.7.4 Opinion on the Auditor's qualification
  - 1.7.5 Opinion on the transactions with possible conflicts of interests
  - 1.7.6 Number of Audit Committee meetings and each Committee member's participation
  - 1.7.7 Opinion or suggestion of the Audit Committee by complying with the Charter
  - 1.7.8 Other transactions worth for the shareholders and general investors under the assigned roles and responsibilities from the Board of Directors
- 1.8 Perform additional assignment from the Board of Directors with an approval from the Audit Committee

On performing the activities specified in the first paragraph, the Audit Committee is directly accounted for the Board of Directors where the Board of Directors is accounted for the Company's operation to the public.

Whenever the Audit Committee's duties are changed, the Company shall prepare the change of duty policy and the updated member and duties of the Audit Committee set forth by the Stock Exchange to be submitted to the Stock Exchange by 3 days after such changes according to the Stock Exchange's guidelines on electronic reporting.

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

- 2.1 Errors or incomplete transaction record in Accounting or Financial Reports
- 2.2 Improper or inefficient Internal Control and Internal Audit
- 2.3 Inefficient financial risk management
- 2.4 Transactions with conflict of interest
- 2.5 Fraudulent or significant defects in Internal Control
- 2.6 Breaching of Securities and Exchange Regulations, Stock Exchange rules or related laws

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

## The Nominating and Remuneration Committee

In 2013, the Nominating and Remuneration Committee consists of:

No.	Name	Position
1	Mr. Charoon Chinalai	Chairman of Nominating and Remuneration Committee
2	Mr. Dhongchai Lamsam	Member
3	Mr. Suebtrakul Soonthornthum	Member
4	Mr. Suraphand Bhasitnirandr	Member

*The Secretary of this Committee is Dr. Dawarit Tansuphasiri.*

### Scope of Authority and Responsibilities of the Nominating and Remuneration Committee

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

### Selection Procedures of Directors and Sub-Committee Members

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

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

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

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

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

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

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

# Executives Remuneration

## (1) Remuneration for year 2013:

- 1.1 Total remuneration for 17 members of the Company's Board of Directors was Baht 16,050,000. (constituting meeting allowances and remuneration\*)
- 1.2 Total remuneration for the Audit Committee and Nominating and Remuneration Committee members was Baht 1,920,000. (constituting meeting allowances)
- 1.3 Total remuneration for 12 Executive Board members was Baht 43,920,000 (constituting salaries, performance pay, and other benefits).

Notes: \* The payment was not included the compensation and welfare paid to directors as the Company's staff or subcommittee of any working group.

Details were as follows:

(Unit : Baht)

Name	Company's Directors	Remuneration	Audit Committee Members	Nominating and Remuneration Committee Members
1. Mr. Pairote Lamsam	1,200,000	500,000	-	-
2. Mr. Sukit Wanglee	600,000	300,000	-	-
3. Mr. Dhongchai Lamsam	600,000	300,000	-	240,000
4. Dr. Harit Sutabutr	600,000	300,000	360,000	-
5. Dr. Wissanu Krea-ngam	600,000	300,000	-	-
6. Mr. Sirin Nimmanahaeminda	600,000	300,000	-	-
7. Dr. Supavud Saicheua	600,000	300,000	-	-
8. Mr. Charoon Chinalai	600,000	300,000	240,000	360,000
9. Mr. Joti Bhokavanij	600,000	300,000	240,000	-
10. Mr. Supachai Wanglee*	550,000	300,000	-	-
11. Mr. Suetrakul Soonthornthum	600,000	300,000	-	240,000
12. Mr. Poomchai Lamsam	600,000	300,000	-	-
13. Mr. Vasant Chatikavanij	600,000	300,000	-	-
14. Mr. Suraphand Bhasitnirandr	600,000	300,000	-	240,000
15. Dr. Sompop Chareonkul	600,000	300,000	-	-
16. Mr. Suroj Lamsam	600,000	300,000	-	-
17. Mr. Chalermchoke Lamsam	600,000	300,000	-	-
<b>Total</b>	<b>10,750,000</b>	<b>5,300,000</b>	<b>840,000</b>	<b>1,080,000</b>

Remarks: \*<sup>1</sup> Mr. Supachai Wanglee resigned from the director on 4 December 2013.

## (2) Other Compensation

- None-

## (3) Provident Funds

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



# Corporate Governance

The Company views that it is important to operate its business under the good corporate governance principle that is in line with the good corporate governance principle of the listed companies as issued by the Stock Exchange of Thailand. The Company has therefore adhered to the principle in order to create and strengthen confidence among its shareholders, investors, stakeholders and all related parties. In the Board of Directors' meeting No. 10/2556 dated 19 December 2013, the Board resolved to approve Corporate Governance Policy and Business Ethics in writing to allow directors and employees to use as practice guideline. In 2013, the Company has operated its business under the following corporate governance framework.

## 1. Right of Shareholders

The Company resolved to call an Annual General Meeting of Shareholders for the Year 2013 on 29 April 2013 at Montien Riverside Hotel, Rama 3 Road, Bangkok, by notifying shareholders not less than 30 days prior to the meeting. The notice of the annual general meeting which clearly specifies information on agenda items together with the opinions of the Board of Directors shall be made available at the corporate website for the shareholders to prepare themselves in joining the meeting. In addition to all proxy forms and the information related to voting decision, the annual report is available for them in CD-ROM in both Thai and English versions, and in publishing material for those who request. In case of inquiry or additional information request, there is a help desk telephone number available.

The Company is aware of the shareholders' rights in terms of receiving adequate information and be able make the decisions of significant issues, based on the good corporate governance and to comply with laws as follows.

### 1. Fundamental Right of the Shareholders

- The right to receive a share certificate, to transfer share, and to be proposed adequate information in timely manner and in appropriate form before making a significant decision.
  - The rights to vote and participate in the decision of important issues, which may affect the Company, for instance, the approval of the Board of Directors' remuneration.
  - The rights to select or remove of the Board of Directors and approve the appointment of auditors.
  - The rights to share profit/dividend.
2. The invitation letter of the Annual General Meeting which clearly specifies meeting venue, date, time, agenda, and matters to be proposed to the meeting shall be sent to the shareholders at least 21 days ahead of the meeting date. The information must also be announced in the newspaper for 3 consecutive days and at least 3 days prior to the meeting date.
  3. In the Election of the individual Director, each shareholder shall have one vote on each share. The Company shall enclose the Brief Background of all candidates concerning their education, profession, role of the Director in other organizations, and stake holding.
  4. In every shareholders' meeting, the Chairman, directors and relevant executives are responsible to attend the meeting in order to answer questions from the shareholders. Before commencement, the Chairman will declare to the shareholders how to exercise their right and vote in line with the agenda. During the meeting, the Chairman shall open the opportunity for every shareholder to express his/her opinion and recommendation, and inquire in each agenda, and shall give the sufficient time for discussion. The Chairman, the directors and the executives, and relevant Sub-Committees shall pay attention to every question and answer every question clearly and shall summarize each agenda by voting and counting the number of votes.
  5. After the meeting, the resolution on this agenda item along with the minutes of the meeting shall be posted on the Company's website within 14 days after the meeting date.

## 2. Equitable Treatment of Shareholders

The Company realizes to protect and due care for the interests of all major and minor shareholders or institutional investors as fairly basis. The meeting is conducted to be in line with the agenda without any additional topic, if not necessary, from what have been expressed in the invitation letter. In addition, the Company provides the opportunity for shareholders to exercise the rights to propose agenda items and qualified nominees for election as directors in advance during the period specified by the Company at least 3 months ahead of the end of the fiscal date by publishing the procedure through the electronic system on SET's as well as the Company's website. The shareholders will receive adequate information equally and timely. In the meeting, voting cards are provided for each agenda, especially, the agenda of appointment of directors of which been appointed by individual and such significant agenda as the acquirement or dismissal of asset or connected transaction. For those who are not able to participate the meeting, proxy form shall be distributed to the shareholders who would like to appoint proxy while their votes are equal to the number of their shares. However, for those who have no idea about their proxy, the Company allows them to appoint proxy to one of the independent Directors, with stamp duty available for registration.

In additions to the abovementioned meeting, the Company also offers the equality of obtaining accurate and timely information of the Company by normally disclosing the information via the Stock Exchange of Thailand's system and then via other mass media in order to be in compliance with the rules, and the shareholders or investors including general people shall realize the information for making decisions regarding the investment.

Moreover, the Company shall prevent abuse of internal information for personal benefit which could exploit other shareholders. The Company's Management must disclose their own interest as well as their related persons in the Company's transactions and avoid any decision making on such transaction to ensure other executives can make decision based on the Company's benefits. Furthermore, legal measure is also applied, e.g., the Directors and the Management must report changes of personal assets to the Office of Securities and Exchange Commission according to section 59 of the Securities and Exchange Act 1992 on every sale, transfer, or acquisition of the Company's assets within 3 days after the transaction date, etc. Furthermore, the Company prohibits the executives or units from disclosing the inside information to outsiders or persons who do not have relevant duties and must maintain the important and undisclosed information as confidential, and must not purchase and sell the Company's securities within 1 month before the disclosure of quarterly and yearly financial statement to the public. Finally, the Company also identifies the rule to prohibit each director and employee from using their duties and authorities or opportunity of working to seek the benefit for themselves or others. If any one violates this rule, he/she shall obtain the disciplinary punishment immediately.

## 3. Role of Stakeholders

The Company always realizes the importance to the corporate governance that is aligned with the responsibility to all stakeholders (CSR), i.e. shareholders, employees of the Company, customers, competitors, suppliers/creditors, communities, societies and environment. By being aware of their rights based on the appropriate consideration, the Company has set policy and activities to respond the stakeholders' needs as follows.

### Responsibility to Shareholders

- The Company shall respect shareholders' rights and treat shareholders equally.
- All Committees is responsible for ensuring that the Company is well managed and becomes a quality and strong organization that creates sustainable growth and returns to shareholders in the long run.
- The Board of Directors and management shall perform their duties at their best capacity and with the integrity and carefulness that business operators shall perform under the same situation.
- The Company has to accurately report its status and operating performance.
- The Company is open to receive recommendations useful for management and administration improvement that will create added-value to the Company. Such information and recommendations are treated as confidential and passed directly to the Board of Directors.

### Responsibility to Employees and Executives

- Provide fair and proper compensation in line with the labor market environment, knowledge, ability, responsibility, and performance of each person

- Improve and provide good employee benefits that match well with the Company's positioning, cost of living and other benefits as deemed appropriate, including travel insurance for employees who have to perform their duty out of office, medical allowance, provision of doctor and nurse at infirmary located at the Company's office, financial assistance to employees in case of death of a family member, provident fund, annual health check-up, provision of drinks, fitness area, sales of special-priced consumer goods from Loxley Trading Company Limited twice a months, etc.
- Ensure workplace safety, hygiene and convenience to support employees' performance, including 24-hour security guard service, regular maintenance of infrastructure, monthly insecticide spray, basic fire extinguishing training, fire drill and earthquake drill for employees at the headquarters and branch offices.
- Treat employees fairly and value their development, knowledge, and competency transfer through extensive and regular opportunities given to them, particularly promoting new young executives.
- Promote accessibility for internal communication in order to keep employees posted on both internal and external current news through "CONNECT", a company's periodical, and intranet system for two-way communication, enabling employees to post their views.
- Provide a channel for complaints to reduce or eliminate problems that may affect employee's morale by clearly specifying scope and process of complaint making, investigation, consideration and complainant and related persons protection. Such information has been communicated to employees in the "Work Rule Manual" that is distributed to all new employees.
- Encourage and support staff clubs and corporate social responsibility activities that are beneficial to employees, communities and the society.
- Distribute the "Work Rule Manual" to every employee. The manual is designed to give employees good understanding and awareness of their benefits and responsibilities in order to ensure discipline and good practice as a team. The manual is prepared in print version and also published on the Company's Intranet system to which all employees can have easy access anytime and from anywhere.

#### **Responsibility to Customers and General Public**

- Fix the proper prices for products and services based on their quality and market needs.
- Fairly determine trade conditions and business negotiation in line with the trade with general individual.
- Procure and provide services based on trade conditions with high responsibility.
- Disclose thorough information on product and service in accuracy.
- Pay attention to the views and comments of all customers and third parties in a fair manner for product and service improvement.
- Treat customers' confidential information as ours by refraining from seeking undue benefits for oneself and related parties by exploiting customers' information.

#### **Responsibility to Business Partners and creditors**

- Refrain from deliberately specifying a certain product or tending to do so by stressing on a certain product, unless there is a rational backup reason. Inform customers on the change of product or its unique qualification. In case of re-proposing the price, the bidder who propose the unused price deserves a right to take this opportunity as well.
- Select a fair bidder who is truly focusing on proposing price. Do not attempt to gather bidders just to meet the requirement, but to provide fair bidding while thoroughly providing information details and conditions in written paper with no exception.
- Stringently observe contracts, agreements, and conditions given to creditors. If conditions cannot be observed, negotiate with business partners well in advance to jointly find remedies and prevent damage.

#### **Responsibility to Business Competitors**

- Comply with the rules of fair competition and treat business competitors fairly while refraining from defaming business competitors through slander.
- Emphasize on competing towards product and service quality by taking the optimum customer satisfaction into account.

## Responsibility to Community, Society, and Environment

- Establish an organization directly responsible for corporate social responsibility activities with policy to focus on projects and activities that improve quality of life and environment of the surrounding community. These activities have been implemented since 2010. Such activities also include support for sports training for the disabled.
- Support environmentally-friendly business with focus on sourcing environmentally-friendly products and services, such as the establishment of Green Solutions Department, the operation of renewable and biomass energy business, etc.
- Encourage executives and employees to effectively optimize the Company's assets and natural resources, such as implementing the power automatic system that automatically turn off electricity in some parts of the office during lunch break, turning off air-conditioning system of the entire building 10 minutes before the end of work hours, having water and power saving campaign posters in the office, etc.
- Formulating policy and practice guideline related to copyright, such as ensuring all employees to install computer program detecting the use of illegal software.

## 4. Disclosure and Transparency

In response to SET's policy, the Company has strong determination to reveal accurate complete, consistent and transparent information, both financial and general information that related to Company's business. Such information is disclosed to shareholders, investors and any related parties via the following channels.

1. Disclose corporate information through Company's website ([www.loxley.co.th](http://www.loxley.co.th)) as one of the channels for those who are interested in corporate business anywhere and anytime. The Company's website is now under the updating process.

2. The Company shall assign the Securities Division to disclose significant information regarding the Company, including financial reports (by quarterly and yearly), non-financial information and other information as stipulated by SEC and SET.

3. Apart from the financial statements, the Company shall further report accurately and timely on the responsibilities of the Board of Directors for the financial statements, which appear together with the report of the independent auditors, and the Management Discussion and Analysis (MD&A) in the annual report(Form 56-1), in accordance with stipulation of SEC and SET.

4. The Company shall disclose structure, roles and responsibilities of the Board as well as the number of meetings and that of attendances of the Board and each Committee in 2013.

5. The Company shall disclose the Directors and Management's Remunerations of 2013 that reflect their duties and responsibilities individually: Policy of Directors' Remuneration has been set to be comparable to the general practice in same industry.

6. The Company assigned the President, high-level executives, Strategic Investment and Investor Relations Department to be responsible for investor relations activities and communicate with investors to ensure they receive the correct and clear information. Investors can contact the Investor Relations at the Company's head office or the Company's website or email [boonlertj@loxley.co.th](mailto:boonlertj@loxley.co.th)

In 2013, the Company arranged regular meetings between the Company's high-level executives and individual and institutional investors to present 2013 business plan. The executives from all disciplines presented annual business plan to analysts, investors and media representatives in March 2013. The Company also participated in the meetings between listed companies and investors arranged by the Stock Exchange of Thailand to present its operating performance and business direction. Through these activities and the fact that analysts and investors can directly contact the Company's Investor Relations Department, investors receive accurate and clear information. The Company also has the opportunity to collect opinions and recommendations raised at those activities to support operation improvement. In addition to disclosure of financial information and operating performance, the Company ensures the appropriate disclosure of report on changes to the portfolio of its Directors, executives and Company Secretary as follows:

No.	Name	Number of Shares		Number of shares increased (decreased) in 2013	Percentage of Shareholding (%)
		31 Dec 2012	31 Dec 2013		
1	Mr. Pairote Lamsam spouse and underage children	35,589,030 -	37,368,481 -	1,779,451 -	1.78 -
2	Mr. Sukit Wanglee spouse and underage children	4,659,840 -	4,892,832 -	232,992 -	0.23 -
3	Mr. Dhongchai Lamsam spouse and underage children	25,459,090 1,112,870	26,732,044 1,168,513	1,272,954 55,643	1.27 0.06
4	Dr. Harit Sutabutr spouse and underage children	52,500 -	55,125 -	2,625 -	0.003 -
5	Dr. Wissanu Krea-ngam spouse and underage children	- -	- -	- -	- -
6	Mr. Sirin Nimmanahaeminda spouse and underage children	- -	- -	- -	- -
7	Dr. Supavud Saicheua spouse and underage children	- -	- -	- -	- -
8	Mr. Charoon Chinalai spouse and underage children	- -	- -	- -	- -
9	Mr. Joti Bhokavanij spouse and underage children	- -	- -	- -	- -
10	Mr. Supachai Wanglee spouse and underage children	2,897,530 -	3,042,406 -	144,876 -	0.14 -
11	Mr. Suebtrakul Soonthornthum spouse and underage children	- -	- -	- -	- -
12	Mr. Poomchai Lamsam spouse and underage children	1,000,000 55,250	1,050,000 58,012	50,000 2,762	0.05 0.003
13	Mr. Vasant Chatikavanij spouse and underage children	1,849,980 -	1,972,4778 -	122,498 -	0.09 -
14	Mr. Suraphand Bhasitnirandr spouse and underage children	- -	- -	- -	- -
15	Dr. Sompop Chareonkul spouse and underage children	800,000 -	840,000 -	40,000 -	0.04 -
16	Mr. Suroj Lamsam spouse and underage children	1,591,150 -	1,670,707 -	79,557 -	0.08 -
17	Mr. Chalermchoke Lamsam spouse and underage children	9,406,370 3,733,750	9,876,688 3,920,437	470,318 186,687	0.47 0.19



No.	Name	Number of Shares		Number of shares increased (decreased) in 2013	Percentage of Shareholding (%)
		31 Dec 2012	31 Dec 2013		
18	Mrs. Kosoom Sinphurmsukskul spouse and underage children	- 5,000	- 5,250	- 250	- 0.0003
19	Mr. Thongyai Chanthanawan spouse and underage children	- -	- -	- -	- -
20	Mr. Natavoot Chitasombat spouse and underage children	- -	- -	- -	- -
21	Mr. Saknarong Saengsangapong spouse and underage children	112,000 -	- -	(112,000) -	- -
22	Mr. Supat Karachalkul spouse and underage children	- -	- -	- -	- -
23	Mr. Kam Thongyai spo spouse and underage children	- -	- 5,000	- 5,000	- 0.0002
24	Mr. Pichai Mooputtarak spouse and underage children	- -	- 25,200	- 25,200	- 0.0012

## 5. Board Responsibilities

Corporate governance principles are defined as a process under which there is a structure and an internal managing mechanism connecting relationship between the board, the management, employees and shareholders, particularly reflecting governing principles in multiples areas toward the Board responsibilities to deliver transparency, integrity, and efficiency as listed in the following areas:

### 5.1 Structure of the Board of Directors

The Board of Directors has a total of 17 members, consisting of 7 Executive Directors, 10 Non-Executive Directors, and 6 independent directors. Remaining are Audit Committees and those from outside the company. In other words, more than half of the members of the Board of Directors are not a part of executive team.

The Board of Directors comprises directors who have knowledge and expertise in different fields that fit well with the Company's nature of business, including engineering/science (6 directors), accounting/finance (5 directors), economics/management (4 directors) and administration/laws (2 directors). All directors have the desired qualities and do not have legally prohibited qualifications according to the Public Company Limited Act B.E. 2535 and the Securities and Stock Exchange Act B.E. 2535.

The independent directors and those from outside the company are ready to take part in setting out the Company goals, carry out all the management and strategic policies, appoint the Board, and deliver an effective resource utilization plan. They must hinder all actions which, by other directors or managements, may cause conflicts affecting the equity of all stockholders. Therefore, for best benefit of the shareholders and to strike a balance of power within the Company, the Board of Directors is totally aware of such concern while freely perform as the representative of shareholders, not endlessly enabling power to any particular individual or parties.

The Company has set the roles of independent directors in accordance with the notification of SEC and SET, with an objective to provide them true independence.

The Company has clearly segregated positions, responsibility and authority. The Chairman of the Board is not the same person as the President and is not an employee or executive of the Company. The Chairman of the Board acts as Chairman of the Company. The President acts as the head of the executives. Specific executive director is assigned to oversee finance, accounting and investment. The Chairman of the Board shall not hold position in any committee. The scope responsibility of the Board of Directors and

Committees, such as the Audit Committee and the Nominating and Remuneration Committee, are clearly and separately specified. The chairman of each committee is independent director in order to maintain independence of the committee. Committee members retain independence in expressing opinions towards the Company's operations to ensure efficiency, accuracy and transparency. The Board of Directors is responsible for formulating policy, strategy, meeting and protection of shareholders' right. The Executive Board is responsible for daily operations and operational performance and ensuring that the Company's goal is met.

## **5.2 Sub Committee**

To achieve the ultimate corporate objectives, the committee should have specific skill that suitable for the Company business, vision, and help the Board for consideration in significant matters for best benefit of the Company. Nowadays, with clear separate roles and responsibilities, the Sub Committee includes the Executive Board Audit Committees, Nominating and Remuneration of Committee (More details regarding the roles and responsibilities are in Management Section).

## **5.3 Roles, Duties and Responsibilities of Committee**

The Company has realized the importance of its Board of Directors' performance with responsibilities and honesty. Therefore, the Corporate Governance policy guideline has been delivered to the Board to help them manage their operation as expected by the Supervision agencies and by law. The guideline includes vital information related to the business operations, which will be updated periodically. The Corporate Governance Policy has also been updated for the new executives by the company secretary to remind them on their roles and responsibilities. The Corporate Board of Directors and other committees have played the important role to lead the team and have responsibilities based on hierarchy while having a full right to raise their opinions towards Company's vision, strategies, business plans and budget. The Company has publicized a manual book called "Business Ethics" as a mutual guideline. This is to ensure that all employees will continue their duty with honesty, integrity, and morality not only to the Company, but also to all stakeholders and other related parties. The Company frequently communicates with the employees and monitors their behaviors in order to ensure that they strictly comply with such policy. Besides, the Board has set the policy regarding the prevention of plausible conflicts of interest. In case that it is inevitable to do so, the business principles shall be complied as normal basis as treating the third parties. In case of failure to do so, the Company shall follow the procedures of approval for related items, which the stakeholders in this case shall not be allowed to vote.

The Board of Directors involved and agreed on set out the Company's Governance principles for the Executive Boards as well as management with effective internal control system which allows frequently measurable process. When the unusual situation occurs, the deep investigation process shall be conducted prior to the prompt solutions. The internal control system is considered a key of business management in terms of lowering risks, cultivating growth, and achieving business targets. In addition, it aids in protecting corporate assets as well as shareholders' investment fund.

## **5.4 Board of Directors' Meeting**

The Board of Directors' Meeting schedules have been set ahead yearly, unless an additional unscheduled agenda has been called on by the Chairman of the Board of Directors or an appropriate number of the Board Committee to fulfill the requirement of the Company. The meeting shall be conducted with transparency as well as adequate time for raising significant issues and question answering. The meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. After the meeting, the written meeting document shall be prepared and filed neatly for audit purposes by quarterly basis. Other Sub Committee meetings have been set separately, as mentioned earlier.

The Company allows independent and non-executive directors to hold meetings to discuss administrative issues and problems without presence of the management.

When significant issues are raised in the Audit Committee meeting, the committee's secretary shall prepare a written report of such cases and inform the Board of Directors and President after the meeting.

## **5.5 Board Self Assessment**

In the Board of Directors' meeting, each Committee is responsible for self assessment to review and evaluate his/her own performance to comply with Corporate Governance of the Company. Comments and recommendations shall further considered in the Board of Directors' meeting for improvement.

## **5.6 Directorship**

The Company disclosed information about Directorship of individual director in the Information of Company Executives Section. In case a director holds position in other company, a director shall ensure that such position does not obstruct his/her ability to perform duty as the Company's Director.

## 5.7 Development of Directors and Management

The Company will provide Directors the effective and quality development programs to uphold up-to-date views towards competitive business management through periodical seminars, trainings, conferences, and brainstorming activities. All these development activities have been led by renowned specialists in numerous fields. In addition to the development of management skills, the Company supports the increase of business ethics and self personalities of the directors through multiple trainings in the field, all of which shall be disclosed in the Corporate Governance Report of the Human Resources Department. Being part of the promoting programs, all new executives or management should be qualified by attending and passing such mentioned programs to ensure their capabilities. Each program is designated in accordance with the level of position and shall be disclosed in the Corporate Governance Report for the Board of Directors' meeting. (Training history of directors is explained under Information of Company Executives Section.)

## 5.8 Remuneration

The Nominating and Remuneration Committee is responsible for considering director remuneration and present to the Board of Directors and shareholders' meeting approval. The Nominating and Remuneration Committee shall compare the Company's remuneration against other business in the same industry and ensure that the remuneration is not unnecessary high but attractive enough to attract and maintain quality directors. Remunerations for the directors are unveiled in the annual report as required by the Securities and Exchange Commission.

## 5.9 Company Secretary

The Company appointed a Company Secretary in accordance with the Section 89/15 in the Securities and Exchange Act (No. 4) B.E. 2551. The Company Secretary shall prepare and keep the Company's significant document as required by law and is responsible for ensuring that the Board of Directors and Executives activities fully comply with the legal framework. Role and responsibility of the Company Secretary is clearly stated in the Company's Corporate Governance Policy and in other related document announced by the Capital Market Committee.

## Complaint receiving

The Company opens opportunities for the general public to file a complaint in case an inappropriate action of the Directors, Management and employees or the actions that are breaches of Code of Conduct or other issues that may cause damage to the Company or the Board of Directors. Complaints and clues can be reported through independent directors or the Audit Committee via the following channel:

The Secretary to the Audit Committee  
Loxley Public Company Limited  
102 Na Ranong Road, Khlong Toey, Khlong Toey, Bangkok 10110 Or email: [ac@loxley.co.th](mailto:ac@loxley.co.th)

The Company shall consider all requests and complaints and take appropriate action in equitable, transparent and justly to all related parties within the appropriate timeframe, and keep the information as confidential to protect the complainant. The independent directors or Audit Committee will investigate and directly report to the Board of Directors.

## Internal Information Management

The Company has established a policy to avoid the use of internal information by Directors for self interest such as legal stock trading. The Company has encouraged the Board of Directors to report asset movements to SEC and SET within 3 days from the transaction or transfer date, according to the Securities and Exchange Act B.E. 2535. Besides, any departments or Directors who are notified of internal information should not disclose to other parties and any individuals who are not involved with this matter. The significant information shall be treated confidentially and circulated merely in the associated group of Executive Board. In the period of 1 month prior to the publicly disclosure of quarterly financial report and annual report, both direct and indirect proposing for corporate stock trading or even the intention to do so should be completely prohibited. This is to ensure the consistent and appropriate compliance with existent internal control as well as strengthen the confidence of management and stakeholders. The Company organized that good internal control allows the Company to notice irregularity and gives early warning for possible risks of inappropriate behavior as well as set penalties for those who avoid doing so.

# Personnel

The Company has never had any labor argument for the past 3 years. As at 31 December 2013, it had 809 permanent staff and 110 contract staff, divided by groups as follows:

Segment	Total (Personnel)
ICT Group	39
Technology Business Group	230
Project Business Group	187
Trading Business Group	205
Joint Venture Business Group	21
Service Business Group	10
Office of the President	67
Finance Group	87
Human Resources and Administration Group	58
Internal Audit Department	9
Corporate Communication Department	6
<b>Total Employees</b>	<b>919</b>

Total Personnel Remuneration of Company staff from January to December 2013 in form of salaries, wages, overtime, and bonus was Baht 517.07 million.

## Loxley's Human Resources Development Policy

In order to achieve high performance organization, the Company focuses on continual development for all executives and employees. Our main policy includes:

Employee Efficiency Development Policy All staff development programs are focusing on increasing skills, capability, attitudes and experiences related to their job responsibility. The preparation for the Company's future management team is also counted in this policy. The development programs are both in-company training, public training, on-the-job training, coaching, as well as experience sharing from the expertise.

High Performer Development Policy The Company has a policy to identify high performer and set up individual development plan (IDP) and career path. Our high performers have to develop their skills project management, team management, leadership development.

Executives Development Policy Development for all management levels has been executed through our various training courses to prepare executives for their promotion and to be able to take higher job responsibility. The courses are designed base on our leadership and business management competencies. Programs include leadership development, business strategy and new business ideas needed for future business growth

In 2013, the average training hour was 15 hours/person/year. Major training programs were as follows:

- Director Certification Program
- Executives Development Program
- Team Quality Management for Middle Management
- Supervisory Skills
- Young Executives Synergy
- English and Chinese Languages

## Information of Directors, Executives and Company Secretary

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
1. Mr. Pairote Lamsam Chairman Since 01/04/1993	80	<ul style="list-style-type: none"> <li>B.A.(Commerce) University of Manchester England</li> <li>Director Accreditation Program 17/2004 Thai Institute of Directors Association</li> </ul>	Own 37,368,481 shares 1.78 %	Brother of Mr. Dhongchai Lamsam and Mr. Poomchai Lamsam, Uncle of Mr. Vasant Chatkavanij, Mr. Suroj Lamsam and Mr. Chalermchoke Lamsam	2010-present	Director	Loxley Joint and Hold Co., Ltd./Holding Company
					2000-present	Advisor to the Board	Kasikorn Bank Plc/Banking Service
					1995-present	Chairman	Loxley Trading Co., Ltd./Sale of consumer products
						Director	NS BlueScope (Thailand) Limited/Manufacture and sale of cold rolled steel
						Director	NS BlueScope Lysaght (Thailand) Limited/Manufacture and sale of steel roofing
					1993-present	Chairman	Loxley Plc/Technology and trading business
					1991-present	Director	BP - Castrol (Thailand) Limited/Sale of Castrol and BP lubricant
					1990-present	Chairman	Ekpavee Co., Ltd./Holding company
					1989-present	Director	Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services
					1981-present	Director	Loxley International Co., Ltd./Provide maintenance services for computer, communication systems and project consultant
2. Mr. Sukit Wanglee Vice Chairman Since 01/04/1993	83	<ul style="list-style-type: none"> <li>Mechanical Engineering Leicester College, England</li> <li>Director Accreditation Program 12/2004 Thai Institute of Directors Association</li> </ul>	Own 4,892,832 shares 0.23%	Brother of Mr. Supachai Wanglee	1972-present	Director	Zin Suapah Co., Ltd./Parking service
					1969-present	Chairman	Siam Sanitary Ware Co., Ltd./Sale of sanitary wares
					1960-present	Managing Director	Lamsam Estate Co., Ltd./Holding company
					2010-present	Chairman	Thai Metal Drum Manufacturing Plc/Producer and supplier of steel drum containers
					2003-present	Chairman	Rojana Industrial Park Plc/Property development
					1996-present	Chairman	Poonphol Co., Ltd./Holding company and trader of agricultural products
					1993-present	Vice Chairman	Loxley Plc/Technology and trading business
					1990-present	Director	Ekpavee Co., Ltd./Holding company
					1984-present	Director	Siam Sanitary Ware Co., Ltd./Sale of sanitary wares



Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
3. Mr. Dhongchai Lamsam • President Since 01/04/1993 • Nominating & Remuneration Committee Member Since 14/11/2003	67	<ul style="list-style-type: none"> <li>Honorary Doctor of Liberal Arts in Management, Kasem Bundit University</li> <li>Bachelor of Science (Honors), Chemical Technology, Chulalongkorn University</li> <li>M.Sc. Illinois Institute of Technology, U.S.A.</li> <li>Advanced Management Program, Harvard Business School, U.S.A.</li> <li>Director Accreditation Program 12/2004 Thai Institute of Directors Association</li> </ul>	Own 26,732,044 shares 1.27%  Spouse & Children below 20 Years old 1,168,513 shares 0.06%	Brother of Mr. Pairote Lamsam and Mr. Poomchai Lamsam  Uncle of Mr. Vasant Chatkavanij and Mr. Suraj Lamsam  Cousin of Mrs. Kosorn Sinphumsukskul and Father of Mr. Chalemrchoke Lamsam	2012-present 2010-present 2008-present  2006-present  2005-present  2003-present  2001-present  2000-present  1998-present 1996-present  1995-present  1994-present 1993-present 1990-present 1989-present  1981-present  1977-present 1972-present 1960-present	Chairman Director Director  Chairman Director Director  Director  Chairman  Director  Chairman  Director President Managing Director Director  Director  Managing Director Director Director Director	L Food Solutions Co., Ltd./Provide food service Loxley Joint and Hold Co., Ltd./Holding Company Postique Co., Ltd./Provide advanced techniques for advertising and film making services Asia Security Management Co., Ltd./Provide security service Loxley Global Co., Ltd./Holding company L-TAG Technologies Co., Ltd./Sale of construction materials and installation service of waste water treatment system and other sanitation Loxley GTECH Technology Co., Ltd./Sale and service of information technology and online lottery sale system Loxley Wireless Plc/Sale and service of telecommunication and information technology systems Law Enforcement Technology Solutions Co.,Ltd./Design and installation services of security systems Oriental Post Co., Ltd./Advertising series post production services Thai Fiber Optics Co., Ltd./Manufacture of fiber optic General Aviation Co., Ltd./Consulting management service Data Mining Co., Ltd./Service of information technology equipment and computer systems BP - Castrol (Thailand) Limited/Sale of Castrol and BP lubricant Loxley Plc/Technology and trading business Ekpavee Co., Ltd./Holding company Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services NS BlueScope (Thailand) Limited/Manufacture and sale of cold rolled steel Loxley International Co., Ltd./Provide maintenance services for computer, communication systems and project consultant Loxley Trading Co., Ltd./Sale of consumer products Zin Suapah Co., Ltd./Parking service Lamsam Estate Co., Ltd./Holding company

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
4. Dr. Harit Sutabutr • Independent Director Since 01/04/1993 • Chairman of the Audit Committee Since 14/12/2008	77	<ul style="list-style-type: none"> <li>Ph.D. Mechanical Engineering University of California, Berkeley</li> <li>Director Accreditation Program 16/2004 Thai Institute of Directors Association</li> </ul>	Own 55,125 shares 0.003 %	None	2002-present  1999-2002  1998-present  1993-present  1992-1998  1987-1999	Senior Adviser to the Director Acting Deputy Director Vice Chairman of the University Council Independent Director President  Director	National Science and Technology Development Agency/ Government entity National Science and Technology Development Agency/ Government entity King Mongkut's University of Technology Thonburi  Loxley Plc/Technology and trading business  King Mongkut's University of Technology Thonburi/government educational institution National Center for Metal & Material Technology/Government entity National Science and Technology Development Agency/ Government entity Ministry of Science and Technology/Government entity
5. Dr. Wissanu Krea-ngam Independent Director Since 11/07/2008	62	<ul style="list-style-type: none"> <li>LL.D. Honoris Causa Chulalongkorn University 2001</li> <li>Certificate from National Defense College 1997</li> <li>J.S.D. University of California, Berkeley 1976</li> <li>LL.M. University of California, Berkeley 1974</li> <li>Barrister-AT-Law (Thai) 1973</li> <li>LL.B. (Hons. 1st Class) Thammasat University 1972</li> <li>Director Accreditation Program 68/2008 Thai Institute of Directors Association</li> </ul>	None	None	2013-present  2011-present 2010-present  2009-present  2008-present  2006-present  2006-2007  2002-2006  1993-2002  1992-2000	Chairman/ Independent Director Vice Chairman  Second Vice Chairman Independent Director Chairman/ Independent Director Chairman  Independent Director Chairman/ Independent Director Member of National Legislative Assembly Deputy Prime Minister Secretary General of the Cabinet Senator	NamYong Terminal Plc/Transportation and logistics services  AEC Securities Plc/securities brokerage, securities dealing, investment advisory and securities underwriting business Serm Suk Plc/Sale of food and beverages Post Publishing Plc/Media and publishing  Amata Corporation Plc/Property development  Bangkok First Investment and Trust Plc/Finance and securities services Loxley Plc/Technology and trading business  Sikarin Plc/Health care services  National Legislative Assembly/Government entity  Government House/Government entity  Government House/Government entity  Senate/Government entity

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
6. Mr. Sirin Nimmanahaeminda Independent Director Since 11/07/2008	66	<ul style="list-style-type: none"> <li>M.B.A. Stanford University, Palo Alto, California, U.S.A.</li> <li>B.A. (Economics), University of Michigan, Ann Arbor, Michigan, U.S.A.</li> </ul>	None	None	2011-2012 2008-present 2007-2010  2006-2010  2006-2007 2005-2007 2002-present  2001-present 1996-present	Audit Committee Member Independent Director Director to the Risk Management Committee  Independent Director, Director to the Audit Committee and Director to the Remuneration Committee Director and Executive Board Chairman Chairman, Independent Director, and Chairman of the Audit Committee Chairman of the Executive Board Vice Chairman, Director to the Risk Management Committee	Loxley Plc/Technology and trading business Loxley Plc/Technology and trading business PTT Exploration and Production Plc/Petroleum exploration and production, and investment in related business PTT Exploration and Production Plc/Petroleum exploration and production, and investment in related business  Thai Airways International Plc/Transportation and logistics services Thai Sri Insurance Company Limited/Insurance service Trinity Wattana Plc/Finance and securities service  Niyom Panich Co., Ltd./Wholesale of motorcycles and spare parts Double A (1991) Plc/Manufacture and sale of papers
7. Dr. Supavud Saicheua Independent Director Since 28/02/2007	57	<ul style="list-style-type: none"> <li>Ph.D. in Economics University of Hawaii at Manoa, U.S.A.</li> <li>M.A. in Economics University of the Philippines (Diliman), Philippines</li> <li>B.A. in Economics Victoria University of Wellington, New Zealand</li> <li>Director Accreditation Program 36/2005 Thai Institute of Directors Association</li> </ul>	None	None	2013-present 2012-present  2011-present 2011-2013  2008-2011  2007-present 2007-Jan 2008  2006-present	Special Expert Advisor of Investment Committee Commission Member Committee  Investment Expert of Investment Committee Independent Director Committee Sub-Committee  Trustee	Thailand Creative Economy Agency/Government entity Government Pension Fund/Independent entity under the supervision of Ministry of Finance Office of the Police Commission/Government entity Strategic Committee for Reconstruction and Future Development/Government entity Government Pension Fund/Independent entity under the supervision of Ministry of Finance Loxley Plc/Technology and trading business Macro Economic Steering Committee, Office of the Prime Minister/Government entity The National Economic and Social Development Board (NESDB)/Government entity Kenan Institute Asia/non-profit organization

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
					2005-present	Executive Director Managing Director (Head of Research) Advisor to the Board of Directors	Phatra Securities Plc/Securities service
					2004-Jan 2006	Director and Independent Director	Industrial Estate Authority of Thailand/State Enterprises
					2004-2005	Director	Golden Land Property Development/Property development
					2003-2005	Director	Securities Analyst Association/Association
					2002-2006	Committee	The Economic Society of Thailand/Association
					2001-2003	Investment Expert of Investment Committee	Government Pension Fund/Independent entity under the supervision of Ministry of Finance
					1999-2005	Research Committee on Economics	National Research Council of Thailand/Administrative agency
8. Mr. Charoon Chinlai • Independent Director Since 01/04/1993 • Audit Committee Member Since 27/12/2001 • Chairman of Nominating & Remuneration Committee Since 29/02/2012	75	<ul style="list-style-type: none"> <li>• Civil Engineering King's College London University, England</li> <li>• Director Accreditation Program 12/2004 Thai Institute of Directors Association</li> </ul>	None	None	2002-present	Independent Director	NS BlueScope Lysaght (Thailand) Limited/Manufacture and sale of steel roofing
					1993-present	Independent Director	Loxley Plc/Technology and trading business
					1992-present	Director	Parinda Plc/Quarry concession and stone mill factory
					1980-present	Director	Coffral-Thai Co., Ltd./Construction equipment rental service EkThana Engineering Co., Ltd./Rental of construction equipment

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
9. Mr. Joti Bhokavani • Independent Director Since 30/04/2012 • Audit Committee Member Since 20/06/2012	71	<ul style="list-style-type: none"> <li>Fellow of the Association of Chartered Certified Accountants, England</li> <li>Programme for Management Development Harvard Business School, USA.</li> <li>Marketing Management Programme Stanford University, Graduate School of Business, USA.</li> </ul> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> <li>Director Accreditation Program (DAP)</li> <li>Chairman 2000</li> <li>Director Certification Program (DCP)</li> <li>IOD National Director Conference 2012 - Moving Corporate Governance Forward: Challenge for Thai Directors</li> <li>Monitoring the Quality of Financial Reporting</li> <li>Successful Formulation &amp; Execution of Strategy</li> <li>How to Measure the Success of Corporate Strategy</li> <li>Monitoring Fraud Risk Management (MFM)</li> <li>Monitoring the Internal Audit Function (MIA)</li> <li>Monitoring the System of Internal Control and Risk Management (MIR)</li> </ul>	None	None	2013-present	Chairman Independent Director and Audit Committee Member	Bangkok Ranch Plc/Provide product from duck meat Siam Makro Plc/Wholesale business
					2012-present	Independent Director and Audit Committee Member	Loxley Plc/Technology and trading business
					2009-present	Director	Thai Smart Card Co., Ltd./Provide additional service to financial institutions
					2004-2006	Chief Executive Officer	ACL Bank Plc/Banking service (Presently known as industrial and commercial Bank of China (Thai) Plc)
					2002-present	Director	True Move Co., Ltd./Mobile phone operator and distributor
					1999-present	Director Independent Director Member of the Audit Committee Member of the Finance Committee and Member of the Compensation and Nominating Committee	Bangkok Inter Teletech Plc/Holding company True Corporation Plc/Information and communication services
					1999-present 2000-2001	Director Executive Chairman	Kingfisher Holdings Limited/Frozen seafood business TISCO Finance Plc/Banking service (Presently Known as TISCO Bank Plc)
					1994-1997	President & CEO	Thai Wah Group of Companies/Commodity trading and manufacturing of products from cassava
					1992-1994	Consul-General of Managing Director	Denmark for Bangkok/Consulate The East Asia (Thailand) Public Company Limited/Sale of machines and industry equipments



Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
10. Mr. Supachai Wanglee Director During 01/04/1993 - 04/12/2013	80	<ul style="list-style-type: none"> <li>Master of Engineering University of Pennsylvania, U.S.A.</li> <li>Director Accreditation Program 12/2004 Thai Institute of Directors Association</li> </ul>	Own 3,042,406 shares 0.15%	Brother of Mr. Sukit Wanglee	1993-2013  1982-2010 1976-present  1973-present  1971-2010  1970-present 1967-present 1964-present  1962-present	Director Director Director Director  Director Director Director Managing Director Director  Director	Loxley Plc/Technology and trading business Supha-Aroon Co., Ltd./Residences service Sathon Thani Co., Ltd./Property management and development Pathaweewathana Co., Ltd./Personal effects and kitchen appliances rental services Tawara Co., Ltd./Personal effects and kitchen appliances rental services Poonpatanakran Co., Ltd./Personal effects and kitchen appliances rental services Suep Siri Co., Ltd./Residences service Pipatanasin Plc/Property management and development Pirakit Co., Ltd./Residences service CES Co., Ltd./Engineering and construction business  Poopipat Co., Ltd./Property management and development Poonvanich Co., Ltd./Store and warehouse service
11. Mr. Suebrakul Soonthornthum <ul style="list-style-type: none"> <li>Director</li> <li>Senior Executive Vice President Since 01/04/1993</li> <li>Nominating &amp; Remuneration Committee Member Since 14/11/2003</li> </ul>	71	<ul style="list-style-type: none"> <li>MBIM, Hon.Dlitt : Curtin University, Australia</li> <li>PMD. Harvard University, Graduate School of Business Administration - U.S.A.</li> <li>National Defense College - Thailand</li> <li>Director Accreditation Program 17/2004 Thai Institute of Directors Association</li> </ul>	None	None	2013-present  2010-present 2008-present  2006-present  2004-present  2003-present  2002-present  2000-present 1999-present 1996-present  1996-2013	Director  Director Director  Director Director Director Director  Director Director Chairman Director Independent Director Director Director	Blue Scope Building (Thailand) Limited/Provide pre-engineered building solution Loxley Joint and Hold Co., Ltd./Holding company Postique Co., Ltd./Provide advanced techniques for advertising and film making services Asia Security Management Co., Ltd./Provide security service Loxley Global Co., Ltd./Holding company United Overseas Bank (Thai) Plc/Banking service Data Mining Co., Ltd./Service of information technology equipment and computer systems Loxley GTECH Technology Co., Ltd./Sale and service of information technology and online lottery sale system Oriental Post Co., Ltd./Advertising series post production services Muang Thai Real Estate Plc/Real estate business BP - Castrol (Thailand) Limited/Sale of Castrol and BP lubricant Vanachai Group Plc/Creates quality wood-based panels to substitute natural wood SCL Co., Ltd./Trading in Lao People's Democratic Republic General Aviation Co., Ltd./Consulting management service

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
12. Mr. Poomchai Lamsam Director Since 01/04/1993	65	<ul style="list-style-type: none"> <li>B.A. Political Science, (1973) University of Colorado, U.S.A.</li> <li>Strayer College, U.S.A.</li> <li>Trent College, England</li> <li>Saint Gabriel, Thailand</li> <li>Director Accreditation Program 28/2004 Thai Institute of Directors Association</li> </ul>	Own 1,050,000 shares 0.05% Spouse & Children below 20 Years old 58,012 shares 0.003%	Brother of Mr. Pairote Lamsam and Mr. Dhongchai Lamsam Uncle of Mr. Vasant Chatikavanij, Mr. Suroj Lamsam and Mr. Chalemchoke Lamsam	1994-present	Director	Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services
					1993-present	Senior Executive	Loxley Plc/Technology and trading business
					1992-present	Vice President	
						Chairman	Fosoco (Thailand) Limited/Manufacture and sale of chemicals for metal casting
					1991-present	Chairman	Guardfire Limited/Import and sale of accident preventive systems
					1987-present	Director	NS BlueScope (Thailand) Limited/Manufacture and sale of cold rolled steel
						Director	NS Blue Scope Lysaght (Thailand) Limited/Manufacture and sale of steel roofing
						Independent	Muang Thai Life Assurance Plc/Life insurance business
						Director	
					1977-present	Director	Loxley Trading Co., Ltd./Sale of consumer products
					1972-present	Director	Zin Suapah Co., Ltd./Parking service
					2010-present	Director and Advisor	Muang Thai Life Assurance Plc/Life insurance business
						Advisor	Muang Thai Insurance Plc/Insurance business
						Director	Muangthai Group Holding Co., Ltd./Holding company
					1993-present	Director	Loxley Plc/Technology and trading business
					1988-present	Director	Muangthai Real Estate Plc/Real estate business
					1987-present	Vice Chairman	Phatra Leasing Plc/Provide professional car leasing management and administration for juristic persons

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 /12/ 2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
13. Mr. Vasant Chalikavani • Director • Senior Executive Vice President Since 01/04/1993	57	<ul style="list-style-type: none"> <li>M.S.Chemical Engineering Lehigh University, U.S.A.</li> <li>B.S.E. Chemical Engineering, Princeton University, U.S.A.</li> <li>Director Accreditation Program 12/2004 Thai Institute of Directors Association</li> </ul>	Own 1,972,478 shares 0.09%	Nephew of Mr. Parote Lamsam, Mr. Dongchai Lamsam and Mr. Poomchai Lamsam Cousin of Mr. Suroj Lamsam and Mr. Chalermschoke Lamsam	2012-present	Director	Loxley & AIT Holding Co., Ltd./Provide installation service of power plant telecommunication
					2011-present	Chairman	Loxley Mobile Co., Ltd./Sale and service of various prepaid electronics cash card
						Senior Executive Vice President	Loxley Plc/Technology and trading business
					2009-present	Director	Muangthai Asset Co., Ltd./Holding company
					2008-present	Chairman	Ecartstudio Co., Ltd./Develop and offer software consultation
					2007-2010	Executive Vice President	Loxley Plc/Technology and trading business
					2007-present	Director	Mobile Innovation Co., Ltd./Service of real time vehicles tracking management system
						Director	Loxley Wireless Plc/Sale and service of telecommunication and information technology systems
					2006-present	Chairman	NetONE Network Solution Co., Ltd./Trading of computer, com- puter spare parts and equipment, of all types
					2001-present	Director	TT&T Plc/Information technology and communication business
					1999-present	Chairman	Lobbit PA Plc/Telecommunication and computerized database service
					1995-present	Director	Data Mining Co., Ltd./Service of information technology equipment and computer systems
					1993-present	Chairman	LOXBIT Plc/Trading of telecommunication equipment, computers and computer programs
					1989-present	Director	Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services
					1981-present	Director	Loxley International Co., Ltd./Provide maintenance services for computer, communication systems and project consultant
					1993-2007	Executive Director	Loxley Plc/Technology and trading business

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31 /12/ 2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
14. Mr. Suraphand Bhasitirandir • Director • Senior Executive Vice President Since 01/02/1999 • Nominating & Remuneration Committee Member Since 14/11/2003	62	<ul style="list-style-type: none"> <li>• Master Degree in Business Administration, University of West Los Angeles, U.S.A.</li> <li>• Bachelor Degree in Accountancy (Honours), Chulalongkorn University</li> <li>• Director Accreditation Program 12/2004</li> <li>• Thai Institute of Directors Association</li> <li>• Certificate Politics and Governance in Democratic Systems for Executives Course</li> <li>• King Pradjadhipok's Institute 10/2006</li> <li>• Certificate Capital Market Academy Leader Program Capital Market Academy 5/2007</li> <li>• Certificate Top Executive Program in Commerce and Trade University of the Thai Chamber of Commerce 5/2012</li> </ul>	None	None	2013-present	Director	Blue Scope Building (Thailand) Limited/Provide pre-engineered building solution
					2012-present	Chairman	Loxley Intertrade (Guangzhou) Co., Ltd./Trading in the People's Republic of China
						Chairman	L Green Solution Co., Ltd./Provide alternative energy
						Chairman	Mainstay Property Solutions Co., Ltd./Provide general cleaning services
						CEO	L Food Solutions Co., Ltd./Provide food service
						Director	Nakhon Pathom Rajabhat University/Government educational institution
					2011-present	Senior Executive Vice President	Loxley Plc/Technology and trading business
						Chairman of Management committee of Trading and International Business	
						Chairman of Human Resources and Corporate	
						Administration Group	
					2011-present	Director	SCL Co., Ltd./Trading in Lao People's Democratic Republic
					2010-present	Director	Parts Zone (Thailand) Company Limited/Trading in automotive parts and equipment
					2008-present	Director	Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services
					2007-2010	Executive Vice President	Loxley Plc/Technology and trading business
					2007-present	Director	Loxley Trading Co., Ltd./Sale of consumer products
					2005-present	Chairman	L-Elevator and Engineering Co., Ltd./Sale and installation of elevators and escalators
						Director	Guardfire Limited/Import and sale of accident preventive systems
						Director	L-TAG Technologies Co., Ltd./Sale of construction materials and installation service of waste water treatment system and other sanitation
					1999-2007	Executive Director	Loxley Plc/Technology and trading business

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
15. Dr. Sompop Chareonkul • Director • Senior Executive Vice President Since 15/05/2001	65	<ul style="list-style-type: none"> <li>B.Commerce (1st Class Honours), Chulalongkorn University</li> <li>MBA, (Marketing), University of Wisconsin-Madison, U.S.A.</li> <li>M.S. (Business Administration), University of Wisconsin-Madison, U.S.A.C225</li> <li>Ph.D.(Business Administration), University of Wisconsin-Madison, U.S.A.</li> <li>National Defense College (4212)</li> <li>Director Accreditation Program 15/2547</li> <li>Director Accreditation Program 15/2004</li> <li>Thai Institute of Directors Association</li> <li>Advanced Security Management Program</li> <li>National Defense College Association of Thailand</li> <li>Top Executive Program in Commerce and Trade : TEPCoT 4 (Commerce Academy)</li> <li>Poompalungpandin Program (RIAL I)</li> <li>Chulalongkorn University</li> <li>Advanced Political and Electoral Development Program APED IV Political and Electoral Development Institute, Office of The Election Commission of Thailand</li> </ul>	Own 840,000 shares 0.04%	None	2013-present  2011-present  2008-present        2008-2010        2007-2008	Chairman  Senior Executive Vice President  Chairman of the Executive Board  Chairman of the Executive Board Director   Executive Vice President  Qualified Director   Honorary Counsel Member   Member      Director Member Executive  Director Executive Director  Director	LS Technology Solutions Co., Ltd./Operate the security technology solutions in Asian region Loxley Plc/Technology and trading business  Asia Security Management Co., Ltd./Provide security service  Law Enforcement Technology Solutions Co.,Ltd./Design and installation services of security systems Postique Co., Ltd./Provide advanced techniques for advertising and film making services Loxley Plc/Technology and trading business  The Central Committee on the Price of Goods and Services, Ministry of Commerce/Government entity Software Industry Promotion Agency/Public Organization The Civil Service Sub-Commission on Ethics Promotion for Public Sector Transparency/ Government entity National Campaign Against Vote-Buying Following a Sensational Leak of the Council for Nation Security/ Government entity Loxley Trading Co., Ltd./Sale of consumer products The National Legislative Assembly, Thailand/Government entity Loxley Plc/Technology and trading business  Oriental Post Co., Ltd./Advertising series post production services  SCL Co., Ltd./Trading in Lao People's Democratic Republic
16. Mr. Suroj Lamsam • Director • Senior Executive Vice President Since 27/04/2004	47	<ul style="list-style-type: none"> <li>MM, Sasin Graduate Institute of Business Administration of Chulalongkorn</li> <li>MA., Communications, New York University New York, U.S.A.</li> <li>BA, Marketing and Consumer Studies Syracuse University, Syracuse, New York</li> <li>Graduate Diploma in Management of Public Economy King Prajadhipok's Institute</li> <li>Director Accreditation Program 40/2005</li> <li>Thai Institute of Directors Association</li> </ul>	Own 1,670,707 shares 0.08%	Nephew of Mr. Pairote Lamsam, Mr. Dhongchai Lamsam and Mr. Poomchai Lamsam  Cousin of Mr. Vasant Chatikavanij and Mr. Chalermchoke Lamsam	2012-present        2011-present        2009-2010	Director Director      Senior Executive Vice President Director   Director Executive Director	L Food Solutions Co., Ltd./Provide food service Mainstay Property Solutions Co., Ltd./Provide general cleaning services Loxley Plc/Technology and trading business  Loxley Mobile Co., Ltd./Sale and service of various prepaid electronics cash card National Innovation Agency/Public organization Office of Small and Medium Enterprises Promotion/Government entity



Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
17. Mr. Chalermchoke Lamsam • Director • Senior Executive Vice President Since 22/12/2010	40	<ul style="list-style-type: none"> <li>Bachelor of Business Administration, Chulalongkorn University</li> <li>MBA, Seattle University, U.S.A.</li> <li>Public Administration and Public Laws, King Prajadhipok's Institute</li> <li>Director Accreditation Program 106/2013 Thai Institute of Directors Association</li> </ul>	Own 9,876,688 shares 0.47% Spouse & Children below 20 Years old 3,920,437 shares 0.19%	Son of Mr. Dhongchai Lamsam Nephew of Mr. Pairote Lamsam and Mr. Poomchai Lamsam Cousin of Mr. Vasant Chatikavanij and Mr. Suroj Lamsam	2008-2010	Executive Vice President	Loxley Plc/Technology and trading business
						President	Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services
						President	Data Mining Co., Ltd./Service of information technology equipment and computer systems
						President	Thai Gateway Co., Ltd./Trading of telecommunication equipment
					2005-present	Director	TT&T Plc/Information technology and communication business
					2004-2008	Executive Director	Loxley Plc/Technology and trading business
					2000-present	Director	Lobbit PA Plc/Telecommunication and computerized database service
					1999-present	Director	Thanakorn Vegetable Oil Co., Ltd./Manufacture and sale of vegetable oil
						Director	Navakij Co., Ltd./Holding company
						Director	Lamsam Estate Co., Ltd./Holding company
						Director	L Business Process Outsourcing Co., Ltd./Sale of printing ink and printing services
					2013-present	Director	LS Technology Solutions Co., Ltd./Operate the security technology solutions in Asian region
					2012-present	Director	L Green Solution Co., Ltd./Provide alternative energy
						Director	Green Natural Products Co., Ltd./manufacture and sale of kaffir oil, essential oil, and other healthcare products
						Advisor to MD	Muang Thai Insurance Plc/Insurance business
					2011-present	Senior Executive Vice President	Loxley Plc/Technology and trading business
						Director	L Force 1 Co., Ltd./Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting
						Director	Loxley Mobile Co., Ltd./Sale and service of various prepaid electronics cash card
					2010-present	Director	Parts Zone (Thailand) Company Limited/Trading in automotive parts and equipment
						Director	Loxley Wireless Plc/Sale and service of telecommunication and information technology systems
						Director	Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services
						Director	L Solar 1 Co., Ltd./Operate solar power plant

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
18. Mrs. Kosoom Sinphurmsukskul Executive Vice President Since 01/01/2012	60	<ul style="list-style-type: none"> <li>Master of Business Administration (MBA) University of Dallas, USA.</li> <li>Finance &amp; Accounting for the Non-Financial Professionals, Double Digits Ltd.</li> <li>Senior Executive, Sasin Graduate Institute of Business Administration of Chulalongkorn University, Bangkok</li> <li>Director Accreditation Program 99/2012</li> <li>Financial Statements for Directors 2012 Thai Institute of Directors Association</li> </ul>	Own -None- Spouse & Children below 20 Years old 5,250 shares 0.0003%	Cousin of Mr. Dhongchai Lamsam	2008-2010	Executive Vice President	Loxley Plc/Technology and trading business
					2005-2006	Assistant Vice President (Marketing)	Loxley GTECH Technology Co., Ltd./Sale and service of information technology and online lottery sale system
					2005-present	Director	Thai Fiber Optics Co., Ltd./Manufacture of fiber optic
						Director	L-TAG Technologies Co., Ltd./Sale of construction materials and installation service of waste water treatment system and other sanitation
					2002-present	Director	Law Enforcement Technology Solutions Co., Ltd./Design and installation services of security systems
					2000-present	Executive Director	Loxley International Co., Ltd./Provide maintenance services for computer, communication systems and project consultant
						Director	LTS Travel Service Co., Ltd./Tourism business and sale of plane tickets
					2012-present	Executive Vice President	Loxley Plc/Technology and trading business
						Director	L Food Solutions Co., Ltd./Provide food service
					2005-2012	Director	L-TAG Technologies Co., Ltd./Sale of construction materials and installation service of waste water treatment system and other sanitation
					2000-present	Managing Director	Loxley Trading Co., Ltd./Sale of consumer products
						Director	Thai Herbal Product Co., Ltd./Produce herbal products in phytopharmaceutical style

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
19. Mr. Thongyai Chanthanawan Executive Vice President Since 01/01/2012	56	<ul style="list-style-type: none"> <li>Bachelor in Electrical Engineering (Power) Kasetsart University</li> <li>Director Accreditation Program 99/2012</li> <li>Director Certification Program 168/2013 Thai Institute of Directors Association</li> </ul>	None	None	2012-present	Executive Vice President Director Director Managing Director	Loxley Plc/Technology and trading business  Loxley & AIT Holding Co., Ltd./Provide installation service of power plant telecommunication  Andaman Submarine Cable Co., Ltd./Provide installation service of information technology communication and cable  Loxley Wireless Plc/Sale and service of telecommunication and information technology systems  telecommunication and information technology systems
20. Mr. Natavoot Chitasombat Executive Vice President Since 01/01/2012	57	<ul style="list-style-type: none"> <li>Master of Economics, University of Nebraska, USA.</li> <li>Bachelor of Accounting, Bangkok University</li> <li>Director Accreditation Program 99/2012</li> <li>Director Certification Program 168/2013 Thai Institute of Directors Association</li> </ul>	None	None	2012-present  2003-2008	Executive Vice President Director Director Senior Vice President of Power Systems and Environmental Business Dept.	Loxley Plc/Technology and trading business  L Green Solution Co., Ltd./Provide alternative energy  Thanthiya Technology Company Limited/Manufacture and sale of water and waste water treatment equipment and systems  Loxley Plc/Technology and trading business
21. Mr. Saknarong Saengsangapong Executive Vice President Since 01/01/2012	52	<ul style="list-style-type: none"> <li>Master Degree, Business Administration (International Program), Bangkok University</li> <li>Bachelor of Science, Chiangmai University</li> <li>Certificate in Advance Computer Engineering, CICC, Tokyo, JAPAN</li> <li>Columbia Senior Executive Program, Columbia University, U.S.A.</li> <li>Advance Certificate in Politics &amp; Governance in Democratic Systems for Executives, King Prajadhipok's Institute</li> <li>National Defence Program for Public and Private Executive 23 (NDC 2010) National Defence College</li> <li>Director Accreditation Program 99/2012 Thai Institute of Directors Association</li> </ul>	None	None	2012-present 2006-Present 2004-Present 1998-present 1993-present	Executive Vice President President & CEO Director Director President	Loxley Plc/Technology and trading business  LOXBIT Plc/Trading of telecommunication equipment, computers and computer programs  L Hardware & Services Co., Ltd./Installation and repair of IT equipment, sale of computers and peripherals  NetONE Network Solution Co., Ltd./Trading of computer, computer spare parts and equipment, of all types  Professional Computer Co., Ltd./Supply, maintenance and set up of work system, installation of computers and management of computerized center

Name/Position/ Appointment Date	Age (Years)	Education / Training	Shareholding Ratio as at 31/12/2013	Family Relationship among Executives	Work Experience for the Past 5 Years		
					Duration	Position	Organization/Type of Business
22. Mr. Supat Karachalkul Executive Vice President Since 01/01/2012	49	<ul style="list-style-type: none"> <li>B.A. Accountancy, Assumption University</li> <li>LLB, Laws, Thammasat University</li> <li>Director Accreditation Program 99/2012</li> <li>Director Certification Program 168/2013</li> <li>Thai Institute of Directors Association</li> <li>Successful Formulation &amp; Execution of Strategy (SFE 18/2013)</li> <li>How to Measure the Success of Corporation Strategy (HMS 2/2013)</li> <li>The Institute of Directors Association</li> </ul>	None	None	2013-present 2012-present 2011-present 2010-present 2006-present 2006-2011	Director Executive Vice President Director Director Chief Financial Officer Director Director Director Senior Vice President of Financial Management Dept	LS Technology Solutions Co., Ltd./Operate the security technology solutions in Asian region Loxley Plc/Technology and trading business L Green Solution Co., Ltd./Provide alternative energy Loxley Property Development Co., Ltd./Renting of building, advertising board and providing services Loxley Plc/Technology and trading business L Solar 1 Co., Ltd./Operate solar power plant Loxley Global Co., Ltd./Holding company Asia Security Management Co., Ltd./Provide security service Loxley Plc/Technology and trading business
23. Mr. Kam Thongyai Executive Vice President Since 01/01/2014	53	<ul style="list-style-type: none"> <li>Master Degree of Computer and Information Science, University of New Haven, USA</li> <li>Bachelor Degree of Business Administration, Bangkok University</li> <li>The National Defence College 2012</li> <li>Advanced Security Management Program</li> <li>2 Financial Statement for Director 4/2009</li> <li>Thai Institute of Directors Association</li> </ul>	Own -None- Spouse & Children below 20 Years old 5,000 shares 0.0002%	None	2014-present 2013-present 2006-present	Executive Vice President Director Chief Executive Officer Managing Director	Loxley Plc/Technology and trading business LS Technology Solutions Co., Ltd./Operate the security technology solutions in Asian region Asia Security Management Company Limited/Provide security Law Enforcement Technology Solutions Co.,Ltd./Design and installation services of security systems
24. Mr. Pichai Mooputtarak Company Secretary Since 11/01/2008	55	<ul style="list-style-type: none"> <li>LL.B., Ramkhamhaeng University</li> <li>Certificate in Law and Regulations for Company Secretary in accordance with the law of SET and mai</li> <li>Company Secretary Program (CSP27/2008)</li> <li>Effective Minutes Taking (EMT 11/2008)</li> <li>Thai Institute of Directors Association</li> </ul>	Own -None- Spouse & Children below 20 Years old 25,200 shares 0.0012%	None	2010-present 2006-2009 2000-present	Vice President of Legal & Securities Dept. Assistant Vice President of Legal & Securities Dept. Secretary to the Board of Directors	Loxley Plc/Technology and trading business

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

# Information of Directors' Positions in the Related Parties at on 31 December 2013

## DIRECT AND INDIRECT SUBSIDIARIES

DIRECTOR	COMPANY																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
	LOXLEY PUBLIC COMPANY LIMITED	C	/	P	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
1	MR. PAIROTE LAMSAM																							
2	MR. SUKIT WANGLEE																							
3	MR. DHONGCHAI LAMSAM																							
4	DR. HARIT SUTABUTR																							
5	DR. WISSANU KREA-NGAM																							
6	MR. SIRIN NIMMANAHAEMINDA																							
7	DR. SUPAVUD SAICHEUA																							
8	MR. CHAROON CHINALAI																							
9	MR. JOTI BHOKAVANUJ																							
10	MR. SUPAGCHAI WANGLEE																							
11	MR. SUEBTRAKUL SOONTHORNTHUM																							
12	MR. POOMCHAI LAMSAM																							
13	MR. VASANT CHATKAVANUJ																							
14	MR. SURAPHAND BHASITNIRANDR																							
15	DR. SOMPOP CHAREONKUL																							
16	MR. SUROJ LAMSAM																							
17	MR. CHALERMCHOKE LAMSAM																							
18	MRS. KOSOOM SINPHURSUUKSUL																							
19	MR. THONGYAI CHANTHANAWAN																							
20	MR. NATAVOOT CHITASOMBAT																							
21	MR. SAKNARONG SAENGSAKANGPONG																							
22	MR. SUPAT KARACHALKUL																							
23	MR. KARN THONGYAI																							
	21. L. HARDWARE & SERVICES CO., LTD.																							
	20. THAI GATEWAY COMPANY LIMITED																							
	19. NETONE NETWORK SOLUTION CO., LTD.																							
	18. LOXBIT PA PUBLIC COMPANY LIMITED																							
	17. PROFESSIONAL COMPUTER COMPANY LIMITED																							
	16. GREEN NATURAL PRODUCT CO., LTD.																							
	15. LOXLEY TRADING COMPANY LIMITED																							
	14. LOXLEY GLOBAL CO., LTD.																							
	13. L. FORCE 1 CO., LTD.																							
	12. SOCIETE COMMERCIAL LAO																							
	11. PARTS ZONE (THAILAND) CO., LTD.																							
	10. LOXLEY PROPERTY DEVELOPMENT CO., LTD.																							
	9. ASIA SECURITY MANAGEMENT CO., LTD.																							
	8. L. GREEN SOLUTION COMPANY LIMITED																							
	7. LOXLEY INTERTRADE (GUANGZHOU) CO., LTD.																							
	6. L. FOOD SOLUTIONS COMPANY LIMITED																							
	5. LOXLEY MOBILE COMPANY LIMITED																							
	4. LOXLEY JOINT AND HOLD CO., LTD.																							
	3. LOXBIT PUBLIC COMPANY LIMITED																							
	2. DATA MINING CO., LTD.																							
	1. LOXLEY WIRELESS PUBLIC COMPANY LIMITED																							

JOINTLY  
CONTROLLED  
ENTITIES

## DIRECT AND INDIRECT ASSOCIATES

## OTHER RELATED PARTIES

1	2	3	4	5	6	7	8	9	10	11	12	13	14	1	2	3	4	5	6	7	8	9
<div> <div>DIRECTOR</div> <div>COMPANY</div> </div>	MR. PAIROTE LAMSAM																					
	MR. SUKIT WANGLEE																					
	MR. DHONGCHAI LAMSAM																					
	DR. HARIT SUTABUTR																					
	DR. WISSANU KREA-NGAM																					
	MR. SIRIN NIMMANAHAMINDA																					
	DR. SUPAVUD SAICHEUA																					
	MR. CHAROON CHINALAI																					
	MR. JOTI BHOKAVANIJ																					
	MR. SUPACHAI WANGLEE																					
	MR. SUEBTRAKUL SOONTHORNTHUM																					
	MR. POOMCHAI LAMSAM																					
	MR. VASANT CHATIKAVANIJ																					
	MR. SURAPHAND BHASITNIRANDR																					
	DR. SOMPOP CHAREONKUL																					
	MR. SUROJ LAMSAM																					
	MR. CHALERMCHOKE LAMSAM																					
	MRS. KOSOOM SINPHUMSUUKUL																					
	MR. THONGYAI CHANTHANAWAN																					
	MR. NATAVOOT CHITASOMBAT																					
	MR. SAKNARONG SAENGANGAPONG																					
	MR. SUPAT KARACHALKUL																					
	MR. KARN THONGYAI																					

REMARKS : 1 C = CHAIRMAN P = PRESIDENT // = DIRECTOR // = SENIOR EXECUTIVE VICE PRESIDENT /// = EXECUTIVE VICE PRESIDENT (DIRECTOR NO. 1-3 AND 10-17 ARE DIRECTORS WHO HAVE THE AUTHORIZES TO SIGN AND BINDING THE COMPANY SPECIFIED IN COMPANY'S CERTIFICATE.)

2 MR. SUPACHAI WANGLEE RESIGNED FROM THE POSITION OF LOXLEY DIRECTOR ON 4 DECEMBER 2013.

3 MR. KARN THONGYAI WAS APPOINTED TO BE LOXLEY EXECUTIVE VICE PRESIDENT ON 1 JANUARY 2014.



# Information of Directors' Positions in the Subsidiaries at on 31 December 2013

## DIRECT AND INDIRECT SUBSIDIARIES

<div><div></div><div>DIRECTOR</div><div></div><div>COMPANY</div><div></div></div>		1. LOXLEY WIRELESS PUBLIC COMPANY LIMITED	/																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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DIRECTOR		COMPANY	
21	MR. ARTHUR GRAHAM STORAH		
22	MR. CHUSAK BHACHAIYUD		
23	ADM. TAVEECHAI LIENGPHIBOON		
24	AM. ADIREG SASTARARUCHI		
25	MR. ZAMIR ELDAR		
26	MR. CHAI MEIRAV		
27	MR. EHUD HERBST		
28	MISS OSNAT LEVAV		
29	MR. VICHAYA CHATIKAVANIJ		
30	MR. WACHIRA YONGYAI		
31	MR. KEATTISAK IAMSRI		
32	MR. PONGTHEP SURATTANAVONGKUL		
33	MR. VIPHET SIHACHAKR		
34	MR. JINGJAI HANCHANLASH		
35	MRS. SANGMANEE VIYAGATE		
36	MRS. VANIDA EKSAENGSR		
37	MR. PIBOON PIBOONTUM		
38	MR. SAKDA SRIVIRIYAPHAIBOON		
39	MR. PONGPHAN WADWIENG		
40	MRS. JUREERAT SRIVIRIYAPHAIBOON		
41	MR. PATTARA POJANAPANICH		



# Internal Control and Audit

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

The established Internal Audit Department is responsible for auditing of internal control processes according to its annual audit planning with monitoring, correction of significant issues and report to the Audit Committee according to the Stock Exchange of Thailand's regulations.

The Audit Committee has to consider and agree with the proposed appointment of the Internal Audit Director (the head of Internal Audit Department). The heads of the Internal Audit Department in 2013 was Mr. Chamnan Chotcomwongse and in 2014 is Mrs. Preeyanuch Paiboonsithiwong (replacing Mr. Chamnan Chotcomwongse upon his retirement). Both persons have the required qualifications, knowledge, skills, experience and ability to efficiently perform the duty. In addition, the Audit Committee is responsible for considering the nomination, transfer and termination of the head of the Internal Audit Department or other organizations responsible for internal audit.

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

## 1. Environment of Control

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

## 2. Risk Assessment

The management has verified the risk management policies both internal and external factors in order to prevent or lessen impacts in business performance, operations, financial management, safety management, and significant risks affecting corporate performance. Efficient risk control measures were adjusted and utilized for use in different scenarios. The corporate strategies can be adjusted accordingly to perform countermeasure and prevention in every related risk to ensure that corporate goal shall be met. In addition, it also cooperates with corporate departments to encourage mutual risk management in every level properly and efficiently.

## 3. Control

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

## 4. Internal Information and Communications

The Company has established adequate information system and financial information system. The Company has encouraged communications via e-mail among management executives and staff. The Company also provides information on operations, rules and regulations, job function handbook, and related regulations within its corporate website to provide information access for all staff and precise operations. There are internal and external communications and corporate website to distribute current information or notices for all staff.

## 5. Monitoring and Assessment

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

# Report of Board's Responsibility for Financial Report

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

The Company's Board procures an efficient internal control system to ensure proper and complete accounting recording. The Financial statements of the Company and its subsidiaries are audited by the Company's auditor, KPMG Phoomchai Audit Limited. In conducting the audit, the auditor is provided by the Company's Board with information and documents to allow audit and expression of opinion by the auditor pursuant to the accounting standards, the auditor's opinion is shown within "Auditor's Report", a part of the Annual Report.

The Company's Board of Directors opines that the Company's overall internal control system is at a satisfying level. The system can reasonably assure that the Company's and its subsidiaries' annual financial statements ending 31 December 2013 are reliable, comply with the generally accepted accounting standards and properly adhere to the laws and other related regulations.



(Mr. Pairote Lamsam)  
Chairman of the Board



(Mr. Dhongchai Lamsam)  
President

# Report of the Audit Committee

The Audit Committee of Loxley Public Co., Ltd. consists of 3 independent members whose experience and qualifications meet all regulations required by the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as not being the Company executive or staff member to ensure independence in performing its duty. The Audit Committee held meetings regularly and in 2013, the Audit Committee held 5 meetings. Meeting attendance details are as follows:

No.	Name	Position	No. of Total Meeting	No. of Meeting attended
1	Dr. Harit Sutabutr	Chairman	5	5
2	Mr. Charoon Chinalai	Member	5	5
3	Mr. Joti Bhokavanij	Member	5	5

Mr. Chamnan Chotcomwongse was the secretary to the Audit Committee.

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

1. Reviewing Company's and subsidiaries' Quarterly Financial report and Annual Financial reports after being audited by the Auditor. The Audit Committee can confirm that the Company's and subsidiaries' financial reports conform with the generally accepted accounting standard with adequate information disclosure
2. Inviting the Company's Auditor to attend the Quarterly Audit Committee meetings to submit its reports, financial report verification, and suggestions about the internal control process as well as credibility of the financial report
3. Inviting the Company's and its subsidiaries' management to attend the Audit Committee's meetings from time to time to provide information, to acknowledge comments, and suggestion in order to promote management efficiency of the Group of companies
4. Reviewing and ensuring that the Company has followed the business guidelines required by the Securities and Exchange law, regulations of the Stock Exchange of Thailand, and related laws
5. Reviewing and assessing the adequacy of the internal control processes and gave recommendations that led to proper internal control processes and adequate internal auditing including promoting more efficient supervision of operations as well as promoting systematic risk management processes
6. Approving the annual internal auditing plan, acknowledging the audit report and following up on corrective actions of issues raised by the report, especially significant ones, to ensure good corporate governance
7. Reviewing the disclosure of related quarterly transactions information especially to ensure compliance with the notification of the Securities and Exchange Commission regarding information disclosure and the registered company's code of conduct for related transactions
8. Nominating the Company's auditor and remuneration for the year 2013 prior to seeking approval from the Company Board of Directors and Shareholders, respectively

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



(Dr. Harit Sutabutr)

Chairman of Audit Committee



# Related Transactions

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

## Future Related Transaction Policy or Trend

The related transaction is a normal business practice that has tendency to reoccur repeatedly in the future. In case of future related transactions, the Company shall follow the Securities and Exchange Act, the Capital Market Committee's announcement and the Stock Exchange of Thailand's regulations, announcement, orders or rules; and comply with the regulations related to disclosure of related transactions information, the acquisition and sales of assets of the Company or subsidiaries, and strictly follow the accounting standards specified by professional council in relations of connected transactions.

The Audit Committee reviews transactions with related companies and the list of related persons on quarterly basis. The Committee considers the necessity, benefits to the Companies and subsidiaries, fairness and appropriateness of the related transactions.

In case that the Company is required to report the transactions to the Stock Exchange of Thailand, seek approval from the shareholders' meeting and appoints an independent financial consultant to provide opinion to the shareholders, the Company ensures that the Stock Exchange of Thailand's regulations concerning related transactions are met by implementing the following principles:

1. The items are approved through a transparent process where stakeholders are not involved in the decision making.
2. The items are prepared for the best interest of the Company as if they were transactions with outsiders.
3. The monitoring and investigation system are in place to ensure that transactions are correct and transparent.

According to the notes to the financial statement for the year ending 31 December 2013, note# 6: transactions with related parties or persons with the objective to prepare financial statements and that the persons or businesses are related to the Company Group/ Company, a transaction may be a related individual or corporate transaction if the Company Group/Company has the controlling authority or jointly controlling authority directly or indirectly or significantly influential to the person or organization in terms of decision making or management or vice versa or if the Company Group/Company is under the same controlling authority or significant influence of the person or business.

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

Transactions	Pricing policies
Sale of goods and rendering of services	Market prices, contractually agreed prices or third party compatible prices
Sale of investment in subsidiary	Contractually agreed prices
Fees and other income	Market prices or contractually agreed prices
Purchase of goods and rendering of services	Market prices, contractually agreed prices or prices agreed by distributors who absorb distribution costs
Selling expenses	Market prices or contractually agreed prices
Administrative expenses	Market prices or contractually agreed prices

Significant transactions for the year ended 31 December 2013 with related-parties were as follows:

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Green General Products Co., Ltd. 75% of its shares are held by Loxley Plc (since March 2013) with a director in common, namely Mr. Chalermchoke Lamsam	Income from services  Purchase of goods	0.08  4.27	- Consultancy service and other services as scope of works at third party compatible prices - Purchase of kaffir oil at third party compatible price
General Aviation Co., Ltd. Ekpavee Co., Ltd. is its major shareholder. Directors in common are Mr. Dhongchai Lamsam and Mr. Suetrakul Soonthornthum	Income from services  Service expense Account payable	0.05  4.68 1.74	- Accounting service and other services as scope of works at third party compatible prices - Consultancy service as scope of works at third party compatible price
Thanakorn Vegetable Oil Products Co., Ltd. 6% of its shares are held by Ekpavee Co., Ltd., with a director in common, namely Mr. Suroj Lamsam.	Purchase of goods Account payable	967.77 116.60	- Thanakorn Vegetable Oil Products Co., Ltd. manufactures of vegetable oil and distributes to Loxley Trading Co., Ltd., the Company's subsidiary; general distributor agreement was used by accepting expense for goods distribution from center at third party compatible price.
Thanthiya Technology Co., Ltd. 30% of its shares are held by Loxley Plc. with a director in common, namely Mr. Natavoot Chitasombat.	Project management expense Account payable	9.90 1.84	- Expense for project management to design water treatment systems at third party compatible price
NS BlueScope Lysaght (Thailand) Limited (former name, BlueScope Lysaght (Thailand) Limited) 20% of its shares are held by Loxley Plc, with the following directors in common: Mr. Pairote Lamsam and Mr. Suetrakul Soonthornthum	Income from selling goods and services Purchase of goods Account payable	0.18 309.16 82.69	- Sale of project materials at third party compatible prices - NS BlueScope Lysaght (Thailand) Limited is the manufacturer of steel roofing and construction materials. Prices are at general market prices.

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
BP - Castrol (Thailand) Limited 40% of its shares are held by Loxley Joint and Hold Co., Ltd., with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suebtrakul Soonthornthum	Sale of goods Account receivable - net	6.22 0.84	- Sale of car lifts and other products at general market prices
Loxley Property Development Co., Ltd. 66% of its shares are held by Loxley Plc, with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, Mr. Suebtrakul Soonthornthum, Mr. Vasant Chatikavanij, Mr. Suraphand Bhasitirandir, Mr. Suroj Lamsam, Mr. Chalermchoke Lamsam and Mr. Supat Karachalkul	Office space rental and service expense Service expense	102.71 38.43	- Expense from office space rental and services as scope of works at third party compatible prices - service as scope of works at third party compatible price
Loxley International Co., Ltd. Mr. Pairote Lamsam and Mr. Dhongchai Lamsam are its major shareholders with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, Mr. Vasant Chatikavanij, and Mr. Chalermchoke Lamsam	Income from services Service expense Account receivable - net Account payable	1.48 10.70 0.02 2.81	- Space rental service at general market prices, accounting service and other services as scope of works at third party compatible prices - Security service consultancy as scope of works at third party compatible prices
Law Enforcement Technology Solution Co., Ltd. Mr. Dhongchai Lamsam is its major shareholder. Directors in common are Mr. Dhongchai Lamsam, Dr. Sompop Charoenkul, and Mr. Chalermchoke Lamsam.	Income from services Service expense Account receivable - net Account payable	3.03 2.43 0.44 0.39	- Space rental service at market price, accounting service and other services as scope of works at third party compatible prices - Security maintenance service and CCTV equipment expenses for projects at third party compatible prices
Lamsam Estate Co., Ltd. Directors in common are: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suroj Lamsam	Income from services Account receivable - net	1.93 0.02	- Space rental service and other services at general market prices

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
Sin Suapah Co., Ltd. 20% of its shares are held by Ekpavee Co., Ltd., with the following directors in common: Mr. Pairote Lamsam, Mr. Dhongchai Lamsam, and Mr. Suebtrakul Soonthornthum	Income from services Expenses for services	1.14 0.41	- Accounting service and other services as scope of works at third party compatible prices - Parking and building space rental services at third party compatible prices
Foseco (Thailand) Limited 26% of its shares are held by Loxley Plc, with a director in common, namely Mr. Suebtrakul Soonthornthum.	Income from services Account receivable - net	9.56 2.02	- Warehouse rental service at general market price
Andaman Submarine Cable Co., Ltd. 55% of its shares held by Loxley & AIT Holding Co., Ltd. (50% of its share held by Loxley Wireless Plc) with a director in common, namely Mr. Thongyai Chanthanawan.	Income from services Account receivable - net	5.92 1.00	- Consultancy service as scope of works at third party compatible price
Ecartstudio Co., Ltd. 30% of its shares held by Loxbit Plc. with a director in common, namely Mr. Vasant Chatikavanij.	Project management expense Account payable	12.55 0.65	- Project management expense at third party compatible price
MOCAP Co., Ltd. 25% of its shares are held by Loxbit Plc.	Income from services Account receivable - net	0.57 0.04	- Cleaning service and consultancy service as scope of works at third party compatible prices
L Solar 1 Co., Ltd. 45% of its shares held by Loxley Plc. Directors in common are: Mr. Chalermchoke Lamsam and Mr. Supat Karachalkul	Sale of goods Income from services Project management expense Account receivable - net Account payable	0.91 3.53 0.06 0.03 0.04	- Sale of office supplies at general market prices - Consultancy service as scope of works at third party compatible price - Project management expense at third party compatible price

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
LTS Travel Service Co., Ltd. Mr. Dhongchai Lamsam is its major shareholder with a director in common, namely Mr. Chalermchoke Lamsam.	Income from services  Purchase of goods Account receivable - net Account payable	0.86  22.95 0.08 2.43	- Space rental service at general market price, accounting service and other services as scope of works at third party compatible prices - Purchase of air tickets, accommodation and others from LTS Travel Service Co., Ltd., the air tickets selling agent, at general market price
L Elevator and Engineering Co., Ltd. L Ekpavee Co., Ltd. is its major shareholder. Directors in common are Mr. Suraphand Bhasitnirand and Mr. Supat Karachalkul.	Income from services  Purchase of goods  Service expense Account receivable - net Account payable Loan from related party	2.19  5.73  0.21 0.22 2.89 6.00	- Space rental service at general market price, consultancy service and other services as scope of works at third party compatible prices - Purchase of elevator equipment for projects works at third party compatible prices - Expense of elevator maintenance for projects works at third party compatible prices - Interest rate based on borrowing costs and/or market interest rate
L-TAG Technologies Co., Ltd. 80% of its shares are held by Ekpavee Co., Ltd., with the following directors in common: Mr. Dhongchai Lamsam, Mr. Suraphand Bhasitnirand, and Mr. Chalermchoke Lamsam	Income from services  Purchase of goods Account receivable - net	0.35  0.65 0.13	- Space rental service at general market price, consultancy service and other services as scope of works at third party compatible prices - Purchase of goods for use in projects at third party compatible prices
L Business Process Outsourcing Co., Ltd. L Ekpavee Co., Ltd. is its major shareholder with a director in common, namely Mr. Suroj Lamsam.	Income from selling goods Service expense Account receivable - net Account payable	12.97 14.90 6.19 3.95	- Sale of printing ink products at third party compatible prices - Printing services as scope of works at third party compatible prices

Related Companies and Relationship	Description of Transaction	Value (MB)	Justification and Necessity for Transaction
LOC Thai Joint Stock Company 30% of its shares held by Ekpavee Co., Ltd.	Income from selling goods Service expense Account receivable - net	1.25 0.57 0.95	- Sale of chemical products at third party compatible prices - Office space rental and service as scope of works at third party compatible prices
Ekpavee Co., Ltd. The major shareholder of the Company, 28% shareholding, with directors in common.	Loan from related party	7.00	- Interest rate based on borrowing costs and/or market interest rate
Other related companies	Sale of goods and services Fee and other income Purchase of goods and services Administrative expenses Account receivable - net	7.18 0.51 2.55 11.05 0.35	- Total value of related party transactions between the Company and its subsidiaries with various related companies. Size of transaction is relatively small. All related party transactions are conducted in ordinary course of business, with prices and conditions in compliance with general market prices and conditions.



# Management Discussion and Analysis of Operating Result

## Performance and Financial Positioning of the Company and Subsidiaries

### Performance of the Company and Subsidiaries in 2011, 2012 and 2013

#### Income

In 2011, 2012 and 2013, the Company had total income of Baht 14,247.66 million, Baht 14,278.54 million and Baht 15,223.57 million respectively.

The total income in 2012 was Baht 14,278.54 million, slightly increased from 2011. The Technology Business Segment, Trading Business Segment, Service Business and Others Segment contributed 68.69%, 27.96% and 5.60% respectively to the total income.

In 2013, the Company's total income was Baht 15,223.37 million, which was generated from the Technology Business Segment, Trading Business Segment and Service Business Segment with a proportion of 68.93%, 26.23% and 6.11%, respectively. The Baht 10,493 million income from the Technology Business Segment, representing 68.93% of the total income, consisted of income from the ICT Business Group, Technology Business Group and Project Business Group with a proportion of 77.84%, 10.91% and 11.25% of the total Technology Business Segment's income, respectively. The total income in 2013 increased from 2012 by Baht 945.03 million because the Technology Business Segment gained more income from information and technology projects while the Service Business Segment had a growing customer base in the security service.

#### Income Structure for 2011, 2012 and 2013

The Company's income structure is as follows:

Income structure (Unit: million Baht)	Year ended 31 Dec 2011		Year ended 31 Dec 2012		Year ended 31 Dec 2013	
	Value	%	Value	%	Value	%
Revenue from sale of goods and rendering of services	14,126.63	99.15%	14,134.70	98.99%	14,928.65	98.06%
Fees and other income	119.35	0.84%	143.85	1.01%	109.48	0.72%
Gain on sales of investments – net	1.68	0.01%	0.00	0.00%	185.44	1.22%
<b>Total income</b>	<b>14,247.66</b>	<b>100.00%</b>	<b>14,278.54</b>	<b>100.00%</b>	<b>15,223.57</b>	<b>100.00%</b>

Most of the Company's income in 2011, 2012 and 2013 was from revenue of sale of goods and rendering of services representing 99.15%, 98.99% and 98.06% of the total income, respectively.

#### Total income by business segment

Income in 2011, 2012 and 2013 as categorized by business segment is as follows:

Income structure (Unit: million Baht)	Year ended 31 Dec 2011		Year ended 31 Dec 2012		Year ended 31 Dec 2013	
	Value	%	Value	%	Value	%
<b>1. Technology Business Segment</b>	<b>9,163</b>	<b>64.31%</b>	<b>9,809</b>	<b>68.69%</b>	<b>10,493</b>	<b>68.93%</b>
1.1 ICT Business Group	6,107	42.86%	7,605	53.25%	8,168	53.66%
1.2 Technology Business Group	669	4.70%	1,103	7.72%	1,145	7.52%

Income structure (Unit: million Baht)	Year ended 31 Dec 2011		Year ended 31 Dec 2012		Year ended 31 Dec 2013	
	Value	%	Value	%	Value	%
1.3 Project Business Group	2,383	16.73%	1,098	7.69%	1,180	7.75%
1.4 Other Business Group	4	0.03%	3	0.02%	0	0.00%
<b>2. Trading Business Segment</b>	<b>4,681</b>	<b>32.85%</b>	<b>3,993</b>	<b>27.96%</b>	<b>3,993</b>	<b>26.23%</b>
2.1 Trading Business Group	4,681	32.85%	3,993	27.96%	3,993	26.23%
<b>3. Service and Others</b>	<b>755</b>	<b>5.30%</b>	<b>798</b>	<b>5.60%</b>	<b>930</b>	<b>6.11%</b>
3.1 Service Business Group	679	4.77%	778	5.46%	909	5.97%
3.2 Finance and Others	76	0.53%	20	0.14%	21	0.14%
<b>Total income</b>	<b>14,599</b>	<b>102.24%</b>	<b>14,600</b>	<b>102.25%</b>	<b>15,416</b>	<b>101.27%</b>
<u>Less</u> Related Transaction	(379)	(2.66%)	(331)	(2.32%)	(363)	(2.38%)
<u>Add</u> Unallocated Other	28	0.20%	10	0.07%	170	1.12%
<b>Grand total income</b>	<b>14,248</b>	<b>100.00%</b>	<b>14,279</b>	<b>100.00%</b>	<b>15,223</b>	<b>100.00%</b>

\*Remark: Income structure of the Technology Business Segment and Service Business Segment in 2011 and 2012 was regrouped to match with that of 2013.

The Company's 2013 income was Baht 15,223 million which was contributed by Technology Business Segment, Trading Business Segment and Service Business and Others Segment at 68.93%, 26.23% and 6.11%, respectively.

By considering income structure in 2011, 2012 and 2013, income from Technology Business Group was the Company's major source of income, representing 64.31%, 68.70% and 68.93% of total income in each year, respectively and it was a key driver for the growth of total revenue from sale of goods and rendering of services in 2011 and 2012.

Increasing investment from the government sector has significantly driven growth of the Technology Business Segment in the past two years, especially in the ICT Business Group which has won more small and big projects from the government. The Trading Business Segment, however, has depended on the consumption and Gross Domestic Product (GDP). In the past two years, the Company has successfully maintained income base at Baht 4,000 million per year. The 2012 revenue which was slightly lower than the preceding year was a result of lower sales of consumer products due to massive flood in late 2011. In 2013, a slow economy and domestic political turbulence have also affected the Trading Business Segment, however; revenue could be maintained at the same level of 2012. The Service Business Segment meanwhile gained more revenue from the expanded customer base.

#### Fee and Other Income

Fee and other income comprised of space rental, management fee, dividend from investment in other companies, profit from exchange rate and other income. In 2012, the Company's income from such items was Baht 143.85 million, increasing by Baht 24.50 million or 20.53%. The increase was contributed by exchange rate profit and other income. In 2013, however, the Company did not have profit from exchange rate due to weak Baht compared to 2012. As a result, other income was Baht 34.37 million which was lower than that of 2012 or a reduction of 23.89%.

#### Gain on sales of investments

The Company's gain on sales of investments for the year ended 31 December 2013 was Baht 185.44 million. This included sales of 5% investment in NS Bluescope (Thailand) Co., Ltd. and NS Bluescope Lysaght (Thailand) Co., Ltd, the Company's associates, to other unrelated companies. These transactions have lowered the Company's investment in those companies from 25% to 20%. Additionally, there was also a sale of investment in VH Services (Thai) Company Limited to unrelated company.

## Expenses

Total expenses in 2011, 2012 and 2013 were Baht 14,203.50 million, Baht 14,341.77 million and Baht 15,229.06 million, respectively. Majority of the Company's expenses came from cost of sale of goods and rendering of services, which accounted for 83-85% of the total expenses. Administrative expenses accounted for 9 -10% of the total expenses while selling expenses were 5% of total expenses.

### Expense structure for 2011, 2012 and 2013

The Company's total expenses in 2011, 2012 and 2013 are as follows:

Expenses (Unit: million Baht)	Accounting year				
	31 Dec 2011	31 Dec 2012		31 Dec 2013	
	Value	Value	Change (%)	Value	Change (%)
Cost of sale of goods and rendering of services	12,087.41	12,093.06	0.05%	12,703.76	5.05%
Selling expenses	730.63	722.23	(1.15%)	764.70	5.88%
Administrative expenses	1,227.01	1,294.27	5.48%	1,544.77	19.35%
Finance costs	158.45	232.22	46.56%	215.82	(7.06%)
Total expenses	14,203.50	14,341.77	0.97%	15,229.06	6.19%

The Company's costs of sale of goods and rendering of services in 2012 and 2013 increased by Baht 5.65 million and Baht 610.70 million or 0.05% and 5.05%, respectively. An increase in expenses corresponded to the increasing revenue from sale of goods and rendering of services. Administrative and selling expenses in 2012 and 2013 increased by Baht 58.86 million and Baht 292.97 million respectively. Most of these expenses were related to personnel, future project study, preparation for AEC and new business start-up expenses. In 2012, the Company also had an increased amount of finance cost of Baht 232.22 million over 2011 due to higher bank overdraft and short-term loan from financial institution and long-term debt to support revolving funds for the new projects. In 2013, the Company's finance costs were Baht 215.82 million, a slight reduction from 2012 due to lower bank overdraft and short-term loan from financial institutions as well as lower long-term loan due to the handover of large-scale projects and debt payment.

### Share of profit from investments

The Company's share of profit from investments in jointly-controlled entities and associates in 2011, 2012 and 2013 was Baht 375.90 million, Baht 701.17 million and Baht 738.79 million, respectively. The increase in such items came from the strong performance of two associates: BP-Castrol (Thailand) Limited who contributed shares of profit from investment of Baht 190 million in 2011, Baht 321 million in 2012 and Baht 359 million in 2013; and NS Bluescope Group who contributed shares of profit from investment of Baht 150 million, Baht 313 million and baht 320 million in 2011, 2012 and 2013, respectively.

### Gross Profit and Net Profit

Gross profit in 2011, 2012 and 2013 was Baht 2,039.22 million, Baht 2,041.64 million and Baht 2,224.89 million, respectively. The gross profit margins in 2011, 2012 and 2013 were 14.44%, 14.44% and 14.90%, respectively.

The Company's net profit for 2011, 2012 and 2013 was Baht 305.35 million, Baht 523.19 million and Baht 628.22 million, respectively. The net profit was driven by higher income and share of profit from investments in jointly-controlled entities and associates. The value and growth rate of profit and gross profit margin were higher than the increases in cost and total expenses. In 2012, the Company experienced 71.34% increase in net profit, contributed mainly by a significant investment profit sharing from the jointly-controlled entities and associates. In 2012, such profit sharing increased by 86.53% over 2011.

In 2013, the Company had a 20.07% increase in net profit compared to 2012. Such significant growth was contributed by revenue from sale of goods and rendering of services, gain from sales of investments of Baht 185.44 million, and share of profit from investments in jointly-controlled entities and associates.

### The financial position of Company and subsidiaries as of 31 December 2011, 2012 and 2013

The Company's assets, liabilities and equity as of 31 December 2011, 2012 and 2013 are as follows:

Unit: million Baht	30 Dec 2011	31 Dec 2012	31 Dec 2013
Assets	12,194.26	13,329.97	13,330.06
Liabilities	7,788.68	8,528.15	7,941.27
Shareholders' equity	4,405.59	4,801.82	5,388.79
Total liabilities and shareholders' equity	12,194.26	13,329.97	13,330.06

#### Assets

The Company's total assets as of 31 December 2011, 2012 and 2013 were Baht 12,194.26 million, Baht 13,329.97 million and Baht 13,330.06 million, respectively. The growth rate as of 2012 was 9.31% and it increased slightly at the end of 2013.

Significant assets are detailed as follows:

#### **Short-term investment**

Short-term investments included fixed deposit and short-term promissory notes issued by financial institutions. The Company and its subsidiaries' short-term investments as of 31 December 2011 and 2012 were Baht 6.36 million and 1.84 million, respectively and increased to Baht 57.99 million at the end of 2013 as a result of a normal revolving fund change.

#### **Trade and other accounts receivable**

As of 31 December 2011, 2012 and 2013, the Company's trade and other accounts receivable were Baht 2,207.67 million, Baht 1,885.43 million and Baht 3,253.33 million, respectively and the increase rate (decrease) at the end of 2012 and 2013 were (14.60%) and 72.55%, respectively. The Company's major trade accounts receivable were government organizations and state enterprises, which resulted mostly from large scale projects handled by the Technology Business Segment. The Company has a policy to set up provision for doubtful accounts based on debt payment history and projection on customers' future debt payment trend. The Company's trade accounts receivable increased in response to the Company's income.

The Company set up provision for doubtful accounts for trade and other accounts receivable for the year 2011, 2012 and 2013 of Baht 28.84 million, Baht 24.25 million and Baht 26.21 million, respectively.

#### **Unbilled trade accounts receivable**

The unbilled trade accounts receivable are the customers that the Company has already provided and completed the services under contract but the delivery date has not yet arrived. The unbilled trade accounts receivable can happen in different cases depending on the payment terms of the customers. For example, the Company will disburse within the contract period after the project has been completely installed and passed final acceptance test. The Company will then recognize income from the project based on the success of the project according to the generally accepted accounting standard, which many not correspond to the invoice issuance. However, after the Company completely meet the terms set in the contract and the disbursement date is due the Company can issue an invoice and record the customers as a trade account receivable.

As of 31 December 2011, 2012 and 2013, the Company's unbilled trade accounts receivables were Baht 1,988.45 million, Baht 3,382.12 million, and Baht 2,118.76 million, respectively. At the end of 2012, unbilled trade account receivable increased by 70.09% which came mostly from large scale projects in the Technology Business Segment but the volume reduced in 2013 by 37.35% because the Company gradually billed and collected payment from those large scale projects by the ICT Business Group during the year.

#### **Retentions receivable**

As of 31 December 2011, 2012 and 2013, the total retentions receivable both short and long terms were Baht 174.62 million, Baht 180.79 million and Baht 209.11 million, respectively. The increase as of 2012 and 2013 were 3.53% and 15.66%, respectively. Retentions receivable are accounts receivable for the projects that the Company had to let the project owner deduct parts of the payment as agreed for guarantee. The money will be paid back to the Company 1-2 years after the project is completed and delivered.

## **Inventories**

The Company's inventories as of 31 December 2011, 2012 and 2013 were Baht 1,316.06 million, Baht 1,233.01 million and Baht 1,277.31 million respectively. The increases (decrease) as of 2011, 2012 and 2013 were 98.01%, (6.31%) and 3.59%, respectively. Inventories are goods for sales, including consumer goods, chemicals, products for projects, and project in progress by the Technology Business Segment. The Company set provision for goods value reduction in 2011, 2012 and 2013 of Baht 4.83 million, Baht 4.19 million and Baht 7.77 million, respectively.

## **Advances paid to suppliers**

Advances paid to suppliers as of 31 December 2011, 2012 and 2013 were Baht 227.75 million, 306.74 million and Baht 245.03 million respectively. The increase (decrease) at the end of 2012 and 2013 was 34.68% and (20.12%), respectively.

## **Other current assets**

Other current assets as of 31 December 2011, 2012 and 2013 were Baht 415.17 million, Baht 357.05 million and Baht 209.62 million, respectively. They included value added tax, promotion receivables, prepaid expenses, advance to employees, etc. The reduction at the end of 2012 and 2013 were 14.00% and 41.29%, respectively.

## **Investments in jointly-controlled entities and associates**

Investments in jointly-controlled entities and associates as of 31 December 2011, 2012 and 2013 were Baht 3,296.06 million, Baht 3,666.37 million and Baht 3,196.52 million respectively. The changes, either increase or decrease, depend on the recognized of share of profit of equity accounted investees less received dividend. The increase (decrease) as at the end of 2012 and 2013 was 11.23 % and (12.82%), respectively. Changes in the Company's investment in 2013 are as follows:

In February 2013, a subsidiary paid additional Baht 25 million for the shares in Loxley and AIT Holding Company Limited which is a jointly-controlled entity while maintaining shareholding of 50% stake (the Company's indirect shareholding is 40%).

In March 2013, the Company sold 5% investment in NS Bluescope (Thailand) Limited and NS Bluescope Lysaght (Thailand) Limited which are jointly-controlled entities to unrelated company at Baht 618 million (net of expense for the investment sales of Baht 32 million). Gain on sales of such investments for the consolidated financial statement was Baht 180 million and for the separate financial statement was Baht 428 million. The sales of investments reduced the Company's shareholding in those jointly-controlled entities from 25% to 20%.

In April 2013, the Company established a new company called LS Technology Solutions Company Limited in which the Company paid Baht 5 million for the shares. The new company was registered in Thailand with Baht 10 million paid registered capital and operates security IT system service. The Company holds 50% stake and has the right to vote in the new company which is a jointly-controlled entity.

In June 2013, a subsidiary bought 30% capital share in Wisdom Vast Company Limited for Baht 5 million. This company was registered in Thailand and operates technology service on mobile phone and Internet network. This company has Baht 7 million paid up capital and is considered the Company's indirect investment in an associate.

In March and October 2013, the Company bought 20% or Baht 72 million capital shares in Bluescope Buildings (Thailand) Limited. The company was registered in Thailand and operates steel building structure production, sourcing and installation. Paid up registered capital was Baht 360 million. The Group recorded such investment as an associate.

In October 2013, CKLX Joint Venture has registered liquidation with the Ministry of Commerce.

In December 2013, a subsidiary sold investment in VH Services (Thai) Company Limited to an unrelated company for Baht 5 million. Profit from the investment sales of Baht 5 million was included in the consolidated financial statement.

## **Other long-term investments**

Other long-term investments as of 31 December 2011, 2012 and 2013 were Baht 275.74 million, Baht 308.12 million and Baht 346.37 million, respectively. The additional increase as at the end of 2012 and 2013 was 11.74% and 12.41% respectively.

On 31 December 2013, the long-term investments included investment in Muang Thai Insurance Public Company Limited of Baht 284 million, Thanakorn Vegetable Oil Company Limited of Baht 35 million and other investments of Baht 27 million.

#### **Property, plant and equipment**

Fixed assets include property, buildings and extension, furniture, office equipment, tools and equipment, rental equipment, vehicles and project in progress. On 31 December 2011, 2012 and 2013, such fixed assets values were Baht 1,065.83 million, Baht 1,121.20 million and Baht 1,247.55 million, respectively. These assets increased at the rate of 5.19% and 11.27% at the end of 2012 and 2013, respectively.

#### **Other intangible assets**

Other intangible assets include software licenses. As of 31 December 2011, 2012 and 2013, intangible assets were Baht 45.25 million, Baht 57.49 million and Baht 57.47 million, respectively. Increase (decrease) at the end of 2012 and 2013 was 27.05% and (0.04%) respectively.

#### **Other non-current assets**

Other non-current assets as of 31 December 2011, 2012 and 2013 were Baht 189.07 million, Baht 257.03 million and Baht 254.86 million, respectively. The increase at the end of 2012 was 35.94% and slightly dropped in 2013 by 0.84%. Non-current assets include items such as withholding tax, deposit, and fixed deposit pledged as collateral.

#### **Liabilities**

The Company's total liabilities as of 31 December 2011, 2012 and 2013 were Baht 7,788.68 million, Baht 8,528.15 million and Baht 7,941.27 million, respective, representing 9.49% increase by the end of 2012 and 6.88% decrease at the end of 2013.

Significant liabilities are as follows:

#### **Bank overdraft and short-term loans from financial institutions**

As of 31 December 2011, 2012 and 2013, the Company's bank overdraft and short-term loan from financial institutions were Baht 1,955.54 million, Baht 3,214.00 million and Baht 2,263.79 million, respectively. The increase at the end of 2012 was 64.35% and decrease at the end of 2013 was 29.56%. The bank overdraft and short-term loans from financial institutions comprised bank overdraft, short-term loans and debts from trust receipts. The increasing short-term loans in 2012 were mainly occurred from repayment of trade payable and the revolving capital of the Technology Business Segment which had more projects. The amount was lower in 2013 as short-term loans were gradually repaid after the Technology Business Segment under the ICT Business Group delivered the work to the customers.

#### **Trade and other accounts payable**

Trade and other accounts payable as of 31 December 2011, 2012 and 2013 were Baht 2,826.63 million, Baht 2,000.78 million and Baht 2,063.17 million, respectively. The increase (decrease) at the end of 2012 and 2013 was (29.22%) and 3.12% respectively. Most was trade payable from project handling.

#### **Advances received from customers**

Advances received from customers as of 31 December 2011, 2012 and 2013 were Baht 269.32 million, Baht 369.79 million and Baht 539.97 million, respectively. The increases at the end of 2012 and 2013 were 24.80% and 46.02%, respectively, most of which was advances received from project customers.

#### **Short-term loans from related parties**

Short-term loans from related parties on 31 December 2011, 2012 and 2013 were Baht 2.30 million, Baht 5.80 million and Baht 13.50 million, respectively. Increases at the end of 2012 and 2013 were 152.17% and 132.69%, respectively. On 31 December 2013, the Company's short-term loans from related parties were Baht 13.50 million, comprising short-term loan from Ekpavee Company Limited of Baht 7 million and L Elevator and Engineering Company Limited of Baht 6 million.



#### Other current liabilities

Other current liabilities as of 31 December 2011, 2012 and 2013 were Baht 847.91 million, Baht 882.85 million and Baht 1,269.08 million, respectively. The increase at the end of 2012 and 2013 were 4.12% and 43.75%, respectively. As of 31 December 2013, the Company's current liabilities comprised unpaid project cost, damage guarantee advance and unpaid expenses. In 2013, other current liabilities increased by Baht 386.23 million, mostly from the increasing unpaid project costs from expanding projects.

#### Long-term liabilities

Unit: million Baht	31 Dec 2011	31 Dec 2012	31 Dec 2013
Current portion of long-term liabilities	183.43	179.91	227.02
Long-term liabilities	1,128.73	1,323.46	954.30
Total long-term liabilities	1,312.16	1,503.37	1,181.32

Long-term liabilities as of 31 December 2011, 2012 and 2013 were Baht 1,312.16 million, Baht 1,503.37 million and Baht 1,181.32 million, respectively. The increase (decrease) at the end of 2012 and 2013 was 14.57% and (21.42%), respectively. As of 31 December 2013, the Company's long-term liabilities comprised long-term loans that will be repaid in installments until October 2016 and creditors from financial lease for machinery and equipment.

#### Employees benefit obligations

Employees benefit obligations as of 31 December 2011, 2012 and 2013 were Baht 334.11 million, Baht 380.05 million and Baht 428.77 million, respectively. The increase at the end of 2012 and 2013 was 13.75% and 12.82% respectively. The Company forecasts such obligations using the Projected Unit Credit Method handled by independent actuaries.

#### Shareholders' equity

Shareholders' equity as of 31 December 2013 was Baht 5,388.79 million, comprising issued and paid-up share capital of Baht 2,099.95 million which included issued and paid-up ordinary shares of 2,099.95 million shares at Baht 1 par value, allocated and unallocated accumulated profits of Baht 73.22 million and Baht 1,163.64 million, respectively, and other components of equity of Baht 1,739.58 million.

Increasing shareholders' equity was driven by the Company's operating performance. From 2011-2012, the Company had not issued new shares.

In April 2013, the Company allocated Baht 41.55 million profit for legal reserves and approved dividend payment as follows (1) cash dividend at Baht 0.10 per share; (2) stock dividend not exceeding 100 million shares, at Baht 1 par value, to the shareholders at 20 existing shares per one stock dividend, totaling no more than Baht 100 million or Baht 0.05 stock dividend per share, which brought total dividend paid to Baht 0.15 per share. The Company shall issue and offer 165 million new shares at no less than the Baht 1 par value price to general investors. After the dividend payment in the form of stock dividend and new share subscription, the Company's registered capital will be increased by approximately Baht 265 million.

#### Cash flow of the Company and subsidiaries at the end of 2011, 2012 and 2013

Net cash flow from (used in) operations in 2011, 2012 and 2013 was (Baht 734.42 million), (Baht 1,627.59 million) and Baht 766.13 million, respectively. The cash flow in 2011 and 2012 were negative due to the increasing revolving capital for projects while in 2013, the Company's net cash flow from operations increased and revolving capital decreased.

Significant changes to assets and liabilities in 2013 included increase in trade and other accounts receivable of Baht 1,363.90 million, decrease in unbilled trade accounts receivable of Baht 1,263.37 million, decrease in other current assets of Baht 147.20 million, increase in advances received from customers of Baht 170.18 million and increase in other current liabilities of Baht 382.30 million.

The Company's net cash provided by investing activities in 2011, 2012 and 2013 was Baht 119.01 million, Baht 153.89 million and Baht 1,107.18 million, respectively. The net cash provided by those activities in 2011, 2012 and 2013 comprised dividends received of Baht 363.76 million, Baht 374.13 million and Baht 828.06 million, respectively; and investment in property, plant and equipment increase of Baht 240.49 million, Baht 194.02 million and Baht 289.64 million, respectively. In 2013, significant investing activities were Baht 95 million cash received from sales of 20% investment in Loxley Wireless Company Limited, a subsidiary, Baht 618.20 million cash received from sales of 5% investment in associates including NS Bluescope (Thailand) Limited, NS Bluescope Lysaght (Thailand) Limited; and Baht 79.24 million cash paid from increasing investment in associates including 30% stake in Wisdom Vast Company Limited and 20% stake in Bluescope Buildings (Thailand) Limited.

The Company's net cash provided by (used in) financing activities 2011, 2012 and 2013 was Baht 734.79 million, Baht 1,055.74 million and (Baht 1,673.03 million), respectively.

Significant financing activities in 2011, 2012 and 2013 came from the increase (decrease) of bank overdraft and short-term loans from financial institutions of Baht 838.55 million, Baht 1,258.45 million and (Baht 950.21 million), respectively; repayment of long-term liabilities of Baht 892.53 million, Baht 343.31 million and Baht 353.15 million, respectively; and the increase of long-term liabilities of Baht 1,040.03 million, Baht 524.59 million and Baht 33.78 million, respectively. The drastic changes, both in increase and decrease, in 2012 resulted from long-term loan refinancing. The Company paid finance costs of Baht 157.65 million, Baht 235.17 million and Baht 217.13 million in 2011, 2012 and 2013 respectively.

Therefore, in 2011, 2012 and 2013, the Company's net cash and cash equivalents increase (decrease) were Baht 119.38 million, (Baht 417.96 million) and Baht 200.28 million, respectively.

#### The Company's financial ratio analysis

##### Liquidity ratio

Liquidity Ratio	2011	2012	2013
Current ratio (times)	1.17	1.18	1.27
Quick ratio (times)	0.85	0.89	0.99
Flow liquidity (times)	(0.13)	(0.25)	0.12
Account receivable turnover (times)	3.45	2.69	2.54
Collection period (days)	104.32	133.59	141.89
Inventory turnover (times)	12.42	9.66	10.35
Inventory turnover period (days)	28.98	37.27	34.77
Account payable turnover (times)	5.23	5.01	6.25
Payment period (days)	68.83	71.85	57.58
Cash cycle (days)	64.47	99.01	119.08

The Company's current ratio and quick ratio during 2011- 2013 constantly improved because of the Company's efficient liquidity management policy. The overall current ratio for the three years was more than 1.00 time because the Company's current assets were more than current liabilities. Major current assets comprised trade and other accounts receivable, unbilled trade accounts receivable and inventories. Current liabilities consisted of bank overdrafts and short-term loans from financial institutions, trade and other accounts payable, most of which was in correspondent to projects handled by the Technology Business Segment and the Trading Business Segment.

Cash cycle in 2011 - 2013 was 64.47 days, 99.01 days and 119.08 days, respectively. The increase in 2012 and 2013 was a result from average debt collection for projects which was between 104-142 days because most of the contracts were made with the government and state enterprises. From 2011-2012, the Company's had quite a number of accounts receivable from the Technology Business Segment's projects. In 2013, the Company however, had a shorter debt payment period.

#### Profitability Ratio

Profitability Ratio	2011	2012	2013
Gross profit margin (%)	14.44%	14.44%	14.90%
Operating profit margin (%)	2.11%	3.72%	3.95%
Cash on net profit ratio (%)	(246.39%)	(309.39%)	129.79%
Net profit margin (%)	2.09%	3.68%	3.88%
Return on equity (%)	7.31%	11.96%	12.20%

Profitability ratio, including gross profit margin, operating profit margin and net profit margin had constantly improved from 2011-2013 due to the Company's stronger performance despite slight capital increase of Baht 100 million in 2013.

#### Efficiency ratio

Efficiency Ratio	2011	2012	2013
Return on assets (%)	2.71%	4.12%	4.43%
Return on fixed assets (%)	41.80%	61.18%	63.22%
Asset turnover (times)	1.30	1.12	1.14

Efficiency ratio had continuously improved due to the Company's ability to make profit. At the same time, the Company's total assets slightly increased with a return on assets from 2011-2013 of 2.71%, 4.12% and 4.43% respectively.

#### Financial policy ratio

Financial policy ratio	2011	2012	2013
Debt to equity (times)	1.77	1.78	1.47
Interest coverage (times)	(3.91)	(6.51)	4.04
Dividend payout ratio (%)	50.32%	57.03%	N/A

Debt to equity in 2012 increased to 1.78 times because the Company increased bank overdrafts and short term loans from financial institutions and long-term liabilities from large-scale projects and Trading Business Segment expanded its business. However, the debt to equity ratio as of 31 December 2013 was slightly lowered to 1.47 times due to gradual repayment of short and long-term loans.

#### Significant event after report that may have impact on the Company's operation or future financial status

-None-

# Independent Auditor's Report

## To the Shareholders of Loxley Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Loxley Public Company Limited and its subsidiaries (the "Group"), and of Loxley Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated and Separate Financial Statements

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

### Auditor's Responsibility

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

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

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

### Basis for Qualified Opinion

As described in note 14 to the financial statements, the consolidated and separate financial statements as at 31 December 2013 of Loxley Public Company Limited and its subsidiaries, and of Loxley Public Company Limited, respectively, included investments in three associates which have an accounting period ended 30 June. Investments in those associates were recorded by including the financial statements of those associates for the year ended 30 June 2013 which were audited by other auditors and for the six-month period ended 31 December 2013 which had been reviewed, but not audited by auditors. The carrying value of those investments in the consolidated financial statements as at 31 December 2013 was Baht 1,704 million and the share of their net profit for the six-month period ended 31 December 2013 was Baht 160 million and the carrying value of those investments in the separate financial statements as at 31 December 2013 was Baht 832 million.

### Qualified Opinion

In my opinion, except for the effects of such adjustments, if any, as might have been disclosed had I audited the financial statements of three associates as described in basis for qualified opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Veerachai Ratanajaratkul)  
Certified Public Accountant  
Registration No. 4323

KPMG Phoomchai Audit Ltd.  
Bangkok  
26 February 2014

# Statement of financial position

## Loxley Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets	Note	2013	2012	2013	2012
(in Baht)					
Current assets					
Cash and cash equivalents	7	758,568,903	558,287,392	88,689,558	61,499,654
Current investments	8	57,987,846	1,840,451	2,528,340	-
Trade and other accounts receivable	9,19	3,253,326,814	1,885,429,403	956,889,888	575,259,293
Unbilled trade accounts receivable		2,118,758,157	3,382,123,245	807,974,234	344,007,569
Retentions receivable		153,943,299	135,212,099	150,764,647	135,212,099
Short-term loans to related parties	6	-	-	-	5,000,000
Short-term loans to other parties	10	26,781,301	10,000,000	-	-
Inventories	11	1,277,305,878	1,233,005,743	421,041,814	358,064,192
Advances paid to suppliers		245,030,714	306,738,172	99,603,925	200,803,486
Dividend receivables	6	70,800,000	4,500,000	91,757,444	204,500,000
Other current assets	12	209,621,184	357,052,898	73,662,893	41,398,822
Total current assets		8,172,124,096	7,874,189,403	2,692,912,743	1,925,745,115
Non - current assets					
Investments in subsidiaries	5,13	-	-	1,884,210,754	1,771,059,980
Investments in jointly-controlled entities	14	50,683,201	32,148,906	5,000,000	-
Investments in associates	14	3,145,838,624	3,634,219,496	1,091,066,828	1,209,054,328
Other long-term investments	15	346,366,383	308,120,547	309,236,183	270,990,347
Property, plant and equipment	16,19	1,247,552,145	1,121,195,592	540,868,358	498,690,780
Intangible assets	17	57,465,464	57,486,155	38,633,351	36,880,041
Retentions receivable		55,164,002	45,580,031	55,164,002	45,580,031
Other non-current assets	8,18	254,861,627	257,025,555	84,418,784	89,570,746
Total non-current assets		5,157,931,446	5,455,776,282	4,008,598,260	3,921,826,253
Total assets		13,330,055,542	13,329,965,685	6,701,511,003	5,847,571,368

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

# Statement of financial position

## Loxley Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
<i>(in Baht)</i>					
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	19	2,263,785,300	3,213,996,021	391,910,525	459,813,318
Trade and other accounts payable	20	2,063,172,948	2,000,783,223	646,676,699	367,655,879
Advances received from customers		539,969,849	369,790,934	397,501,389	270,994,012
Current portion of long-term liabilities	19	227,015,509	179,905,583	150,552,549	111,508,572
Short-term loans from related parties	6,19	13,496,064	5,800,000	220,000,000	67,000,000
Short-term loans from other party	19	49,707,889	43,677,004	-	-
Income tax payable		1,163,567	2,809,905	-	-
Other current liabilities	21	1,269,084,619	882,854,441	378,192,363	192,100,008
<b>Total current liabilities</b>		<b>6,427,395,745</b>	<b>6,699,617,111</b>	<b>2,184,833,525</b>	<b>1,469,071,789</b>
<i>Non-current liabilities</i>					
Long-term liabilities	19	954,300,019	1,323,458,536	723,085,297	1,065,652,339
Employees' provident fund		2,097,226	2,803,981	2,097,226	2,803,981
Deferred tax liabilities	22	122,305,868	114,655,189	104,581,868	96,931,189
Employee benefit obligations	23	428,772,526	380,047,199	262,096,696	252,312,746
Other non-current liabilities		6,397,872	7,568,435	-	-
<b>Total non-current liabilities</b>		<b>1,513,873,511</b>	<b>1,828,533,340</b>	<b>1,091,861,087</b>	<b>1,417,700,255</b>
<b>Total liabilities</b>		<b>7,941,269,256</b>	<b>8,528,150,451</b>	<b>3,276,694,612</b>	<b>2,886,772,044</b>

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

# Statement of financial position

## Loxley Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
<i>(in Baht)</i>					
<i>Equity</i>					
Share capital	24,25				
Authorised share capital		2,331,250,000	2,000,000,000	2,331,250,000	2,000,000,000
Issued and paid-up share capital		2,099,954,770	2,000,000,000	2,099,954,770	2,000,000,000
Retained earnings					
Appropriated					
Legal reserve	26	73,220,500	41,546,500	73,220,500	41,546,500
Unappropriated		1,163,637,242	905,043,336	833,313,649	531,520,510
Other components of equity	26	1,739,581,044	1,653,561,866	418,327,472	387,732,314
Equity attributable to equity holders of the Company		5,076,393,556	4,600,151,702	3,424,816,391	2,960,799,324
Non-controlling interests		312,392,730	201,663,532	-	-
Total equity		5,388,786,286	4,801,815,234	3,424,816,391	2,960,799,324
Total liabilities and equity		13,330,055,542	13,329,965,685	6,701,511,003	5,847,571,368

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



# Statement of income

## Loxley Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
		2013	2012	2013	2012
<i>(in Baht)</i>					
<b>Income</b>	<b>27</b>				
Revenue from sale of goods and rendering of services	6	14,928,652,450	14,134,696,845	4,378,329,571	3,375,132,612
Gain on sales of investments	5, 14	185,440,613	-	503,109,182	-
Fees and other income	6, 28	109,476,638	143,847,392	838,368,407	834,245,588
<b>Total income</b>		<b>15,223,569,701</b>	<b>14,278,544,237</b>	<b>5,719,807,160</b>	<b>4,209,378,200</b>
<b>Expenses</b>					
Cost of sale of goods and rendering of services	6	12,703,763,360	12,093,059,755	3,684,659,912	2,708,172,454
Selling expenses	6, 29	764,703,118	722,226,599	437,992,357	407,389,636
Administrative expenses	6, 30	1,544,769,212	1,294,272,735	880,635,828	694,329,492
Finance costs	6	215,822,719	232,215,842	83,051,924	95,769,426
<b>Total expenses</b>	<b>32</b>	<b>15,229,058,409</b>	<b>14,341,774,931</b>	<b>5,086,340,021</b>	<b>3,905,661,008</b>
<b>Share of profit (loss) of equity accounted investees</b>					
Jointly-controlled entities	14	(7,715,656)	(7,808,258)	-	-
Associates	14	746,504,522	708,978,148	-	-
<b>Total</b>		<b>738,788,866</b>	<b>701,169,890</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>		<b>733,300,158</b>	<b>637,939,196</b>	<b>633,467,139</b>	<b>303,717,192</b>
Income tax expense	33	(105,083,810)	(114,749,621)	-	-
<b>Profit for the year</b>		<b>628,216,348</b>	<b>523,189,575</b>	<b>633,467,139</b>	<b>303,717,192</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		590,267,906	526,056,664	633,467,139	303,717,192
Non-controlling interests		37,948,442	(2,867,089)	-	-
<b>Profit for the year</b>		<b>628,216,348</b>	<b>523,189,575</b>	<b>633,467,139</b>	<b>303,717,192</b>
<b>Basic earnings per share</b>	<b>34</b>	<b>0.28</b>	<b>0.25</b>	<b>0.30</b>	<b>0.14</b>

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

# Statement of comprehensive income

## Loxley Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
<i>(in Baht)</i>				
Profit for the year	628,216,348	523,189,575	633,467,139	303,717,192
Other comprehensive income				
Foreign currency translation differences for				
foreign operations	379,359	(505,036)	-	-
Net change in fair value of available-for-sale				
investments	30,595,158	33,915,308	30,595,158	33,915,308
Revaluation of land, net-portion of Company	-	-	-	-
Revaluation of land, net-portion of Subsidiary	-	-	-	-
Defined benefit plan actuarial losses	-	(6,743,771)	-	(7,664,148)
Other comprehensive income for the year	30,974,517	26,666,501	30,595,158	26,251,160
Total comprehensive income for the year	659,190,865	549,856,076	664,062,297	329,968,352
Total comprehensive income attributable to:				
Equity holders of the Company	621,099,766	552,567,045	664,062,297	329,968,352
Non-controlling interests	38,091,099	(2,710,969)	-	-
Total comprehensive income for the year	659,190,865	549,856,076	664,062,297	329,968,352

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

# Statement of changes in equity

## Loxley Public Company Limited and its subsidiaries

	Consolidated financial statements											
	Issued and paid-up share capital	Retained earnings		Currency translation differences of the financial statements	Fair value changes of available-for-sale investments, net	Other components of equity			Equity attributable to equity holders of the Company	Non-controlling interests	Total equity	
		Legal reserve	Unappropriated			Revaluation surplus on land, net		Change in percentage of holding in subsidiaries and associates				Total other components of equity
						Portion of Company	Portion of subsidiary					
										</		

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

# Statement of changes in equity

## Loxley Public Company Limited and its Subsidiaries

	Consolidated financial statements											
	Issued and paid-up share capital	Retained earnings		Currency translation differences of the financial statements	Fair value changes of available-for-sale investments, net	Other components of equity			Equity attributable to equity holders of the Company	Non-controlling interests	Total equity	
		Legal reserve	Unappropriated			Revaluation surplus on land, net		Change in percentage of holding in subsidiaries and associates				Total other components of equity
						Portion of Company	Portion of subsidiary					

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

# Statement of changes in equity

## Loxley Public Company Limited and its Subsidiaries

	Note	Separate financial statements						
		Issued and paid-up share capital	Retained earnings		Other components of equity			Total equity
			Legal reserve	Unappropriated	Fair value changes of available-for-sale investments, net	Revaluation surplus on land, net	Total other components of equity	
<i>(in Baht)</i>								
Year ended 31 December 2012		2,000,000,000	26,360,500	400,653,466	134,352,406	219,464,600	353,817,006	2,780,830,972
Balance at 1 January 2012								
Transactions with owners, recorded directly in equity								
Contributions by and distributions to equity holders								
Dividends to owners of the Company	35	-	-	(150,000,000)	-	-	-	(150,000,000)
Total contributions by and distributions to equity holders		-	-	(150,000,000)	-	-	-	(150,000,000)
Comprehensive income for the year								
Profit or loss		-	-	303,717,192	-	-	-	303,717,192
Other comprehensive income		-	-	(7,664,148)	33,915,308	-	33,915,308	26,251,160
Total comprehensive income for the year		-	-	296,053,044	33,915,308	-	33,915,308	329,968,352
Transfer to legal reserve	26	-	15,186,000	(15,186,000)	-	-	-	-
Balance at 31 December 2012		2,000,000,000	41,546,500	531,520,510	168,267,714	219,464,600	387,732,314	2,960,799,324

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

# Statement of changes in equity

## Loxley Public Company Limited and its Subsidiaries

	Note	Separate financial statements						
		Issued and paid-up share capital	Retained earnings		Other components of equity			Total equity
			Legal reserve	Unappropriated	Fair value changes of available-for-sale investments, net	Revaluation surplus on land, net	Total other components of equity	
(in Baht)								
Year ended 31 December 2013								
Balance at 1 January 2013		2,000,000,000	41,546,500	531,520,510	168,267,714	219,464,600	387,732,314	2,960,799,324
Transactions with owners, recorded directly in equity								
Contributions by and distributions to equity holders								
Stock dividends to owners of the Company	24,35	99,954,770	-	(99,954,770)	-	-	-	-
Dividends to owners of the Company	35	-	-	(200,045,230)	-	-	-	(200,045,230)
Total contributions by and distributions to equity holders		99,954,770	-	(300,000,000)	-	-	-	(200,045,230)
Comprehensive income for the year								
Profit or loss		-	-	633,467,139	-	-	-	633,467,139
Other comprehensive income		-	-	-	30,595,158	-	30,595,158	30,595,158
Total comprehensive income for the year		-	-	633,467,139	30,595,158	-	30,595,158	664,062,297
Transfer to legal reserve	26	-	31,674,000	(31,674,000)	-	-	-	-
Balance at 31 December 2013		2,099,954,770	73,220,500	833,313,649	198,862,872	219,464,600	418,327,472	3,424,816,391

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

# Statements of cash flows

## Loxley Public Company Limited and its Subsidiaries

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2013	2012	2013	2012
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	628,216,348	523,189,575	633,467,139	303,717,192
<i>Adjustments for</i>				
Depreciation and amortisation	158,444,766	142,989,445	51,560,950	41,841,507
Interest income	(37,299,889)	(36,027,256)	(32,558,121)	(28,505,589)
Finance costs	215,822,719	232,215,842	83,051,924	95,769,426
Dividends received	(14,236,759)	(9,864,662)	(749,148,963)	(716,227,370)
Written off withholding tax deducted at source	71,497,347	2,048,304	35,796	87,492
Set up (reverse) provision for:				
-Doubtful accounts for trade and other accounts receivable	26,208,792	24,248,894	32,627,456	24,716,686
-Doubtful accounts for short-term loans to related parties	9,180,000	11,220,000	29,180,000	11,220,000
-Decline in value of inventories	7,767,664	4,190,824	6,536,746	3,653,387
-Decline in value of investment in subsidiaries	-	-	44,308,984	-
-Decline in value of investment in associate	-	(348,894)	-	-
Loss (gain) on sales of investments in subsidiaries	-	-	(75,000,000)	512,228
Gain on sale of investment in jointly-controlled entity	(5,000,000)	-	-	-
Gain on sales of investments in associates	(180,440,613)	-	(428,109,182)	-
Gain on sales of other long-term investments	-	(924,803)	-	(4,603)
Gain from liquidation of investments in subsidiaries	-	-	-	(82,095)
Gain from liquidation of other long-term investments	-	(184,680)	-	(184,680)
Loss from deconsolidation of subsidiaries	-	2,354,861	-	-
Loss (gain) on disposals of property, plant and equipment and intangible assets	1,606,835	(8,219,301)	(1,813,290)	(2,908,054)
Share of profit from investments in jointly-controlled entities and associates	(738,788,866)	(701,169,890)	-	-
Exchange differences on translation of the financial statements of foreign operations	379,359	(505,036)	-	-
Income tax expense	105,083,810	114,749,621	-	-
	248,441,513	299,962,844	(405,860,561)	(266,394,473)

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



# Statements of cash flows

## Loxley Public Company Limited and its Subsidiaries

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
<i>(in Baht)</i>				
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivable	(1,363,903,857)	320,289,645	(388,627,259)	179,115,177
Unbilled trade accounts receivable	1,263,365,088	(1,399,300,879)	(463,966,665)	177,085,925
Retentions receivable	(28,315,171)	(6,171,901)	(25,136,519)	(6,171,901)
Inventories	(48,808,301)	73,331,579	(69,509,462)	(76,146,081)
Advances paid to suppliers	61,707,458	(78,989,123)	101,199,561	(141,047,732)
Other current assets	147,200,105	58,396,337	(33,268,032)	90,208,729
Other non-current assets	2,965,272	3,867,032	2,958,756	(806,902)
Trade and other accounts payable	62,337,274	(825,620,438)	279,020,820	(416,444,725)
Advances received from customers	170,178,915	73,877,239	126,507,377	146,864,237
Employees' provident fund	(706,755)	(24,234,302)	(706,755)	(24,234,302)
Employee benefit obligations	48,714,527	40,545,499	9,783,950	22,526,446
Other current liabilities	382,299,710	38,266,425	185,810,645	(81,347,131)
Withholding tax deducted at source refunded	35,711,460	42,203,426	32,955,293	32,338,828
Income tax and withholding tax deducted at source paid	(215,059,155)	(244,011,788)	(31,990,562)	(33,019,730)
<b>Net cash provided by (used in) operating activities</b>	<b>766,128,083</b>	<b>(1,627,588,405)</b>	<b>(680,829,413)</b>	<b>(397,473,635)</b>
<i>Cash flows from investing activities</i>				
Interest received	12,216,436	10,146,178	6,744,068	3,524,790
Dividends received	828,058,940	374,131,678	861,891,519	581,727,850
Decrease (increase) in current investments	(59,094,894)	3,556,310	(2,528,340)	-
Effect on cash flow from acquisition of a subsidiary	1,678,658	-	-	-
Effect on cash flows from sales and deconsolidation of subsidiaries	-	(5,242,042)	-	-
Increase in investments in subsidiaries	-	-	(177,459,757)	(30,539,168)
Increase in investment in jointly-controlled entities	(30,000,000)	(24,999,950)	(5,000,000)	-
Increase in investments in associates	(79,242,807)	(12,558,000)	(72,100,000)	(12,558,000)
Increase in other long-term investments	-	(10,000,000)	-	(10,000,000)
Increase in short-term loans to related parties	(9,180,000)	(11,220,000)	(24,180,000)	(16,220,000)

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

# Statements of cash flows

## Loxley Public Company Limited and its Subsidiaries

		Consolidated financial statements  For the year ended 31 December		Separate financial statements  For the year ended 31 December	
	Note	2013	2012	2013	2012
(in Baht)					
Increase in short-term loans to other party		(16,781,301)	-	-	-
Cash dividends of subsidiaries paid to non-controlling interests		(7,219,956)	(6,886,450)	-	-
Increase in property, plant and equipment		(289,641,752)	(194,015,790)	(89,798,892)	(41,514,667)
Increase in intangible assets		(9,986,167)	(21,579,405)	(8,313,369)	(6,971,531)
Proceeds from sales of investments in subsidiaries		95,000,000	10,017,422	95,000,000	1,017,422
Proceeds from sale of investment in jointly-controlled entity		5,000,000	-	-	-
Proceeds from sales of investments in associates		618,196,682	-	618,196,682	-
Proceeds from sales of other long-term investments		-	20,934,803	-	14,603
Proceeds from liquidation of a subsidiary		-	-	-	82,095
Proceeds from liquidation of other long-term investments		-	184,680	-	184,680
Proceeds from paid-up share capital of non-controlling interests		35,000,000	8,000,000	-	-
Proceeds from sales of property, plant and equipment and intangible assets		13,175,462	13,420,469	4,428,808	4,152,203
Net cash provided by investing activities		1,107,179,301	153,889,903	1,206,880,719	472,900,277
<i>Cash flows from financing activities</i>					
Finance costs paid		(217,126,034)	(235,171,329)	(83,068,069)	(95,682,959)
Dividends paid to owners of the Company		(200,045,230)	(150,000,000)	(200,045,230)	(150,000,000)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		(950,210,721)	1,258,451,515	(67,902,792)	(154,632,195)
Increase in short-term loans from related parties		7,696,064	3,500,000	153,000,000	49,000,000
Increase (decrease) in short-term loans from other party		6,030,885	(2,319,709)	-	-
Increase in long-term liabilities		33,782,000	524,590,000	-	200,000,000
Repayment of long-term liabilities		(353,152,837)	(343,307,808)	(300,845,311)	(106,451,928)
Net cash provided by (used in) financing activities		(1,673,025,873)	1,055,742,669	(498,861,402)	(257,767,082)
Net increase (decrease) in cash and cash equivalents		200,281,511	(417,955,833)	27,189,904	(182,340,440)
Cash and cash equivalents at 1 January		558,287,392	976,243,225	61,499,654	243,840,094
Cash and cash equivalents at 31 December	7	758,568,903	558,287,392	88,689,558	61,499,654

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

# Notes to the financial statements

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Executive Board of Directors on 26 February 2014.

## 1 General information

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

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

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

The principal businesses of the Company are trading and turnkey contract sales of telecommunication equipment and other items; and providing food service. Active subsidiaries mainly engage in their core businesses of trading, sales and services of computers, sales of consumer products and others services. Details of the Company's subsidiaries as at 31 December 2013 and 2012 were as follows:

Name of the entity	Type of Business	Ownership interest (%)	
		2013	2012
Direct subsidiaries			
Data Mining Co., Ltd.	Service of information technology equipment and computer systems	99	99
Loxbit Public Company Limited	Trading of telecommunication equipment, computers and computer programs	99	99
Loxley Joint and Hold Co., Ltd.	Holding company	99	99
Loxley Mobile Company Limited	Sale and service of various prepaid electronics cash card	99	99
L Food Solutions Company Limited	Provide food service	99	99
Loxley Intertrade (Guangzhou) Co., Ltd.	Trading in the People's Republic of China	99	99
L Green Solution Company Limited	Provide alternative energy source of all types, selling electricity and gas, and waste management	99	99
Loxley Wireless Public Company Limited (Formerly: Loxley Wireless Company Limited)	Sale and service of telecommunication and information technology systems	80	99
Green Natural Products Co., Ltd.	Manufacture and distribute citrus essential oil	75	-
Asia Security Management Co., Ltd.	Provide security service at Suvarnabhumi Airport and others	69	69
Loxley Property Development Co., Ltd.	Renting of building, advertising board and providing services	66	66
Parts Zone (Thailand) Co., Ltd.	Trading in automotive parts and equipment	64	64
Societe Commercial Lao	Trading in Lao People's Democratic Republic	62	62

Name of the entity	Type of Business	Ownership interest (%)	
		2013	2012
L Force 1 Co., Ltd.	Supply, manufacture and sell of shooting stimulation for fixed shooting and trapshooting	60	60
Loxley Global Co., Ltd.	Holding company	51	51
Loxley Trading Company Limited	Sale of consumer products	50	50
<i>Indirect subsidiaries</i>			
Professional Computer Company Limited	Supply, maintenance and set up of work system, installation of computers and management of computerised center	99	99
Loxbit PA Public Company Limited	Telecommunication and computerised database service	99	99
NetOne Network Solution Co., Ltd.	Trading of computer, computer spare parts and equipment, of all types	99	99
Thai Gateway Company Limited	Trading of telecommunication equipment	99	99
L Hardware & Services Co., Ltd.	Installation and repair of IT equipment, sale of computers and peripherals	99	99

The above direct subsidiaries and indirect subsidiaries were incorporated in Thailand except Societe Commercial Lao which was incorporated in Lao People's Democratic Republic and Loxley Intertrade (Guangzhou) Co., Ltd. which was incorporated in the People's Republic of China.

## 2 Basis of preparation of the financial statements

### (a) *Statement of compliance*

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

The FAP has issued the following new and revised TFRS relevant to the Group's/Company's operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

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

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 39.

**(b) Basis of measurement**

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

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

**(c) Functional and presentation currency**

The financial statements are presented in Thai Baht which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million, unless otherwise stated.

**(d) Use of estimates and judgements**

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

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

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

Note 4 (r)	Current and deferred taxation
Note 16	Valuation of land
Note 23	Employee benefit obligations

### **3 Changes in accounting policies**

**(a) Overview**

From 1 January 2013, consequent to the adoption of new and revised TFRS and FAP Announcements as set out in note 2, the Group/Company has changed its accounting policies in the following areas:

- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group/Company are included in notes 3(b) to 3(c) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group/Company.

**(b) Accounting for the effects of changes in foreign exchange rates**

From 1 January 2013, the Group/Company has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's/Company's reported assets, liabilities and retained earnings.

(c) *Presentation of information on operating segments*

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group's financial statements.

## 4 Significant accounting policies

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

(a) *Basis of consolidation*

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

*Business combinations*

The Group/Company applies the acquisition method for all business combinations other than those with entities under common control.

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

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

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

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

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

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

*Subsidiaries*

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



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

#### *Loss of control*

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

#### *Associates and jointly-controlled entities*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in associates and jointly-controlled entities are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

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

#### *Transactions eliminated on consolidation*

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

### **(b) Foreign currencies**

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions.

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

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

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

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

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

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Gains or losses from forward exchange contracts used to hedge anticipated currency transactions are recognised when transaction above occurs.

(d) *Cash and cash equivalents*

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

(e) *Trade and other accounts receivable*

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

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

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

(f) *Inventories*

*Merchandise inventories*

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

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

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

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

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

(g) *Investments*

*Investments in subsidiaries, jointly-controlled entities and associates*

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

*Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

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

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

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

#### *Disposal of investments*

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

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

#### **(h) Property, plant and equipment**

##### *Recognition and measurement*

###### *Owned assets*

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

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

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

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

###### *Leased assets*

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

###### *Revalued assets*

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

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

###### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can

be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### *Depreciation*

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

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

Buildings and Improvements	5 - 25 years
Furniture, fixtures and office equipment	3, 5 years
Tools and equipment	3 - 10 years
Equipment held for lease	3, 5 years
Vehicles	5 years

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

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

#### *(i) Intangible assets*

##### *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill.

##### *Other intangible assets*

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

##### *Subsequent expenditure*

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

##### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

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

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

#### *(j) Impairment*

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

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

#### *Calculation of recoverable amount*

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

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

#### *Reversals of impairment*

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

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

#### **(k) Interest-bearing liabilities**

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

#### **(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

#### **(m) Employee benefits**

##### *Defined contribution plans*

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

##### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's/Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is

discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on long term government bond or risk free long term bond that have maturity dates approximating the terms of the Group's/Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

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

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

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

#### *Termination benefits*

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

#### *Short-term employee benefits*

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

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

### **(n) Provisions**

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

#### *Warranties*

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

### **(o) Revenue**

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

#### *Sale of goods and services rendered*

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

#### *Service contracts revenue*

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

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

#### *Rental income*

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

#### *Dividend income*

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established (as declared for dividend date).

#### *Interest income*

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

#### **(p) Finance costs**

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

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

#### **(q) Lease payments**

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

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

#### *Determining whether an arrangement contains a lease*

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

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

#### **(r) Income tax**

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

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



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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group/Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

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

**(s) Earnings per share**

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

**(t) Segment reporting**

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

## **5 Acquisitions and disposals of subsidiaries**

As the Board of Directors meeting's resolution on 18 December 2012 approved the sale of 200,000 shares (20% interest) in Loxley Wireless Company Limited, a subsidiary, to directors and management of the subsidiary in order to promote business alliance and support long term operation at Baht 475 per share, totaling Baht 95 million (the offered price is higher than the subsidiary's net book value as of 30 September 2012), the transaction was disclosed to Stock Exchange of Thailand on the same date. Subsequently, in January 2013 the Company sale investment according to the resolution with gain on sales of the investment in consolidated financial statements amounting to Baht 54.8 million which was recorded under "change in percentage of holding in subsidiaries and associates" in other components of equity and amounting to Baht 75 million in separate financial statements which was recorded under "gain on sales of investments" in statements of income. The transaction regarding sale of the investment caused the Company's percentage of shareholding in Loxley Wireless Company Limited decreased from 99% to 80%. Subsequently, in March 2013 Loxley Wireless Company Limited increased its authorised share capital and fully paid-up share capital from Baht 100 million to Baht 275 million. The Company paid up the increase share capital of its 80% interest amounting to Baht 140 million. Moreover, in July 2013, Loxley Wireless Company Limited, a subsidiary of the Company, has processed the following matters:

- (1) Transform into public company by changing its name from "Loxley Wireless Company Limited" to "Loxley Wireless Public Company Limited"
- (2) Change its registered par value from Baht 100 per share to Baht 1 per share, which increased the subsidiary's registered share from 2,750,000 shares to 275,000,000 shares
- (3) Increase its registered share capital from Baht 275 million (275,000,000 share par value Baht 1 per share) to Baht 368 million (368,000,000 share par value Baht 1 per share)

The subsidiary has registered the transformation and increased its authorised share capital with Ministry of Commerce on 8 July 2013.

In January 2013, Loxley Intertrade (Guangzhou) Co., Ltd., a subsidiary of the Company, called for additional paid-up in share capital from 60% to 100%. The Company paid up the increase in share capital amounting to USD 64,000 (equivalent to Baht 2 million). As at 31 December 2013, the subsidiary has authorised and fully paid-up share capital amounting to USD 160,000 (equivalent to Baht 5 million). The Company's percentage of shareholding in the subsidiary remains at 99%.

In March 2013, the Company purchased 30,000 shares of Green Natural Products Co., Ltd., from major shareholder of the Company, 75% interest of paid-up share capital, amounting to Baht 13.5 million (the bidding price is approximately equivalent to net book value of the subsidiary as at 31 January 2013). The subsidiary has authorised and fully paid-up share capital amounting to Baht 4 million and operates in manufacturing and distributing citrus essential oil. The Company held 75% of shares and voting right in the subsidiary and included the subsidiary's financial statements in the consolidated financial statements for the three-month and nine-month periods ended 31 December 2013. The consolidation of such entity does not have any material impact on the consolidated financial statements.

In July 2013, Data Mining Co., Ltd., a subsidiary of the Company, increased the authorised and fully paid up share capital from Baht 8 million to Baht 20 million. The Company purchased the increase share capital of Baht 12 million at par value. As at 31 December 2013, the Company's percentage of holding in the subsidiary remains at 99%.

In August 2013, L Food Solutions Company Limited, a subsidiary of the Company, increased the authorised and fully paid up share capital from Baht 10 million to Baht 20 million. The Company purchased the increase share capital of Baht 10 million at par value. As at 31 December 2013, the Company's percentage of holding in the subsidiary remains at 99%.

## 6 Related parties

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

Significant relationships with related parties were as follows:

Name of entities	Nature of relationships
<i>Major shareholder</i>	
Ekpavee Company Limited	A major shareholder, 28% shareholding of the Company, common director
<i>Direct Subsidiaries</i>	
Loxbit Public Company Limited	A direct subsidiary, 99% shareholding, common director
Data Mining Co., Ltd.	A direct subsidiary, 99% shareholding, common director
Loxley Joint and Hold Co., Ltd.	A direct subsidiary, 99% shareholding, common director
Loxley Mobile Company Limited	A direct subsidiary, 99% shareholding, common director
L Food Solutions Company Limited	A direct subsidiary, 99% shareholding, common director
Loxley Intertrade (Guangzhou) Co., Ltd.	A direct subsidiary, 99% shareholding, common director
L Green Solution Company Limited	A direct subsidiary, 99% shareholding, common director

Name of entities	Nature of relationships
Loxley Wireless Public Company Limited (Formerly: Loxley Wireless Company Limited)	A direct subsidiary, 80% shareholding, common director
Green Natural Products Co., Ltd.	A direct subsidiary, 75% shareholding, common director
Asia Security Management Co., Ltd.	A direct subsidiary, 69% shareholding, common director
Loxley Property Development Co., Ltd.	A direct subsidiary, 66% shareholding, common director
Parts Zone (Thailand) Co., Ltd.	A direct subsidiary, 64% shareholding, common director
Societe Commercial Lao	A direct subsidiary, 62% shareholding, common director
L Force 1 Co., Ltd.	A direct subsidiary, 60% shareholding, common director
Loxley Global Co., Ltd.	A direct subsidiary, 51% shareholding, common director
Loxley Trading Company Limited	A direct subsidiary, 50% shareholding, common director
<i>Indirect subsidiaries</i>	
Loxbit PA Public Company Limited	An indirect subsidiary, 99% shareholding, common director
NetOne Network Solution Co., Ltd.	An indirect subsidiary, 99% shareholding, common director
Thai Gateway Company Limited	An indirect subsidiary, 99% shareholding, common director
Professional Computer Company Limited	An indirect subsidiary, 99% shareholding, common director
L Hardware & Services Co., Ltd.	An indirect subsidiary, 99% shareholding, common director
<i>Direct jointly-controlled entity</i>	
L S Technology Solutions Company Limited	A direct jointly-controlled entity, 50% shareholding, common director
<i>Indirect Jointly-controlled entities</i>	
Loxley & AIT Holding Co., Ltd.	An indirect jointly-controlled entity, 40% shareholding, common director
Andaman Submarine Cable Co., Ltd.	An indirect jointly-controlled entity, 22% shareholding, common director
<i>Direct associates</i>	
Oriental Post Co., Ltd.	A direct associate, 50% shareholding, common director
L Solar 1 Co., Ltd.	A direct associate, 45% shareholding, common director
Thai Fiber Optics Company Limited	A direct associate, 40% shareholding, common director
Guardfire Limited	A direct associate, 30% shareholding, common director
Thanthiya Technology Co., Ltd.	A direct associate, 30% shareholding, common director
Mobile Innovation Co., Ltd.	A direct associate, 27% shareholding, common director
Foseco (Thailand) Limited	A direct associate, 26% shareholding, common director
NS BlueScope (Thailand) Limited (Formerly: BlueScope Steel (Thailand) Limited)	A direct associate, 20% shareholding, common director
NS BlueScope Lysaght (Thailand) Limited (Formerly: BlueScope Lysaght (Thailand) Limited)	A direct associate, 20% shareholding, common director
BlueScope Building (Thailand) Limited	A direct associate, 20% shareholding, common director
Loxley GTECH Technology Co., Ltd.	An associate, 35% shareholding (direct and indirect), common director

Name of entities	Nature of relationships
<i>Indirect associates</i>	
Postique Co., Ltd.	An indirect associate, 50% shareholding, common director
BP-Castrol (Thailand) Limited	An indirect associate, 40% shareholding, common director
Ecartstudio Company Limited	An indirect associate, 30% shareholding, common director
Wisdom Vast Company Limited	An indirect associate, 30% shareholding
MOCAP Limited	An indirect associate, 25% shareholding
<i>Key management personnel</i>	
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
<i>Other related parties</i>	
Thanakorn Vegetable Oil Co., Ltd.	A related party, shareholding by the major shareholder, common director
L-Elevator and Engineering Co., Ltd.	A related party, shareholding by the major shareholder, common director
L-Mobile and Computer Co., Ltd.	A related party, shareholding by the major shareholder, common director
General Aviation Co., Ltd.	A related party, shareholding by the major shareholder, common director
L-TAG Technologies Company Limited	A related party, shareholding by the major shareholder, common director
Zin Suapah Company Limited	A related party, shareholding by the major shareholder, common director
L Business Process Outsourcing Co., Ltd.	A related party, shareholding by the major shareholder, common director
LOC Thai Joint Stock Company	A related party, shareholding by the major shareholder, common director
Loxley International Company Limited	A related party, shareholding by Company's director, common director
Law Enforcement Technology Solutions Co., Ltd.	A related party, shareholding by Company's director, common director
LTS Travel Service Co., Ltd.	A related party, shareholding by Company's director, common director

The above related parties were incorporated in Thailand except Societe Commercial Lao which was incorporated in Lao People's Democratic Republic, Loxley Intertrade (Guangzhou) Co., Ltd. which was incorporated in the People's Republic of China and LOC Thai Joint Stock Company which was incorporated in the Socialist Republic of Vietnam.

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

Transactions	Pricing policies
Sale of goods and rendering of services	Market prices, contractually agreed prices or third party compatible prices
Sale of investment in subsidiary	Contractually agreed prices
Fees and other income	Market prices or contractually agreed prices
Dividend income	As declared for dividend
Purchase of goods and rendering of services	Market prices, contractually agreed prices or prices agreed by distributors who absorb distribution costs
Selling expenses	Market prices or contractually agreed prices
Administrative expenses	Market prices or contractually agreed prices
Finance costs	Market rates or contractually agreed rates
Key management personnel compensation	Shareholders and/or Board of Directors approve/employment contract

Significant transactions for the years ended 31 December 2013 and 2012 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<b>Subsidiaries</b>				
Sale of goods and rendering of services	-	-	51	109
Fees and other income	-	-	38	26
Dividend income	-	-	410	527
Purchases of goods and rendering of services	-	-	112	27
Selling expenses	-	-	11	8
Administrative expenses	-	-	155	141
<b>Jointly-controlled entities and associates</b>				
Sale of goods and rendering of services	14	18	-	2
Fees and other income	14	17	14	16
Dividend income	-	-	332	181
Purchase of goods and rendering of services	331 <sup>1</sup>	111	331 <sup>1</sup>	109
<b>Other related parties</b>				
Sale of goods and rendering of services	26	12	10	3
Fees and other income	6	12	5	12
Dividend income	7	2	-	-
Purchases of goods and rendering of services	999 <sup>2</sup>	1,257 <sup>2</sup>	14	35
Selling expenses	6	5	6	5
Administrative expenses	44	47	15	15
Key management personnel compensation	229	195	76	65

<sup>1</sup> The amount mainly comprises purchase and installation of project equipments from an associate, totaling Baht 309 million, for the year ended 31 December 2013 in the consolidated and separate financial statements. The pricing policy is based on contractually agreed prices.

<sup>2</sup> The amount mainly comprises a subsidiary's purchase of vegetable oil from a related party totaling Baht 968 million and Baht 1,222 million for the years ended 31 December 2013 and 2012 in the consolidated financial statements, respectively. The pricing policy is based on prices agreed by distributors who absorb distribution costs.

#### **Key management personnel compensation**

Key management personnel compensation comprised:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<b>Year ended 31 December</b>				
Short-term management benefits	219	181	71	58
Long-term management benefits	10	14	5	7
<b>Total</b>	<b>229</b>	<b>195</b>	<b>76</b>	<b>65</b>

Balances as at 31 December 2013 and 2012 with related parties were as follows:

*Trade and other accounts receivable from related parties*

		Consolidated financial statements		Separate financial statements	
Year ended 31 December	Note	2013	2012	2013	2012
(in million Baht)					
Subsidiaries					
Parts Zone (Thailand) Co., Ltd.		-	-	10	11
Loxley Wireless Public Company Limited (Formerly: Loxley Wireless Company Limited)		-	-	1	21
Others		-	-	16	12
Associates					
Loxley GTECH Technology Co., Ltd.	14	220	194	220	194
Others		4	4	2	3
Other related parties					
Others		10	9	4	7
Total		234	207	253	248
Less allowance for doubtful accounts		(222)	(197)	(226)	(194)
Net		12	10	27	54
Bad debts and doubtful debts expense for the year					
		25	27	32	27

*Dividend receivables*

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<b>Subsidiaries</b>				
Loxbit Public Company Limited	-	-	20	-
Parts Zone (Thailand) Co., Ltd.	-	-	1	-
Loxley Wireless Public Company Limited (Formerly: Loxley Wireless Company Limited)	-	-	-	200
<b>Associates</b>				
NS BlueScope (Thailand) Limited (Formerly: BlueScope Steel (Thailand) Limited)	71	-	71	-
L Solar 1 Co., Ltd.	-	5	-	5
<b>Total</b>	<b>71</b>	<b>5</b>	<b>92</b>	<b>205</b>

### Loans to related parties

		Interest rate		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	<i>Note</i>	2013	2012	2013	2012	2013	2012
		<i>(% per annum)</i>		<i>(in million Baht)</i>			
<i>Short-term loans</i>							
<b>Subsidiary</b>							
Loxley Mobile Company Limited		6	6	-	-	20	5
<b>Associate</b>							
Loxley GTECH							
Technology Co., Ltd.	14	6	6	432	423	432	423
<b>Total</b>				<b>432</b>	<b>423</b>	<b>452</b>	<b>428</b>
Less allowance for doubtful accounts				(432)	(423)	(452)	(423)
<b>Net</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
Bad debts and doubtful debts expense for the year				9	11	29	11

Movements during the years ended 31 December 2013 and 2012 of loans to related parties were as follows:

Loans to related parties	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in million Baht)				
Short-term loans				
Subsidiary				
At 1 January	-	-	5	-
Increase	-	-	15	5
Decrease from set up allowance for doubtful accounts	-	-	(20)	-
At 31 December	-	-	-	5
Associate				
At 1 January	-	-	-	-
Increase	9	11	9	11
Decrease from set up allowance for doubtful accounts	(9)	(11)	(9)	(11)
At 31 December	-	-	-	-
Total short-term loans to related parties				
At 1 January	-	-	5	-
Increase	9	11	24	16
Decrease from set up allowance for doubtful accounts	(9)	(11)	(29)	(11)
At 31 December	-	-	-	5



The currency denomination of short-term loans to related parties as at 31 December 2013 and 2012 was denominated entirely in Thai Baht.

*Trade and other accounts payable - related parties*

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<b>Subsidiary</b>				
Loxbit Public Company Limited	-	-	9	-
Others	-	-	12	7
<b>Associate</b>				
NS BlueScope Lysaght (Thailand) Limited (Formerly: BlueScope Lysaght (Thailand) Limited)	83	17	83	17
Others	2	8	2	7
<b>Other related parties</b>				
Thanakorn Vegetable Oil Products Co., Ltd.	117	145	-	-
Others	14	19	4	7
<b>Total</b>	<b>216</b>	<b>189</b>	<b>110</b>	<b>38</b>

*Loans from related parties*

Year ended 31 December	Interest rate		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
<i>(% per annum)</i>			<i>(in million Baht)</i>			
<b>Short-term loans</b>						
<b>Major shareholder</b>						
Ekpavee Company Limited	6	-	7	-	-	-
<b>Subsidiary</b>						
Loxley Joint and Hold Co., Ltd.	2.5	2.5	-	-	220	67
<b>Related parties</b>						
L-Elevator and Engineering Co., Ltd.	5	5	6	4	-	-
Director	-	3	-	2	-	-
<b>Total</b>			<b>13</b>	<b>6</b>	<b>220</b>	<b>67</b>

Movements during the years ended 31 December 2013 and 2012 of loans from related parties were as follows:

*Loans from related parties*

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<i>Short-term loans</i>				
<i>Major shareholder</i>				
At 1 January	-	-	-	-
Increase	7	-	-	-
Decrease	-	-	-	-
At 31 December	7	-	-	-
<i>Subsidiary</i>				
At 1 January	-	-	67	18
Increase	-	-	220	95
Decrease	-	-	(67)	(46)
At 31 December	-	-	220	67
<i>Other related parties</i>				
At 1 January	6	2	-	-
Increase	4	5	-	-
Decrease	(4)	(1)	-	-
At 31 December	6	6	-	-
<i>Total short-term loans from related parties</i>				
At 1 January	6	2	67	18
Increase	11	5	220	95
Decrease	(4)	(1)	(67)	(46)
At 31 December	13	6	220	67

*Significant agreements with related parties*

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

## 7 Cash and cash equivalents

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Cash on hand and cash at banks – current accounts	47	51	12	10
Cash at banks – savings accounts	597	456	58	1
Highly liquid short-term investments	81	51	-	50
Cheque on hand	34	-	19	-
<b>Total</b>	<b>759</b>	<b>558</b>	<b>89</b>	<b>61</b>

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

The currency denomination of cash and cash equivalents as at 31 December 2013 and 2012 was as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Thai Baht (THB)	757	530	88	54
United States Dollars (USD)	2	28	1	7
<b>Total</b>	<b>759</b>	<b>558</b>	<b>89</b>	<b>61</b>

## 8 Deposits pledged as collateral

Certain short-term and long-term fixed deposits and promissory notes at financial institutions have been pledged as collateral for the projects performance. The short-term portion is included as part of current investments, while the long-term is included in other non-current assets. As at 31 December 2013, the pledged deposit amounts to Baht 31 million for the Group (31 December 2012: Baht 29 million).

## 9 Trade and other accounts receivable

		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	<i>Note</i>	2013	2012	2013	2012
<i>(in million Baht)</i>					
Related parties	6	234	207	253	248
Other parties		3,409	2,054	986	580
<b>Total</b>		<b>3,643</b>	<b>2,261</b>	<b>1,239</b>	<b>828</b>
Less allowance for doubtful accounts		(390)	(376)	(282)	(252)
<b>Net</b>		<b>3,253</b>	<b>1,885</b>	<b>957</b>	<b>576</b>
Bad debts and doubtful debts expenses for the year		25	24	33	25

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<b>Related parties</b>				
Within credit terms	3	4	7	41
Overdue:				
Less than 3 months	10	6	22	12
3-6 months	7	7	8	7
6-12 months	19	13	24	13
Over 12 months	195	177	192	175
<b>Total</b>	<b>234</b>	<b>207</b>	<b>253</b>	<b>248</b>
Less allowance for doubtful accounts	(222)	(197)	(226)	(194)
<b>Net</b>	<b>12</b>	<b>10</b>	<b>27</b>	<b>54</b>
 <b>Other parties</b>				
Within credit terms	1,604	1,098	644	315
Overdue:				
Less than 3 months	799	646	258	174
3-6 months	50	49	14	7
6-12 months	792	51	23	28
Over 12 months	164	210	47	56
<b>Total</b>	<b>3,409</b>	<b>2,054</b>	<b>986</b>	<b>580</b>
Less allowance for doubtful accounts	(168)	(179)	(56)	(58)
<b>Net</b>	<b>3,241</b>	<b>1,875</b>	<b>930</b>	<b>522</b>
 <b>Total</b>	<b>3,253</b>	<b>1,885</b>	<b>957</b>	<b>576</b>

Included in trade and other accounts receivable from other parties over the age thresholds of 6 months as at 31 December 2013 and 2012 are amounts receivable from government agencies and state enterprises as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
6-12 months	21	45	10	25
Over 12 months	9	44	4	10
<b>Total</b>	<b>30</b>	<b>89</b>	<b>14</b>	<b>35</b>

The currency denomination of trade and other accounts receivable as at 31 December 2013 and 2012 was as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB)	3,620	2,252	1,216	819
United States Dollars (USD)	23	9	23	9
<b>Total</b>	<b>3,643</b>	<b>2,261</b>	<b>1,239</b>	<b>828</b>

## 10 Short-term loans to other parties

Year ended 31 December	Interest rate		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
	<i>(% per annum)</i>		<i>(in million Baht)</i>			
Former subsidiary	-	3	-	98	-	-
Other parties	7.5	5	27	10	-	-
<b>Total</b>			<b>27</b>	<b>108</b>	<b>-</b>	<b>-</b>
Less allowance for doubtful accounts			-	(98)	-	-
<b>Net</b>			<b>27</b>	<b>10</b>	<b>-</b>	<b>-</b>

Movements during the years ended 31 December 2013 and 2012 of the short-term loans to other parties was as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Short-term</b>				
<b>Other parties</b>				
At 1 January	10	10	-	-
Increase	27	-	-	-
Write-off loans previous fully provided allowance	(98)	-	-	-
Reverse allowance for doubtful accounts	98	-	-	-
Decrease	(10)	-	-	-
<b>At 31 December</b>	<b>27</b>	<b>10</b>	<b>-</b>	<b>-</b>

The Group's and Company's short-term loans to other parties as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

## 11 Inventories

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Merchandise inventories	643	590	294	267
Project equipment and project in progress	591	675	73	106
Goods in transit	89	14	82	13
<b>Total</b>	<b>1,323</b>	<b>1,279</b>	<b>449</b>	<b>386</b>
<i>Less allowance for decline in value</i>	<i>(46)</i>	<i>(46)</i>	<i>(28)</i>	<i>(28)</i>
<b>Net</b>	<b>1,277</b>	<b>1,233</b>	<b>421</b>	<b>358</b>

## 12 Other current assets

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Advance to employees	59	26	25	6
Value added tax	38	156	5	-
Prepaid expenses	26	30	9	6
Promotion receivables	24	88	-	-
Accrued income	25	17	22	15
Others	38	40	13	14
<b>Total</b>	<b>210</b>	<b>357</b>	<b>74</b>	<b>41</b>

## 13 Investments in subsidiaries

	Separate financial statements	
	2013	2012
<i>(in million Baht)</i>		
At 1 January	1,771	1,742
Acquisition	178	30
Allowance for impairment	(45)	-
Disposal	(20)	(1)
<b>At 31 December</b>	<b>1,884</b>	<b>1,771</b>

Investments in subsidiaries as at 31 December 2013 and 2012 and dividend income for years ended were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in million Baht)											
Subsidiary	(%)											
Data Mining Co., Ltd.	99	99	20 million Baht	8 million Baht	20	8	-	-	20	8	-	-
Lobxbit Public Company Limited	99	99	375 million Baht	375 million Baht	401	401	-	-	401	401	20	40
Lobxley Joint and Hold Co., Ltd.	99	99	1,000 million Baht	1,000 million Baht	1,000	1,000	-	-	1,000	1,000	381	179
Lobxley Mobile Company Limited	99	99	20 million Baht	20 million Baht	20	20	(20)	-	-	20	-	-
L Food Solutions Company Limited	99	99	20 million Baht	10 million Baht	20	10	-	-	20	10	-	-
Lobxley Intertrade (Guangzhou) Co., Ltd.	99	99	0.16 million USD	0.06 million USD	5	3	-	-	5	3	-	-
L Green Solution Company Limited	99	99	2.5 million Baht	2.5 million Baht	2	2	-	-	2	2	-	-
Lobxley Wireless Public Company Limited (Formerly: Lobxley Wireless Company Limited)	80	99	275 million Baht	100 million Baht	220	100	-	-	220	100	-	300
Green Natural Products Co., Ltd.	75	-	4 million Baht	-	14	-	-	-	14	-	-	-
Asia Security Management Co., Ltd.	69	69	100 million Baht	100 million Baht	70	70	-	-	70	70	-	-
Lobxley Property Development Co., Ltd.	66	66	133 million Baht	133 million Baht	91	91	-	-	91	91	3	2
Parts Zone (Thailand) Co., Ltd.	64	64	25 million Baht	25 million Baht	16	16	-	-	16	16	1	1
Societe Commercial Lao	62	62	4,135 million Kip	4,135 million Kip	19	19	(19)	(6)	-	13	-	-
L Force 1 Co., Ltd.	60	60	20 million Baht	20 million Baht	12	12	(12)	-	-	12	-	-
Lobxley Global Co., Ltd.	51	51	99 million Baht	99 million Baht	50	50	(50)	(50)	-	-	-	-
Lobxley Trading Company Limited	50	50	50 million Baht	50 million Baht	25	25	-	-	25	25	5	5
			1,985	1,827	(101)	(56)	1,884	1,771	410	527		



## 14 Investments in jointly-controlled entities and associates

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<b>Jointly-controlled entities</b>				
At 1 January	32	15	-	-
Acquisitions	30	25	5	-
Share of loss from investments	(8)	(8)	-	-
Dividend income	(3)	-	-	-
Decrease	-	-	-	-
<b>At 31 December</b>	<b>51</b>	<b>32</b>	<b>5</b>	<b>-</b>
<b>Associates</b>				
At 1 January	3,634	3,281	1,209	1,197
Acquisition	79	12	72	12
Share of profit from investments	747	709	-	-
Dividend income	(876)	(368)	-	-
Decrease	(438)	-	(190)	-
<b>At 31 December</b>	<b>3,146</b>	<b>3,634</b>	<b>1,091</b>	<b>1,209</b>
<b>Total</b>				
At 1 January	3,666	3,296	1,209	1,197
Acquisition	109	37	77	12
Share of profit from investments	739	701	-	-
Dividend income	(879)	(368)	-	-
Decrease	(438)	-	(190)	-
<b>At 31 December</b>	<b>3,197</b>	<b>3,666</b>	<b>1,096</b>	<b>1,209</b>

In February 2013, a subsidiary paid-up for additional share capital in Loxley & AIT Holdings Co., Ltd., a jointly-controlled entity, amounting to Baht 25 million, with the percentage of holding remains at 50% (indirectly holding by the Group 40%).

In March 2013, the Company sold its 5% interest in NS BlueScope (Thailand) Limited (Formerly: BlueScope Steel (Thailand) Limited) and NS BlueScope Lysaght (Thailand) Limited (Formerly: BlueScope Lysaght (Thailand) Limited), associates of the Company, to non-related party totaling Baht 618 million (net of selling expense of the investment amounting to Baht 32 million), with gain on sales of investments amounting to Baht 180 million in consolidated financial statements and amounting to Baht 428 million in separate financial statements. Sales of the investments caused the Company's percentage of shareholding in those associates decreased from 25% to 20%.

In April 2013, the Company incorporated a new company, L S Technology Solutions Company Limited. The Company paid up share capital of Baht 5 million. The above company is incorporated in Thailand and engages in technology relating in security services. The above company has authorised and fully paid-up share capital amounting to Baht 10 million. The Company held 50% of shares and voting right in the above company. The Company classified this investment as a jointly-controlled entity.

In June 2013, a subsidiary purchased a 30% equity interest in Wisdom Vast Company Limited for Baht 5 million. The said company is incorporated in Thailand and engages in technology services on phone, mobile network and internet, and has an authorised and fully paid up capital of Baht 7 million. The Group classified this investment as an associate.

In March and October 2013, the Company purchased a 20% equity interest in BlueScope Building (Thailand) Limited for Baht 72 million. The said company is incorporated in Thailand and engages in manufacturing, providing and installing on steel buildings, and has an authorised and fully paid up capital of Baht 360 million. The Group classified this investment as an associate.

In October 2013, CKLX Joint Venture registered the dissolution with the Ministry of Commerce.

In December 2013, a subsidiary sold investment in VH Services (Thai) Co., Ltd. to non-related party totaling Baht 5 million with gain on sales of investment amounting to Baht 5 million in consolidated financial statements.

Investments in jointly-controlled entities and associates are based on the audited financial statements as at 31 December 2013 and 2012 except:

NS BlueScope Lysaght (Thailand) Limited (Formerly: BlueScope Lysaght (Thailand) Limited), NS BlueScope (Thailand) Limited (Formerly: BlueScope Steel (Thailand) Limited) and BlueScope Building (Thailand) Limited which have an accounting period ended 30 June. Investments in those associates were recorded by including the financial statements of three and two associates for the years ended 30 June 2013 and 2012, respectively, which were audited by other auditors who have been approved by the Securities and Exchange Commission of Thailand and for the six-month period ended 31 December 2013 and 2012, which had been reviewed, but not audited by auditors. The carrying value of three and two investments in the consolidated financial statements as at 31 December 2013 and 2012 was Baht 1,704 million and Baht 2,062 million, respectively, and the share of their net profit for the six-month period ended 31 December 2013 and 2012 was Baht 160 million and Baht 187 million, respectively. The carrying value of those investments in the separate financial statements as at 31 December 2013 and 2012 was Baht 832 million and Baht 950 million, respectively.



	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(in million Baht)														
	(%)													
Mobile Innovation Co., Ltd.	27	27	184 million Baht	184 million Baht	50	50	18	17	-	-	18	17	-	-
Foseco (Thailand) Limited	26	26	10 million Baht	10 million Baht	3	3	31	24	-	-	31	24	9	14
MOCAP Limited	25	25	61 million Baht	61 million Baht	15	15	2	1	-	-	2	1	-	-
NS BlueScope Lysaght (Thailand) Limited (Formerly: BlueScope Lysaght Thailand) Limited	20	25	600 million Baht	600 million Baht	120	150	233	298	-	-	233	298	16	-
NS BlueScope (Thailand) Limited (Formerly: BlueScope Steel (Thailand) Limited)	20	25	5,000 million Baht	5,000 million Baht	640	800	1,397	1,764	-	-	1,397	1,764	296	125
BlueScope Building (Thailand) Limited	20	-	360 million Baht	-	72	-	74	-	-	-	74	-	-	-
					1,281	1,392	3,146	3,634	-	-	3,146	3,634	876	368
Total					1,336	1,427	3,197	3,666	-	-	3,197	3,666	879	368

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost – net		Dividend income	
					2013	2012	2013	2012	2013	2012		
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(in million Baht)												
(%)												
Jointly-controlled entities												
CKLX Joint Venture	-	25	-	-	-	-	-	-	-	-	3	-
L S Technology Solutions Company Limited	50	-	10 million Baht	-	5	-	-	-	5	-	-	-
					5	-	-	-	5	-	3	-
Associate												
Oriental Post Co., Ltd.	50	50	150 million Baht	150 million Baht	84	84	-	-	84	84	-	20
L Solar 1 Co., Ltd.	45	45	220 million Baht	220 million Baht	99	99	-	-	99	99	-	5
Thai Fiber Optics Company Limited	40	40	100 million Baht	100 million Baht	40	40	-	-	40	40	8	5
Guardfire Limited	30	30	20 million Baht	20 million Baht	6	6	-	-	6	6	-	12
Thanhiya Technology Co., Ltd.	30	30	4 million Baht	4 million Baht	12	12	-	-	12	12	-	-
Mobile Innovation Co., Ltd.	27	27	184 million Baht	184 million Baht	50	50	(35)	(35)	15	15	-	-
Fosoco (Thailand) Limited	26	26	10 million Baht	10 million Baht	3	3	-	-	3	3	9	14
NS BlueScope Lysaght (Thailand) Limited (Formerly: BlueScope Lysaght (Thailand) Limited)	20	25	600 million Baht	600 million Baht	120	150	-	-	120	150	16	-
NS BlueScope (Thailand) Limited (Formerly: BlueScope Steel (Thailand) Limited)	20	25	5,000 million Baht	5,000 million Baht	640	800	-	-	640	800	296	125
BlueScope Building (Thailand) Limited	20	-	360 million Baht	-	72	-	-	-	72	-	-	-
Loxley GTECH Technology Co., Ltd.	18	18	300 million Baht	300 million Baht	55	55	(55)	(55)	-	-	-	-
					1,181	1,299	(90)	(90)	1,091	1,209	329	181
Total					1,186	1,299	(90)	(90)	1,096	1,209	332	181

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

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

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

In January 2010, the Prime Minister appointed a panel to study and examine the facts and legal concerns over the sales of 3-digit and 2-digit online lotteries so as to determine options of and alternatives to the sales of online lotteries within 30 days. As a consequence, the Board issued a letter dated 15 January 2010 to the associate stating that the Board had resolved on 5 January 2010 to delay the commercial launch preparation in accordance with the Board's previous resolution on 4 December 2009 until the Prime Minister's appointed panel could finalise its decision for the Board's consideration. On 30 March 2010, the associate submitted a letter to the GLO requesting that they honor the agreement, and pay for the damages arising from non-compliance. The associate demanded that the GLO urgently comply with the contract, and launch the sales of lotteries. The associate also called for payment for damages incurred due to the operational delay and breach of agreement until the GLO honor the agreement. The demanded payment together with interest must be paid to the associate within 30 days after the GLO received the letter. The associate would, otherwise, take legal action and other measures deemed necessary to protect and enforce its rights. Consequently, on 9 June 2010, the associate was informed in writing by the GLO that GLO, as a government agency operating under the GLO Act, B.E. 2517, must strictly abide by the cabinet resolution and the minister's direction. GLO is aware of the business consequence that the associate has sustained, and has already furnished all relevant facts to those having authorities under the GLO Act for consideration. Once the conclusion is obtained, the associate shall be accordingly informed. GLO strongly hopes that the issue will be resolved in the near future. However, the associate will be able to recover all amounts due under the agreement with the GLO as it proposes to take legal action in consultation with its legal advisors to make GLO honor the agreement and to recover all expenses incurred plus related damages due under the terms of the agreement.

However, as at 31 December 2013 and 2012, the associate did not officially receive any further correspondence from the GLO regarding the project progress, and accordingly could not determine the date of debut sales of lottery. Currently, the associate has taken legal process to enforce GLO to compliance with the agreement. Furthermore, losses of the associate's financial positions have been increasing and operating costs have been rising over the initial budgets. The Company cannot be reliably estimating the effect and the amount of time required to recover its investment in the associate.

In respect of the above, the Company recorded full impairment loss on all remaining balances in respects of such project in the separate financial statements for the years ended 31 December 2013 and 2012 as required by TAS 36 (revised 2009) "Impairment of Assets." The standard provided that when the recoverable amount of an investment is less than its carrying value, the Company must record impairment loss on such investment directly in profit or loss by reducing the investment cost to its recoverable amount. The details are as follows:

Separate financial statements	Investment	Trade receivable (Note 6)	Short-term loans (Note 6)	Total
(in million Baht)				
<i>Balance</i>				
At 1 January 2012	105	167	412	684
Addition	-	27	11	38
At 31 December 2012	105	194	423	722
Addition	-	26	9	35
At 31 December 2013	105	220	432	757
<i>Allowance for doubtful accounts</i>				
At 1 January 2012	105	167	412	684
Addition	-	27	11	38
At 31 December 2012	105	194	423	722
Addition	-	26	9	35
At 31 December 2013	105	220	432	757
<i>Net book value</i>				
At 31 December 2012	-	-	-	-
At 31 December 2013	-	-	-	-

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

As at 31 December 2013 and 2012, the Group recorded additional share of loss over its interest in the associate on the consolidated financial statements, representing 35% interest in the associate. Such share of loss over its interest in the associate is presented as deductions to the trade receivable and short-term loans to the associate. In addition, the Group recorded additional allowance for short-term loans to the associate in the consolidated financial statements. The details are as follows:



Consolidated financial statements	Investment	Trade receivable (Note 6)	Short-term loans (Note 6)	Total
<i>(in million Baht)</i>				
<i>Balance</i>				
At 1 January 2012	105	167	412	684
Addition	-	27	11	38
At 31 December 2012	105	194	423	722
Addition	-	26	9	35
At 31 December 2013	105	220	432	757
<i>Equity loss</i>				
At 1 January 2012	105	143	57	305
Addition	-	-	-	-
At 31 December 2012	105	143	57	305
Addition	-	-	-	-
At 31 December 2013	105	143	57	305
<i>Allowance for doubtful accounts</i>				
At 1 January 2012	-	24	355	379
Addition	-	27	11	38
At 31 December 2012	-	51	366	417
Addition	-	26	9	35
At 31 December 2013	-	77	375	452
<i>Net book value</i>				
At 31 December 2012	-	-	-	-
At 31 December 2013	-	-	-	-

## 15 Other long-term investments

Movements during the years ended 31 December 2013 and 2012 of other long-term investments were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<i>Available-for-sale securities</i>				
At 1 January	246	204	246	204
Valuation adjustment	38	42	38	42
At 31 December	284	246	284	246
<i>General investments</i>				
At 1 January	62	72	25	15
Increase	-	10	-	10
Decrease	-	(20)	-	-
At 31 December	62	62	25	25
<b>Total</b>	<b>346</b>	<b>308</b>	<b>309</b>	<b>271</b>

Other long-term investments as at 31 December 2013 and 2012, and dividend income for the years then ended were as follows:

Consolidated financial statements														
Ownership interest			Paid-up capital		Cost method		Impairment		Unrealised gain from fair value changes		Fair value (Market price of listed securities)/ At cost - net		Dividend income	
2013	2012		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
(in million Baht)														
(%)														
Available-for-sale securities														
- at fair value														
Other party														
Muang Thai Insurance Public														
Company Limited														
5	5		590	590	36	36	-	-	248	210	284	246	-	2
General investments - at cost														
Other related parties														
Thanakorn Vegetable Oil														
Product Co., Ltd.														
7	7		300	300	35	35	-	-	-	-	35	35	7	2
Others														
					13	13	(11)	(11)	-	-	2	2	-	-
Other parties														
					35	35	(10)	(10)	-	-	25	25	7	6
					83	83	(21)	(21)	-	-	62	62	14	8
Total														
					119	119	(21)	(21)	248	210	346	308	14	10

(%)

Separate financial statements														
Ownership interest				Paid-up capital		Cost method		Impairment		Unrealised gain from fair value changes		Fair value (Market price of listed securities)/ At cost - net		Dividend income
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2012
(in million Baht)														
(%)														
Available-for-sale securities														
- at fair value														
Other party														
Muang Thai Insurance Public														
5	5	590	590	36	36	-	-	248	210	284	246	-	2	2
Company Limited														
General investments - at cost														
Other parties														
Total														
71	71	71	71	35	35	(10)	(10)	-	-	25	25	7	6	8
71	71	71	71	35	35	(10)	(10)	248	210	309	271	7	7	8

## 16 Property, plant and equipment

	Consolidated financial statements							
	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
<i>(in million Baht)</i>								
<i>Cost / revaluation*</i>								
At 1 January 2012	462	1,078	376	256	116	89	14	2,391
Additions	1	12	34	10	10	4	122	193
Disposals/written-off	-	(5)	(21)	(10)	-	(15)	(1)	(52)
Transfers in (out)	-	70	4	3	-	1	(78)	-
Decrease from deconsolidation of subsidiaries	-	(4)	(2)	(26)	-	(2)	-	(34)
<b>At 31 December 2012</b>								
and 1 January 2013	463	1,151	391	233	126	77	57	2,498
Additions	10	49	71	29	19	4	108	290
Disposals/written-off	-	(29)	(66)	(19)	(7)	(12)	(1)	(134)
Transfers in (out)	-	117	4	(30)	49	1	(141)	-
<b>At 31 December 2013</b>	<b>473</b>	<b>1,288</b>	<b>400</b>	<b>213</b>	<b>187</b>	<b>70</b>	<b>23</b>	<b>2,654</b>

\* Appraised land as at 31 December 2013 for the Group amounted to Baht 363 million (2012: Baht 363 million), based on the information provided by an independent appraiser and the Department of Lands in 2010.

	Consolidated financial statements							
	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
(in million Baht)								
<i>Accumulated depreciation</i>								
At 1 January 2012	-	696	305	161	104	59	-	1,325
Depreciation charge for the year	-	57	28	32	7	10	-	134
Disposals/written-off	-	(2)	(20)	(15)	-	(15)	-	(52)
Decrease from deconsolidation of subsidiaries	-	(4)	(1)	(24)	-	(1)	-	(30)
<i>At 31 December 2012 and 1 January 2013</i>								
Depreciation charge for the year	-	747	312	154	111	53	-	1,377
Disposals/written-off	-	61	33	35	12	8	-	149
Transfers in (out)	-	(26)	(63)	(14)	(7)	(9)	-	(119)
	-	-	-	(28)	28	-	-	-
<i>At 31 December 2013</i>	-	782	282	147	144	52	-	1,407

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2013 for the Group amounted to Baht 625 million (2012: Baht 699 million).

	Consolidated financial statements							
	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
<i>Net book value</i>								
At 1 January 2012								
Owned assets	462	382	70	48	-	13	14	989
Assets under finance leases	-	-	1	47	12	17	-	77
	462	382	71	95	12	30	14	1,066
<i>(in million Baht)</i>								
At 31 December 2012 and 1 January 2013								
Owned assets	463	404	77	44	-	12	57	1,057
Assets under finance leases	-	-	2	35	15	12	-	64
	463	404	79	79	15	24	57	1,121
<i>(in million Baht)</i>								
At 31 December 2013								
Owned assets	473	506	117	66	-	12	23	1,197
Assets under finance leases	-	-	1	-	43	6	-	50
	473	506	118	66	43	18	23	1,247

	Separate financial statements							
	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress	Total
(in million Baht)								
<i>Cost / revaluation *</i>								
At 1 January 2012	344	424	236	61	-	21	8	1,094
Additions	1	7	21	3	-	1	8	41
Disposals/written-off	-	-	(15)	(8)	-	(2)	-	(25)
Transfers in (out)	-	6	1	-	-	-	(7)	-
At 31 December 2012 and								
1 January 2013	345	437	243	56	-	20	9	1,110
Additions	-	6	47	8	-	1	27	89
Disposals/written-off	-	(10)	(29)	(6)	-	(4)	-	(49)
Transfers in (out)	-	13	3	15	-	1	(32)	-
At 31 December 2013	345	446	264	73	-	18	4	1,150

\* Appraised land as at 31 December 2013 for the Company amounted to Baht 274 million (2012: Baht 274 million), based on the information provided by an independent appraiser and the Department of Lands in 2010.



	Separate financial statements						
	Land	Buildings and improvements	Furniture, fixtures and office equipment	Tools and equipment	Equipment held for lease	Vehicles	Construction in progress
							Total
(in million Baht)							
<i>Accumulated depreciation</i>							
At 1 January 2012	-	339	192	53	-	16	600
Depreciation charge for the year	-	14	15	4	-	2	35
Disposals/written-off	-	-	(13)	(9)	-	(2)	(24)
At 31 December 2012 and 1 January 2013	-	353	194	48	-	16	611
Depreciation charge for the year	-	16	20	7	-	2	45
Disposals/written-off	-	(11)	(27)	(5)	-	(4)	(47)
At 31 December 2013	-	358	187	50	-	14	609
<i>Net book value</i>							
At 1 January 2012	344	85	44	8	-	5	494
At 31 December 2012 and 1 January 2013	345	84	49	8	-	4	499
At 31 December 2013	345	88	77	23	-	4	541

The cost of fully depreciated property, plant and equipment that was still in use as at 31 December 2013 for the Company amounted to Baht 416 million (2012: Baht 431 million).

## 17 Intangible assets

	Consolidated financial statements			Separate financial statements
	Software License	Goodwill	Total	Software License
<i>(in million Baht)</i>				
<i>Cost</i>				
At 1 January 2012	86	58	144	59
Additions	22	-	22	7
Decrease from deconsolidation of subsidiaries	(1)	-	(1)	-
At 31 December 2012 and 1 January 2013	107	58	165	66
Additions	10	-	10	8
At 31 December 2013	117	58	175	74
<i>Accumulated amortisation</i>				
At 1 January 2012	41	58	99	23
Amortisation charge for the year	9	-	9	6
At 31 December 2012 and 1 January 2013	50	58	108	29
Amortisation charge for the year	10	-	10	6
At 31 December 2013	60	58	118	35
<i>Net book value</i>				
At 1 January 2012	45	-	45	36
At 31 December 2012 and 1 January 2013	57	-	57	37
At 31 December 2013	57	-	57	39

## 18 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Withholding taxes deducted at sources	149	150	32	33
Deposits	34	36	34	33
Fixed deposits pledged as collateral	31	28	-	-
Prepaid land rental	16	17	-	-
Others	25	26	18	24
Total	255	257	84	90

## 19 Interest-bearing liabilities

Year ended 31 December	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012

(in million Baht)

<b>Current</b>					
Bank overdrafts					
unsecured		11	161	-	1
Short-term loans from financial institutions					
secured		374	1,748	-	-
unsecured		589	350	103	190
Liabilities under trust receipts					
secured		1,290	955	289	269
<b>Bank overdrafts and short-term loans     from financial institutions</b>		<b>2,264</b>	<b>3,214</b>	<b>392</b>	<b>460</b>
Current portion of long-term loans from financial institutions					
secured		2	2	-	-
unsecured		194	138	140	100
Current portion of finance lease liabilities					
secured		31	40	11	12
<b>Current portion of long-term liabilities</b>		<b>227</b>	<b>180</b>	<b>151</b>	<b>112</b>
Short-term loans from related parties					
unsecured	6	13	6	220	67
Short-term loans from other party					
unsecured		50	44	-	-
		<b>2,554</b>	<b>3,444</b>	<b>763</b>	<b>639</b>
<b>Non-current</b>					
Long-term loans from financial institutions					
secured		-	2	-	-
unsecured		915	1,276	710	1,050
Finance lease liabilities					
secured		39	45	13	16
		<b>954</b>	<b>1,323</b>	<b>723</b>	<b>1,066</b>
<b>Total</b>		<b>3,508</b>	<b>4,767</b>	<b>1,486</b>	<b>1,705</b>

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

As at 31 December 2013, the above loans bear interest at the floating rates ranging from 3.3% to 8.5% p.a. (2012: 3.55% - 7.75% p.a.).

Under the terms of certain agreements of short-term loans, the Group/Company has transferred the right to certain banks for receipt of trade accounts receivable under project works and service contracts.

Under the terms of trust receipts, the Group/Company imported merchandise in trust for the banks. The Group/Company was obligated to maintain the goods or the proceeds from their sale or to hold them ready for repossession by the bank.

#### *Long-term liabilities*

- (a) The above long-term loans bear interest at the rates 5% per annum and MLR -0.5% to MLR-2.35% per annum; and are repayable in installments up to October 2020.
- (b) The Group/Company entered into financial lease agreements for machinery and equipment which are repayable in amounts as specified in the agreements up to April 2017.

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

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Within one year	2,523	3,404	752	627
After one year but within five years	915	1,278	710	1,050
<b>Total</b>	<b>3,438</b>	<b>4,682</b>	<b>1,462</b>	<b>1,677</b>

Secured interest-bearing liabilities as at 31 December 2013 and 2012 were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Land and buildings	18	22	-	-
Trade accounts receivable*	101	166	-	-
<b>Total</b>	<b>119</b>	<b>188</b>	<b>-</b>	<b>-</b>

\* The Group has transferred the right to banks for receipt of trade accounts receivable under project works and service contracts.

### Finance lease liabilities

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

	Consolidated financial statements					
	2013			2012		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in million Baht)</i>					
Within one year	31	5	36	40	5	45
After one year but within ve years	39	3	42	45	3	48
<b>Total</b>	<b>70</b>	<b>8</b>	<b>78</b>	<b>85</b>	<b>8</b>	<b>93</b>

	Separate financial statements					
	2013			2012		
	Principal	Interest	Payments	Principal	Interest	Payments
	<i>(in million Baht)</i>					
Within one year	11	1	12	12	1	13
After one year but within five years	13	1	14	16	1	17
<b>Total</b>	<b>24</b>	<b>2</b>	<b>26</b>	<b>28</b>	<b>2</b>	<b>30</b>

The currency denomination of interest-bearing liabilities as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB)	3,421	4,504	1,399	1,442
United States Dollars (USD)	52	254	52	254
Euro (EUR)	20	7	20	7
Japanese Yen (JPY)	-	1	-	1
Great Britain Pounds (GBP)	-	1	-	1
Swiss Franc (CHF)	15	-	15	-
<b>Total</b>	<b>3,508</b>	<b>4,767</b>	<b>1,486</b>	<b>1,705</b>

## 20 Trade and other accounts payable

		Consolidated financial statements		Separate financial statements	
<i>Year ended 31 December</i>	<i>Note</i>	2013	2012	2013	2012
<i>(in million Baht)</i>					
Related parties	6	216	189	110	38
Other parties		1,847	1,812	537	330
Total		2,063	2,001	647	368

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Thai Baht (THB)	1,882	1,910	508	321
United States Dollars (USD)	156	81	117	41
Euro (EUR)	20	8	17	4
Australian Dollars (AUD)	3	1	3	1
Japanese Yen (JPY)	1	1	1	1
Great Britain Pounds (GBP)	1	-	1	-
<b>Total</b>	<b>2,063</b>	<b>2,001</b>	<b>647</b>	<b>368</b>

## 21 Other current liabilities

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Accrued cost and warranty cost				
Accrued expenses	966	630	304	131
Provision	152	154	16	11
Others	18	-	18	-
<b>Total</b>	<b>133</b>	<b>99</b>	<b>40</b>	<b>50</b>
<b>Total</b>	<b>1,269</b>	<b>883</b>	<b>378</b>	<b>192</b>

## 22 Deferred tax liabilities

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<i>Deferred tax liabilities</i>				
Credit (charge) to other comprehensive income				
At 1 January	115	106	97	88
Available-for-sale investments				
Change in fair value	7	9	7	9
At 31 December	122	115	104	97

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Temporary differences				
- Provisions	232	209	203	180
- Others	125	116	62	69
Loss carrying forward	403	286	366	251
Total	760	611	631	500

The tax losses expire in 2014-2018. The deductible temporary differences do not expire under current tax legislation. The Group/Company did not recognise deferred tax assets because a part of the Group's/Company's income is dividend income which is exempted from tax, so it is not probable that future taxable profit will be available against which the Group/Company can utilise the benefits therefrom.

## 23 Employee benefit obligations

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Statements of financial position obligations for				
Present value of unfunded obligations	429	380	262	252

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012

(in million Baht)

**Movement in employee benefit obligations**

Employee benefit obligations at 1 January	380	334	252	222
Expense recognised in profit or loss during year	54	52	32	30
Benefit paid during year	(5)	(13)	(22)	(8)
Actuarial losses in other comprehensive income	-	7	-	8
Employee benefit obligations at 31 December	429	380	262	252

**Expense recognised in profit or loss**

Current service cost	40	39	22	21
Interest on obligation	14	13	10	9
Total	54	52	32	30

**Actuarial gains and losses recognised in other comprehensive income**

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012

(in million Baht)

**Included in retained earnings**

At 1 January	-	-	-	-
Recognised during the year	-	7	-	8
At 31 December	-	7	-	8

**Principal actuarial assumptions**

Discount rate (%)	3.4 - 4	3.4 - 4	4	4
Future salary increase (%)	3 - 5	3 - 5	5	5
Retirement age (year old)	60	60	60	60



## 24 Share capital

	Par value per share	2013		2012	
		Number	Amount	Number	Amount
	(in Baht)	(million shares / million Baht)			
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	2,000.00	2,000.00	2,000.00	2,000.00
Increase of new shares	1	331.25	331.25	-	-
At 31 December					
- ordinary shares	1	2,331.25	2,331.25	2,000.00	2,000.00
<i>Issued and paid up</i>					
At 1 January					
- ordinary shares	1	2,000.00	2,000.00	2,000.00	2,000.00
Increase of new shares from stock dividend	1	99.95	99.95	-	-
At 31 December					
- ordinary shares	1	2,099.95	2,099.95	2,000.00	2,000.00

At the annual general meeting of shareholders of the Company held on 29 April 2013, the shareholders approved detail of the resolutions as follows;

- (a) The increase of the Company's authorised share capital of Baht 331.25 million, from Baht 2,000 million to Baht 2,331.25 million, results from issuing new 331.25 million ordinary shares at the par value of Baht 1 so as to (1) to pay for stock dividend in the amount not exceeding 100 million share as described in note 35 (b) to the financial statements (2) to issue and offer sale of ordinary share in the amount of 165 million shares to general investor and (3) to issue of warrant in the amount not exceeding 66.25 million units as described in note 25 to the financial statements. The Company registered the increase in authorised share capital with the Ministry of Commerce on 8 May 2013.
- (b) The issuance and offering the sale of ordinary shares in the amount of 165 million shares with a par value of Baht 1 each to general investors (Public Offering). The offering price is not less than par value. However, as at 31 December 2013, the issuance and offering the sales of ordinary shares is in the process of filling with Securities and Exchange Commission of Thailand.

## 25 Warrants

At the annual general meeting of shareholders of the Company held on 29 April 2013, the shareholders approved the issuance of warrants in the amount not exceeding 66.25 million units as follows;

- (a) allocate the warrants in the amount not exceeding 25 million units to the existing shareholders who are entitled to stock dividends at the ratio of 4:1 (4 stock dividend to 1 unit of warrant) or equivalent to 80 existing shares to 1 unit of warrant. The offering price of warrant is of nil.
- (b) allocate the warrants in the amount not exceeding 41.25 million units to the general investors who subscribe for newly issued ordinary shares according to note 24 (b) to the financial statements, at the ratio of 4:1 (4 new shares to 1 unit of warrant). The offering price of warrant is of nil.

As at 31 December 2013, the issuance of warrant is in the process of filling with Securities and Exchange Commission of Thailand.

## 26 Reserves

*Reserves comprise:*

*Appropriations of profit and/or retained earnings*

*Legal reserve*

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

*Other components of equity*

**Currency translation differences**

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

**Fair value changes**

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

**Valuation changes**

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

**Change in percentage of holding in subsidiaries and associates**

Change in percentage of holding in subsidiaries and associates within equity comprises of effect from dilution of percentage of holding of the Company in subsidiaries and associates and difference from changes in parent's ownership interest in subsidiaries that do not result in a loss of control.

**Movements in reserves**

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

## 27 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1*                      Technology
- *Segment 2*                      Trading
- *Segment 3*                      Service

None of other segments meets the quantitative thresholds for determining reportable segments in 2013 or 2012.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before finance costs and income tax expense, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before finance costs and income tax expense is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Technology		Trading		Service		Total reportable segments	
	2013	2012	2013	2012	2013	2012	2013	2012
<i>Year ended 31 December</i>								
	<i>(in million Baht)</i>							
External revenue	10,241	9,714	3,896	3,928	895	607	15,032	14,249
Inter-segment revenue	252	94	97	65	14	172	363	331
<b>Total segment revenue</b>	<b>10,493</b>	<b>9,808</b>	<b>3,993</b>	<b>3,993</b>	<b>909</b>	<b>779</b>	<b>15,395</b>	<b>14,580</b>
Segment profit (loss) before								
finance costs and income tax expense	396	454	(66)	(39)	3	3	333	418
Segment assets	7,281	7,207	1,762	1,481	1,659	1,460	10,702	10,148
<i>Material items of income and expense</i>								
Cost of sales and services	8,794	8,242	3,384	3,404	788	669	12,966	12,315
Selling and administration expenses	1,303	1,113	675	627	118	107	2,096	1,847
Depreciation expense	109	99	20	17	7	7	136	123

## Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2013	2012
	<i>(in million Baht)</i>	
<b>Revenues</b>		
Total revenue from reportable segments	15,395	14,580
Gain on sales investments	185	-
Fees and other income	6	29
	<u>15,586</u>	<u>14,609</u>
Elimination of inter-segment revenue	(363)	(331)
<b>Consolidated revenue</b>	<u><u>15,223</u></u>	<u><u>14,278</u></u>
<b>Profit or loss</b>		
Total profit for reportable segments	333	418
Unallocated amounts:		
- Fees and other income	6	29
- Other corporate expenses	(314)	(278)
Gain on sales investments	185	-
Share of profit from investments	739	701
<b>Consolidated profit before finance costs and income tax expense</b>	<u><u>949</u></u>	<u><u>870</u></u>
<b>Assets</b>		
Total assets for reportable segments	10,702	10,148
Other unallocated amounts	2,628	3,182
<b>Consolidated total assets</b>	<u><u>13,330</u></u>	<u><u>13,330</u></u>
<b>Unallocated total liabilities</b>	<u><u>7,941</u></u>	<u><u>8,528</u></u>

### *Geographical segments*

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

### **Major customer**

Revenues from state enterprises of the Group's all segments represents approximately Baht 6,836 million (2012: Baht 7,404 million) of the Group's total revenues.

## 28 Fees and other income

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Dividend income	14	10	749	716
Management fee income	13	9	18	12
Interest income	12	11	7	3
Rental income	5	8	18	19
Gain on exchange rate	-	31	-	23
Others	65	75	46	61
<b>Total</b>	<b>109</b>	<b>144</b>	<b>838</b>	<b>834</b>

## 29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Employee expenditure	459	422	324	303
Promotion expenses	167	167	51	49
Transportation	64	62	29	27
Travelling expenses	34	34	9	7
Others	41	37	25	21
<b>Total</b>	<b>765</b>	<b>722</b>	<b>438</b>	<b>407</b>

## 30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Employee expenditure	817	717	336	291
Entertainment	98	88	84	77
Provisions for doubtful accounts, declining value in inventories and investments; and written off withholding tax deducted at source	88	17	87	15
Depreciation and amortisation expense	81	70	49	40
Office, equipment and vehicle rental	79	73	106	113
Professional fees	79	53	41	16
Utilities	48	48	26	26
Travelling expense	40	44	30	34
Others	215	184	122	82
<b>Total</b>	<b>1,545</b>	<b>1,294</b>	<b>881</b>	<b>694</b>

## 31 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Salaries, wages, overtimes and bonus	1,809	1,582	517	479
Employees' long-term benefits	103	52	38	30
Welfare	83	76	21	18
Pension and other benefits	44	71	43	36
Contribution to defined benefit plans	40	37	18	18
Others	65	46	9	11
<b>Total</b>	<b>2,144</b>	<b>1,864</b>	<b>646</b>	<b>592</b>

In 2005, the Company established a new contributory funded provident fund covering substantially all employees. This fund was registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership is voluntary upon attaining permanent status. Under the regulations of the fund, members are required to make monthly contributions to the fund at 5% of the members' basic salaries and the Company is required to make monthly contributions to the fund at 5% of the members' basic salaries. The Company will transfer its previous contributory funded provident fund to the new fund within 10 years according to the accounting period. The first transfer of the fund commenced in 2005. However, during 2012, the Company transferred all amount to the new fund.

## 32 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Changes in work in progress and finished goods sold	11,640	11,151	3,617	2,641
Employee benefits expense	2,144	1,864	646	592
Finances cost	216	232	83	96
Promotion expenses	167	167	51	49
Depreciation and amortisation expense	159	143	52	42
Entertainment	120	105	86	78
Transportation expenses	114	106	71	63
Office, equipment and vehicle rental	100	93	125	113
Provisions for doubtful accounts, declining value in inventories and investments; and written off withholding tax deducted at source	88	17	87	15
Professional fee	79	53	41	16
Travelling expenses	77	80	39	40
Utilities	76	72	26	26
Others	249	259	162	135
<b>Total expenses</b>	<b>15,229</b>	<b>14,342</b>	<b>5,086</b>	<b>3,906</b>

### 33 Income tax expense

#### *Income tax recognised in profit and loss*

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Current tax expense	105	115	-	-
Deferred tax expense	-	-	-	-
<b>Total</b>	<b>105</b>	<b>115</b>	<b>-</b>	<b>-</b>

#### *Income tax recognised in other comprehensive income*

Tax (expense) benefit				
Available-for-sale investments	(7)	(9)	(7)	(9)

#### *Reconciliation of effective tax rate*

	Consolidated financial statements			
	2013		2012	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		733		638
Income tax using the Thai corporation tax rate	20	147	23	147
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		(42)		(32)
<b>Total</b>	<b>14</b>	<b>105</b>	<b>18</b>	<b>115</b>

	Separate financial statements			
	2013		2012	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		633		304
Income tax using the Thai corporation tax rate	20	127	23	70
Tax effect of partial income and expenses that are not taxable income or not deductible in determining taxable profit, net		(127)		(70)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Income tax reduction

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

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

### 34 Basic earnings per share

Basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years. The number of ordinary shares outstanding before the stock dividend is adjusted for the proportionate change in the number of ordinary shares outstanding as described in note 35 (b) to the financial statements as if the stock dividend had occurred at the beginning of the earliest period presented, as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht / million shares)</i>				
Profit for the year attributable to equity holders of the Company (basic)	590.27	526.06	633.47	303.72
Number of ordinary shares outstanding (revise for the year 2012)	2,099.95	2,099.95	2,099.95	2,099.95
Basic earnings per share (in Baht)	0.28	0.25	0.30	0.14

### 35 Dividends

At the annual general meeting of shareholders of the Company held on 29 April 2013, the shareholders approved the appropriation of the profit allocation as legal reserves amounting to Baht 41.55 million and approve the dividend payment as follow;

- (a) cash dividend of Baht 0.10 per share, total of Baht 200 million
- (b) stock dividend not exceeding in total of 100 million shares with par value of Baht 1 each, in the ratio of 20 existing shares per 1 stock dividend, or not exceeding in total of Baht 100 million, or equivalent to Baht 0.05 per share

Total dividend rate Baht 0.15 per share, the Company paid cash dividend amount to Baht 200.05 million and stock dividend amount to 99.95 million shares to the shareholders on May 2013.

At the annual general meeting of shareholders of the Company held on 30 April 2012, the shareholders approved the appropriation of dividends of Baht 0.075 per share, amounting to Baht 150 million.

### 36 Financial instruments

#### Financial risk management policies

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



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

#### *Capital management*

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

#### *Interest rate risk*

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

#### *Foreign currency risk*

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

At 31 December 2013 and 2012, the Group/Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
<i>(in million Baht)</i>					
<i>United States Dollars (USD)</i>					
Cash and cash equivalent	7	2	28	1	7
Trade and other accounts receivable	9	23	9	23	9
Interest-bearing liabilities	19	(52)	(254)	(52)	(254)
Trade and other accounts payable	20	(156)	(81)	(117)	(41)
<i>Euros (EUR)</i>					
Interest-bearing liabilities	19	(20)	(7)	(20)	(7)
Trade and other accounts payable	20	(20)	(8)	(17)	(4)
<i>Australian Dollars (AUD)</i>					
Trade and other accounts payable	20	(3)	(1)	(3)	(1)
<i>Great Britain Pounds (GBP)</i>					
Interest-bearing liabilities	19	-	(1)	-	(1)
Trade and other accounts payable	20	(1)	-	(1)	-
<i>Japanese Yen (JPY)</i>					
Interest-bearing liabilities	19	-	(1)	-	(1)
Trade and other accounts payable	20	(1)	(1)	(1)	(1)

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
Swiss Franc (CHF)					
Interest-bearing liabilities	19	(15)	-	(15)	-
Gross statements of financial position					
exposure		(243)	(317)	(202)	(294)
Currency forwards, net		30	37	30	28
Net exposure of liabilities		(213)	(280)	(172)	(266)

#### *Credit risk*

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

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

#### *Liquidity risk*

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

#### *Determination of fair values*

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

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

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

- Short-term foreign currency forward contracts with maturity of shorter than 6 months

Fair values of foreign currency forward contracts are measured at the market rates of forward contracts on the statement of financial position date. The fair values closely approximate the contract values because of short maturity of the contracts.

## 37 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<i>Other commitments</i>				
Unnegotiated letters of credits for goods and supplies				
goods and supplies	663	528	219	68
Purchase orders for goods and services accepted by suppliers	3,281	3,305	1,909	1,500
Purchase forward contracts	32	37	32	28
Selling forward contracts	2	-	2	-
Bank guarantees <i>(for projects performance and customers tender guarantees)</i>	4,891	4,750	2,133	1,822
<b>Total</b>	<b>8,869</b>	<b>8,620</b>	<b>4,295</b>	<b>3,418</b>

The short-term purchase and sale forward contracts of year 2013 will come to maturity within April 2014 (2012: January 2013).

## 38 Contingent liabilities

As at 31 December 2013:

- A subsidiary is subject to a litigation claim as it and three other parties were jointly sued by a customer claiming for wrongful act compensation over alleged violations. The claim for compensation amounted to Baht 37.47 million, of which Baht 27.50 million and Baht 9.97 million are attributable respectively to the principle and 7.5% interest from 30 June 2004 to 30 April 2009. The customer additionally claimed for 7.5% interest to be accrued on top of the principle from 1 May 2009 onwards. On 12 October 2010, the court has suspended consideration of the civil case and temporarily taken the case off its case field in order to await the result of the criminal case which is linked to this case. On 28 December 2010, the court issued judgments to dismiss the criminal case, and the plaintiff did not lodge an appeal within delay appeal request timeframe. The case was then completely terminated. On 18 October 2012, the Court of First Instance issued judgments to dismiss the civil case. However, the plaintiff filed the case to the Court of Appeals. The copy of the plaintiff's appeal was delivered to the subsidiary on 13 July 2013; and the subsidiary submitted its answer to the appeal on 18 July 2013. Consequently, on 17 December 2013, the Court of Appeals issued judgments reaffirmed the judgments of the Court of First Instance. As at 31 December 2013, proceeding in petition to the Supreme Court of plaintiff was underway and the progress was yet to be determined. The management of the Company and its subsidiary believe that the subsidiary is not liable to pay compensation; no provision for such compensation has been set aside in the financial statements.
- Another subsidiary was involved in a lawsuit in 2009 in respect to a claim for compensation of Baht 10 million, by an insurance company of a contractor at Suvarnabhumi International Airport in conjunction with the loss of assets. In October 2012, the Court of First Instance dismissed the case. However, the plaintiff filed the case to the Court of Appeals. As at 31 December 2013, the litigation proceeding in the Court of Appeals was underway and the outcome was yet to be determined. The management of the Company and its subsidiary believe, however, that the subsidiary is not liable to pay compensation and that it will be able to recover in full from its insurer any damages incurred from such litigation should the outcome be otherwise.

### 39 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group/Company has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group's/Company's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

# Auditor Remuneration

## 1. Financial Audit Fees

The Company and its subsidiaries paid annual financial audit fees to audit firm, individual, or related business to the auditor or audit firm in the total amount of Baht 10,247,000.00

## 2. Other Non-audit Fee

- Observation fee in merchandize annihilation: Baht 76,800.00 (Loxley Trading Company Limited)
- Financial information verification service for 2013 consolidated financial statements: Baht 189,500.00

## Other Parties

### Registrar

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Mr. Vichien Thamatrakul	Certified auditor No. 3183 or
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